VODAFONE IDEA LIMITED

(*Formerly Idea Cellular Limited*)

Our Company was incorporated as 'Birla Communications Limited', a public limited company under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on March 14, 1995 and a certificate of commencement of business on August 11, 1995. The name of our Company was changed to 'Birla AT&T Communications Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on May 30, 1996. The name of our Company was subsequently changed to 'Birla Tata AT&T Limited' and a fresh certificate of incorporation was issued by the then Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad ("**RoC**") on November 6, 2001. The name of our Company was changed to 'Idea Cellular Limited' and fresh certificate of incorporation was issued by the RoC on May 1, 2002. Thereafter, the name of our Company was changed to its present name 'Vodafone Idea Limited' and a fresh certificate of incorporation was issued by the RoC on August 31, 2018. For details, including reasons for changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page [●].

Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011, Gujarat, India
Corporate Office: Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 030, Maharashtra, India
Contact Person: Mr. Pankaj Kapdeo, Company Secretary and Compliance Officer
E-mail: shs@vodafoneidea.com; **Tel:** +91 95940 04000; **Website:** www.vodafoneidea.com
Corporate Identity Number: L32100GJ1996PLC030976

OUR PROMOTERS: MR. KUMAR MANGALAM BIRLA, HINDALCO INDUSTRIES LIMITED, GRASIM INDUSTRIES LIMITED, BIRLA TMT HOLDINGS PRIVATE LIMITED, VODAFONE INTERNATIONAL HOLDINGS B.V., AL-AMIN INVESTMENTS LIMITED, ASIAN TELECOMMUNICATION INVESTMENTS (MAURITIUS) LIMITED, CCII (MAURITIUS), INC., EURO PACIFIC SECURITIES LIMITED, VODAFONE TELECOMMUNICATIONS (INDIA) LIMITED, MOBILVEST, PRIME METALS LIMITED, TRANS CRYSTAL LIMITED, OMEGA TELECOM HOLDINGS PRIVATE LIMITED, TELECOM INVESTMENTS INDIA PRIVATE LIMITED, JAYKAY FINHOLDING (INDIA) PRIVATE LIMITED AND USHA MARTIN TELEMATICS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS (HEREINAFTER DEFINED) OF VODAFONE IDEA LIMITED ONLY

ISSUE OF UP TO [●] EQUITY SHARES OF OUR COMPANY OF FACE VALUE ₹10 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹[●] MILLION TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD BY THEM ON THE RECORD DATE (THE "ISSUE"). THE RECORD DATE IS [●], 2019. THE ISSUE PRICE OF THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE [●].

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does the SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the "*Risk Factors*" on page [●].

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and the NSE for listing of the Equity Shares to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. BSE is the Designated Stock Exchange for the Issue.

LEAD MANAGERS TO THE ISSUE					**REGISTRAR TO THE ISSUE**
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. 27, "G" Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: vil.rights@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**DSP Merrill Lynch Limited** Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 6632 8000 E-mail: dg.vodafoneidea_rights@baml.com Investor Grievance E-mail: dg.india_merchantbanking@baml.com Website: www.ml-india.com Contact Person: Anirudh Singh Sankhla SEBI Registration No.: INM000011625	**Morgan Stanley India Company Private Limited** 18F, Tower 2 One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Maharashtra, India Tel: +91 22 6118 1000 E-mail: vodafoneidea_issue@morganstanley.com Investor Grievance E-mail: investors_india@morganstanley.com Website: www.morganstanley.com/about-us/global-offices/asia-pacific/india Contact Person: Vaibhav Gupta SEBI Registration No.: INM000011203	**HDFC Bank Limited** Investment Banking Group Unit No. 401 & 402 4th Floor Tower B Peninsula Business Park Lower Parel Mumbai 400 013 Maharashtra, India Tel: +91 22 3395 8233 E-mail: vodafoneidea.rights@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Contact Person: Ravi Sharma SEBI Registration No.: INM000011252	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: Vil.rights@sbicaps.com Investor Grievance E-mail: Investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Sambit Rath SEBI Registration No.: INM000003531	**Bigshare Services Private Limited** 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri East Mumbai 400 059 Maharashtra, India Tel: +91 22 6263 8200 E-mail: rightsissue@bigshareonline.com Investor Grievance E-mail: vil.investors@bigshareoline.com Website: www.bigshareonline.com Contact Person: Mr. Ashok S Shetty SEBI Registration No.: INR000001385

ISSUE SCHEDULE

ISSUE OPENS ON	**LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS**	**ISSUE CLOSES ON**
[●]	[●]	[●]

[Intentionally left blank]

TABLE OF CONTENTS

SECTION I - GENERAL	**1**
DEFINITIONS AND ABBREVIATIONS	1
NOTICE TO INVESTORS	9
NOTICE TO INVESTORS IN THE UNITED STATES	10
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION	12
FORWARD-LOOKING STATEMENTS	14
SUMMARY OF THE LETTER OF OFFER	15
SECTION II – RISK FACTORS	**20**
SECTION III – INTRODUCTION	**43**
THE ISSUE	43
SUMMARY OF FINANCIAL INFORMATION	44
GENERAL INFORMATION	49
CAPITAL STRUCTURE	58
OBJECTS OF THE ISSUE	88
BASIS FOR ISSUE PRICE	96
STATEMENT OF SPECIAL TAX BENEFITS	98
SECTION IV – ABOUT OUR COMPANY	**101**
INDUSTRY OVERVIEW	101
OUR BUSINESS	118
REGULATIONS AND POLICIES	136
HISTORY AND CERTAIN CORPORATE MATTERS	143
OUR MANAGEMENT	163
OUR PROMOTERS AND PROMOTER GROUP	182
OUR GROUP COMPANIES	206
RELATED PARTY TRANSACTIONS	223
DIVIDEND POLICY	224
SECTION V – FINANCIAL INFORMATION	**225**
RESTATED CONSOLIDATED FINANCIAL INFORMATION	225
PROFORMA CONSOLIDATED FINANCIAL INFORMATION	352
VODAFONE INDIA FINANCIAL STATEMENTS	364
OTHER FINANCIAL INFORMATION	656
STOCK MARKET DATA FOR THE EQUITY SHARES OF OUR COMPANY	658
CAPITALIZATION STATEMENT	660
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY	661
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VODAFONE INDIA	694
FINANCIAL INDEBTEDNESS	715
SECTION VI – LEGAL AND OTHER INFORMATION	**717**
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	717
GOVERNMENT AND OTHER APPROVALS	822
OTHER REGULATORY AND STATUTORY DISCLOSURES	826
SECTION VII: ISSUE INFORMATION	**834**
TERMS OF THE ISSUE	834
RESTRICTIONS ON SUBSCRIPTIONS AND TRANSFERS	870
SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	**880**
SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	**954**
DECLARATION	**956**

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

General Terms

Term	Description
our Company or the Company or the Issuer	Vodafone Idea Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011, Gujarat, India
we or us or our	Our Company together with its Subsidiaries, Joint Ventures and Associate; prior to the Merger, such terms denote Idea Cellular Limited, together with its Subsidiaries, Joint Venture and Associate at such time

Company Related Terms

Term	Description
2017 SHA	Shareholders' agreement dated March 20, 2017, as amended, entered by and among (i) our Company, (ii) the Vodafone Group Shareholders (iii) the ICL Group Shareholders, (iv) Mr. Kumar Mangalam Birla and (v) Vodafone International Holdings B.V.
ABIPBL	Aditya Birla Idea Payments Bank Limited
Affiliate or affiliate	Any person or entity that controls or is controlled by or is under common control with another person or entity. For the purposes of this definition only, the Company includes its Promoters and Promoter Group. The term 'control' shall have the meaning set forth under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Articles or Articles of Association	The articles of association of our Company, as amended
Associate	The associate of our Company, in terms of the applicable accounting standards, being Aditya Birla Idea Payments Bank Limited
Audit Committee	The audit committee of the Board of Directors as described in "*Our Management*" on page [●]
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely M/s. S.R. Batliboi & Associates LLP, Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
CIMPTL	Connect (India) Mobile Technologies Private Limited
Corporate Office	The corporate office of our Company situated at Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 030, Maharashtra, India
CSR Committee	The corporate social responsibility committee of the Board of Directors, as described in "*Our Management*" on page [●]
Director(s)	The director(s) of our Company
Equity Shares	The equity shares of our Company of face value ₹ 10 each.
ESOS 2006	The employee stock option scheme instituted by our Company in 2006, namely, the Employee Stock Option Scheme – ESOS 2006, as amended. For details, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*" on page [●].
ESOS 2013	The employee stock option scheme instituted by our Company in 2013, namely, the Employee Stock Option Scheme – ESOS 2013, as amended. For details, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*" on page [●]
ESOS 2018	The employee stock option scheme approved by our Company in 2018, namely, the Vodafone Idea Limited Employee Stock Option Scheme 2018. The Company has not yet formulated and implemented the employee stock option scheme under ESOS 2018.
ESOS Schemes	The employee stock option schemes instituted by our Company, namely, the ESOS 2006, ESOS 2013 and the ESOS 2018

Term	Description
Group Companies	Companies (other than companies that are our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information as covered under the applicable accounting standards and as specifically disclosed in "*Our Group Companies*" on page [●]
ICL Group Shareholders	Collectively, the following the Aditya Birla group shareholders: (i) Grasim Industries Limited; (ii) Hindalco Industries Limited; (iii) Birla TMT Holdings Private Limited; (iv) Pilani Investment and Industries Corporation Limited; (v) Aditya Birla Nuvo Limited (which has now merged into and with Grasim Industries Limited); (vi) Elaine Investments Pte Ltd; (vii) Oriana Investments Pte Ltd; and (viii) IGH Holdings Private Limited
ICSL	Idea Cellular Services Limited
Idea Cellular or Idea Cellular Limited	Our Company prior to August 31, 2018, being the effective date of the Merger (*i.e.*, not including Vodafone India and VMSL)
Independent Director(s)	The non-executive independent director(s) of our Company
ITL	Idea Telesystems Limited
Joint Ventures	The joint ventures of our Company, being Indus Towers Limited and Firefly Networks Limited
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as specifically disclosed in "*Our Management*" on page [●]
Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended
Merger	The merger of the erstwhile Vodafone India Limited and the erstwhile Vodafone Mobile Services Limited with and into Idea Cellular Limited, effective from August 31, 2018
MCSL	Mobile Commerce Solutions Limited
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors as described in "*Our Management*" on page [●]
Non-executive Director(s)	The non-executive director(s) of our Company
Proforma Consolidated Financial Information	The pro forma financial information of the Company, consisting of the pro forma statement of profit and loss for the nine month period ended December 31, 2018 and the financial year ended March 31, 2018, and related notes to the pro forma financial information as if the Merger had taken place on April 1, 2017 and April 1, 2018, respectively
Promoters	The promoters of our Company, being 1. Mr. Kumar Mangalam Birla; 2. Hindalco Industries Limited; 3. Grasim Industries Limited; 4. Birla TMT Holdings Private Limited; 5. Vodafone International Holdings B.V.; 6. Al-Amin Investments Limited; 7. Asian Telecommunication Investments (Mauritius) Limited; 8. CCII (Mauritius), Inc.; 9. Euro Pacific Securities Limited; 10. Vodafone Telecommunications (India) Limited; 11. Mobilvest; 12. Prime Metals Limited; 13. Trans Crystal Limited; 14. Omega Telecom Holdings Private Limited; 15. Telecom Investments India Private Limited; 16. Jaykay Finholding (India) Private Limited; and 17. Usha Martin Telematics Limited.
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and as disclosed in "*Our Promoters and Promoter Group – Promoter Group*" on page [●]
Registered Office	The registered office of our Company situated at Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011, Gujarat, India
Registrar and Share Transfer Agent	The registrar and share transfer agent of our Company, being Bigshare Services Private Limited
Registrar of Companies or RoC	The erstwhile Registrar of Companies, Gujarat, Dadra & Nagar Haveli and presently known as the Registrar of Companies, Ahmedabad
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, along with our Subsidiaries, Joint Ventures and Associate, as at and for the nine month period ended December 31, 2017 and December 31, 2018 and as at and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 (prepared in accordance with Ind

Term	Description
	AS and Companies Act and restated in accordance with the SEBI ICDR Regulations and the ICAI guidance note) and comprises the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss (including other comprehensive income, restated consolidated statement of changes in equity, the restated consolidated statement of cash flows and notes to the restated consolidated financial information
SCL	Erstwhile Spice Communications Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors as described in "*Our Management*" on page [●]
Subsidiaries	The direct and indirect subsidiaries of our Company as of the date of this Letter of Offer, being: 1. Vodafone m-pesa Limited*; 2. Vodafone Technology Solutions Limited*; 3. Idea Cellular Services Limited; 4. Vodafone India Ventures Limited*; 5. YOU Broadband India Limited*; 6. Idea Telesystems Limited; 7. Mobile Commerce Solutions Limited*; 8. Vodafone India Digital Limited*; 9. Vodafone Business Services Limited*; 10. Vodafone Towers Limited*; 11. Vodafone Foundation*; 12. YOU System Integration Private Limited*; and 13. Connect (India) Mobile Technologies Private Limited* * *These companies became our subsidiaries effective August 31, 2018, pursuant to the Merger* The following companies have ceased to be our subsidiaries in the last three years: 1. Aditya Birla Telecom Limited (merged into our Company with effect from November 30, 2018) 2. Idea Cellular Infrastructure Services Limited (ceased to be a subsidiary from May 31, 2018) 3. Idea Mobile Commerce Services Limited (ceased to exist from February 22, 2018)
VBSL	Vodafone Business Services Limited
VIDL	Vodafone India Digital Limited
VIVL	Vodafone India Ventures Limited
VF	Vodafone Foundation
VMPL	Vodafone m-pesa Limited
VMSL	Erstwhile Vodafone Mobile Services Limited
Vodafone India	Erstwhile Vodafone India Limited
Vodafone Group Shareholders	Collectively, (i) Al-Amin Investments Limited; (ii) Asian Telecommunication Investments (Mauritius) Limited; (iii) CCII (Mauritius), Inc.; (iv) Euro Pacific Securities Limited; (v) Vodafone Telecommunications (India) Limited; (vi) Mobilvest; (vii) Prime Metals Limited; (viii) Trans Crystal Limited; (ix) Omega Telecom Holdings Private Limited; (x) Telecom Investments India Private Limited; (xi) Jaykay Finholding (India) Private Limited; and (xii) Usha Martin Telematics Limited.
VTL	Vodafone Towers Limited
VTSL	Vodafone Technology Solutions Limited
YBIL	YOU Broadband India Limited
YSIPL	YOU System Integration Private Limited

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act
Allotment or to Allot or Allotted	The allotment of the Rights Equity Shares pursuant to the Issue
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	The date on which Allotment is made

Term	Description
Allottee(s)	Person to whom the Rights Equity Shares are Allotted
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an Application for the Rights Equity Shares in terms of this Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application	Application made between the Issue Opening Date and the Issue Closing Date, whether submitted by way of CAF or SAF or on plain paper, to subscribe to the Rights Equity Shares at the Issue Price, including ASBA Applications
ASBA or Application Supported by Blocked Amount	The Application, whether physical or electronic, used by an ASBA Investor to make an application authorizing an SCSB to block the Application Money in an ASBA Account
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Money, as specified in the CAF or plain paper Application, as the case may be
ASBA Applicant or ASBA Investor	In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, only Investors who fulfill all of the following criteria are permitted to apply in the Issue through the ASBA process: (i) hold the Equity Shares in dematerialized form as on the Record Date and have applied towards their Rights Entitlement or additional Rights Equity Shares in the Issue in dematerialized form; (ii) have not renounced their Rights Entitlement in full or in part; (iii) are not Renouncees; and (iv) are applying through a bank account maintained with SCSBs
Bankers to the Issue	Escrow Collection Banks and the Refund Bank
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page [●]
BofAML	DSP Merrill Lynch Limited
CAF or Composite Application Form	The application form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Consolidated Certificate	The certificate that would be issued for the Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time
Demographic Details	Demographic details of Investors available with the Depositories, including address and bank account details
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	(i) Shareholders that have provided an address in India and (ii) foreign corporate and institutional Shareholders in Identified Jurisdictions and hold Equity shares as on the Record Date
Equity Shareholder(s)	Holders of Equity Share(s) of our Company
Escrow Collection Banks	HDFC Bank Limited, Axis Bank Limited and State Bank of India
HDFC Bank	HDFC Bank Limited
Identified Jurisdictions	The jurisdictions provided under "*Identified Jurisdictions*" in "*Restrictions on Subscriptions and Transfer*" on page [●]
Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share including a premium of ₹[●] per Rights Equity Share aggregating up to ₹[●] million by our Company to the Eligible Equity Shareholders on a rights basis of [●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹ [●] million
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	Kotak Mahindra Capital Company Limited, DSP Merrill Lynch Limited, Morgan Stanley India Company Private Limited, HDFC Bank Limited and SBI Capital Markets Limited
Letter of Offer	This letter of offer dated [●], 2019 filed with the Stock Exchanges and the SEBI
Monitoring Agency	State Bank of India

Term	Description
Morgan Stanley	Morgan Stanley India Company Private Limited
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "*Objects of the Issue*" on page [●]
Non-ASBA Investor	All Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	[●]
Refund Bank	HDFC Bank Limited
Registrar or Registrar to the Issue	Bigshare Services Private Limited
Renouncee(s)	Any person who has acquired Rights Entitlement from Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations, the Companies Act and applicable law
Restricted Jurisdiction	All jurisdictions other than India and Identified Jurisdictions
Retail Individual Investor	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹ 200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
Rights Entitlement	[●] Rights Equity Share that an Eligible Equity Shareholder is entitled to apply for under the Issue for every [●] fully paid-up Equity Share(s) held as on the Record Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to the Issue
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Banks or SCSBs	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, and as updated from time to time
Shareholders	Holders of Equity Shares of our Company
Split Application Form(s) or SAF(s)	The application form(s) used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncees in relation to the Rights Equity Shares
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed
Working Day	All days on which commercial banks in Mumbai are open for business

Industry Related Terms

Term	Description
2G	Second generation mobile telecommunication technology
3G	Third generation mobile telecommunication technology
4G	Fourth generation mobile telecommunication technology
5G	Fifth generation mobile telecommunication technology
AGR	Adjusted gross revenue
ARPU	Average revenue per user per month
ARPM	Average realization per minute
BSC	Base station controllers
BTS	Base transmitting stations
BWA	Broadband wireless access
CDMA	Code division multiple access
CMTS	Cellular Mobile Telephone Services
COAI	Cellular Operators Association of India
DoT or Department of Telecommunication	Department of Telecommunications, Ministry of Communications, Government of India
EMF	Electromagnetic field
EMR	Electromagnetic Radiation
FDD	Frequency division duplex
GSM	Global System for Mobile Communication
HD	High definition
ICR	Intra-circle roaming
ILD	International long distance

Term	Description
IoT	Internet of Things
IP	Internet protocol
IRU	Indefeasible right to use
ISP	Internet service provider
IVR	Interactive voice response
ITU	International Telecommunication Union
KYC	Know your customer
LSA	Licensed Service Area
LTE	Long Term Evolution
MSC	Mobile switch centres
MHz	Mega Hertz
MNP	Mobile Number Portability
MTR	Mobile termination rates
MWA	Microwave Access
NIA	Notice Inviting Applications
NLD	National long distance
NTP 2018	National Telecommunications Policy, 2018
OTSC	One Time Spectrum Charges
POIs	Points of interconnection
PPI	Pre-paid payment instrument
RNC	Radio Network Controller
RMS	Revenue market share
SACFA	Standing Advisory Committee on Radio Frequency Allocations of the Wireless Planning and Coordination wing of the Ministry of Communications, Government of India
SIM	Subscriber identification module
SME	Small and medium enterprises
SMS	Short messaging service
SoHo	Small-office home-offices
SRAN	Single Radio Access Network
SUC	Spectrum Usage Charges
TDD	Time Division Duplex
TDSAT	Telecom Disputes Settlement Appellate Tribunal
TERM Cells	Telecom Enforcement Resource and Monitoring Cells of DoT
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997
UAS	Unified Access Service
UBR	Ultra Broadband Radios
UL / Unified License / UASL	Unified Access Service License
VAS	Value added services
VLR	Visitor location register
VNO	Virtual network operators
VoIP	Voice over IP
VoLTE	Voice over LTE / Voice over Long Term Evolution
WPC	The Wireless Planning and Coordination Wing of the Ministry of Communications, Government of India

Conventional/ General Terms

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded annual growth rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Civil Procedure Code or Civil Code	The Code of Civil Procedure, 1908
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013, to the extent notified and the rules thereunder
CrPC	The Code of Criminal Procedure, 1973

Term	Description
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identification Number
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term "FCNR(B) account" under the Foreign Exchange Management (Deposit) Regulations, 2016
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, and the regulations issued thereunder
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017
Foreign Portfolio Investor(s) or FPI(s)	Foreign portfolio investor as defined under the SEBI FPI Regulations
financial year or fiscal year or fiscal or Financial Year	Unless stated otherwise, financial year of our Company ending on March 31 of a particular year
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross domestic product
Government	Government of India or State Government, as applicable
Government of India or GoI	Central government of India
HUF	Hindu undivided family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IND AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPC	The Indian Penal Code, 1860
IT	Information technology
IT Act	The Income-Tax Act, 1961
IUC Amendment Regulations, 2009	Telecommunication Interconnection Usage Charges (Tenth Amendment) Regulations, 2009
IUC Amendment Regulations, 2015	Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015
IUC Amendment Regulations, 2015	Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017
IUC Amendment Regulations, 2018	Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018
LIBOR	London Inter-bank Offered Rate
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchanges
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds based Lending Rate
MICR	Magnetic ink character recognition
MoU	Memorandum of understanding
Mutual Fund or MF	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCD	Non convertible debentures
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

Term	Description
NR or Non-Resident	A person resident outside India, as defined under the FEMA
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PIO	Person of Indian origin, as defined under Foreign Exchange Management (Deposit) Regulations 2016
Portfolio Investment Scheme	Portfolio investment scheme under the FEMA
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rs. or Rupees or INR or ₹	The legal currency of the Republic of India
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Securities Act	The United States Securities Act of 1933, as amended
Supreme Court	The Supreme Court of India
State Government	Government of a state of the Republic of India
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
U.S. QIBs	Qualified Institutional Buyers as defined under Rule 144A
U.S. or United States	United States of America, together with its territories and possessions
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

Notwithstanding the foregoing, capitalized terms in "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Information*", "*Outstanding Litigation and Material Developments*" and "*Main Provisions of Articles of Association*" on pages [●], [●], [●], [●], [●] and [●], respectively, shall have the meaning as ascribed to such terms in such respective sections.

NOTICE TO INVESTORS

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the CAF, any other offering material and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the CAF or any other offering material may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date, (i) who have provided an address in India and (ii) foreign corporate and institutional Shareholders in Identified Jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India and foreign corporate and institutional Shareholders in Identified Jurisdictions, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer or the CAF will not constitute an invitation or offer in those jurisdictions in which it would be illegal to make such an invitation or offer or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India) and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the CAF and other offering material must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the CAF and any other offering material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the CAF or any other offering material in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India).

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without any requirement for the Company or any of its Affiliates or the Lead Managers or their Affiliates to make any registration or filing (other than in India). If such person is (a) in the United States, such person is a U.S. QIB, or (b) outside India and the United States, such person is a corporate Shareholder, and in each case permitted to acquire the Rights Entitlement and the Rights Equity Shares offered in the Issue under the laws of such jurisdiction. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and CAF, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any Restricted Jurisdiction.

Neither the delivery of this Letter of Offer or the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer or the date of such information, as applicable. The contents of this Letter of Offer or the Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers or any of their Affiliates is making any representation to any offeree or purchaser of the

Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Pursuant to the payments bank license granted to ABIPBL dated April 3, 2017, the RBI had directed our Company to amend our Articles of Association to state that any change of shareholding by way of fresh issue or transfer of shares, to the extent of 5% or more in our Company will require the prior approval of the RBI. Subsequently, pursuant to its letter dated June 7, 2017, the RBI had clarified that the Promoters, Promoter Group, or persons acting in concert with the Promoters and the Promoter group will be exempt from the restriction and that the onus of compliance with the above condition is with the shareholders of the Company. Accordingly, Article 74A of the Articles of Association of our Company stipulates that no person or group of persons (other than any Promoter or Promoter Group or persons acting in concert with any Promoter or Promoter Group) shall acquire any shares of the Company which would take the shareholding of such person or group of persons to 5% or more (or any such percentage imposed by the RBI from time to time) of the total issued capital of our Company, unless prior approval of the RBI has been obtained by such person or group of persons.

Pursuant to letters dated February 21, 2019 and March 13, 2019, the RBI has clarified that no prior approval of the RBI is required if the shareholding of a non-promoter shareholder exceeds 5% or more of the post-Issue capital of our Company as a result of their subscription to only their Rights Entitlement. However, a non-promoter shareholder, who intends to acquire shares more than his entitlement under the rights issue through active means such as applying for additional shares and/or acquisition of renounced shares, should assess his likely holdings and if his shareholding is likely to exceed 5% of the post-Issue Equity Share capital of our Company, should approach RBI for approval. For further details on the RBI letters, see "*Government and Other Approvals – Approvals in Relation to the Issue*" on page [●]. See also, "*Terms of the Issue*" on page [●].

Accordingly, it is the responsibility of the Applicant to determine whether their participation in the Issue through subscription to additional Rights Equity Shares or as a Renouncee will result in their post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company and seek approval of the RBI.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND IN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF SUCH SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs) or (B) outside India or the United States, and not a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and CAF only to

Eligible Equity Shareholders who have provided an Indian address to our Company and foreign corporate Shareholders in Identified Jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and (a) is either in India or (b) is in an Identified Jurisdiction (other than the United States) and a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of its jurisdiction, or (ii) it is a U.S. QIB in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the CAF is submitted by a U.S. QIB in the United States); (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States (unless the CAF is submitted by a U.S. QIB in the United States), is from an Identified Jurisdiction and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Letter of Offer are to the Republic of India and all references to the "U.S.", "United States" or "U.S.A." are to the "United States of America".

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all reference to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Restated Consolidated Financial Information. Certain financial data have also been derived from the audited consolidated financial statements of Vodafone India. For further information, see "*Financial Information*" on page [●].

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Restated Consolidated Financial Information included in this Letter of Offer as at and for the nine month periods ended December 31, 2017 and December 31, 2018 and as at and for the Financial Years ended March 31, 2016, March 31, 2017 and March 31, 2018, and have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, as issued by the ICAI. There are significant differences between IndAS, U.S.GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP financial statements has not been provided. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page [●].

All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts (excluding certain operational metrics), as set forth in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages [●], [●] and [●], respectively, and elsewhere in this Letter of Offer have been calculated on the basis of the Restated Consolidated Financial Information. In the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India"*, figures and percentages have been derived from the audited consolidated financial statements of Vodafone India.

Currency of Presentation

All references to "₹ ", "Rs.", "INR" or "Rupees" are to Indian Rupees, the official currency of the Republic of India.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Letter of Offer in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	Exchange rate as on					
	December 31, 2018 (₹)	August 30, 2018 (₹)	March 31, 2018 (₹)[(1)]	December 31, 2017 (₹)[(2)]	March 31, 2017 (₹)	March 31, 2016 (₹)
1 USD	69.79	70.73	65.04	63.93	64.84	66.33
1 GBP	88.55	92.15	92.28	86.07	80.88	95.09

(Source: RBI Reference Rate and www.fbil.org.in)
Note:
(1) Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.
(2) Exchange rate as on December 29, 2017, as RBI reference rate is not available for December 31, 2017 and December 30, 2017 being a Sunday and Saturday respectively.
(3) Exchange rate as on March 15, 2018 was ₹69.21 for 1 USD and ₹91.64 for 1 GBP.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Letter of Offer is reliable, it has not been independently verified by our Company, our Directors, the Lead Managers or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Letter of Offer is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page [●]. Accordingly, no investment decision should be made on the basis of such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page [●] includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, our Directors, nor the Lead Managers nor any of our advisors have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely” “objective”, “plan”, “project”, “seek to”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- our inability to realize the anticipated benefits of our Merger;
- our inability to provide telecommunications or related services that are technologically up to date or keep up with changing consumer preferences;
- our inability to raise additional capital;
- our inability to compete effectively;
- changes in laws and regulations applicable to us;
- any reduction in prices for telecom services;
- any deficiency in the services of third party telecommunication providers;
- our inability to acquire new broadband subscribers;
- our inability to retain services of existing members of our management team and recruit new members for our management team;
- failure to divest certain of our investments; and
- adverse financial market and economic conditions.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” on pages [●], [●] and [●], respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Directors, the Lead Managers nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the Lead Managers will ensure that investors are informed of material developments from the date of this Letter of Offer until the date of Allotment.

SUMMARY OF THE LETTER OF OFFER

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in entirety by, the more detailed information appearing in this Letter of Offer, including the sections "*Risk Factors*", "*The Issue*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages [●], [●], [●], [●], [●], [●], [●] and [●], respectively.

<table>
<tr><td>Primary business of our Company</td><td>We are one of the leading mobile telecommunications operators in India. We are a pan India mobile telecommunications operator offering voice, data, enterprise services and other value added services ("VAS"), including short messaging services, digital services and mobile wallets. All of our mobile telecommunications services, other than voice, are classified as VAS. We provide GSM-based mobile telecommunications services, 3G services and 4G services in all 22 Service Areas in India. All of our 4G sites are VoLTE enabled. We also offer carriage services to other businesses. For further details, see "Our Business" on page [●].</td></tr>
<tr><td>Industry in which our Company operates</td><td>The mobile telecommunications industry is an integral part of the Indian economy and has contributed to the economic growth and the GDP of the country. The mobile telecommunications industry in India is divided into 22 Service Areas – three metro Service Areas, and 19 other Service Areas. As of December 31, 2018, India had a total reported subscriber base of 1,176.0 million and active wireless subscribers on the date of peak VLR of 1,026.4 million. During the financial year 2018, mobile telecommunications operators earned gross revenues of ₹ 1,766,616 million, which excludes wire line revenue of BSNL/MTNL. (Source: TRAI). For further details, see "Industry Overview" on page [●].</td></tr>
<tr><td>Names of the Promoters</td><td>The Promoters of our Company are the following:
1. Mr. Kumar Mangalam Birla;
2. Hindalco Industries Limited;
3. Grasim Industries Limited;
4. Birla TMT Holdings Private Limited;
5. Vodafone International Holdings B.V.;
6. Al-Amin Investments Limited;
7. Asian Telecommunication Investments (Mauritius) Limited;
8. CCII (Mauritius), Inc.;
9. Euro Pacific Securities Limited;
10. Vodafone Telecommunications (India) Limited;
11. Mobilvest;
12. Prime Metals Limited;
13. Trans Crystal Limited;
14. Omega Telecom Holdings Private Limited;
15. Telecom Investments India Private Limited;
16. Jaykay Finholding (India) Private Limited; and
17. Usha Martin Telematics Limited.</td></tr>
<tr><td>Issue size</td><td>Up to ₹ [●] million</td></tr>
<tr><td>Objects of the Issue</td><td>Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:
(₹ in million)
<table>
<tr><th>Particulars</th><th>Amount up to</th></tr>
<tr><td>Payment of certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest)</td><td>187,500*</td></tr>
<tr><td>General corporate purposes</td><td>[●]</td></tr>
<tr><td>Total Net Proceeds**</td><td>[●]</td></tr>
</table>
* Subject to finalization based on determination of the Issue size.
** Assuming full subscription in the Issue. In case of under-subscription in the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds.

For further details, see "Objects of the Issue" on page [●].</td></tr>
<tr><td>Aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of our paid-up Equity Share capital</td><td>71.33% as at December 31, 2018</td></tr>
</table>

Select Financial Information	The details of our Equity Share capital, net worth, total revenue, profit after tax, earnings per Equity Share (basic and diluted), the net asset value per Equity Share and total borrowings as at and for the nine month period ended December 31, 2017 and December 31, 2018 and as at and for the Financial Years ended March 31, 2016, March 31, 2017 and March 31, 2018 derived from the Restated Consolidated Financial Information are as follows:

(₹ million, except per share)

Particulars	As at				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Equity Share Capital	87,354	36,075	43,593	36,053	36,005
Net Worth	942,752	214,868	272,625	247,322	235,505
Net Asset value per Equity Share	73.88	59.56	62.54	68.60	65.41
Total Borrowings	1,236,638	573,428	579,851	550,545	405,413

(₹ million, except earnings per share)

Particulars	For the period / year ended				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Revenue from Operations	253,175	220,834	282,046	355,357	359,494
Profit / (Loss) after Tax	(97,219)	(32,060)	(41,682)	(3,997)	27,281
Earnings per share					
- Basic	(15.42)	(8.95)	(11.36)	(1.23)	7.42
- Diluted	(15.42)	(8.95)	(11.36)	(1.23)	7.40

The following table sets forth the calculation of Total Borrowings:

Particulars	For the period / year ended				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Long Term Borrowings	1,156,078	565,012	569,408	516,378	359,040
Short Term Borrowings	10,906	901	217	347	16,456
Current maturities of long term debt	69,654	7,516	10,226	33,820	29,917
Total Borrowings	**1,236,638**	**573,428**	**579,851**	**550,545**	**405,413**

Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Information	Our Restated Consolidated Financial Information does not contain any qualifications by the Statutory Auditor.
Summary table of outstanding litigation	A summary of the outstanding legal proceedings involving our Company, Subsidiaries, Promoters and Directors as at the date of this Letter of Offer is provided below:

Litigation involving our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)*
Material Civil	Nil	Nil
Criminal		
Our Company	53	2.82
VIL and / or VMSL	55	14.33
Regulatory/Statutory action	126	439,714.28
Tax		
1. Direct Tax		
(a) Our Company	207	15,314.90
(b) Vodafone India	52	15,082.60

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)*
(c) VMSL	352	49,515.45
2. Indirect Tax		
(a) Our Company	196	9,022.31
(b) Vodafone India	50	4,589.54
(c) VMSL	824	33,543.51

* The tax amount involved includes interest and penalty as per the order, wherever applicable and is net of payment under protest

Litigation involving our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Material Civil	Nil	Nil
Criminal	2	0.22
Regulatory/Statutory action	Nil	Nil
Tax*		
Direct Tax	13	347.83
Indirect Tax	93	521.64

* Such amount includes interest and penalty in relation to such indirect tax proceedings

Litigation involving our Promoters

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Material Civil	10	Not quantifiable
Criminal	125	Not quantifiable
Regulatory/Statutory action	279	7,167.90
Tax		
Direct Tax	181	534,380.32
Indirect Tax	700	22,605

Litigation involving our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Material Civil	7	Not quantifiable
Criminal	23	Not quantifiable
Regulatory/Statutory action	Nil	Nil
Tax	Nil	Nil

For further details, see "*Outstanding Litigation and Material Developments*" on page [●].

Risk Factors

For details on certain risks applicable to us, see "*Risk Factors*" on page [●].

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37 from the Restated Consolidated Financial Information as at December 31, 2018:

Particulars	As at December 31, 2018 (₹ million)
Licensing Disputes	239,547
Income Tax Matters	14,123
Sales Tax and Entertainment Tax Matters	1,519
Service Tax / Goods and Service Tax (GST) matters	15,684
Entry Tax and Customs matters	4,707
Other Claims	11,929
Total	**287,509**

For further details on the contingent liabilities of our Company as per Ind AS 37, see "*Restated Consolidated Financial Information – Contingent Liabilities*" on page [●].

Summary of related party transactions

A summary of related party transactions entered into by us with Joint Ventures, entities having significant influence, Associate, Key Managerial Personnel and other related parties as per Ind AS 24 read with SEBI ICDR Regulations from the Restated Consolidated Financial Information as at and for the nine month periods ended December 31, 2017 and December 31, 2018 and for the Financial Years ended March 31, 2016, March 31, 2017 and March 31, 2018 are as follows:

(₹ in million)

Particulars	As at				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Sale of service	892	193	249	178	163
Purchase of service	50,017	30,537	37,972	40,810	35,900
Remuneration*	91	107	74	118	119
Non-Compete Fee	6	11	15	15	15
Director's Commission and sitting fees	3	2	4	155	154
Interest exposure on NCD	-	7	6	9	9
Expense incurred on behalf of related parties	46	-**	-**	1	15
Expense incurred on Company's behalf by related parties	41	-	0		
Dividend paid on Equity Shares	-	-	-	1,340	1,340
Dividend received	2,990	2,657			
Investments	483	-	991	174	2
Sale of Fixed Assets	-	1	2	9	-
Towards Insurance premium (including advance given)	88	345	317	386	0
Contribution towards Gratuity	-	-	-	200	-
Contribution towards CSR	-	-	-	160	-

* 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

For further, see "*Related Party Transactions*" on page [●].

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, the directors of our corporate Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months

Our Promoters, members of our Promoter Group, the directors of our Promoters, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business by a financing entity during the period of six months immediately preceding the date of this Letter of Offer.

<table>
<tr><td>immediately preceding the date of the Letter of Offer</td><td></td></tr>
<tr><td>Average cost of acquisition of Equity Shares of our Promoters</td><td>The average cost of acquisition of Equity Shares held by our Promoters is as follows:
<table>
<tr><th>S.No.</th><th>Name</th><th>Average cost of acquisition per Equity Share (in ₹)</th></tr>
<tr><td>1.</td><td>Mr. Kumar Mangalam Birla</td><td>69.43</td></tr>
<tr><td>2.</td><td>Hindalco Industries Limited</td><td>10</td></tr>
<tr><td>3.</td><td>Grasim Industries Limited</td><td>10</td></tr>
<tr><td>4.</td><td>Birla TMT Holdings Private Limited</td><td>24.59</td></tr>
<tr><td>5.</td><td>Vodafone International Holdings B.V.</td><td>N.A.</td></tr>
<tr><td>6.</td><td>Al-Amin Investments Limited</td><td>51.50#</td></tr>
<tr><td>7.</td><td>Asian Telecommunication Investments (Mauritius) Limited</td><td>51.50#</td></tr>
<tr><td>8.</td><td>CCII (Mauritius) Inc.</td><td>51.50#</td></tr>
<tr><td>9.</td><td>Euro Pacific Securities Limited</td><td>51.50#</td></tr>
<tr><td>10.</td><td>Vodafone Telecommunications (India) Limited</td><td>51.50#</td></tr>
<tr><td>11.</td><td>Mobilvest</td><td>51.50#</td></tr>
<tr><td>12.</td><td>Prime Metals Limited</td><td>51.50#</td></tr>
<tr><td>13.</td><td>Trans Crystal Limited</td><td>51.50#</td></tr>
<tr><td>14.</td><td>Omega Telecom Holdings Private Limited</td><td>51.50#</td></tr>
<tr><td>15.</td><td>Telecom Investments India Private Limited</td><td>51.50#</td></tr>
<tr><td>16.</td><td>Jaykay Finholding (India) Private Limited</td><td>51.50#</td></tr>
<tr><td>17.</td><td>Usha Martin Telematics Limited</td><td>51.50#</td></tr>
</table>
#All the Equity Shares were acquired by the Vodafone Group Shareholders pursuant to the Merger. The cost of acquisition in relation to the Equity Shares held by the Vodafone Group Shareholders is based on the share price of Idea Cellular Limited on August 31, 2018, the effective date of the Merger and excludes its 42% stake in Indus Tower.</td></tr>
<tr><td>Any issuance of Equity Shares in the last one year for consideration other than cash</td><td>Our Company has made the following issuances of Equity Shares in the last one year for consideration other than cash:
<table>
<tr><th>Date of Allotment</th><th>Number of Equity Shares</th><th>Face Value (in ₹)</th><th>Issue Price (in ₹)</th><th>Form of Consideration</th><th>Reason/Nature of Allotment</th></tr>
<tr><td>August 31, 2018</td><td>4,375,199,464</td><td>10</td><td>-</td><td>Other than cash</td><td>Allotment pursuant to the Merger of Vodafone India and VMSL with the Company</td></tr>
</table>
For details, see “Capital Structure – Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company” at page [●].</td></tr>
<tr><td>Any split/consolidation of Equity Shares in the last one year</td><td>Our Company has not split or consolidated the face value of the Equity Shares in the last one year.</td></tr>
<tr><td>Intention and extent of participation by the Promoters and the members of the Promoter Group in the Issue with respect to (a) their Rights Entitlement; and (b) the unsubscribed portion of the Issue over and above their Rights Entitlement</td><td>Pursuant to letters dated [●], our Promoters and Promoter Group, as applicable, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and do not intend to renounce such rights, except to the extent of renunciation within the Promoters and Promoter Group. In addition to subscription to their Rights Entitlements, certain of our Promoters and Promoter Group have reserved the right to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, in whole or in part, up to the extent permitted by the SEBI as specified below.

Pursuant to a letter dated February 15, 2019, the SEBI has permitted our Promoters and Promoter Group to subscribe to additional Rights Equity Shares in the Issue and exceed the maximum non-public shareholding requirement of 75% in order to achieve the minimum subscription requirements in the Issue (90% of the Issue Size) under the SEBI ICDR Regulations. As a result of such additional subscription, the shareholding of our Promoters and Promoter Group may exceed 75% of the post-Issue capital of our Company and our Company will be required to reduce such shareholding of the Promoters and Promoter Group to comply with SCRR within the time period (which is currently within one year from the date of allotment in the Issue) and in the manner specified by the SEBI.</td></tr>
</table>

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country and the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India" on pages [●], [●], [●], [●] and [●], respectively, as well as the financial, statistical and other information contained in this Letter of Offer. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. See "Forward Looking Statements" on page [●].

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associate.

The financial and operational information included in this section represents that of Idea Cellular Limited, on a consolidated basis (i.e., does not include such information for Vodafone India) up to, the effective date of the Merger, August 31, 2018 and thereafter includes such information for our Company on a merged basis.

Risks relating to our business

1. We face several risks associated with the integration of Vodafone India Limited and Vodafone Mobile Services Limited with our Company and if we are unable to realize the anticipated benefits of our Merger, our business, results of operations, financial condition and cash flows may be adversely affected.

In March 2017, a merger between Vodafone India Limited, Vodafone Mobile Services Limited and our Company was announced, through a scheme of amalgamation and arrangement (the "**Idea-Vodafone Scheme**" and such merger, the "**Merger**"), which was effective from August 31, 2018. Consequent to the Merger becoming effective, the internal management of our Company, including the rights and obligations of the Vodafone Group shareholders and Idea Group shareholders is governed by the shareholders agreement and the Articles of Association. For details, please see "*History and Certain Corporate Matters*" on page [●]. The success of the Merger will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the businesses of Vodafone India Limited and Vodafone Mobile Services Limited with that of our Company Integrating companies of such size and complexity will require substantial resources including time, expense and effort from the management. If management's attention is diverted or there are any difficulties associated with integrating such businesses, our results of operations could be adversely affected. In particular, the Merger increases the challenges involved in:

- developing and preserving a uniform culture, values and work environment in our operations;
- recruiting, training and retaining sufficient skilled management and employees;

- obtaining any consents or authorizations that may be required in respect of our integrated operations;
- developing and improving our internal administrative infrastructure, including our financial, operational, technology and communications and other internal systems; and
- challenges on account of integrating the network, service, distribution and operations of the businesses, without impacting customer experience.

Further, in case of mergers and amalgamations, there are post-merger/amalgamation restrictions provided under the guidelines for transfer or merger of various categories of telecommunication service licences or authorisation under Unified License on compromises, arrangements and amalgamation of the companies, notified by the DoT on February 20, 2014, as amended (the "**Merger Guidelines**") in the form of market share and spectrum caps. Under the market share cap, if a proposal results in market share (both, by subscribers (wireline and wireless) and adjusted gross revenue) in any service area exceeding 50%, the resultant entity should reduce its market share to 50% within a period of one year from the date of approval of merger or acquisition or amalgamation. Pursuant to the terms of the DoT approval for our Merger, we are required to reduce the market share in terms of number of subscribers in the licensed service areas of Maharashtra, Haryana, Gujarat, Kerala, Uttar Pradesh (West) and are required to reduce the market share in terms of adjusted gross revenue in Kerala, Maharashtra and Gujarat to the limit of 50% within one year from the date of approval of transfer of licenses. If we fail to reduce our market share to the limit of 50% within the specified period, action may be initiated by the DoT.

Additionally, approvals issued by the DoT in relation to the Merger were subject to certain conditions. Such conditions included, among others, the outcome of certain litigation matters currently pending before the TDSAT, clearing of all demands (past or future) relating to the licenses of the merging entities by our Company and the submission of certain bank guarantees and undertakings by our Company.

In addition, in terms of the order pronounced by the NCLT (Ahmedabad bench) on January 11, 2018 approving the Merger, our Company has given an undertaking to the NCLT dated February 8, 2018 to the effect that upon completion of the Merger, if Vodafone India is finally determined to be a representative assessee in writ petition no. 1942 of 2007 which is pending before the High Court of Bombay ("**Petition**"), then any such income tax liability of Vodafone India as a representative assessee shall be the liability of our Company. For further details, see "*Outstanding Litigation and Material Developments Litigation involving our Company – Other Material Litigation*" on page [●]. We cannot assure you that the Petition and any related tax proceedings will not be determined against Vodafone India or that our Company will not be required to pay all or a portion of the amounts disputed in such proceedings. If such proceedings are determined adversely, they may have an adverse effect on the business, operations and financial condition of our Company.

Even if we are able to successfully combine the businesses and operations, it may not be possible to realize the full benefits of the integration opportunities, the synergies that we currently expect to result from the Merger, or realize these benefits within the time frame that we currently expect. If we are unable to realize the anticipated benefits of the Merger on time, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

In addition, in relation to the telecom infrastructure leased by our Company, Vodafone India Limited and Vodafone Mobile Services Limited, the Merger resulted in certain co-located tenancies, which we converted into a single tenancy. Our arrangements with infrastructure providers provide for a payout on early exit (based on specified formulae) that we may be required to pay. The infrastructure service providers have raised demands for exit charges aggregating to approximately ₹ 30,000 million on account of this change. We have not admitted these demands based on certain interpretations of the Master Service Agreement and have been in discussion with the vendors. Further, we have given notices to the infrastructure providers to exit certain additional sites based on our ongoing network integration plan for which additional demands have not yet been received. We have estimated that the combined settlement amount for tenancy conversion and additional exits undertaken until December 31, 2018 will not exceed ₹ 17,250 million, and accordingly we have accrued such amount towards such exit charges and disclosed as an exceptional item in our consolidated restated statement of profit and loss for the period ended December 31, 2018. If we are unable to negotiate favourable terms, we may be required to incur significant expenditure, which may adversely affect our business, results of operations, financial condition and cash flows.

2. If we do not continue to provide telecommunications or related services that are technologically up to date or keep up with changing consumer preferences, we may not remain competitive, and our business, prospects and results of operations may be adversely affected.

The telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand and behaviour and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in whole or in part in order to sustain our strong competitive position in the Indian mobile telecommunications industry. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose subscribers.

Deployment of new telecom technologies, which may include fifth generation mobile telecom or 5G, in the future may involve significant additional resources including time and costs and thereby could have impact on results of operations, financial condition and cash flows. High-speed data services have emerged as a key competitive factor for customers in India. Technologies such as mobile money payment services, innovative mobile applications, and other technology-based value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies were higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful. Our results of operations would also suffer if our new services and products are not well-received by our subscribers, are not appropriately timed with market opportunities or are not effectively brought to market.

It is possible that the development of technologies, products and services may intensify competition due to the entrance of new competitors or the expansion of services offered by existing competitors. For example, Internet-based services allow users to make calls, send instant messages and provide alternate modes of connectivity. In addition, certain telecommunications operators have started developing and marketing digital content to their customers, while we have chosen not to do so and have instead entered into arrangements with leading digital content developers. Such arrangements may increase our operational expenditure and we cannot predict which of many possible future technologies, products, or services will be important to maintain our competitive position. To the extent we do not keep pace with technological advances or fail to respond in a timely manner to changes in the competitive environment affecting our industry, we could lose market share or experience a decline in our business, prospects and results of operations.

3. We require significant capital to fund our capital expenditure and working capital requirements and if we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected.

We operate in a capital-intensive industry with relatively long gestation periods. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and upgrades, the roll-out of new networks following award of new licenses, spectrum and technological advancements and general corporate purposes. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, future cash flows being less than anticipated, price increases, unanticipated expenses, imposition of taxes, regulatory and technological changes, limitations on spectrum availability, market developments and new opportunities in the industry.

The financing required for such investments may not be available to us on acceptable terms or at all and we may be restricted by our existing or future financing arrangements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect our profitability and other financial measures. If we raise additional funds through the issuance of equity or equity linked instruments, your ownership interest in our Company may be diluted. We have in the past and may continue in the future to rely on financial support from our Promoters, Shareholders and related parties and we cannot assure you that such financial support will continue to be available on acceptable terms or at all. Our ability to finance our capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and market conditions.

Prudential norms, including single and group borrower concentration limits prescribed by the RBI to bank lenders in India may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis, or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of our Service Areas (which may lead to penalties or loss of license). As a result, if adequate amount of capital on favourable terms is not available, there could be an adverse effect on our business, results of operations and prospects.

4. We face intense competition that may reduce our market share and lower our profits.

Competition in the Indian telecommunications industry is intense. We face significant competition from other companies such as Bharti Airtel Limited and Reliance Jio Infocomm Limited. We may also face increased competition as a result of further consolidation among telecom operators in India or if any of our competitors begin to engage in infrastructure or spectrum sharing, or other similar arrangements. Our competitors may be able to offer services at lower prices than us and may be able to bundle services and offer telecom solutions to their customers in ways that we may not be able to provide. We may also face significant competition in the future from new entrants into the Indian telecom sector.

Competition may affect our ability to bid competitively for spectrum that the Government intends to auction, may result in decline in our subscriber base, cause a decrease in realisation rates and ARPU, an increase in subscriber churn and an increase in selling and promotional expenses, all of which could have an adverse effect on our business and results of operations. We have witnessed intense competition in the industry as certain competitors have historically provided aggressive pricing in the market including large scale free services.

We also face competition from internet-based services, such as Skype and WhatsApp, which allow users to, among other things, make calls, send instant messages. The shift from traditional telecom services to internet-based services may result voice and SMS revenues for telecom operators to decline, which may not be fully offset by the increase in revenue resulting from the increased data consumption for using these services. We also face competition from public Wi-Fi providers. As a result of increased competition, we have had to, and may in the future have to offer data and voice services at lower tariff.

Competition may also increase as a result of regulatory developments, such as the Guidelines for grant of unified license (Virtual Network Operators) dated August 31, 2018 issued by the DoT ("**VNO Guidelines**") for the grant of unified licenses to virtual network operators ("**VNOs**"), which, among other things, has broadened the scope of entities eligible to apply for a Unified License, or DoT notification dated February 11, 2016 amending the Unified License agreement, permitting the sharing of active infrastructure between telecom operators. If a majority of our competitors enter into spectrum sharing or trading agreements with each other, opportunities for us to enter into such arrangements may be limited, or any advantages that we may have because of our spectrum holdings may be undermined.

We compete for customers, based on various factors, including service offerings, tariffs, call quality, data use experience, network area and customer service. If we do not compete in these areas effectively, this could lead to a reduction in the rate at which we add new customers, an increase in our customer churn, a reduction in the usage of our services by our customers, a decrease in our market share, a reduction in revenue and an increase in our marketing and other expenses. An increase in churn, particularly as competition for existing customers intensifies, could adversely affect our profitability, as it would cause us to experience lower revenue and additional selling costs to replace customers and recapture lost revenue. Competition may also increase the price of spectrum and affect our ability to bid competitively for spectrum that the GoI auctions in the future. If our competitors acquire more or better quality spectrum, they could provide more attractive services than us, which could have an adverse effect on our business.

5. ***Our telecommunication licenses and spectrum allocations are subject to terms and conditions, ongoing review and varying interpretations, each of which may result in modification, suspension, early termination, expiry on completion of the term or additional payments, which could adversely affect our business, prospects, results of operations and financial condition.***

Our telecommunication licenses and spectrum allocations are subject to the terms and conditions contained in the licenses, ongoing review and other approvals by the relevant authorities. They are also subject to conditions such as maintenance of prescribed standards and inspections and may require us to submit periodic compliance reports and incur substantial expenditure. We cannot assure you that our licenses will be renewed on satisfactory terms, or at all. Our licenses and allocations are subject to varying interpretations and the licensor reserves the unilateral right to amend the terms and conditions of our telecommunication licenses. In the event the licensor exercises such right, our business, prospects, results of operations and financial condition may be adversely affected. We are also required to adhere to the minimum net worth, minimum paid up equity capital and capitalization requirements specified under the terms of our telecom licenses.

Our licenses along with administratively allocated spectrum in the Service Areas of Uttar Pradesh (East), Rajasthan, Himachal Pradesh and Delhi, Andhra Pradesh, Karnataka, Tamil Nadu and Punjab are due for renewal in October 2021; Uttar Pradesh (West),West Bengal in 2024; Mumbai, Bihar, Assam, North East, Himachal Pradesh, Jammu and Kashmir, Orissa in 2026; and Madhya Pradesh in 2027. We may be required to acquire the spectrum through auction, which could be at substantially high price. As a result, we cannot assure you that we will be able to continue to hold our existing spectrum and some of the spectrum under which we operate may need to be replaced with another spectrum, which could have an adverse effect on our business. Our inability to win spectrum when it is auctioned may result in an adverse effect on our business. Further, there continues to be uncertainty as to the fees and costs of the grant and any limitations or other terms that may be imposed upon successful bids. We have, in the past, paid significant amounts for certain of our telecommunications licenses and spectrum, and we anticipate that we may have to pay substantial entry fees, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining or funding these licenses and spectrum, or, if licenses and spectrum are awarded, that they will be obtained on commercially acceptable terms. Furthermore, to obtain or renew our licenses or spectrum, we may need to seek further funding through additional borrowings or offerings, and we cannot assure you that such funding will be obtained on satisfactory terms, or at all, which could adversely affect our business, prospects, financial condition and results of operations. For details in relation to the spectrum auction process and other applicable regulations, see "*Regulations and Policies*" on page [●].

6. ***There are outstanding legal proceedings involving our Company, our Subsidiaries, certain Promoters and certain Directors. Any adverse outcome in any of these proceedings may adversely affect our reputation, business operations, financial condition and results of operations.***

There are certain outstanding legal proceedings and claims involving our Company, our Subsidiaries, certain Promoters and certain Directors, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. There can be no assurance that these legal proceedings will be decided in favour of our Company, our Subsidiaries, the Promoters and the Directors. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses and our liabilities and could materially and adversely affect our reputation, business, operations, prospects or financial results.

A summary of the litigation involving our Company, our Subsidiaries, our Promoters and our Directors is set out below. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable.

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)*
Litigation involving our Company		
Material Civil	Nil	Nil
Criminal		
Our Company	53	2.82
VIL and / or VMSL	55	14.33
Regulatory/Statutory action	126	439,714.28
Tax		

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)*
1. Direct Tax		
(d) Our Company	207	15,314.90
(e) Vodafone India	52	15,082.60
(f) VMSL	352	49,515.45
2. Indirect Tax		
(d) Our Company	196	9,022.31
(e) Vodafone India	50	4,589.54
(f) VMSL	824	33,543.51
Litigation involving our Subsidiaries		
Material Civil	Nil	Nil
Criminal	2	0.22
Regulatory/Statutory action	Nil	Nil
Tax*		
Direct Tax	13	347.83
Indirect Tax	93	521.64
Litigation involving our Promoters		
Material Civil	10	Not quantifiable
Criminal	125	Not quantifiable
Regulatory/Statutory action	279	7,167.90
Tax		
Direct Tax	181	534,380.32
Indirect Tax	700	22,605
Litigation involving our Directors		
Material Civil	7	Not quantifiable
Criminal	23	Not quantifiable
Regulatory/Statutory action	Nil	Nil
Tax	Nil	Nil

For further details of such outstanding litigation against our Company, Subsidiaries, Directors and Promoters, see "*Outstanding Litigation and Material Developments"* on page [●].

7. ***We have incurred losses during recent periods and we may not achieve or sustain profitability in the future.***

We have incurred losses in the last two years of our operations and our loss after tax was ₹ 3,997 million, ₹ 41,682 million and ₹ 97,219 million for the financial years 2017, 2018 and the nine months ended December 31, 2018, respectively. If we are ultimately unable to generate sufficient revenue to meet our financial targets, reduce costs, become profitable and have sustainable positive cash flows, investors could lose their investment. In addition, if we record losses in the future, we may be unable to meet our financial obligations, we may breach the terms of our financial instruments and our lenders could accelerate amounts due under our existing indebtedness. The occurrence of such events could adversely affect our business and financial condition.

8. ***Our Company has incurred significant indebtedness and our inability to meet our obligations, including financial and other covenants, under our debt financing arrangements could adversely affect our business, results of operations, financial condition and cash flows.***

As of December 31, 2018, we had total outstanding borrowings of ₹ 1,236,638 million. We have entered into several financing arrangements that contain provisions that restrict our ability to do, among other things, the following:

- create security over existing and future assets;
- incur certain additional indebtedness or service subordinated indebtedness;
- make investments in other entities;
- dilute our Promoters' shareholding beyond specified levels;
- declare dividend, accept amount of profits relating to the financial year;
- change our capital structure or shareholding pattern;
- make substantial or drastic changes to our management/management set-up; and

- undertake guarantee obligations on behalf of any third party.

We must obtain the approval of the lenders under our financing arrangements before undertaking these significant actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment and may adversely affect our competitive position. In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing arrangements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.

Certain of our financing arrangements are secured by our movable, current, non-current immovable and intangible assets, whether existing or future. In addition, certain of our financing agreements enable lenders to cancel any outstanding commitments, accelerate the facilities, to give or withhold prior approval for declaration and payment of dividend, exercise cross default provisions, convert loans into equity, appoint nominee directors, review our management setup and organisation and enforce their security interests on the occurrence of events of default such as a breach of financial or other covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. Further, our Company has availed certain unsecured loans (overdrafts), which may be recalled by such lenders at any time. It is possible that we would not have sufficient funds upon such an acceleration of our financial obligations to pay the principal and interest in full. If we are forced to issue equity to the lenders, your ownership interest in us will be diluted. It is also possible that future financing arrangements may contain similar or more onerous covenants.

In February 2019 and December 2018, India Ratings and Research and CRISIL, respectively, downgraded their credit rating on NCDs of ₹ 60,000 million of VMSL which stood assigned to our Company pursuant to the Merger. CARE (in February 2019) and Brickwork Ratings have also downgraded their credit ratings for NCDs with a negative outlook.

Any failure to comply with a condition or covenant under our financing agreements that is not waived by our lenders or is otherwise not cured by us may also trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business.

9. We have derived our revenues primarily from providing mobility services and we have been dependent on certain Service Areas for a significant proportion of our revenues.

We are focused on providing mobility services and our future success depends, to a large extent, on the continued growth of the mobile telecommunications market in India and there being no adverse regulatory, technological or other changes impacting this industry, our ability to add new revenue streams profitably and our ability to offer complete mobile telecommunications solutions to our subscribers. Our revenues have historically been dependant on the Service Areas of Maharashtra, Madhya Pradesh, Kerala, Andhra Pradesh, Uttar Pradesh West, Gujarat, Delhi, Karnataka, Mumbai, Tamil Nadu, West Bengal and Uttar Pradesh East. However, as part of our current strategy, we have segregated districts in India based on their growth potential and revenue and EBITDA contribution to our Company, instead of following a conventional approach and focusing on Service Areas. In addition, we intend to focus on providing enterprise solutions to customers. However, we cannot assure you that such strategies will be successful and any changes in subscriber preferences or other related factors, such as increased competition in our focus districts, could have an adverse effect on our business and results of operations.

10. Churn in the mobile telecommunications industry in India is high and we cannot assure you that we will be able to retain all our existing subscribers or that we will be successful in subscriber additions, which may have an adverse effect on our business and results of operations.

The Indian mobile telecommunications industry has historically experienced a high rate of churn in the subscriber base. This high churn rate is a consequence of, among other things, an increase in usage of devices with multi-SIM capabilities, mobile number portability and intense competition, which have led telecom operators to introduce promotional tariffs in order to add customers. Churn rates are especially high among pre-paid customers.

A high rate of churn increases our aggregate customer acquisition costs as we need to add new customers in order to maintain or grow our market share. Such customer acquisition costs include payments to be made as commission to agents, costs in relation to SIM cards, welcome kits and documentation and customer verification costs. The need to add customers also requires additional marketing expenditure which cannot be fully passed on to customers. Similarly, a high rate of churn also increases our customer retention costs as we may need to incur expenditure to dissuade our customers from shifting to our competitors by offering innovative deals and services.

Our blended churn rate for the quarters ended September 30, 2017 was 6.3%, December 31, 2017 was 4.8%, March 31, 2018 was 4.3%, June 30, 2018 was 5.2%, September 30, 2018 was 4.3% and December 31, 2018 was 5.0%. We introduced 'service validity vouchers' on a national basis during the quarter ended December 31, 2018, requiring customers to make a minimum recharge of ₹ 35, which contributed to a reduction of 35.1 million customers during such quarter.

Our ability to retain our existing subscribers and to compete effectively for new subscribers and reduce our rate of churn depends on, among other things:

- our ability to anticipate and respond to various competitive factors affecting the industry, including new technologies, products and services, subscriber preferences, demographic trends, economic conditions and discount pricing or other strategies;
- actual or perceived quality and coverage of our networks;
- executing our marketing and sales strategies, service delivery, subscriber service activities including account set-up and billing; and
- public perception of our brand.

Churn may also increase due to factors beyond our control, including, a slowing economy, a maturing subscriber base and competitive offers. A high rate of churn could have an adverse effect on our business and results of operations and we cannot assure you that we will be able to retain all our existing subscribers.

11. We are dependent on third party telecommunication providers and any deficiency in their services could adversely affect our business and results of operations.

Our ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on our ability to interconnect with the telecommunications networks and services of other domestic and international mobile and fixed-line operators, including our optical fibre cable transmission network, which we either own or have indefeasible right to use ("**IRU**") arrangements with other telecommunication operators. We also rely on other telecommunications operators for the provision of international roaming services for our subscribers. While we have interconnection and international roaming agreements in place with other telecommunications operators, we have no direct control over the quality of their networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to us on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our business and results of operations.

12. Our ability to grow our business and our number of subscribers is dependent on the quality and quantity of spectrum owned by us.

The operation of our mobile telecommunications network is limited by the quality and quantity of spectrum owned by us. In India, telecom operators obtain access spectrum through competitive bidding in GoI auctions or by entering into spectrum sharing or trading arrangements. Acquisition of spectrum is subject to certain conditions, risks and uncertainties, including:

- high reserve prices being set by the GoI for the auction of spectrum;
- our competitors outbidding us at the spectrum auctions and entering into spectrum sharing and trading arrangements with each other;
- regulatory uncertainties including delayed access to spectrum already acquired through competitive bidding; and
- the unavailability of spectrum in certain bands in certain circles and inability to acquire contiguous spectrum.

The current spectrum owned by us may not be sufficient if the subscriber and usage growth turns out to be materially different from our expectations, and our future profitability and growth may be adversely affected if our spectrum proves inadequate or if we are unable to procure additional spectrum in the future for the expansion of our mobile telecommunications business. Additional spectrum may also be required to maintain quality of service. As the number of subscribers simultaneously using the same spectrum increases, the quality of the service may suffer, which may lead to a loss of subscribers and revenues. This could have an adverse effect on our business and results of operations.

Currently, the price of the bid in relation to auction of spectrum is typically the most important selection criteria. Increased competition may drive bidding prices for spectrum higher and we may not be able to acquire additional spectrum or may be required to pay a higher amount for acquiring additional spectrum. We cannot assure you that there will be further auctions for spectrum, or that we will be successful in acquiring additional spectrum that we bid for, within a reasonable time, or at all. Further, we may not realize the expected benefits from our investment in additional spectrum that we anticipate when we bid for such additional spectrum.

Spectrum usage rights offered in auctions are typically awarded for a period of 20 years. Moreover, spectrum acquired through competitive bidding may suffer from interference, which may limit its utility, temporarily or for a sustained period. Our business, financial condition, results of operation and prospects may also be adversely affected if the GoI amends spectrum holding caps in the future, which limit the amount of spectrum that can be held by one telecom operator. If we cannot acquire spectrum of the necessary quality and quantity to deploy our services on a timely basis and at adequate cost, our ability to attract and retain customers and our ability to successfully compete would be adversely affected.

13. Spectrum allotments and telecom licenses granted by the Government of India have been subject to high judicial scrutiny.

Spectrum allotments and telecom licenses granted by the Government of India have faced a very high level of judicial scrutiny in the past. The Supreme Court of India had cancelled 122 licenses in 2012, including 13 of our licenses of which seven were operational, on the basis of certain shortcomings and arbitrariness on the part of the Government of India that it noted in the allotment procedure. For details on outstanding legal proceedings involving the DoT and other telecom regulators, see "*Outstanding Litigation and Material Developments*" on page [●]. Due to such high scrutiny of the allotment process, we cannot assure you that our current and future spectrum allotments and licenses will not face any kind of judicial scrutiny or be declared as void by any court of law.

14. Reductions in prices for telecom services in India, including mobile termination rates and roaming tariffs may have an adverse effect on our business, financial condition, results of operations and prospects.

Telecom prices, referred to in India as tariffs, including ceilings and floor prices for various telecom services are regulated by TRAI through the Telecommunication Tariff Order, 1999, as amended from time to time. Telecom tariffs in India have declined in recent years and may continue to decline as a result of the following factors:

- regulatory changes or intervention, including reduction in permissible telecom tariffs under the Telecommunication Tariff Order, 1999 or other applicable law; and
- increases in competition to acquire new customers or retain existing customers, including as a result of certain competitors in the Indian telecom market following an aggressive pricing strategy.

Similarly, the fees for access and interconnection that telecom operators charge each other for calls into their respective networks are also determined by TRAI. TRAI reduced mobile termination rates ("**MTRs**") for domestic calls from 14 paisa per minute to 6 paisa per minute with effect from October 1, 2017 and which are set to become nil with effect from January 1, 2020, while MTRs for international calls have been reduced from 53 paisa per minute to 30 paisa per minute with effect from February 1, 2018. MTRs are a component of our revenues and a decrease in MTRs would have an adverse impact on our profitability. Any further or sustained decline in telecom tariffs, MTRs or roaming charges may adversely affect our business, financial condition, results of operation and prospects.

15. ***We are dependent on a limited number of vendors to supply critical network and other equipment and services.***

We depend upon key suppliers and vendors to provide us with equipment and services that we need to build, develop, maintain and rollout our networks and operate our businesses. Nokia Solutions and Networks India Private Limited, HUAWEI Telecommunications (India) Company Private Limited, ZTE Corporation and Ericsson India Private Limited are our Company's principal suppliers. These vendors also provide maintenance support. We are substantially dependent on these vendors for critical components for future expansions. We cannot be certain that we will be able to obtain satisfactory equipment and service on commercially acceptable terms or that our vendors will perform as expected. If our contractual arrangements with such vendors expire or terminate, or if we fail to receive the quality of equipment and maintenance services that we require, to negotiate appropriate financial terms for equipment and services, obtain adequate supplies of equipment in a timely manner, or if our key suppliers discontinue the supply of such equipment and services due to withdrawal from the Indian mobile telecommunications market or otherwise, we may find it difficult to replace a vendor on a timely basis without significant capital expenditure which could significantly disrupt our services. Certain contracts also contain caps on the liability/indemnification obligations and we may be unable to recover sufficient amounts from such suppliers for any breach or non-compliance under the agreements. The occurrence of any such events could have an adverse effect on our business and results of operations.

We are dependent upon certain external suppliers of important services both to us and to our subscribers. For example, external vendors provide services relating to our subscriber service functions. As a result, we are exposed to the supply and service capabilities of each of these vendors, which may be impacted by their ability to retain and attract appropriate personnel, their financial position and many other factors which are outside our control. If such a vendor fails to perform adequately or we terminate the vendor, we may not be able to provide such services ourselves or find an alternative supplier without disruption to our services or incurring additional costs.

16. ***We rely on sophisticated billing, credit control and customer verification systems, any failure of which could lead to a loss of income and subscribers.***

We are dependent on several sophisticated processes, IT systems and software packages for mobile services usage, billing and credit control. We also have outsourced certain aspects of these systems to specialist service providers. For example, we have outsourced most of our information technology operations to IBM India Private Limited. Any failure of critical IT systems, including those provided by third parties, could have an adverse effect on our business and results of operations, and lead to a loss of income and subscribers.

We are dependent on several complex software packages that record minutes used, calculate the appropriate charge and then deduct the amount due from the account of the pre-paid subscriber or record the amount payable by the relevant post-paid subscriber. Any failure to properly capture the services provided or to charge the appropriate fees could have an adverse effect on our revenue. No system or process can ensure total capture and some loss of income is common. However, if our income leakages increase, or are greater than those of our competitors, then our business and results of operations could be adversely affected.

Similarly, we are also dependent on several sophisticated processes for our customer verification and activation services. Our customer verification and activation function ensures that all necessary documents are procured from pre-paid customers at the time of subscription in compliance with regulatory requirements in relation to verification of the identity of our customers. The DoT has issued guidelines in November 2012 for the verification of customers, containing a wide range of changes to customer activation processes, disconnection and other related matters. In the past, the TRAI has imposed penalties on us and other telecom operators, for alleged violations of subscriber verification guidelines.

In the event regulatory agencies direct us to release certain customer data and records in accordance with applicable law and upon analysing such information, it is alleged that we did not maintain acceptable internal processes for customer verification and activation, we may be subject to penalties and fines by DoT or TRAI. Further, weak internal processes could adversely affect our market position, especially if competitors have faster and better-coordinated systems for mobility subscriber activation.

17. We are dependent on the services of several management personnel and our ability to recruit and retain employees. Our business may be adversely affected if we are unable to retain and recruit management and other personnel.

The telecommunications industry requires personnel with diverse skills and we have, over time, built a strong team of experienced professionals to oversee the operations and growth of our businesses. We believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by us. We may not be able to locate or employ qualified executives on acceptable terms. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

18. We have only limited protection for our intellectual property.

We operate in a competitive environment where generating and maintaining brand recognition is a significant element of our business strategy. We have obtained 223 trademark registrations, including of brands as of December 31, 2018, including our pre-paid service marks, and have 15 pending trademark applications. In addition, the Vodafone name and trademarks and goodwill attached thereto are not owned by us, but are owned by Vodafone Group Plc and licensed to us for use in the territory of India pursuant to a trademark licence agreement. See "*Our Business – Intellectual Property*" and "*Government and other Approvals*" on pages [●] and [●], respectively. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection. Additionally, we may be required to litigate to protect our trademarks, which may adversely affect our business. As of December 31, 2018, three of our trademark applications had been objected to by third parties. We have also received a cease and desist notice for infringement in relation to a symbol. We cannot assure you that we will successfully obtain or enforce our trademarks and any such event could have an adverse effect on our business, results of operations and prospects.

19. We may be required to incur additional costs for our advertising campaigns as we intend to continue to market our offerings separately under the Vodafone and Idea brands.

We intend to continue to market our offerings separately under the Vodafone and Idea brands, instead of creating a single brand for our Company. Although we expect to receive better pricing terms on account of the scale of our advertising campaigns, we cannot assure you that we will be able to promote both brands or increase subscriber awareness in a cost effective manner, or at all. We believe that we will be required to make continuous investments towards promoting our brands to retain and expand our business. Even if we are successful in our branding efforts, such efforts may not be well received by consumers. If we are unable to enhance subscriber awareness of our brands and generate demand in a cost-effective manner, it would adversely affect our ability to compete in the mobile telecommunications industry and would have an adverse effect on our business and results of operations.

20. A large part of our passive infrastructure is not owned by us and as a result we cannot assure you that such passive infrastructure will be adequately maintained or that our strategy for the continued upgrade or rollout of our network will be implemented in a timely manner or on a cost-effective basis.

As of December 31, 2018, we had a network of over 198,000 2G cell sites and over 376,000 broadband (3G+4G) sites and all of these cell sites are located at towers not owned by us, but leased from Indus Towers and other third parties. While we have infrastructure sharing arrangements in place with Indus Towers and the other third parties, we have no direct control over these entities and we are dependent on these entities for the maintenance and continual upgrade or rollout of our network in our Service Areas. Any difficulties or delays in acquiring cell sites, or setting up towers, or the failure of any passive infrastructure provider to execute our rollout initiatives, could result in loss of opportunity to grow our network, which could result in a decrease in traffic, which could, as a result, adversely affect our business and results of operations. We cannot assure you that we will be able to identify new cell sites in a timely or cost-effective basis or that we or they will be able to secure or renew leases for existing cell sites on acceptable terms or that any such leases can be renewed on economically acceptable terms.

21. We are in the process of divesting certain of our investments, the failure of which may have an adverse effect on our business, results of operations and prospects.

We own 11.15% of the equity share capital of Indus Towers, one of our Joint Ventures. We have the option to either (i) sell our 11.15% shareholding in Indus Towers for cash based on a valuation formula linked to the volume weighted average price for Bharti Infratel's shares during the 60 trading days at the end of our Company's election period which triggers post completion of all regulatory approvals required for the merger; or (ii) receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for each Indus Tower's share), both subject to closing adjustments. In the event we are unable to complete the sale in a timely manner, or at all, our business, results of operations and prospects could be adversely affected. We could also receive a lower amount on the sale of our shareholding on account of fluctuations in the market price of Bharti Infratel's shares. For further details, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements"* on page [●]

In addition, we are in the process of demerging our fibre assets comprising approximately 158,000 kms of owned intra and inter-city fibre routes to our Subsidiary, Vodafone Towers Limited and then seek to monetize such assets. However, we cannot assure you that we will be able to identify suitable buyers for such sale, or that we will be able to complete the sale within our anticipated timeframes and on favourable terms, or at all.

22. We cannot assure you that the business of Aditya Birla Idea Payments Bank Limited will be successful or profitable.

Our Associate, Aditya Birla Idea Payments Bank Limited ("**ABIPBL**") received a banking license from the RBI to conduct the business of a payments bank. As part of the payments bank business, ABIPBL intends to promote a wide range of banking products and services including current and savings bank account, domestic remittances and merchant payments. The payments bank services were launched on February 22, 2018 in the form of a closed user group and in the form of a pilot program running across five districts in the states of Gujarat and Maharashtra on April 27, 2018. As part of its services, it has also launched its mobile banking, internet banking and unified payment interface services.

In addition, Vodafone m-Pesa Limited ("**VMPL**") has become a wholly owned subsidiary of our Company pursuant to the Merger. The RBI had permitted VMPL to continue its pre-paid payment instrument business until March 31, 2019.

However, we cannot assure you that such businesses will be successful or profitable. Payments banking operations would be a new business that is subject to different requirements, issues and risks than our core business. ABIPBL would be required to operate and successfully compete against other banks providing similar services. Doing so may be costly, and ABIPBL may incur losses that could adversely affect their business, results of operations, financial condition and prospects. Further, the payments bank would be subject to prudential norms and consumer protection and other laws and policies that apply to the financial services sector. Pursuant to the license issued to ABIPBL by the RBI, prior approval of the RBI is required for any change in non-Promoter/Promoter Group shareholding to the extent of 5% or more in our Company. Pursuant to the Merger, the RBI has issued a conditional no-objection with respect to certain Promoter Group entities acquiring 5% or more of the shareholding of our Company, pending completion of its due diligence. In connection with the Issue, pursuant to letters dated February 21, 2019 and March 13, 2019, the RBI has clarified that no prior approval of the RBI is required if the shareholding of a non-promoter shareholder exceeds 5% or more of the post-Issue capital of our Company as a result of their subscription to only their Rights Entitlement. However, a non-promoter shareholder, who intends to acquire shares more than his entitlement under the rights issue through active means such as applying for additional shares and/or acquisition of renounced shares, should assess his likely holdings and if his shareholding is likely to exceed 5% of the post-Issue Equity Share capital of our Company, should approach RBI for approval. For further details, see "*Notice to Investors*", "*Government and Other Approvals*" and "*Terms of the Issue*" on pages [●], [●] and [●], respectively. Any failure to comply with these regulations or the conditions of the approval could expose the payments banks as well as us to consumer complaints and investigations or enforcement actions by the RBI or any other regulator and may lead to divestment by entities not found to be "fit and proper", regulatory fines, penalties and possible civil claims or criminal actions or litigation. We are also required to comply with applicable KYC norms which could increase our cost of customer acquisition. Any such factors may divert management attention and have an adverse effect on our business, financial condition, results of operations and prospects.

23. ***If we are unable to acquire new broadband subscribers or convert our existing subscribers to broadband subscribers, our business, financial condition, results of operations and prospects may be adversely affected.***

Our business is increasingly dependent on revenue generated from data services and end-to-end business solutions. We currently have a large number of customers who only avail our voice services and we intend to focus on selling our bundled voice and broadband offerings to such customers. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the roll-out of 2100 and 1800 MHz spectrum have led to a rapid growth of data usage in the telecom sector in India. We cannot assure you that these trends will continue in the future and that we will continue to benefit from growth in data usage. We may need to upgrade and expand our network infrastructure and increase broadband capacity in order to remain competitive in the provision of data services, including 4G data services, to our customers, which will require additional capital expenditure. We have taken certain initiative such as dynamic spectrum re-farming, deployment of Ultra Band Radio and TDD sites. However, we cannot assure you that such measures will result in an increase in our ARPU. If we are unable to expand or upgrade our network and equipment for the provision of data services on a timely and cost effective basis, or if we are unable to realise the intended benefits of these initiatives, we may lose existing customers or fail to attract new customers.

Growth in our broadband revenues is dependent on the prices we are able to charge for various offerings and the level of usage by our customers. We cannot assure you that future broadband usage growth will be adequate to compensate for any future reduction in prices. Further, if our competitors are able to offer broadband services that are, or that are perceived to be, more affordable or of a higher quality than those offered by us, we may be required to reduce the price of our broadband offerings or risk losing market share. In recent times, we have reduced prices while increasing the amount of data we are offering to our customers, within each of our price brackets, due to various factors, including competitive pressure in relation to broadband offerings. If we are unable to remain competitive in providing broadband services in the future, our business, prospects, results of operations and financial condition may be adversely affected.

24. ***Our reputation and business may be harmed and we may be subject to legal claims and negative publicity if there is loss, disclosure or misappropriation of, or access to our subscribers' or our own information or other breaches of our information security. Compliance with KYC norms and data privacy norms may require us to incur significant expenditure.***

We make extensive use of online services and centralized data processing, including through third-party service providers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems that maintain and transmit subscriber information, or those of service providers, may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider. As a result, our subscribers' information may be lost, disclosed, accessed or taken without the subscribers' consent.

Existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law. If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business, financial condition and results of operations. Changing policy in relation to KYC may also have an adverse effect on our costs. For instance, in 2017, the DoT prescribed re-verification of existing mobile subscribers and issuing new mobile connections using an Aadhaar-based e-KYC process, which was subsequently held not to be permissible by the DoT, pursuant to a judgment of the Supreme Court in 2018. All licensees were required to discontinue the use of the

Aadhaar for e-KYC with immediate effect and the alternate method of KYC led us to incurring software development and training/ infrastructure costs.

In addition, third-party service providers and we process and maintain our proprietary business information and data related to our subscribers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of third party service providers, may also be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. As a result, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase our service and subject us to additional costs and liabilities, including litigation.

25. We are subject to extensive regulation and changes in laws, regulations, policies and the interpretation thereof. Failure to comply with existing or future laws, regulations or policies could have an adverse effect on our business, results of operation, financial condition and prospects.

The telecom sector in India is regulated by the TRAI, among other regulatory bodies and is subjected to the supervisions of the DoT, including various wings such as the Wireless Planning and Coordination Wing. The extensive regulatory structure within which we operate may constrain our flexibility to respond to market conditions, technological developments, competition or changes in our cost structure, which could have an adverse effect on our business, financial condition, results of operations and prospects.

We are required to hold a valid license for each telecom circle in which we provide telecom services. In August 2013, the DoT announced the grant of Unified Licenses ("**ULs**"), to gradually phase out the Unified Access Services Licenses ("**UASLs**") and Cellular Mobile Telephone Service (**"CMTS"**) regime, upon the expiry of the initial 20-year license period. On expiry of the initial term of the UASLs and CMTS, telecom operators are required to obtain ULs, which are also valid for a period of 20 years from the grant of the ULs (and renewable for a period of 10 years in accordance with the terms of the relevant UL), to continue operations. The new framework entails a single license from the DoT for the provision of telecom services, including, among others, access services, internet services, and national and international long distance services. Effective from 2012, acquisition of spectrum has been de-linked from the grant of telecom licenses by the DoT, and is required to be acquired separately through the spectrum auction process.

With respect to telecommunication infrastructure, the WPC issues licenses to establish, maintain and operate wireless stations. The WPC is the national radio regulatory authority responsible for frequency spectrum management. All license holders intending to offer mobile services must also obtain a separate wireless license from the WPC. The WPC is divided into licensing and regulation, the new technology group, and the Standing Advisory Committee on Radio Frequency Allocation ("**SACFA**"), which grants site clearance for tower sites. Additionally, in order to to establish and maintain assets like dark fibres, right of way, duct space and towers and to allow our Company to lease, rent, and sell this infrastructure to other telecom operators, we are required to be registered with the DoT as an Infrastructure Provider Category-1 which is granted by the Ministry of Communication, DoT. With respect to telecommunication equipment, approval is required from the Telecommunication Engineering Centre, DoT for every telecommunication equipment that our Company puts into use, whenever made mandatory by the DoT. In absence of the mandatory TEC standard, our Company may utilize only those equipment and products, which meet the relevant standard set by the international standardisation bodies.

In addition, we are required to obtain and renew several approvals from various other regulatory bodies from time to time. If we fail to obtain, maintain or renew required approvals, licenses, registrations and permits at the requisite time, this may result in the interruption of our operations and will have an adverse effect on our business, results of operations and prospects. The terms and conditions of these licenses may be amended at the discretion of the GoI, and such amendments may be unfavorable to us. Changes to the terms and conditions of these licenses could subject us to additional liabilities and may adversely affect on our business, financial condition, results of operations and prospects. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of an alleged or actual non-compliance with any terms or conditions thereof, or pursuant to any regulatory action in the future.

26. The authorised share capital of our Company appearing in the records of the Ministry of Corporate Affairs and the RoC is lower than the authorised share capital as per our records.

The authorised share capital of our Company in the electronic records of the MCA and the RoC is lower than the authorised share capital as per the scheme document for the Merger approved by the NCLT (both Ahmedabad and Mumbai benches) and as consequently, reflected in our Memorandum of Association. Our Company has written to the relevant Registrar of Companies that certain form(s) under the Companies Act filed by Vodafone India were not approved by the relevant Registrar of Companies and consequently, the authorised capital of Vodafone India is not merged with the authorised share capital of Idea Cellular Limited on MCA records. As a result, the authorised share capital of our Company in the electronic records of the RoC is reflected lower than the authorized share capital of the Company even though the scheme of amalgamation of Vodafone India and VMSL into our Company has become effective pursuant to the approval granted by the NCLT (both Ahmedabad and Mumbai benches) and filing of the scheme with the RoC, which, *inter*-alia, states that the authorised share capital of our Company shall automatically stand enhanced, without any further act, instrument or deed on part of our Company, to ₹302,930,020,000. The records of the MCA and the RoC need to be updated and our Company is taking steps to rectify such records. For details, see "*Capital Structure*" on page [●]. We cannot assure you that the records of the MCA and the RoC will be updated in a timely manner. Until the records of the MCA and the RoC will updated, we may face challenges such as filing certain forms under the Companies Act, including the return of allotment for the Issue.

27. The Proforma Consolidated Financial Information included in this Letter of Offer may not accurately reflect our future financial results of operations and business. Our Proforma Consolidated Financial Information has also not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or U.S. GAAP.

This Letter of Offer contains the Proforma Consolidated Financial Information for us for the nine months ended December 31, 2018 and for the financial year ended March 31, 2018 to give a proforma effect to the Merger. The Proforma Consolidated Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial results and is not intended to be indicative of our future results of operations The Proforma Consolidated Financial Information has been prepared to show retroactively the main effects of the Merger on the statement of profit and loss as if such transactions had taken place at April 1, 2017 and April 1, 2018 for the year ended March 31, 2018 and for the period ended December 31, 2018, respectively.

As this proforma financial information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results of operations that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial results of operations. In addition, the Proforma Consolidated Financial Information has not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or U.S. GAAP. Further, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation as set out in the Proforma Consolidated Financial Information included in this Letter of Offer. Therefore, the Proforma Consolidated Financial Information should not be relied upon as if it has been prepared in accordance with those standards and practices. If the various assumptions underlying the preparation of the proforma financial information do not come to pass, our actual results could be materially different from those indicated in the proforma financial information. Further, in connection with the Merger, in compliance with regulations applicable to us, we may incur certain costs, which could also cause such proforma financial information to not be reflective of our future performance.

The Proforma Consolidated Financial Information has been prepared by the management of our Company considering the pooling of interest method to account the Merger, which involves the line by line addition. The Proforma Consolidated Financial Information is based on (i) the restated consolidated statement of profit and loss for the year ended March 31, 2018 and for the nine month period ended December 31, 2018 of our Company, and (ii) the audited consolidated statement of profit and loss for the year ended March 31, 2018 and for the period April 1, 2018 to August 30, 2018 of Vodafone India. Please see "*Proforma Consolidated Financial Information*" on page [•].

28. Concerns about health risks associated with mobile telecommunications equipment may reduce the demand for our services.

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive scientific evidence of harmful effects on health. However, we cannot rule out that exposure to electromagnetic fields or other emissions originating from transmission infrastructure is not, or will not be found to be, a health risk. Our costs could increase and our revenue could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated. Public perception of potential health risks associated with mobile telecommunications could slow the growth of mobile telecommunications services companies such as us. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of mobile telecommunications services, which could restrict our ability to expand our business.

With effect from September 1, 2012, the DoT implemented new safety standards in relation to electromagnetic field radiation ("**EMF**") emitted by tower sites. The DoT lowered EMF limits and increased penalties for non-compliance under the new safety standards. The DoT also issued guidelines to State Governments with regard to clearance for the installation of towers. Accordingly, various State Governments have issued notifications restricting construction of tower sites in certain areas, such as residential areas and in the vicinity of schools and hospitals. Compliance with such regulatory requirements could entail significant costs, or limit our ability to expand our telecom infrastructure in certain areas, and any alleged or actual future non-compliance by us could expose us to significant regulatory consequences, including penalties or requirements to relocate or cease operation of certain telecom towers or network sites.

Numerous cases have been filed against, or involving, telecom operators, tower infrastructure providers and mobile device manufacturers in various jurisdictions, including India, relating to violation of safety norms with respect to electromagnetic field radiation and related health risks. For details on outstanding EMF matters, see "*Outstanding Litigation and Material Developments – Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company – Electromagnetic field ("EMF") radiation matters*" on page [●]. We may not be able to satisfactorily and speedily resolve any or all such proceedings that we are, or may become, involved in. Our involvement in such proceedings could also entail significant costs.

29. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of December 31, 2018, we employed 19,192 personnel across our operations. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Future strikes, work stoppages or unionization efforts or other types of conflict with our employees could have an adverse effect on our business, financial condition and results of operations. Further, certain of our vendors may have unionized workforces. In the event that one or more of our vendors experience a work stoppage that adversely affects or delays delivery of any equipment or services that such vendors provide to us, such work stoppage could have an adverse effect on the our business, financial condition, results of operations and prospects.

30. Our insurance coverage may not adequately protect us against risks including operating hazards and natural disasters.

We have obtained certain insurance policies, which typically includes coverage for the physical loss or damage to our property and equipment arising from a number of specified risks or trade related risks. These risks may pertain to operational risks and losses arising out of any material damage or business interruptions, third party liabilities and officers liability and public liability. Whilst we believe that we maintain reasonable insurance cover for all foreseeable contingencies and which are consistent with industry practices, the occurrence of any event that is uninsurable or not adequately insured could have an adverse effect on our business, results of operations and financial condition. Further, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any consequential loss or damage that is not covered by insurance, or exceeds our insurance coverage, our business, results of operations and financial condition may be adversely affected.

31. ***We enter into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our shareholders.***

We have entered into several transactions with related parties, including certain material related party transactions such as availing services of passive infrastructure and maintenance at our various telecom sites from our Joint Venture. While we believe that all such transactions have been conducted on an arms' length basis and contain commercially reasonable terms and have been approved by our audit committee, the Board and/or the Shareholders in accordance with applicable regulations, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future subject to compliance with the SEBI Listing Regulations, applicable accounting standards and other statutory requirements. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations, financial condition and cash flows.

32. ***Our Promoters exercise significant control over our Company and will continue to do so after completion of the Issue, which may limit your ability to influence the outcome of matters submitted for approval of our Shareholders.***

As on the date of this Letter of Offer, our Promoters and Promoter Group hold 71.33% of the shareholding of our Company and have certain rights (including affirmative voting rights) under the shareholders agreement and the Articles of Association. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations, revaluation of assets, if any, in the last ten years*" on page [●] and "*Main Provisions of Articles of Association*" on page [●]. Following the completion of the Issue, our Promoters will continue to hold substantial portion of our post-Issue Equity Share capital. As a result, they will have the ability to significantly influence matters requiring Shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at Shareholders' meetings, including further issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoters will not have conflicts of interest with other Shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

33. ***Our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company to the extent of being promoters of our Company, any transactions entered into by them with our Company in the ordinary course of business and their shareholding and dividend entitlement in our Company. Some of our Directors are also directors of companies in the Promoter Group. For further details, see "*Our Promoters and Promoter Group*" on page [●]. Additionally, our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered as Directors and Key Managerial Personnel, respectively, of our Company and reimbursement of expenses payable to them. Our Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. Additionally, our Directors and Key Managerial Personnel may be interested in the Equity Shares or ESOPs held by them or entities with which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. For further details, see "*Our Management*" on page [●] of this Letter of Offer.

34. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we have entered into and may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page [●] of this Letter of Offer.

35. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India and regulates combinations and mergers. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects. Further, there have been instances in the past where the CCI has sought to initiate a probe against certain companies in the telecom sector and we cannot assure you that there will not be similar instances in the future.

36. The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institutions.

Our Company intends to utilize the Net Proceeds raised through the Issue towards (i) payment of certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest); and (ii) general corporate purposes, as described in "*Objects of the Issue – Details of the Objects of the Issue*" on page [●].

The proposed deployment of the Net Proceeds is based on management estimates, payment schedule for the deferred payment liabilities prescribed by the DoT in terms of the spectrum allotment letters, the restructured deferred auction payment letters dated April 4, 2018, the terms of the NCDs issued by our Company, financing agreements (including repayment schedules) and other agreements entered into by our Company and such intended use of proceeds has not been appraised by any bank or financial institution. Our Company may have to revise funding requirements and deployment on account of variety of factors such as our financial condition, business requirements and strategy, including external factors such as market conditions, changes to the payment schedule for our deferred payment liabilities to the DoT, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company. For details, see "*Objects of the Issue*" on page [●]. Our Company has appointed State Bank of India as the monitoring agency for monitoring the utilization of the Net Proceeds.

37. We have relied on publicly available sources for certain of our Directors for evidencing their professional experience.

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, the brief biographies of our Directors as disclosed in the section titled "*Our Management – Brief Biographies of our Directors*" on page [●] includes details of their professional experience. However, the original documents evidencing such professional experience are not available with respect to certain of our Directors and we have relied on publicly available sources for such experience. We cannot assure you that such disclosure do not have any inadvertent errors or omissions.

38. ***Our Company has issued Equity Shares during the preceding one year at a price that may be lower than the Issue Price.***

In the year preceding the filing of this Letter of Offer, our Company has issued Equity Shares at a price which is lower than the Issue Price, including pursuant to the Merger and under certain ESOS Schemes in accordance with applicable laws. For further details, see "*Capital Structure – Notes to Capital Structure – Issue of Equity Shares in the last one year below the Issue Price*" on page [●]. The price at which Equity Shares have been issued by our Company in the preceding year are not indicative of the price at which the Equity Shares, including the Rights Equity Shares, will be traded following the completion of the Issue.

39. ***The trading in our NCDs may be limited or sporadic, which may affect our ability to raise debt financing in future.***

Some of the NCDs issued by our Company are listed on wholesale debt segment of the NSE. Trading in our NCDs has been limited and we cannot assure you that the NCDs will be frequently traded on the NSE or that there would be any market for the NCDs. Further, we cannot predict if and to what extent a secondary market may develop for the NCDs or at what price the NCDs will trade in the secondary market or whether such market will be liquid or illiquid.

External Risk Factors

40. ***Technical failures, natural disasters, terrorism, fire or attacks by disaffected social elements could damage our telecommunications networks.***

Our mobile telecommunications networks are vulnerable to technological failures and natural disasters such as earthquakes and floods. There have also been isolated incidents of damage to our installations and those of our competitors as a result of attacks by disaffected sections of the community or groups seeking various forms of recognition or redress. Although the nature of our network is such that these incidents are likely to remain isolated and not impact our overall provision of services, we cannot assure you that these attacks will not increase or be more disruptive.
Our main IT data centre is in Pune but we have another IT data centre in Hyderabad, which functions as a disaster recovery site. The Hyderabad IT data centre provides disaster recovery support and back-up facilities for most of the critical IT enabled business applications but does not replicate in full the functions of the Pune data centre. As such, any interruption to the use of the Pune data centre could have an adverse effect on our business, results of operations and prospects. We cannot assure you that we will be able to control losses caused by any natural, technological or human calamity.

41. ***Enforcement of foreign judgments against our Company or our management may not be possible or may require additional legal proceedings.***

Our Company is a limited liability company incorporated under the laws of India and majority of our Directors and all executive officers are residents of India. A majority of our assets and the assets of the Directors are located in India. As a result, it may be difficult for the investors to affect service of process upon our Company or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. The United States and Canada have not been declared as reciprocating territories for the purposes of Section 44A of the Civil Code. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against the Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgement.

42. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

43. Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Equity Shares trade or on which the Rights Equity Shares are proposed to be listed. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

44. We are subject to risks arising from exchange rate fluctuations that could adversely affect our results of operations and cash flows.

A substantial portion of the equipment we use is imported and requires payments in foreign currencies. Imports are subject to Government regulations and approvals, the availability of foreign exchange credit and the levy of customs duties. Where there is no local alternative, delays in obtaining required approvals, changes in customs duties or foreign exchange rates or adverse movements in the value of the Rupee could lead to a delay in the acquisition of necessary equipment and adverse financial implications due to price movements thereof, which could have an adverse effect on our business, and results of operations.

The exchange rate between the Rupee and the US Dollar has changed substantially in recent years and may continue to fluctuate substantially in the future. Accordingly, our operating and financial results would be negatively affected if the Rupee depreciates against the US Dollar. We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations on our results of operations.

We have certain US Dollar denominated indebtedness and adverse movements in the value of Rupee against the US Dollar, may increase our cost of borrowings and increase depreciation cost, which could have an adverse effect on the value of our Equity Shares and Rights Equity Shares and on our business, results of operations and cash flows.

45. The Indian economy has had sustained periods of high interest rates and inflation.

The majority of our direct costs are incurred in India, which has experienced high levels of inflation. We tend to experience inflation-driven increases in certain of our costs, such as salaries and related allowances that are linked to general price levels in India. However, we may not be able to increase the tariffs that we charge for our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our costs and decrease our operating margins, which could have an adverse effect on our business and results of operations.

A portion of our borrowings are denominated in Rupees and are linked to floating Indian interest rates. Any increase, especially over a prolonged period, in Indian interest rates would increase our costs of borrowing and adversely affect our financial results and might make additional borrowing to fund investment uneconomic and/or unaffordable. To the extent borrowings (including vendor financings) are linked to floating external rates such as LIBOR, we are exposed to similar risks of high or variable interest rates used to determine the amounts payable under such arrangements.

Risks relating to the Equity Shares

46. Our Company will not distribute the Letter of Offer and CAF to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF (the "**Offering Materials**") to such Shareholders (i) who have provided an address in India for service of documents, or (ii) who are institutional and corporate shareholders with addresses outside India (but not retail individual shareholders) in countries that are not subject to sanctions and anti-money laundering restrictions. Other than as indicated above, the Offering Materials will not be distributed to addresses outside India on account of compliance requirements or restrictions that may apply to and liability issues arising out of circulation of such materials to retail individual shareholders in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While our Company had, in the recent past, requested individual overseas shareholders to provide an address in India, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

47. Our Company is a 'foreign owned' company as per the Consolidated FDI Policy and the applicable FEMA regulations and any investment by the Company in its Subsidiaries or Joint Venture is classified as downstream investments under Indian foreign investment laws.

Indian companies, which are owned or controlled by non-resident entities, are subject to investment restrictions specified in the Consolidated FDI Policy and FEMA 20. Under the Consolidated FDI Policy, an Indian company is considered to be 'owned' by a non-resident entity if 50.0% or more of its equity interest is beneficially owned by non-resident entities. As of December 31, 2018, the non-resident shareholding in our Company was 70.03% (of which 65.79% was directly held by persons resident outside India and 4.24% was held by certain promoter shareholders who are foreign owned and controlled) and therefore our Company is 'owned' by non-resident entities as per the Consolidated FDI Policy and FEMA 20. Consequently, any investment by our Company in the Subsidiaries or Joint Venture is considered as downstream investment and is subject to various requirements specified under the Consolidated FDI Policy and other applicable law, including sectoral restrictions.

48. Foreign investors are subject to investment restrictions under Indian law which may adversely impact the market price of our Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted through the approval route, subject to satisfaction of certain conditions. Currently, pursuant to the approval of the DoT foreign investment in our Company is permitted up to 100% of the paid-up capital of our Company, subject to certain conditions. Prior approval of the DoT is not required for increase in the amount of total foreign equity of up to ₹ 50,000 million in our Company. For details of the DoT approval in relation to the Issue, please see "*Government and Other Approvals*" on page [●].

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain conditions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or does not fall under any of the exceptions specified by the RBI, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

49. The Equity Shares trade in the F&O segment of the Stock Exchanges and thus we are currently not subject to a daily "price-based circuit breaker" imposed by stock exchanges in India, which could result in significant volatility in the price of the Equity Shares. There can be no assurance that the Equity Shares will continue to remain in the F&O segment and that the circuit breaker will not apply to the Equity Shares.

There are two types of circuit breakers applicable to the stocks listed on the Stock Exchanges, namely, (a) a daily "price-based circuit breaker", which specifies the band within which the price of a particular stock is allowed to move freely; and (b) an index based market-wide circuit breaker, which applies to a stock at three stages of the index movement either way – at 10%, 15% and 20%. While the daily price based circuit breaker is applicable to a stock depending on whether or not it is traded on the F&O segment, an index based market-wide circuit breaker is applicable to all the stocks listed on all the stock exchanges in India. Further, the daily "price-based circuit breaker" operates independently of the index based market wide circuit breakers imposed by SEBI on Indian stock exchanges.

Our Equity Shares are traded in the F&O segment, and our Company is, therefore, currently not subject to a daily "price based circuit breaker" imposed by the Stock Exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of our Equity Shares. There can be no assurance that our Equity Shares will continue to remain in the F&O segment and that the daily "price based circuit breaker" will not apply to the Equity Shares. However, the index based market-wide circuit breaker system is still applicable to the Equity Shares and these circuit breakers bring about a coordinated trading halt in trading on all equity and equity derivatives markets across the country. The breakers are triggered by movements in either Nifty 50 or the Sensex, whichever is breached earlier. We cannot assure you that the Stock Exchanges will not halt trading due to the index based market-wide circuit breaker in the future and the closure of, or the stoppage of trading on, the Stock Exchanges could adversely affect the trading price of the Equity Shares.

50. The Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian telecommunications sector and changing perceptions in the market about investments in the Indian telecommunications sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, inclusion or exclusion of our Company in indices, significant developments in India's fiscal regulations and any other political or economic factors. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequently.

51. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Further, the market price of the Equity Shares may be affected by fluctuations in the market price of the Equity Shares.

52. Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or members of our Promoter Group or other major shareholders of our Company may adversely affect

the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, including through exercise of employee stock options or restricted stock units and to comply with the applicable minimum public shareholding requirements under the SCRR may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Pursuant to a letter dated February 15, 2019, the SEBI has permitted our Promoters / Promoter Group to subscribe to additional Rights Equity Shares in the Issue in order to achieve the minimum subscription requirements in the Issue (90% of the Issue size) as required under the SEBI ICDR Regulations. As a result of such additional subscription, if the shareholding of our Promoters and Promoter Group exceeds 75% of the post-Issue capital of our Company, then our Company will be required to reduce such shareholding of Promoters and Promoter Group to below 75% within the time period (which is currently within one year from the date of allotment) and in the manner specified by the SEBI. Any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

53. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months was previously not subject to capital gains tax in India if security transaction tax ("**STT**") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid by an Indian resident, will be subject to long term capital gains tax in India. Further, recent Finance Act 2017 amendments provides that any income arising from the transfer of a long-term capital asset, being equity share in a company, shall not be exempted, if the transaction of acquisition of such equity shares was entered on or after October 1, 2004 without payment of STT except in certain instances as provided for in notification dated June 5, 2017 (F. No. 43/2017/F. No. 370142/09/2017-TPL). However, the Finance Act, 2018, levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

In addition, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. This amendment further provides that the Government will notify certain modes of acquisition to which the amendment made by Finance Act 2017 would not be applicable and the shares acquired by such modes of acquisition would continue to get the benefit of section 10(38) of the Income Tax Act. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

54. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized through a resolution dated January 23, 2019 passed by our Board of Directors pursuant to Section 62 of the Companies Act, 2013. The following is a summary of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information in the "*Terms of the Issue*" on page [●].

Equity Shares proposed to be issued by our Company	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Shares held on the Record Date.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any. Those Eligible Equity Shareholders holding less than [●] fully paid-up Equity Shares, i.e., holding up to [●] fully paid-up Equity Shares, and therefore entitled to 'zero' Equity Shares under the Issue shall be dispatched a CAF with 'zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in allotment of one additional Equity Share if such Eligible Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same in favor of third parties. CAFs with zero entitlement will be non-negotiable and non-renounceable.
Record Date	[●]
Face Value per Equity Share	₹ 10
Issue Price per Rights Equity Share	₹ [●]
Issue Size	Up to ₹[●] million
Equity Shares issued, subscribed and paid up prior to the Issue (as on the date of this Letter of Offer)	8,735,558,329 Equity Shares
Equity Shares subscribed and paid up after the Issue (assuming full subscription in the Issue)	[●] Equity Shares
Security Codes	ISIN: INE669E01016 BSE: 532822 NSE: IDEA
Use of Issue Proceeds	See "*Objects of the Issue*" on page [●].
Terms of the Issue	See "*Terms of the Issue*" on page [●].

Terms of Payment

The entire Issue Price of ₹ [●] shall be payable on Application.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth below indicate a summary of the financial data derived from the Restated Consolidated Financial Information. The summary of restated consolidated financial information presented below should be read in conjunction with "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company" on page [●] and [●], respectively.

[*This page has been intentionally left blank*]

Restated Consolidated Balance Sheet

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Assets					
Non-current assets					
Property, plant and equipment	512,653	235,977	244,549	228,443	211,761
Capital work-in-progress	13,719	8,155	6,513	13,303	6,623
Investment Property	675	-	-	-	-
Goodwill on consolidation	36	61	61	61	61
Other Intangible assets	1,275,666	559,070	552,309	539,128	440,079
Intangible assets under development	46,534	28,700	29,340	62,048	53,775
Investments accounted for using the equity method	14,728	13,906	16,601	14,785	21,404
Financial assets					
Long term loans to employees	12	25	24	26	25
Other non-current financial assets	11,951	4,445	4,180	4,865	8,965
Deferred tax assets (net)	84,581	5,861	12,052	369	-
Other non-current assets	153,590	23,499	17,797	27,694	13,593
Total non-current assets (A)	**2,114,145**	**879,699**	**883,426**	**890,722**	**756,286**
Current assets					
Inventories	38	413	367	588	1,065
Financial assets					
Current investments	77,025	15,075	56,304	48,998	13,305
Trade receivables	40,736	9,738	8,874	13,139	11,424
Cash and cash equivalents	10,587	500	193	782	7,630
Bank balance other than cash and cash equivalents	1,432	37	98	45	61
Loans	23	20	20	21	17
Other current financial assets	892	370	314	399	921
Current tax assets (net)	-	10	7,752	25	56
Other current assets	66,669	13,607	17,915	12,312	10,335
Total current assets (B)	**197,402**	**39,770**	**91,837**	**76,309**	**44,814**
Assets classified as held for sale (AHFS) (C)	1,971	10,052	10,509	16	155
Total Assets (A+B+C)	**2,313,518**	**929,521**	**985,772**	**967,047**	**801,255**
Equity and Liabilities					
Equity					
Equity share capital	87,354	36,075	43,593	36,053	36,005
Other equity	558,000	178,793	229,032	211,269	199,500
Total equity (A)	**645,354**	**214,868**	**272,625**	**247,322**	**235,505**
Liabilities					
Non-current liabilities					
Financial liabilities					
Long term borrowings	1,156,078	565,012	569,408	516,378	359,040
Trade Payables	2,759	-	-	-	-
Other non-current financial liabilities	84,026	24,199	26,062	10,382	23,722
Long term provisions	4,013	3,948	3,107	3,842	3,454
Deferred tax liabilities (net)	413	473	659	13,587	19,539
Other non-current liabilities	3,929	5,031	5,602	4,921	4,108
Total non-current liabilities (B)	**1,251,218**	**598,663**	**604,838**	**549,110**	**409,863**
Current liabilities					
Financial liabilities					
Short term borrowings	10,906	901	217	347	16,456
Trade payables	127,751	41,425	35,479	40,777	32,471
Other current financial liabilities	199,384	40,062	43,820	102,560	82,540
Other current liabilities	77,509	30,636	26,597	26,732	23,494
Short term provisions	412	198	224	199	926
Total current liabilities (C)	**415,962**	**113,222**	**106,337**	**170,615**	**155,887**
Liabilities classified as held for sale (D)	984	2,768	1,972	-	-
Total Equity and Liabilities (A+B+C+D)	**2,313,518**	**929,521**	**985,772**	**967,047**	**801,255**

Restated Consolidated Statement of Profit and Loss

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Income					
Service revenue	252,481	220,628	281,677	354,898	358,834
Sale of trading goods	169	46	51	228	330
Other operating income	525	160	318	231	330
Revenue from operations	**253,175**	**220,834**	**282,046**	**355,357**	**359,494**
Other income	5,745	1,026	3,529	3,069	2,131
Total income	**258,920**	**221,860**	**285,575**	**358,426**	**361,625**
Operating Expenditure					
Cost of trading goods	200	67	73	279	289
Employee benefit expenses	15,652	12,835	15,430	17,977	16,119
Network expenses and IT outsourcing cost	119,062	75,905	97,334	101,817	88,143
License fees and spectrum usage charges	26,716	23,340	28,667	40,515	41,508
Roaming and access charges	29,194	28,249	35,358	42,754	46,653
Subscriber acquisition and servicing expenditure	20,559	21,058	27,199	29,882	28,668
Advertisement, business promotion expenditure & content cost	6,567	6,283	8,147	9,413	9,499
Other expenses	12,648	7,093	9,362	10,284	8,551
	230,598	**174,830**	**221,570**	**252,921**	**239,430**
Profit before finance costs, depreciation, amortisation, share of net profits/(loss) of joint ventures and associate, exceptional items and tax	**28,322**	**47,030**	**64,005**	**105,505**	**122,195**
Fair value loss on Compulsorily Convertible Preference Shares (CCPS)	-	-	-	290	3,174
Finance costs	65,168	35,884	48,130	39,794	18,176
Depreciation	53,859	38,237	50,630	49,914	48,045
Amortisation	44,858	25,000	33,461	28,358	14,516
Profit / (Loss) before share of profit/(loss) of joint ventures and associate, exceptional items and tax	**(135,563)**	**(52,091)**	**(68,216)**	**(12,851)**	**38,284**
Add: Share in profits / (losses) of joint ventures (net)	1,999	2,586	3,458	4,303	4,217
Add: Share in loss of associate	(580)	(106)	(234)	(84)	-
Profit / (Loss) before exceptional items and tax	**(134,144)**	**(49,611)**	**(64,992)**	**(8,632)**	**42,501**
Exceptional items	19,979	-	-	-	-
Profit / (Loss) before tax	**(114,165)**	**(49,611)**	**(64,992)**	**(8,632)**	**42,501**
Tax expense:					
- Current tax	169	920	1,234	990	8,922
- Deferred tax	(17,115)	(18,471)	(24,544)	(5,625)	6,298
Profit / (Loss) after tax	**(97,219)**	**(32,060)**	**(41,682)**	**(3,997)**	**27,281**
Other comprehensive income / (loss)					
Items not to be reclassified to profit or loss in subsequent periods:					
Re-measurement gains / (losses) of defined benefit plans	432	(47)	442	(57)	(200)
Income tax effect	(143)	16	(152)	20	69
Group's share in other comprehensive income of joint ventures and associate (net of taxes)	3	(2)	(7)	(6)	(8)
Other comprehensive income / (loss) for the period / year, net of tax	**292**	**(33)**	**283**	**(43)**	**(139)**
Total comprehensive income / (loss) for the period / year	**(96,927)**	**(32,093)**	**(41,399)**	**(4,040)**	**27,142**
Earnings / (Loss) per equity share of ₹ 10 each:					
Basic (₹)	(15.42)	(8.95)	(11.36)	(1.23)	7.42
Diluted (₹)	(15.42)	(8.95)	(11.36)	(1.23)	7.40

Restated Cash Flow Statements

₹ Mn

Particulars	For the period ended December 31, 2018		For the period ended December 31, 2017		For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	
A) Cash Flow from Operating Activities										
Profit / (Loss) before tax		**(114,165)**		**(49,611)**		**(64,992)**		**(8,632)**		**42,501**
Adjustments to reconcile profit / (loss) before tax to net cash flows:										
Share in (profits) / loss of joint ventures and associate (net)	(1,419)		(2,480)		(3,224)		(4,219)		(4,217)	
Depreciation of property, plant and equipment and investment property	53,859		38,237		50,630		49,914		48,045	
Amortisation of intangible assets	44,858		25,000		33,461		28,358		14,516	
Share based payment expenses (ESOS)	146		(190)		(229)		432		614	
(Gain) / Loss on disposal of property, plant and equipment and intangible assets (net)	(54)		(131)		(274)		(176)		(64)	
Impairment of assets	350		-		-		-		-	
Finance costs (including fair value loss on CCPS)	65,168		35,884		48,130		40,084		21,350	
Provision for gratuity and compensated absences	(163)		583		254		323		378	
Bad debts / advances written off	22		54		59		104		1,328	
Allowance for doubtful debts / advances	2,083		1,231		1,630		1,869		282	
Liabilities / provisions no longer required written back	(391)		(99)		(223)		(151)		(177)	
Gain on sale of ICISL & profit before tax of ICISL upto date of sale	(33,766)		-		-		-		-	
Other income	(5,745)		(1,026)		(3,529)		(3,069)		(2,131)	
		124,948		**97,063**		**126,685**		**113,469**		**79,924**
Operating profit before working capital changes		**10,783**		**47,452**		**61,693**		**104,837**		**122,425**
Adjustments for changes in Working Capital										
(Increase) / Decrease in Trade receivables	(3,973)		1,233		1,995		(3,614)		(3,555)	
(Increase) / Decrease in Inventories	365		175		221		477		(355)	
(Increase) / Decrease in Other financial and non financial assets	(319)		1,739		(2,483)		(2,538)		(6,078)	
Increase / (Decrease) in Trade Payables	35,891		2,171		(4,558)		8,457		3,031	
Increase / (Decrease) in Other financial and non financial liabilities	(4,705)		4,233		620		4,236		3,017	
		27,259		9,551		(4,205)		7,018		(3,940)
Cash flow from Operating Activities		**38,042**		**57,003**		**57,488**		**111,855**		**118,485**
Income tax refund / (paid) (including TDS) (net)		3,915		(3,225)		(4,164)		(6,808)		(8,611)
Net Cash flow from Operating Activities (A)		**41,957**		**53,778**		**53,324**		**105,047**		**109,874**
B) Cash Flow from Investing Activities										
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(58,570)		(69,053)		(86,508)		(53,313)		(71,243)	
Payment towards spectrum and licenses - Upfront payment / One time spectrum charges	(39,263)		-		-		(66,207)		(58,082)	
Payment towards spectrum and licenses - Deferred payment liability	-		-		-		(7,182)		-	
Proceeds from sale of property, plant and equipment and intangible assets	368		240		493		382		207	
Proceeds from sale of subsidiary	42,303		-		-		-		-	
Additional investment in associate	(486)		-		(991)		(174)		(2)	
Net (Purchase) / proceeds from sale of current investments	(15,154)		32,618		(8,385)		(33,298)		103,912	
Interest received	239		13		17		611		1,318	
Dividend income from joint venture (Indus)	2,990		2,657		2,657		3,623		-	
Net Cash flows from/(used) in Investing Activities (B)		**(67,573)**		**(33,525)**		**(92,717)**		**(155,558)**		**(23,890)**

Restated Cash Flow Statements

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
C) Cash Flow from Financing Activities					
Proceeds from exercise of share options	1	45	58	97	175
Stamp Duty on issue of shares on amalgamation of VMSL and VInL with the Company	(83)	-	-	-	-
Proceeds from allotment of Equity Share Capital under Qualified Institutional Placement (QIP)(Net of share issue expenses of ₹309 Mn)	-	-	34,691	-	-
Proceeds from Preferential allotment of Equity shares (Net of share issue expenses of ₹35 Mn)	-	-	32,465	-	-
Amount paid on extinguishment of Equity Shares held by P5 as per high court approved scheme	-	-	-	(4,550)	-
Proceeds from Long Term Borrowings	56,429	35,000	44,950	115,156	347
Repayment of Long Term Borrowings	(10,673)	(7,655)	(18,015)	(15,859)	(101,630)
Proceeds from short term borrowings	985	-	-	-	14,798
Repayment of short term borrowings	(56,553)	-	-	(15,000)	-
Payment of Dividend, including Dividend Distribution Tax	-	-	-	(2,599)	(2,598)
Payment of interest & finance charges	(12,893)	(48,247)	(54,900)	(32,473)	(4,781)
Net Cash flows from/(used) in Financing Activities (C)	**(22,787)**	**(20,857)**	**39,249**	**44,772**	**(93,689)**
Net increase / (decrease) in Cash and Cash Equivalents during the period/year (A+B+C)	**(48,403)**	**(604)**	**(144)**	**(5,739)**	**(7,705)**
Cash and Cash Equivalents at the beginning of the year	(24)	435	435	6,174	13,879
Cash and cash equivalent pursuant to amalgamation of VMSL and VInL with the Company (net of bank overdraft)	58,307	-	-	-	-
Less: Cash & Cash Equivalent of VMPL	(956)	-	-	-	-
Less: Cash & Cash Equivalent of ICISL	-	(232)	(296)	-	-
Less: Cash & Cash Equivalent of IMCSL	-	-	(19)	-	-
Cash and Cash Equivalents at the end of the period/year	**8,924**	**(401)**	**(24)**	**435**	**6,174**

GENERAL INFORMATION

Our Company was incorporated as 'Birla Communications Limited', a public limited company under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on March 14, 1995 and a certificate of commencement of business on August 11, 1995. The name of our Company was changed to 'Birla AT&T Communications Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on May 30, 1996. The name of our Company was subsequently changed to 'Birla Tata AT&T Limited' and a fresh certificate of incorporation was issued by the RoC on November 6, 2001. The name of our Company was changed to 'Idea Cellular Limited' and fresh certificate of incorporation was issued by the RoC on May 1, 2002. Thereafter, the name of our Company was changed to its present name 'Vodafone Idea Limited' and a fresh certificate of incorporation was issued by the RoC on August 31, 2018. For details, including reasons for change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page [●].

For details of our business, see "*Our Business*" on page [●].

Registered Office

Suman Tower, Plot No. 18
Sector 11
Gandhinagar 382 011
Gujarat, India
Tel: +91 79 6671 4000
Corporate Identity Number: L32100GJ1996PLC030976
Registration Number: 30976

Corporate Office

Birla Centurion, 10th Floor
Century Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai 400 030
Maharashtra, India
Tel: +91 95940 04000

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad, situated at:

Registrar of Companies, Ahmedabad
ROC Bhavan, Opposite Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad 380 013
Gujarat, India

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Mr. Kumar Mangalam Birla	Non-Executive Chairman	00012813	Mangal Adityayan 20 Carmichael Road Mumbai 400 026 Maharashtra, India
Mr. Debnarayan Bhattacharya	Non-Executive Director	00033553	A-2502 & 2602, Vivarea Sane Guruji Marg, Mahalaxmi Mumbai 400011 Maharashtra, India
Mr. Himanshu Kapania	Non-Executive Director	03387441	Flat No. 1401/1402, 14th Floor Vastu Bandra Co-Op Housing Society

Name	Designation	DIN	Address
			Limited, B.J. Road Dr. Pereira Road, Bandra West Mumbai 400 050 Maharashtra, India
Mr. Ravinder Takkar	Non-Executive Director	01719511	AR-102B, The Aralias, 4th & 5th Floor (Entrance through DLF Golf Club) DLF City Phase-V Golf Course Road Gurugram 122 002 Haryana, India
Mr. Thomas Reisten	Non-Executive Director	06900067	Faraway, Snows Paddock, Windlesham, Surrey, GU20 6LH United Kingdom
Mr. Vivek Badrinath	Non-Executive Director	07319718	6, Rue Guizot, Viroflay Paris 78220, France
Mr. Arun Kumar Adhikari	Independent Director	00591057	903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle Mumbai 400 011 Maharashtra, India
Mr. Arun Kannan Thiagarajan	Independent Director	00292757	102, Prestige Ashcroft, 47/11 Lavelle Road, 6th Cross Bengaluru 560 001 Karnataka, India
Mr. Ashwani Windlass	Independent Director	00042686	N-53, Panchshila Park New Delhi 110 017 India
Mr. Krishnan Ramachandran	Independent Director	00193357	2401-2402 A Wing, Raheja Atlantis, Ganpatrao Kadam Marg Lower Parel Mumbai 400013 Maharashtra, India
Ms. Neena Gupta	Independent Director	02530640	A-236, Sushant Lok Phase-I Gurugram 122009 Haryana, India
Mr. Suresh Vaswani	Independent Director	02176528	5760 Daniel Road, Apt 7607 Plano, Texas 75024

For further details of our Directors, see "*Our Management*" on page [●].

Company Secretary and Compliance Officer

Mr. Pankaj Kapdeo is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Pankaj Kapdeo
Birla Centurion, 10th Floor
Century Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai 400 030
Maharashtra, India
Tel: + 91 95940 04000
E-mail: pankaj.kapdeo@vodafoneidea.com

Registrar to the Issue

Bigshare Services Private Limited is the Registrar to the Issue. The details of the Registrar are as follows:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East
Mumbai 400 059

Maharashtra, India
Tel: +91 22 6263 8200
E-mail: rightsissue@bigshareonline.com
Investor Grievance E-mail: vil.investors@bigshareoline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok S Shetty
SEBI Registration No.: INR000001385

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. 27, "G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: vil.rights@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

DSP Merrill Lynch Limited
Ground Floor, "A" Wing
One BKC, "G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6632 8000
E-mail: dg.vodafoneidea_rights@baml.com
Investor Grievance E-mail: dg.india_merchantbanking@baml.com
Website: www.ml-india.com
Contact Person: Anirudh Singh Sankhla
SEBI Registration No.: INM000011625

Morgan Stanley India Private Limited
18F, Tower 2, One Indiabulls Centre
841, Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6118 1000
E-mail: vodafoneidea_issue@morganstanley.com
Investor Grievance E-mail: investors_india@morganstanley.com
Website: www.morganstanley.com/about-us/global-offices/asia-pacific/india
Contact Person: Vaibhav Gupta
SEBI Registration No.: INM000011203

HDFC Bank Limited
Investment Banking Group
Unit 401&402, 4th Floor, Tower B, Peninsula Business Park
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8233

E-mail: vodafoneidea.rights@hdfcbank.com
Investor Grievance E-mail: investor.redressal @hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Ravi Sharma
SEBI Registration No.: INM000011252

SBI Capital Markets Limited
202, Maker Tower 'E', Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
E-mail: Vil.rights@sbicaps.com
Investor Grievance E-mail: Investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Sambit Rath
SEBI Registration No.: INM000003531

Legal Advisers to our Company as to Indian Law

S&R Associates
One Indiabulls Centre
1403, Tower 2B
841 Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000

Legal Advisers to the Lead Managers as to Indian Law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

Legal Advisers to the Lead Managers as to U.S. Law

Sidley Austin LLP
Level 31
Six Battery Road
Singapore 049909
Tel: +65 6230 3900

Inter-se Allocation of Responsibilities among the Lead Managers

The following table sets forth the *inter-se* allocation of responsibilities for various activities among the Lead Managers for the Issue:

Sr. No	Activity	Responsibility	Co-ordinating Lead Manager
1	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak

Sr. No	Activity	Responsibility	Co-ordinating Lead Manager
2	Coordination for drafting and design of the Letter of Offer as per the SEBI Regulations, Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak
3	Liasoning with the Stock Exchanges for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchanges and SEBI	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak
4	Drafting, design and distribution of the Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak
5	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak
6	Assist drafting and approval of all publicity material including statutory advertisements	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak
7	Formulating and co-ordinating marketing strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and the Letter of Offer	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	BofAML
8	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and coordinating for underwriting arrangement, if any.	Kotak, BofAML, HDFC Bank, Morgan Stanley, SBICAP	Kotak

Statutory Auditors of our Company

S.R. Batliboi & Associates LLP, Chartered Accountants
2nd and 3rd Floor
Golf View Corporate Tower B
Sector-42, Sector Road
Gurugram 122 002, Haryana, India
Tel: +91 124 681 6000
E-mail: SRBA@Srb.in
ICAI Firm Registration number: 101049W/E300004
Peer Review certificate number: 011169

Changes in the auditors

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Letter of Offer:

Name of the Auditor	Date of Change	Reason for change
Deloitte Haskins & Sells LLP, Chartered Accountants B – 706, 7th Floor, ICC Trade Tower, Senapati Bapat Road Pune 411 016, Maharashtra, India E-mail: hmjoshi@deloitte.com; nilahoti@deloitte.com ICAI Firm Registration number: 117366W/W-100018 Peer Review certificate number: 009919	June 30, 2017	Resignation after completion of term
S.R. Batliboi & Associates LLP, Chartered Accountants 2nd and 3rd Floor Golf View Corporate Tower B Sector-42, Sector Road Gurugram 122 002, Haryana, India E-mail: SRBA@Srb.in ICAI Firm Registration number: 101049W/E300004 Peer Review certificate number: 011169	June 30, 2017	Appointment as Statutory Auditors

Bankers to the Company

Axis Bank Limited 12, Mittal Tower, A Wing, First Floor Nariman Point, Mumbai 400 021 Maharashtra, India Tel: +91 22 2289 5100 Contact Person: Branch Head	**Bank of Baroda** Corporate Financial Services Branch, 3rd Floor 10/12 Mumbai Samachar Marg, Fort, Mumbai 400 001 Maharashtra, India Tel: +91 22 4340 7300 / 320 / 321 Contact Person: Bandita Aruk
BNP Paribas East Towers (Sood Towers), 8th Floor 25, Barakhamba Road New Delhi 110 001 Tel: +91 11 4179 6600 Contact Person: Somnath Das	**Canara Bank** Prime Corporate Branch BKC, Canara Bank Building C 14, G Block, A Wing 1st Floor, Bandra Kurla Complex Mumbai 400 051 Maharashtra, India Tel: +91 22 2672 8105 Contact Person: Sarita Amin
Deutsche Bank AG Ground Floor, Hindustan Times House 18-20 Kasturba Gandhi Marg New Delhi 110 001 Tel: +91 11 7110 9600 Contact Person: Divya Soni	**HDFC Bank Ltd.** 4th Floor, Tower B, Peninsula Business Park Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 3395 8124 Contact Person: Mahip Rekhani
IDBI Bank Limited 224-A, Mittal Court, A wing 2nd floor, Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 22 6658 8148 Contact Person: Shri Malleswar CVS Rao	**IDFC FIRST Bank Limited** Naman Chambers, C-32, G Block BKC, Mumbai 400 051 Maharashtra, India Tel: +91 22 7132 5500 Contact Person: Harshal Mhavarkar
ICICI Bank Limited Corporate Head Office, ICICI Bank Towers Bandra Kurla Complex, Bandra East Mumbai 400 051 Maharashtra, India Tel: +91 22 4008 7412 Contact Person: Susheel Somani	**IndusInd Bank Limited** 8th Floor, Tower 1, One Indiabulls Centre 841 S. B. Marg Park, Elphinstone Road Mumbai 400 013 Maharashtra, India Tel: +91 22 30491947 Contact Person: Manish Modi
Kotak Mahindra Bank Limited 27 BKC, C 27, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6166 0000 Contact Person: Ananth Chilukuri	**Punjab National Bank** Maker Tower E-Wing, Ground Floor Cuffe Parade, Mumbai 400 005 Maharashtra, India Tel: +91 22 2218 0752 Contact Person: Shobha Kathuria
RBL Bank Ltd. One Indiabulls Centre, Tower 2B, 6th Floor 841 Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 4302 0698 Contact Person: Onias Fernandes	**Standard Chartered Bank** 5/F, Crescenzo, C-38/39, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 6115 9304 Contact Person: Nishith Sanghavi
State Bank of India Corporate Accounts Group BKC The Capital, ‘A’ Wing, 16th Floor Bandra Kurla Complex, Bandra € Mumbai Maharashtra, India Tel: +91 22 6170 9621 Contact Person: V. SenthilKumar	

Bankers to the Issue

Escrow Collection Banks

HDFC Bank Limited FIG-OPS Department – Lodha I Think Techno Campus O-3 Level Next to kanjurmarg, Railway Station Kanjurmarg (East) Mumbai 400 042 Maharashtra, India Tel: +91 22 3075 2927/28 /2914 Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil, Neerav Desai E-mail: Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com, neerav.desai@hdfcbank.com Website:www.hdfcbank.com	**Axis Bank Limited** Jeevan Prakash Bldg, Ground Floor Sir P M Road, Fort Mumbai 400 001 Maharashtra, India Tel: +91 22 4086 7336/7474 Contact Person: Sudhir Raje E-mail: fort.operationshead@axisbank.com Website: www.axisbank.com
State Bank of India Corporate Accounts Group, BKC The Capital, 'A' Wing, 16th floor, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Tel: +91 22 6170 9621 Contact Person: V. Senthil Kumar E-mail: agmamt2.cagbkc@sbi.co.in Website: https://www.sbi.co.in	

Refund Bank

HDFC Bank Limited
FIG-OPS Department – Lodha
I Think Techno Campus O-3 Level
Next to kanjurmarg, Railway Station
Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Tel: +91 22 3075 2927/28 /2914
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil, Neerav Desai
E-mail: Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com, neerav.desai@hdfcbank.com
Website: www.hdfcbank.com

Self-Certified Syndicate Banks

The list of banks that have been notified by the SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, and as updated from time to time. For details of the branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the abovementioned link. On Allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Rights Equity Shares allotted.

Issue Schedule

The subscription will be open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date:	[●]
Last Date for receiving requests for Split Application Forms:	[●]
Issue Closing Date:	[●]

Date of Allotment (on or about):	[●]
Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

Investors are advised to ensure that the Application are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application on or before the Issue Closing Date.

Credit Rating

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

Listing of Securities

The Equity Shares of our Company are presently listed on the NSE and the BSE.

IPO Grading

As the Issue is a Rights Issue, no IPO Grading has been obtained in connect with the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed State Bank of India as the Monitoring Agency for the Issue, in accordance with Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

State Bank of India
Corporate Accounts Group BKC
The Capital, 'A' Wing, 16th floor, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6170 9621
E-mail: agmamt2.cagbkc@sbi.co.in

Appraising Agency

The objects of the Issue for which the Net Proceeds will be utilized have not been appraised by any agency.

Underwriters

Our Company has not appointed any underwriters for the Issue and the Issue is not underwritten.

Filing of this Letter of Offer

This Letter of Offer has been filed with the Designated Stock Exchange, the other Stock Exchange and the SEBI at the Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Further, the Lead Managers will also make an online filing of this Letter of Offer through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

Experts

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent dated [●] from the Statutory Auditors, namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a statutory auditor and in respect of their (i) examination report dated March 15, 2019 on the Restated Consolidated Financial Information, and (ii) report dated [●] on the statement of possible special tax benefits. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Our Company has also received written consent from Lovelock & Lewes to include its name in this Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of its audit reports dated February 25, 2019, May 31, 2018, June 2, 2017 and May 31, 2016 relating to audited consolidated financial statements of Vodafone India, its subsidiaries and joint ventures, as of August 31, 2018, for the period April 1, 2018 to August 30, 2018 and as of and for each of the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, respectively.

A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of the Rights Issue in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Lovelock & Lewes have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Lovelock & Lewes have given consent to be referred to as experts in this Letter of Offer in accordance with the requirements of the Companies Act, 2013. The term experts as used in this Letter of Offer is different from those defined under the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. The reference to Lovelock & Lewes as experts in this Letter of Offer is not made in the context of the U.S. Securities Act but solely in the context of this Rights Issue in India.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Terms of the Issue*" on page [●].

Pursuant to a letter dated February 15, 2019, the SEBI has permitted our Promoters and Promoter Group to subscribe to additional Rights Equity Shares in the Issue and exceed the maximum non-public shareholding requirement of 75% in order to achieve the minimum subscription requirements in the Issue (90% of the Issue Size) under the SEBI ICDR Regulations. As a result of such additional subscription, the shareholding of our Promoters and Promoter Group may exceed 75% of the post-Issue capital of our Company and our Company will be required to reduce such shareholding of the Promoters and Promoter Group to comply with SCRR within the time period (which is currently within one year from the date of allotment in the Issue) and in the manner specified by the SEBI.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer (before and after the Issue) is set forth below.

(In ₹ million, except share data)

	Particulars	Aggregate nominal value	Aggregate value at Issue Price
(A)	**AUTHORISED SHARE CAPITAL**[1]		
	28,793,002,000 Equity Shares of ₹ 10 each[2]	287,930.02	
	1,500 redeemable cumulative non-convertible preference shares of ₹ 10,000,000 each	15,000.00	
(B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AS AT THE DATE OF THIS LETTER OF OFFER AND PRIOR TO THE ISSUE**		
	8,735,558,329 Equity Shares of ₹ 10 each	87,355.58	
(C)	**THE ISSUE**		
	Up to [●] Equity Shares[3] of ₹ 10 each	[●]	[●]
(D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares[5] of ₹ 10 each	[●]	
(E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue[4]		1,035,534
	After the Issue[5]		[●]

1 *As at the date of this Letter of Offer, the authorised share capital of our Company is ₹ 302,930,020,000 divided into 28,793,002,000 Equity Shares of ₹ 10 each and 1,500 redeemable cumulative non-convertible preference shares of ₹ 10,000,000 each (i) as per the terms of the scheme of amalgamation of Vodafone India Limited and Vodafone Mobile Services Limited with our Company that was approved by the NCLT (Ahmedabad bench) pursuant to its order dated January 11, 2018 and by the NCLT (Mumbai bench) pursuant to its orders dated December 21, 2017 (pronounced on January 19, 2018) and August 30, 2018 (the "Merger") and filed with the RoC and (ii) as reflected in our Memorandum of Association and records, consequent to the Merger. However, the electronic records of the MCA and the RoC reflect the authorised share capital as ₹ 252,930,020,000 and takes into consideration a lower number of Equity Shares. We are seeking to rectify the MCA and RoC records to reflect the correct authorised share capital as approved pursuant to the Merger. See "Risk Factors - The authorised share capital of our Company appearing in the records of the Ministry of Corporate Affairs and the RoC is lower than the authorised share capital as per our records" on page [●].*

2 *For details of the changes in the authorised share capital of our Company in the last ten years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page [●].*

3 *The Issue has been authorized by our Board pursuant to its resolution dated January 23, 2019.*

4 *As of December 31, 2018, the Securities Premium Account was ₹ 1,035,512 million*

5 *Assuming full subscription in the Issue*

Notes to Capital Structure

1. **Share Capital History**

(a) History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 18, 1995	70	10	10	Cash	Subscription to the Memorandum of Association(1)	70	700
May 7, 1996	500,000	10	10	Cash	Further Allotment(2)	500,070	5,000,700
May 20, 1997	498,800,000	10	10	Cash	Further Allotment(3)	499,300,070	4,993,000,700
June 25, 1997	35,000,000	10	10	Cash	Further Allotment(4)	534,300,070	5,343,000,700
June 3, 1998	83,280,000	10	10	Cash	Further Allotment(5)	617,580,070	6,175,800,700

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
June 3, 1998	85,000,000	10	10	Cash	Further Allotment(6)	702,580,070	7,025,800,700
October 8, 1998	27,000,000	10	10	Cash	Further Allotment(7)	729,580,070	7,295,800,700
February 8, 1999	150,000,000	10	10	Cash	Further Allotment(8)	879,580,070	8,795,800,700
June 16, 1999	14,872,000	10	10	Cash	Further Allotment(9)	894,452,070	8,944,520,700
December 4, 2001	336,000,000	10	10	Cash	Further Allotment(10)	1,230,452,070	12,304,520,700
December 4, 2001	578,778,695	10	-	Other than cash	Allotment pursuant to scheme of amalgamation of Tata Cellular Limited with our Company(11)	1,809,230,765	18,092,307,650
December 4, 2001	38,456,441	10	-	Other than cash	Allotment pursuant to scheme of amalgamation of Tata Cellular Limited with our Company (12)	1,847,687,206	18,476,872,060
June 20, 2002	291,840,000	10	10	Cash	Further Allotment(13)	2,139,527,206	21,395,272,060
November 18, 2003	120,000,000	10	10	Cash	Further Allotment(14)	2,259,527,206	22,595,272,060
January 24, 2007	50,000,000	10	75	Cash	Further Allotment pursuant to pre-IPO placement by our Company(15)	2,309,527,206	23,095,272,060
March 2, 2007	283,333,333	10	75	Cash	Further Allotment pursuant to the IPO (16)	2,592,860,539	25,928,605,390
April 5, 2007	42,500,000	10	75	Cash	Further Allotment pursuant to green shoe option in the IPO(17)	2,635,360,539	26,353,605,390
August 12, 2008	413,094,098	10	156.96	Cash	Further Allotment(18)	3,048,454,637	30,484,546,370
August 13, 2008	51,640,572	10	156.96	Cash	Further Allotment(19)	3,100,095,209	31,000,952,090
February 25, 2010	372,400	10	39.30 – 45.55	Cash	Allotment of Equity Shares under ESOS 2006(20)	3,100,467,609	31,004,676,090

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 17, 2010	199,153,469	10	-	Other than cash	Allotment pursuant to scheme of amalgamation of Spice Communications Limited with our Company (21)	3,299,621,078	32,996,210,780
March 27, 2010	216,714	10	39.30 – 45.55	Cash	Allotment of Equity Shares under ESOS 2006(22)	3,299,837,792	32,998,377,920
May 3, 2010 - June 23, 2010	393,514	10	39.30 – 45.55	Cash	Allotment of Equity Shares under ESOS 2006(23)	3,300,231,306	33,002,313,060
July 27, 2010 – September 29, 2010	751,973	10	39.30 – 45.55	Cash	Allotment of Equity Shares under ESOS 2006(24)	3,300,983,279	33,009,832,790
October 25, 2010 – December 24, 2010	577,162	10	39.30 – 45.55	Cash	Allotment of Equity Shares under ESOS 2006(25)	3,301,560,441	33,015,604,410
January 24, 2011 – March 21, 2011	1,711,064	10	39.30 – 57.55	Cash	Allotment of Equity Shares under ESOS 2006(26)	3,303,271,505	33,032,715,050
April 27, 2011- June 23, 2011	485,151	10	39.30 – 57.55	Cash	Allotment of Equity Shares under ESOS 2006(27)	3,303,756,656	33,037,566,560
July 26, 2011 – September 22, 2011	2,252,546	10	39.30 – 57.55	Cash	Allotment of Equity Shares under ESOS 2006(28)	3,306,009,202	33,060,092,020
October 21, 2011 – December 22, 2011	1,418,638	10	39.30 – 57.55	Cash	Allotment of Equity Shares under ESOS 2006(29)	3,307,427,840	33,074,278,400
January 23, 2012 – March 22, 2012	1,417,270	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(30)	3,308,845,110	33,088,451,100
April 26, 2012 – June 26, 2012	905,774	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(31)	3,309,750,884	33,097,508,840
July 23, 2012 – September 21, 2012	1,094,887	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(32)	3,310,845,771	33,108,457,710
October 26, 2012 – December 21, 2012	1,063,049	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(33)	3,311,908,820	33,119,088,200
January 23, 2013 – March 21, 2013	2,412,946	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(34)	3,314,321,766	33,143,217,660

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
April 25, 2013 – June 25, 2013	1,249,370	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(35)	3,315,571,136	33,155,711,360
July 24, 2013 – September 24, 2013	1,406,900	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(36)	3,316,978,036	33,169,780,360
October 24,2013 – December 23, 2013	1,187,177	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(37)	3,318,165,213	33,181,652,130
January 27, 2014 – March 24, 2014	1,466,548	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(38)	3,319,631,761	33,196,317,610
April 28, 2014 – May 22, 2014	432,144	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(39)	3,320,063,905	33,200,639,050
June 11, 2014	223,880,597	10	134	Cash	Further Allotment pursuant to a QIP (40)	3,543,944,502	35,439,445,020
June 23, 2014	115,376	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(41)	3,544,059,878	35,440,598,780
July 24, 2014	51,838,540	10	144.68	Cash	Further Allotment(42)	3,595,898,418	35,958,984,180
July 25, 2014 – September 27, 2014	655,079	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(43)	3,596,553,497	35,965,534,970
October 22, 2014 – November 24, 2014	593,882	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(44)	3,597,147,379	35,971,473,790
December 29, 2014	336,999	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013(45)	3,597,484,378	35,974,843,780
January 27, 2015	123,527	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006(46)	3,597,607,905	35,976,079,050
February 25, 2015- March 23, 2015	236,522	10	39.30 – 126.45	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013(47)	3,597,844,427	35,978,444,270
April 28, 2015 – June 25, 2015	867,717	10	39.30 – 126.45	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013(48)	3,598,712,144	35,987,121,440

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
August 31, 2015 – September 29, 2015	898,242	10	39.30 – 126.45	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[49]	3,599,610,386	35,996,103,860
November 24, 2015 – December 23, 2015	749,220	10	39.30 – 126.45	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[50]	3,600,359,606	36,003,596,060
January 21, 2016	57,450	10	39.30 – 126.45	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[51]	3,600,417,056	36,004,170,560
February 18, 2016 – March 21, 2016	92,322	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[52]	3,600,509,378	36,005,093,780
April 28, 2016	11,312	10	57.55	Cash	Allotment of Equity Shares under ESOS 2006 [53]	3,600,520,690	36,005,206,900
May 25, 2016	105,806	10	10-57.55	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[54]	3,600,626,496	36,006,264,960
June 22, 2016	177,228	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013 [55]	3,600,803,724	36,008,037,240
July 26, 2016 – August 30, 2016	227,515	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006[56]	3,601,031,239	36,010,312,390
October 24, 2016 – December 26, 2016	658,026	10	39.30 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006[57]	3,601,689,265	36,016,892,650
February 28, 2017 – March 25, 2017	3,638,966	10	10 – 68.86	Cash	Allotment of Equity Shares under and ESOS 2006 and ESOS 2013[58]	3,605,328,231	36,053,282,310
April 25, 2017 – June 21, 2017	1,083,171	10	10 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[59]	3,606,411,402	36,064,114,020
July 27, 2017 – September 26, 2017	762,769	10	10 – 68.86	Cash	Allotment of Equity Shares under and ESOS 2006 and ESOS 2013[60]	3,607,174,171	36,071,741,710
October 26, 2017 – December 27, 2017	324,866	10	10 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013[61]	3,607,499,037	36,074,990,370

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative Number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 24, 2018	73,256	10	10 – 68.86	Cash	Allotment of Equity Shares under ESOS 2006 and ESOS 2013(62)	3,607,572,293	36,075,722,930
February 12, 2018	326,633,165	10	99.50	Cash	Further Allotment(63)	3,934,205,458	39,342,054,580
February 23, 2018	424,242,424	10	82.50	Cash	Further Allotment pursuant to a QIP(64)	4,358,447,882	43,584,478,820
February 27, 2018 – March 23, 2018	873,048	10	10 – 68.86	Cash	Allotment of Equity Shares under and ESOS 2006 and ESOS 2013(65)	4,359,320,930	43,593,209,300
April 28, 2018 - June 22, 2018	587,900	10	10 – 68.86	Cash	Allotment of Equity Shares under and ESOS 2006 and ESOS 2013(66)	4,359,908,830	43,599,088,300
July 23, 2018	31,099	10	10	Cash	Allotment of Equity Shares under ESOS 2013(67)	4,359,939,929	43,599,399,290
August 31, 2018	4,375,199,464	10	-	Other than cash	Allotment pursuant to scheme of amalgamation of Vodafone India Limited ("**Vodafone India**") and Vodafone Mobile Services Limited ("**VMSL**") with our Company (the "**Merger**")(68)	8,735,139,393	87,351,393,930
October 1, 2018	247,349	10	10	Cash	Allotment of Equity Shares under ESOS 2013(69)	8,735,386,742	87,353,867,420
January 28, 2019	87,250	10	10	Cash	Allotment of Equity Shares under ESOS 2013(70)	8,735,473,992	87,354,739,920
February 27, 2019	84,337	10	10	Cash	Allotment of Equity Shares under ESOS 2013(71)	8,735,558,329	87,35,55,83,290
Total						**8,735,558,329**	**87,35,55,83,290**

(1) Allotment of 70 Equity Shares in the following manner: Mr. Mahesh Chandra Bagrodia (10 Equity Shares); Mr. Raghuvir Bhandari (10 Equity Shares); Mr. Sushil Kumar Saboo (10 Equity Shares); Mr. Gopal Krishna Tulsian (10 Equity Shares); Mr. Raghuram Raju (10 Equity Shares); Mr. Deepak Adalkha (10 Equity Shares) and Ms. Jyoti Pande (10 Equity Shares).

(2) Allotment of 500,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (44,625 Equity Shares); Hindalco Industries Limited (76,500 Equity Shares); Grasim Industries Limited (76,500 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (57,735 Equity Shares) and AT&T Cellular Pvt. Limited (245,000 Equity Shares).

(3) Allotment of 498,800,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (49,534,367 Equity Shares); Hindalco Industries Limited (96,815,161 Equity Shares); Grasim Industries Limited (87,571,621 Equity Shares); Indo

Gulf Fertilisers and Chemicals Corporation Limited (20,466,851 Equity Shares) and AT&T Cellular Pvt. Limited (244,412,000 Equity Shares).

(4) *Allotment of 35,000,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (3,475,395 Equity Shares); Hindalco Industries Limited (6,791,925 Equity Shares); Grasim Industries Limited (6,143,970 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (1,438,710 Equity Shares) and AT&T Cellular Pvt. Limited (17,850,000 Equity Shares).*

(5) *Allotment of 83,280,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (8,269,454 Equity Shares); Hindalco Industries Limited (16,160,900 Equity Shares); Grasim Industries Limited (14,619,138 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (3,423,308 Equity Shares) and AT&T Cellular Pvt. Limited (40,807,200 Equity Shares).*

(6) *Allotment of 85,000,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (8,440,245 Equity Shares); Hindalco Industries Limited (16,494,675 Equity Shares); Grasim Industries Limited (14,921,070 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (3,494,010 Equity Shares) and AT&T Cellular Pvt. Limited (41,650,000 Equity Shares).*

(7) *Allotment of 27,000,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (2,681,022 Equity Shares); Hindalco Industries Limited (5,239,482 Equity Shares); Grasim Industries Limited (4,739,634 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (1,109,862 Equity Shares) and AT&T Cellular Pvt. Limited (13,230,000 Equity Shares).*

(8) *Allotment of 150,000,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (14,894,550 Equity Shares); Hindalco Industries Limited (29,108,250 Equity Shares); Grasim Industries Limited (26,331,300 Equity Shares); Indo Gulf Fertilisers and Chemicals Corporation Limited (6,165,900 Equity Shares) and AT&T Cellular Pvt. Limited (73,500,000 Equity Shares).*

(9) *Allotment of 14,872,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (1,476,745 Equity Shares); Hindalco Industries Limited (2,885,986 Equity Shares); Grasim Industries Limited (2,610,661 Equity Shares); Indo Gulf Corporation Limited (611,328 Equity Shares) and AT&T Cellular Pvt. Limited (7,287,280 Equity Shares).*

(10) *Allotment of 336,000,000 Equity Shares in the following manner: Birla TMT Holdings Private Limited (168,000,000 Equity Shares) and AT&T Cellular Pvt. Limited (168,000,000 Equity Shares).*

(11) *Allotment of 578,778,695 Equity Shares in the following manner: Tata Industries Limited and its nominees (170,000,567 Equity Shares) and Tata Televentures (Holdings) Limited (408,778,128 Equity Shares).*

(12) *Allotment of 38,456,441 Equity Shares to AIG (Mauritius) LLC.*

(13) *Allotment of 291,840,000 Equity Shares in the following manner: Birla TMT Holdings Private Limited (97,280,000 Equity Shares); Tata Industries Limited (97,280,000 Equity Shares) and AT&T Cellular Pvt. Limited (97,280,000 Equity Shares).*

(14) *Allotment of 120,000,000 Equity Shares in the following manner: Indian Rayon & Industries Limited (8,000,000 Equity Shares); Hindalco Industries Limited (18,000,000 Equity Shares); Grasim Industries Limited (14,000,000 Equity Shares); Tata Industries Limited (40,000,000 Equity Shares) and AT&T Cellular Pvt. Limited (40,000,000 Equity Shares).*

(15) *Allotment of 50,000,000 Equity Shares in the following manner: Aditya Birla Nuvo Limited (30,000,000 Equity Shares); Birla TMT Holdings Private Limited (18,285,340 Equity Shares); Mr. Ashwin Kumar Kothari (666,666 Equity Shares); Mr. Sanjay Goenka (333,333 Equity Shares); Mr. Rohit Kumar Dhoot (266,666 Equity Shares); Mr. Kumar Mangalam Birla (133,333 Equity Shares); Mr. Ramavatar Goenka (66,666 Equity Shares); Mr. Dhruv Mehta (66,666 Equity Shares); Mr. Sanjeev Aga (26,666 Equity Shares); Mr. Manoj Kohli (26,666 Equity Shares); Mr. Jagdish Moorjani (26,666 Equity Shares); Mr. Rizwan Koita (26,666 Equity Shares); Mr. P. Balaji (21,333 Equity Shares); Mr. T.V. Ramachandran (21,333 Equity Shares); Mr. Amarjeet Singh Gadhok (16,000 Equity Shares) and Mr. T.S. Raghupathy (16,000 Equity Shares), pursuant to a pre-IPO placement.*

(16) *Allotment of 283,333,333 Equity Shares to the public pursuant to the initial public offering of our Company.*

(17) *Allotment of 42,500,000 Equity Shares to JM Morgan Stanley Private Limited in its capacity as the stabilizing agent pursuant to the initial public offering of our Company.*

(18) *Allotment of 413,094,098 Equity Shares to TMI Mauritius Ltd. pursuant to preferential issue of Equity Shares.*

(19) *Allotment of 51,640,572 Equity Shares to TMI Mauritius Ltd. pursuant to preferential issue of Equity Shares.*

(20) *An aggregate of 372,400 Equity Shares were allotted to eligible employees under ESOS 2006.*

(21) *Allotment of 199,153,469 Equity Shares to the 29,106 shareholders of Spice Communications Limited pursuant to amalgamation of Spice Communications Limited with our Company. For further details, see "History and Certain Corporate Matters – Schemes of Arrangement" on page [●].*

(22) *An aggregate of 216,714 Equity Shares were allotted to eligible employees under ESOS 2006.*

(23) *An aggregate of 393,514 Equity Shares were allotted to eligible employees under ESOS 2006.*

(24) *An aggregate of 751,973 Equity Shares were allotted to eligible employees under ESOS 2006.*

(25) *An aggregate of 577,162 Equity Shares were allotted to eligible employees under ESOS 2006.*

(26) *An aggregate of 1,711,064 Equity Shares were allotted to eligible employees under ESOS 2006.*

(27) *An aggregate of 485,151 Equity Shares were allotted to eligible employees under ESOS 2006.*

(28) *An aggregate of 2,252,546 Equity Shares were allotted to eligible employees under ESOS 2006.*

(29) *An aggregate of 1,418,638 Equity Shares were allotted to eligible employees under ESOS 2006.*

(30) *An aggregate of 1,417,270 Equity Shares were allotted to eligible employees under ESOS 2006.*

(31) *An aggregate of 905,774 Equity Shares were allotted to eligible employees under ESOS 2006.*

(32) *An aggregate of 1,094,887 Equity Shares were allotted to eligible employees under ESOS 2006.*

(33) *An aggregate of 1,063,049 Equity Shares were allotted to eligible employees under ESOS 2006.*

(34) *An aggregate of 2,412,946 Equity Shares were allotted to eligible employees under ESOS 2006.*

(35) *An aggregate of 1,249,370 Equity Shares were allotted to eligible employees under ESOS 2006.*

(36) *An aggregate of 1,406,900 Equity Shares were allotted to eligible employees under ESOS 2006.*
(37) *An aggregate of 1,187,177 Equity Shares were allotted to eligible employees under ESOS 2006.*
(38) *An aggregate of 1,466,548 Equity Shares were allotted to eligible employees under ESOS 2006.*
(39) *An aggregate of 432,144 Equity Shares were allotted to eligible employees under ESOS 2006.*
(40) *Allotment of 223,880,597 Equity Shares to 97 eligible QIBs pursuant to a qualified institutions placement.*
(41) *An aggregate of 115,376 Equity Shares were allotted to eligible employees under ESOS 2006.*
(42) *Allotment of 51,838,540 Equity Shares to Axiata Investments 2 (India) Limited.*
(43) *An aggregate of 655,079 Equity Shares were allotted to eligible employees under ESOS 2006.*
(44) *An aggregate of 593,882 Equity Shares were allotted to eligible employees under ESOS 2006.*
(45) *An aggregate of 336,999 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(46) *An aggregate of 123,527 Equity Shares were allotted to eligible employees under ESOS 2006.*
(47) *An aggregate of 236,522 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(48) *An aggregate of 867,717 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(49) *An aggregate of 898,242 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(50) *An aggregate of 749,220 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(51) *An aggregate of 57,450 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(52) *An aggregate of 92,322 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(53) *An aggregate of 11,312 Equity Shares were allotted to eligible employees under ESOS 2006.*
(54) *An aggregate of 105,806 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(55) *An aggregate of 177,228 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(56) *An aggregate of 227,515 Equity Shares were allotted to eligible employees under ESOS 2006.*
(57) *An aggregate of 658,026 Equity Shares were allotted to eligible employees under ESOS 2006.*
(58) *An aggregate of 3,638,966 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(59) *An aggregate of 1,083,171 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(60) *An aggregate of 762,769 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(61) *An aggregate of 324,866 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(62) *An aggregate of 73,256 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(63) *Allotment of 326,633,165 Equity Shares in the following manner: Birla TMT Holdings Private Limited (233,165 Equity Shares); Elaine Investments Pte. Ltd., Singapore (163,200,000 Equity Shares) and Oriana Investments Pte. Ltd., Singapore (163,200,000 Equity Shares).*
(64) *Allotment of 424,242,424 Equity Shares to eligible QIBs pursuant to a qualified institutions placement.*
(65) *An aggregate of 873,048 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(66) *An aggregate of 587,900 Equity Shares were allotted to eligible employees under ESOS 2006 and ESOS 2013.*
(67) *An aggregate of 31,099 Equity Shares were allotted to eligible employees under ESOS 2013.*
(68) *Pursuant to the terms of the Merger, 3,893,927,522 Equity Shares were allotted to Vodafone India on August 31, 2018, in its capacity as the shareholder of VMSL to give effect to the merger of VMSL with our Company. Such Equity Shares were subsequently cancelled on August 31, 2018, to give effect to the merger of Vodafone India with our Company in terms of the Merger, subsequent to which 4,375,199,464 Equity Shares were allotted in the following manner: Al-Amin Investments Limited (247,074,233 Equity Shares); Asian Telecommunication Investments (Mauritius) Limited (298,062,840 Equity Shares); CCII (Mauritius), Inc. (135,602,165 Equity Shares); Euro Pacific Securities Limited (1,212,377,931 Equity Shares); Mobilvest (509,502,318 Equity Shares); Prime Metals Limited (664,399,299 Equity Shares); Trans Crystal Limited (444,187,567 Equity Shares); Vodafone Telecommunications (India) Limited (493,851,584 Equity Shares); Jaykay Finholding (India) Private Limited (7,592,136 Equity Shares); Omega Telecom Holdings Private Limited (76,687,227 Equity Shares); Telecom Investments India Private Limited (194,738,421 Equity Shares); and Usha Martin Telematics Limited (91,123,113 Equity Shares). For further details, see "History and Certain Corporate Matters – Schemes of Arrangement" on page [●].*
(69) *An aggregate of 247,349 Equity Shares were allotted to eligible employees under ESOS 2013.*
(70) *An aggregate of 87,250 Equity Shares were allotted to eligible employees under ESOS 2013.*
(71) *An aggregate of 84,337 Equity Shares were allotted to eligible employees under ESOS 2013.*

(b) History of preference share capital of our Company

The history of the preference share capital of our Company is disclosed below:

Date of allotment*	Number of preference shares allotted	Face value (₹)	Issue price (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
March 21, 2002	169	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	169	1,690,000,000
May	70	10,000,000	10,000,000	Cash	Preferential	239	2,390,000,000

Date of allotment*	Number of preference shares allotted	Face value (₹)	Issue price (₹)	Form of consideration	Reason/ Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
15, 2002					Allotment to Standard Chartered Bank		
May 29, 2002	27	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	266	2,660,000,000
May 31, 2002	25	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	291	2,910,000,000
October 19, 2002	96	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	387	3,870,000,000
April 21, 2003	80	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	467	4,670,000,000
July 3, 2003	16	10,000,000	10,000,000	Cash	Preferential Allotment to Standard Chartered Bank	483	4,830,000,000
Total						**483**	**4,830,000,000**

All the above preference shares have been redeemed and as at the date of this Letter of Offer, our Company has no outstanding preference shares.

2. **Equity Shares issued for consideration other than cash or out of revaluation reserves or bonus; and scheme of arrangement**

Our Company has not issued any Equity Shares through bonus or out of revaluation reserves since incorporation. Details of Equity Shares issued for consideration other than cash and pursuant to a scheme of arrangement are as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Reason/ Nature of allotment	Benefits accrued to the Company
December 4, 2001	578,778,695	10	-	Allotment pursuant to scheme of amalgamation of Tata Cellular Limited with our Company (1)	The operations of our Company expanded to Andhra Pradesh Circle and became a joint venture with Tata Group
December 4, 2001	38,456,441	10	-	Allotment pursuant to scheme of amalgamation of Tata Cellular Limited with our Company (2)	
March 17, 2010	199,143,169	10	-	Allotment pursuant to scheme of amalgamation of Spice Communications Limited with our Company (3)	The operations of our Company expanded to Karnataka and Punjab Circle and Axiata became a strategic investor into our Company
August 31, 2018	4,375,199,464	10	-	Allotment pursuant to the Merger (4)	Vodafone India and VMSL merged with and into our Company

(1) *Allotment of 578,778,695 Equity Shares in the following manner: Tata Industries Limited and its nominees (170,000,567 Equity Shares) and Tata Televentures (Holdings) Limited (408,778,128 Equity Shares).*
(2) *Allotment of 38,456,441 Equity Shares to AIG (Mauritius) LLC.*
(3) *Allotment of 199,153,469 Equity Shares to the 29,106 shareholders of Spice Communications Limited pursuant to amalgamation of Spice Communications Limited with our Company. For further details, see "History and Certain Corporate Matters – Schemes of Arrangement" on page [●].*
(4) *Pursuant to the terms of the Merger, 3,893,927,522 Equity Shares were allotted to Vodafone India on August 31, 2018, in its capacity as the shareholder of VMSL to give effect to the merger of VMSL with our Company. Such Equity Shares were subsequently cancelled on August 31, 2018, to give effect to the merger of Vodafone India with our Company in terms of the Merger, subsequent to which 4,375,199,464 Equity Shares were allotted in the following manner: Al-Amin Investments Limited (247,074,233 Equity Shares); Asian Telecommunication Investments (Mauritius) Limited (298,062,840 Equity Shares); CCII (Mauritius), Inc. (135,602,165 Equity Shares); Euro Pacific Securities Limited (1,212,377,931 Equity Shares); Mobilvest (509,502,318 Equity Shares); Prime Metals Limited (664,399,299 Equity Shares); Trans Crystal Limited (444,187,567 Equity Shares); Vodafone Telecommunications (India) Limited (493,851,584 Equity Shares); Jaykay Finholding (India) Private Limited (7,592,136 Equity Shares); Omega Telecom Holdings Private Limited (76,687,227 Equity Shares); Telecom Investments India Private Limited (194,738,421 Equity Shares); and Usha Martin Telematics Limited (91,123,113 Equity Shares). For further details, see "History and Certain Corporate Matters – Schemes of Arrangement" on page [●].*

3. Issue of Equity Shares in the last one year below the Issue Price

Other than as disclosed below, our Company has not issued Equity Shares in the one year immediately preceding the date of this Letter of Offer at a price which may be lower than the Issue Price:

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ Nature of allotment	Whether Promoter / member of the Promoter Group
March 23, 2018	218,579	10	10	Cash	Allotment of Equity Shares under ESOS 2013(1)	No
April 28, 2018 - June 22, 2018	568,813	10	10	Cash	Allotment of Equity Shares under ESOS 2013(2)	No
July 23, 2018	31,099	10	10	Cash	Allotment of Equity Shares under ESOS 2013(3)	No
August 31, 2018	4,375,199,464	10	-	Other than cash	Allotment pursuant to the Merger(4)	Yes
October 1, 2018	247,349	10	10	Cash	Allotment of Equity Shares under ESOS 2013(5)	No
January 28, 2019	87,250	10	10	Cash	Allotment of Equity Shares under ESOS 2013(6)	No
February 27, 2019	84,337	10	10	Cash	Allotment of Equity Shares under ESOS 2013(7)	No

(1) *An aggregate of 218,579 Equity Shares were allotted to eligible employees under ESOS 2013.*
(2) *An aggregate of 568,813 Equity Shares were allotted to eligible employees under ESOS 2013.*
(3) *An aggregate of 31,099 Equity Shares were allotted to eligible employees under ESOS 2013.*
(4) *Pursuant to the terms of the Merger, 3,893,927,522 Equity Shares were allotted to Vodafone India on August 31, 2018, in its capacity as the shareholder of VMSL to give effect to the merger of VMSL with our Company. Such Equity Shares were subsequently cancelled on August 31, 2018, to give effect to the merger of Vodafone India with our Company in terms of the Merger, subsequent to which 4,375,199,464 Equity Shares were allotted in the following manner: Al-Amin Investments Limited (247,074,233 Equity Shares); Asian Telecommunication Investments (Mauritius) Limited (298,062,840 Equity Shares); CCII (Mauritius), Inc. (135,602,165 Equity Shares); Euro Pacific Securities Limited (1,212,377,931 Equity Shares); Mobilvest (509,502,318 Equity Shares); Prime Metals Limited (664,399,299 Equity Shares); Trans Crystal Limited (444,187,567 Equity Shares); Vodafone Telecommunications (India) Limited (493,851,584 Equity Shares); Jaykay Finholding (India) Private Limited (7,592,136 Equity Shares); Omega Telecom Holdings Private Limited (76,687,227 Equity Shares); Telecom Investments India Private Limited (194,738,421 Equity Shares); and Usha Martin Telematics Limited (91,123,113 Equity Shares). For further details, see "History and Certain Corporate Matters – Schemes of Arrangement" on page [●].*
(5) *An aggregate of 247,349 Equity Shares were allotted to eligible employees under ESOS 2013.*
(6) *An aggregate of 87,250 Equity Shares were allotted to eligible employees under ESOS 2013.*
(7) *An aggregate of 84,337 Equity Shares were allotted to eligible employees under ESOS 2013.*

4. **Issue of Equity Shares pursuant to ESOS Schemes**

For details in relation to issue of Equity Shares by our Company pursuant to ESOS Schemes, see "*Capital Structure – Notes to Capital Structure –Share Capital History – History of Equity Share capital of our Company*" on page [●].

5. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as at December 31, 2018 in accordance with Regulation 31 of the SEBI Listing Regulations.

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoters & Promoter Group	20	6,230,680,176	-	-	6,230,680,176	71.33	6,230,680,176	-	6,230,680,176	71.33	-	71.33	326,633,165	5.24	-	-	6,230,680,176
(B)	Public	318,705	2,504,706,566	-	-	2,504,706,566	28.67	2,504,706,566	-	2,504,706,566	28.67	-	28.67	-	-	-	-	2,504,698,574
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying Custodian / Depository Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**318,725**	**8,735,386,742**	**-**	**-**	**8,735,386,742**	**-**	**8,735,386,742**	**-**	**8,735,386,742**	**100.00**	**-**	**100.00**	**326,633,165**	**3.74**	**-**	**-**	**8,735,378,750**

6. **Details regarding major shareholders of our Company**

(a) The following table sets forth details of the Equity Shareholders who hold 1.00 % or more of the equity share capital of our Company as at the end of last week from the date of this Letter of Offer:

Shareholder	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (%)
Grasim Industries Limited	1,008,540,115	11.54
Euro Pacific Securities Limited	792,754,922	9.08
Prime Metals Limited	664,399,929	7.61
Mobilvest	509,502,318	5.84
Vodafone Telecommunications (India) Limited	493,851,584	5.66
Axiata Investments 1 (India) Limited	464,734,670	5.32
Trans Crystal Limited	444,187,567	5.08
Birla TMT Holdings Private Limited	353,798,538	4.05
IGH Holdings Private Limited	349,623,009	4.00
Asian Telecommunications Investments (Mauritius) Limited	298,062,840	3.41
Axiata Investments 2 (India) Limited	247,265,873	2.83
Al-Amin Investments Limited	247,074,233	2.83
Hindalco Industries Limited	228,340,226	2.61
Telecom Investments India Private Limited	194,738,421	2.23
Elaine Investments Pte. Limited	163,200,000	1.87
Oriana Investments Pte. Limited	163,200,000	1.87
Franklin Templeton Investment Funds	145,503,140	1.67
CCII (Mauritius), Inc.	135,602,165	1.55
Usha Martin Telematics Limited	91,123,113	1.04
Total	**6,995,502,663**	**80.09**

(b) The following table sets forth details of the Equity Shareholders who held 1.00 % or more of the equity share capital of our Company as at the date 10 days prior to the date of this Letter of Offer:

Shareholder	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (%)
Grasim Industries Limited	1,008,540,115	11.54
Euro Pacific Securities Limited	792,754,922	9.08
Prime Metals Limited	664,399,929	7.61
Mobilvest	509,502,318	5.84
Vodafone Telecommunications (India) Limited	493,851,584	5.66
Axiata Investments 1 (India) Limited	464,734,670	5.32
Trans Crystal Limited	444,187,567	5.08
Birla TMT Holdings Private Limited	353,798,538	4.05
IGH Holdings Private Limited	349,623,009	4.00
Asian Telecommunications Investments (Mauritius) Limited	298,062,840	3.41
Axiata Investments 2 (India) Limited	247,265,873	2.83
Al-Amin Investments Limited	247,074,233	2.83
Hindalco Industries Limited	228,340,226	2.61
Telecom Investments India Private Limited	194,738,421	2.23
Elaine Investments Pte. Limited	163,200,000	1.87
Oriana Investments Pte. Limited	163,200,000	1.87
Franklin Templeton Investment Funds	145,503,140	1.67
CCII (Mauritius), Inc.	135,602,165	1.55
ICICI Prudential Life Insurance Company Limited	91,136,926	1.04
Usha Martin Telematics Limited	91,123,113	1.04
Total	**7,086,639,589**	**81.13**

(c) The following table sets forth details of the Equity Shareholders who held 1.00 % or more of the equity share capital of our Company as at the date two years prior to the date of this Letter of Offer:

Shareholder	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (%)
Aditya Birla Nuvo Limited	837,526,221	23.24
Axiata Investments 1 (India) Limited	464,734,670	12.90
Birla TMT Holdings Private Limited	283,565,373	7.87
Axiata Investments 2 (India) Limited	247,265,873	6.86
Hindalco Industries Limited	228,340,226	6.34
Grasim Industries Limited	171,013,894	4.75
First State Investments ICVC – Stewart Investors Asia Pacific Leaders Fund	116,671,993	3.24
ICICI Prudential Life Insurance Company Limited	111,618,966	3.10
Europacific Growth Fund	66,765,000	1.85
First State Investments ICVC – Stewart Investors Global Emerging Markets Leaders Fund	45,618,785	1.27
Goldman Sachs India Limited	45,425,515	1.26
Vanguard International Growth Fund	43,222,638	1.20
Total	**2,661,769,154**	**73.88**

(d) The following table sets forth details of the Equity Shareholders who held 1.00% or more of the equity share capital of our Company as at the date one year prior to the date of this Letter of Offer:

Shareholder	Number of Equity Shares held	Percentage of pre-Issue Equity Share capital (%)
Grasim Industries Ltd	100,850,115	23.14
Axiata Investments 1 (India) Limited	464,734,670	10.66
Birla TMT Holdings Private Limited	283,798,538	6.51
Axiata Investments 2 (India) Limited	247,265,873	5.67
Hindalco Industries Limited	228,340,226	5.24
Elaine Investments Pte. Ltd.	163,200,000	3.74
Oriana Investments Pte. Ltd.	163,200,000	3.74
ICICI Prudential Life Insurance Company Ltd	151,879,647	3.48
Franklin Templeton Investment Funds	117,194,916	2.69
First State Investments ICVC - Stewart Investors Asia Pacific Leaders Fund	75,920,235	1.74
First State Investments ICVC - Stewart Investors Global Emerging Markets Leaders Fund	52,757,680	1.21
Goldman Sachs India Limited	45,425,515	1.04
Vanguard International Growth Fund	45,357,324	1.04
Total	**2,139,924,739**	**69.90**

7. Other than pursuant to the Issue and the ESOS Schemes and as set forth below, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures. Further, in the event there is an under-subscription in the Issue and the Promoters and Promoter Group subscribe to additional Rights Equity Shares to meet the minimum subscription requirements under the SEBI ICDR Regulations which results in the aggregate shareholding of our Promoters and Promoter Group exceeding 75% of the post-Issue capital, our Company will be required to take steps to reduce such shareholding of our Promoters and Promoters Group to comply with SCRR in the manner and within the timelines prescribed by the SEBI, which may result in a change in our capital structure.

8. **History of Build-up and Contribution and Lock-in of Promoter's Shareholding**

a) Build-up of Promoter's shareholding in our Company

The aggregate shareholding of our Promoters and details of the allotment/purchase/sale in the course of the build-up of the Promoters' shareholding from the date of incorporation of our Company is set forth in the table below:

Date of allotment / transfer	No. of Equity Shares	Face value (₹)	Issue / purchase / sale price per Equity Share (₹)	Nature of Consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital (%)	Percentage of post-Issue Equity Share capital (%)*
Mr. Kumar Mangalam Birla							
December 8, 2006	100,000	10	62	Cash	Acquired from Ghewar Investments and Trading Company Private Limited	Negligible	Negligible
January 24, 2007	133,333	10	75	Cash	Further Allotment pursuant to pre-IPO placement by our Company	Negligible	Negligible
Total (A)	**233,333**					**Negligible**	**Negligible**
Hindalco Industries Limited							
May 7, 1996	76,500	10	10	Cash	Further Allotment	Negligible	Negligible
May 20, 1997	96,815,161	10	10	Cash	Further Allotment	1.11	1.11
June 25, 1997	6,791,925	10	10	Cash	Further Allotment	0.07	0.07
June 4, 1998	16,160,900	10	10	Cash	Further Allotment	0.19	0.19
October 5, 1998	16,494,675	10	10	Cash	Further Allotment	0.19	0.19
December 24, 1998	5,239,485	10	10	Cash	Further Allotment	0.06	0.06
March 24, 1999	29,108,250	10	10	Cash	Further Allotment	0.33	0.33
June 30, 1999	2,885,986	10	10	Cash	Further Allotment	0.03	0.03
August 18, 2003	36,767,344	10	-	Other than cash	Acquisition pursuant to scheme of amalgamation of Indo Gulf Fertilisers Limited with Hindalco Industries Limited	0.42	0.42
November 18, 2003	18,000,000	10	10	Cash	Further Allotment	0.21	0.21
Total (B)	**228,340,226**					**2.61**	**2.61**
Grasim Industries Limited							
May 7, 1996	76,500	10	10	Cash	Further	Negligible	Negligible

Date of allotment / transfer	No. of Equity Shares	Face value (₹)	Issue / purchase / sale price per Equity Share (₹)	Nature of Consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital (%)	Percentage of post-Issue Equity Share capital (%)*
					Allotment		
May 20, 1997	87,571,621	10	10	Cash	Further Allotment	1.00	1.00
June 25, 1997	6,143,970	10	10	Cash	Further Allotment	0.07	0.07
June 4, 1998	14,619,138	10	10	Cash	Further Allotment	0.17	0.17
October 5, 1998	14,921,070	10	10	Cash	Further Allotment	0.17	0.17
December 24, 1998	4,739,634	10	10	Cash	Further Allotment	0.05	0.05
March 24, 1999	26,331,300	10	10	Cash	Further Allotment	0.30	0.30
June 30, 1999	2,610,661	10	10	Cash	Further Allotment	0.04	0.04
November 18, 2003	14,000,000	10	10	Cash	Further Allotment	0.16	0.16
July 1, 2017	837,526,221	10	-	Other than cash	Acquisition from Aditya Birla Nuvo Limited pursuant to a composite scheme of arrangement	9.59	9.59
Total (C)	**1,008,540,115**					**11.55**	**11.55**
Birla TMT Holdings Private Limited							
December 4, 2001	168,000,000	10	10	Cash	Further Allotment	1.92	1.92
June 20, 2002	97,280,000	10	10	Cash	Further Allotment	1.11	1.11
January 14, 2004	10	10	10	Cash	Acquisition from Mr. M.C. Bagrodia	Negligible	Negligible
January 14, 2004	10	10	10	Cash	Acquisition from Mr. S.K. Saboo	Negligible	Negligible
January 14, 2004	10	10	10	Cash	Acquisition from Mr. G.K. Tulsian	Negligible	Negligible
January 14, 2004	10	10	10	Cash	Acquisition from Mr. G.K. Tulsian	Negligible	Negligible
June 20, 2006	546,593,587	10	40.50	Cash	Acquisition from Tata Industries Limited	6.26	6.26
June 20, 2006	371,780,750	10	40.50	Cash	Acquisition from Apex Investments (Mauritius) Holding Pvt. Ltd.	4.27	4.27
June 20, 2006	(169,464,540)	10	(40.50)	Cash	Transfer to Aditya Birla Telecom	(1.94)	(1.94)

Date of allotment / transfer	No. of Equity Shares	Face value (₹)	Issue / purchase / sale price per Equity Share (₹)	Nature of Consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital (%)	Percentage of post-Issue Equity Share capital (%)*
					Limited		
September 13, 2006	(7)	10	(40.50)	Cash	Transfer to Mr. Adesh Gupta, Mr. G.K. Tulsian, Mr. Sushil Agarwal, Mr. Anil Chirania, Mr. Manoj Kedia, Mr. Anil Rustogi and Mr. Devendra Bhandari	Negligible	Negligible
October 26, 2006	(537,300,000)	10	(41.50)	Cash	Transfer to N.S.S. Venture Limited	(6.15)	(6.15)
November 1, 2006	(40,196,178)	10	41.50	Cash	Transfer to N.S.S. Venture Limited	(0.46)	(0.46)
November 2, 2006	(171,413,619)	10	41.50	Cash	Transfer to N.S.S. Venture Limited	(1.96)	(1.96)
January 24, 2007	18,285,340	10	75	Cash	Further Allotment pursuant to pre-IPO placement by our Company	0.20	0.20
February 12, 2018	233,165	10	99.50	Cash	Further Allotment	Negligible	Negligible
August 31, 2018	70,000,000	10	62.91	Cash	Acquisition from Euro Pacific Securities Limited pursuant to the Merger	0.80	0.80
Total (D)	**353,798,538**					**4.05**	**4.05**
Al-Amin Investments Limited							
August 31, 2018	247,074,233	10	-	Other than cash	Allotment pursuant to the Merger	2.83	2.83
Total (E)	**247,074,233**					**2.83**	**2.83**
Asian Telecommunication Investments (Mauritius) Limited							
August 31, 2018	298,062,840	10	-	Other than cash	Allotment pursuant to the Merger	3.41	3.41
Total (F)	**298,062,840**					**3.41**	**3.41**
CCII (Mauritius), Inc.							
August 31, 2018	135,602,165	10	-	Other than cash	Allotment pursuant to	1.55	1.55

Date of allotment / transfer	No. of Equity Shares	Face value (₹)	Issue / purchase / sale price per Equity Share (₹)	Nature of Consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital (%)	Percentage of post-Issue Equity Share capital (%)*
					the Merger		
Total (G)	**135,602,165**					**1.55**	**1.55**
Euro Pacific Securities Limited							
August 31, 2018	1,212,377,931	10	-	Other than cash	Allotment pursuant to the Merger	13.88	13.88
August 31, 2018	(349,623,009)	10	(62.91)	Cash	Transfer to IGH Holdings Private Limited pursuant to the Merger	(4.00)	(4.00)
August 31, 2018	(70,000,000)	10	(62.91)	Cash	Transfer to Birla TMT Holdings Private Limited pursuant to the Merger	(0.80)	(0.80)
Total (H)	**792,754,922**					**9.08**	**9.08**
Vodafone Telecommunications (India) Limited							
August 31, 2018	493,851,584	10	-	Other than cash	Allotment pursuant to the Merger	5.65	5.65
Total (I)	**493,851,584**					**5.65**	**5.65**
Mobilvest							
August 31, 2018	509,502,318	10	-	Other than cash	Allotment pursuant to the Merger	5.83	5.83
Total (J)	**509,502,318**					**5.83**	**5.83**
Prime Metals Limited							
August 31, 2018	664,399,929	10	-	Other than cash	Allotment pursuant to the Merger	7.61	7.61
Total (K)	**664,399,929**					**7.61**	**7.61**
Trans Crystal Limited							
August 31, 2018	444,187,567	10	-	Other than cash	Allotment pursuant to the Merger	5.09	5.09
Total (L)	**444,187,567**					**5.09**	**5.09**
Omega Telecom Holdings Private Limited							
August 31, 2018	76,687,227	10	-	Other than cash	Allotment pursuant to the Merger	0.88	0.88
Total (M)	**76,687,227**					**0.88**	**0.88**
Telecom Investments India Private Limited							
August 31, 2018	194,738,421	10	-	Other than cash	Allotment pursuant to the Merger	2.23	2.23
Total (N)	**194,738,421**					**2.23**	**2.23**

Date of allotment / transfer	No. of Equity Shares	Face value (₹)	Issue / purchase / sale price per Equity Share (₹)	Nature of Consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital (%)	Percentage of post-Issue Equity Share capital (%)*
Jaykay Finholding (India) Private Limited							
August 31, 2018	7,592,136	10	-	Other than cash	Allotment pursuant to the Merger	0.09	0.09
Total (O)	**7,592,136**					**0.09**	**0.09**
Usha Martin Telematics Limited							
August 31, 2018	91,123,113	10	-	Other than cash	Allotment pursuant to the Merger	0.31	0.31
Total (P)	**91,123,113**					**0.31**	**0.31**
Total (Sum of (A) to (P)) 5,546,488,667						**63.50**	**63.50**

** Assuming full subscription by all shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group.*

As at the date of this Letter of Offer, one of our Promoters, Vodafone International Holdings B.V. does not hold any Equity Shares of our Company.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

(a) ***Shareholding of our Promoter Group in our Company***

Set forth below is the shareholding of the Promoters and other members of our Promoter Group in our Company as at the date of this Letter of Offer.

Name of shareholder	Pre-Issue		Percentage of post-Issue equity share capital (%)*
	Number of Equity Shares	Percentage of equity share capital (%)	
Promoters			
Mr. Kumar Mangalam Birla	233,333	Negligible	Negligible
Hindalco Industries Limited	228,340,226	2.61	2.61
Grasim Industries Limited	1,008,540,115	11.55	11.55
Birla TMT Holdings Private Limited	353,798,538	4.05	4.05
Al-Amin Investments Limited	247,074,233	2.83	2.83
Asian Telecommunication Investments (Mauritius) Limited	298,062,840	3.41	3.41
CCII (Mauritius), Inc.	135,602,165	1.55	1.55
Euro Pacific Securities Limited	792,754,922	9.08	9.08
Vodafone Telecommunications (India) Limited	493,851,584	5.65	5.65
Mobilvest	509,502,318	5.83	5.83
Prime Metals Limited	664,399,929	7.61	7.61
Trans Crystal Limited	444,187,567	5.09	5.09
Omega Telecom Holdings Private Limited	76,687,227	0.88	0.88
Telecom Investments India Private Limited	194,738,421	2.23	2.23
Jaykay Finholding (India) Private Limited	7,592,136	0.09	0.09
Usha Martin Telematics Limited	91,123,113	1.04	1.04
Promoter Group			
Elaine Investments Pte. Ltd.	163,200,000	1.87	1.87
Oriana Investments Pte. Ltd.	163,200,000	1.87	1.87
IGH Holdings Private Limited	349,623,009	4.00	4.00

Name of shareholder	Pre-Issue		Percentage of post-Issue equity share capital (%)*
	Number of Equity Shares	Percentage of equity share capital (%)	
Pilani Investment and Industries Corporation Limited	8,168,500	0.09	0.09
Total	**6,230,680,176**	**71.33**	**71.33**

** Assuming full subscription by all shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group.*

(b) ***Shareholding of the directors of our Promoters***

Set forth below is the shareholding of the directors of our corporate Promoters as at the date of this Letter of Offer.

Name of Director	Number of Equity Shares	Percentage of the pre-Issue capital (in %)
Mr. Kumar Mangalam Birla	233,333	Negligible
Mr. Debnarayan Bhattacharya	6,202	Negligible
Mr. Himanshu Kapania	822,708	0.01
Mr. Arun Kannan Thiagarajan	7,700	Negligible
Total	**1,069,943**	**0.01**

(c) ***Sale and purchase of Equity Shares in the preceding six months***

None of our Promoters, any member of our Promoter Group, our Directors or their relatives or the directors of our corporate Promoters have sold or purchased any Equity Shares, during the six months immediately preceding the date of this Letter of Offer.

(d) None of our Promoters, any member of our Promoter Group, our Directors or their relatives or directors of our corporate Promoters have financed the purchase of Equity Shares by any other person, during the six months immediately preceding the date of this Letter of Offer, other than in the normal course of business of the financing entity.

(e) ***Promoter's contribution and lock-in***

Since the Issue is a rights issue, the requirement of promoters' contribution and lock-in are not applicable.

9. As at March [●] 2019, our Company had [●] Equity Shareholders.

10. Our Company, our Directors and the Lead Managers have not entered into any buy-back arrangements for the purchase of the Equity Shares being offered through the Issue from any person.

11. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as at the date of this Letter of Offer. The Equity Shares to be issued pursuant to the Issue are and shall be fully paid-up at the time of Allotment.

12. Except as disclosed below, neither the Lead Managers nor their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares as at the date of this Letter of Offer:

    - HDFC Securities holds 339,567 Equity Shares as a body corporate.
    - SBICAP Securities Limited holds 59,243 Equity Shares as a body corporate.
    - Morgan Stanley France S.A holds 577,564 Equity Shares.

    The Lead Managers and their respective associates may engage in transactions with and perform services for our Company, Promoters, Promoter Group, Subsidiaries, Joint Ventures and Associate or their respective affiliates in the ordinary course of business or may engage in commercial banking and investment banking transactions with our Company, Promoters, Promoter Group, Subsidiaries Joint Ventures and Associate for which they have received or may receive customary compensation.

13. **Employee Stock Option Plans**

The Company instituted the Employee Stock Option Scheme – ESOS 2006, as amended (“**ESOS 2006**”) pursuant to the resolution of the Board of Directors dated October 19, 2006, with a partial modification at its meeting held on September 10, 2007 and of the shareholders dated November 5, 2007 and December 21, 2009. ESOS 2006 became effective from December 31, 2007 and continues to be in force as at the date of this Letter of Offer. Further, the Company instituted the Employee Stock Option Scheme – ESOS 2013 (“**ESOS 2013**”) pursuant to the resolution of the ESOS Compensation Committee of our Board of Directors dated May 10, 2013 and of our shareholders’ dated September 16, 2013. ESOS 2013 became effective from October 24, 2013 and continues to be in force as at the date of this Letter of Offer.

Our Company has also started process of instituting the Vodafone Idea Limited Employee Stock Option Scheme 2018 (“**ESOS 2018**”), pursuant to the resolution of our Board of Directors dated November 14, 2018 and of our shareholders’ dated December 22, 2018. ESOS 2018 is yet to be made effective as at the date of this Letter of Offer.

ESOS 2006 and ESOS 2013 have been instituted and implemented in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the “**SEBI SBEB Regulations**”) and the Companies Act, 2013, as amended.

Details of grants, exercise and lapsed options, pertaining to all ESOS Schemes, as on the date of the Letter of Offer on a cumulative basis are as follows:

ESOS 2006

Particulars	Details
Total Options granted	35,505,500
Options forfeited/ lapsed/ cancelled	8,388,521
Options exercised	26,939,353
Total number of Equity Shares arising as a result of exercise of options	26,939,353
Options vested (excluding options that have been exercised)	177,626
Total number of options in force	177,626

ESOS 2013

Particulars	Details
Total Options granted	29,588,559
Options forfeited/ lapsed/ cancelled	81,54,298
Options exercised	7,576,108
Total number of Equity Shares arising as a result of exercise of options	7,576,108
Options vested (excluding options that have been exercised)	13,365,114
Total number of options in force	13,858,153

Particulars	Details
Total options granted	65,094,059
Total options forfeited/ lapsed/ cancelled	16,542,819
Total options exercised	34,515,461
Total number of Equity Shares arising as a result of exercise of options	34,515,461
Total number of vested options in force	13,542,740
Total number of options in force	14,035,779

(A) **ESOS 2006**

The details of ESOS 2006 as at the date of this Letter of Offer are set out below:

Particulars	**Details for the financial year ended March 31,**			**Nine months ended December 31, 2018**	**Cumulatively up to [●]**
	2016	**2017**	**2018**		
Options granted	Nil	Nil	Nil	Nil	Nil
Options vested	Nil	Nil	Nil	Nil	Nil
Options exercised	2,136,095	1,337,663	609,912	19,087	19,087
The exercise price	₹ 39.30 – ₹ 68.86	₹ 39.30 – ₹ 68.86	₹ 45.55 – ₹ 68.86	₹ 57.55	₹ 57.55
The total number of Equity Shares arising as a result of exercise of option	2,136,095	1,337,663	609,912	19,087	19,087
Options lapsed	34,437	126,227	80,562	217,340	329,964
Variation of terms of options	Not Applicable				
Money realized by exercise of options	₹ 108,236,792.35	₹ 62,033,979.33	₹ 58,268,785.13	₹ 1,098,456.85	₹ 1,098,456.85
Total number of options in force	2,681,041	1,217,151	526,677	290,250	177,626
Employee-wise detail of options granted to					
i. Key Managerial personnel	NIL	NIL	NIL	NIL	NIL
ii. Any other employee who received a grant in any one year of options amounting to five per cent or more of the options granted during that year	NIL				
iii. Identified employees who were granted options during any one year equal to exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL				
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with applicable accounting standard on 'Earnings Per Share' (in Rs.).	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.
Where our Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and on the EPS of the Company.	The Company followed intrinsic value method **Employee Compensation Cost :** Intrinsic Value Method – Rs. 316.66 Mn Fair Value Based – Rs. 613.35 Mn Difference Rs. 296.69 Mn **Impact:** ***Reported***	The Company follows fair value method, accordingly there is no change in the reported EPS. Under Ind AS carve outs, fair value accounting is only required for unvested shares as on the transition date.			

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
	Net profit – ₹ 26,166.56 EPS (Basic) ₹ 7.27 EPS (Diluted) ₹ 7.25 ***Adjusted*** Net profit – Rs. 25,869.87 EPS (Basic) ₹ 7.19 EPS (Diluted) ₹ 7.17				
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option	Black-Scholes Method				
Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Same as above				
Impact on profit and EPS of the last three years if the Company had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years.	Not Applicable				
Intention of the Key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under ESOS 2006, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of ESOS 2006, this information shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer	Not Applicable				

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
Specific disclosures about the intention to sell equity shares arising out of ESOS 2006 within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under ESOS 2006 amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions), which inter-alia shall include name, designation and quantum of the equity shares issued under ESOS 2006 and the quantum they intended to sell within three months	Not Applicable				
Details of the number of shares issued in ESOS 2006, the price at which such shares were issued, employee-wise details of the shares issued to:					
• Key managerial personnel	Pankaj Kapdeo - 5,187 at ₹ 45.55	Pankaj Kapdeo - 5,188 at ₹ 45.55	Pankaj Kapdeo - 5,187 at ₹ 45.55	Nil	Nil
• Any other employee who is issued shares in any one year amounting to 5 per cent or more shares issued during that year	NIL				
• Identified employees who were issued shares during any one year equal to or exceeding 1 per cent. Of the issued capital of our Company at the time of issuance	NIL				
Diluted EPS pursuant to issuance of shares under ESOS 2006; and consideration received against the issuance of shares.	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.

 # Diluted EPS has been calculated based on standalone financial statements comprising the issuance of shares under all schemes

(B) **ESOS 2013**

(A) The details of ESOS 2013 in respect of Stock Options granted as at the date of this Letter of Offer are set out below:

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
Options granted	1,048,615	416,033	Nil	Nil	Nil
Options vested	4,222,404	4,414,737	Nil	Nil	Nil
Options exercised	528,856	Nil	Nil	Nil	Nil
The exercise price	₹ 126.45	Nil	Nil	Nil	Nil
The total number of Equity Shares arising as a result of exercise of option	528,856	Nil	Nil	Nil	Nil

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	**2017**	**2018**		
Options lapsed	158,421	462,010	5,876,027	442,393	533,481
Variation of terms of options	Not Applicable				
Money realized by exercise of options	₹ 66,873,841.20	Nil			Nil
Total number of options in force	19,018,618	18,972,641	13,096,614	12,654,221	12,563,133
Employee-wise detail of options granted to					
i. Key Managerial personnel	Nil	Himanshu Kapania – 1,57,812	Nil	Nil	Nil
ii. Any other employee who received a grant in any one year of options amounting to five per cent or more of the options granted during that year	Rochak Kapur - 75,907 Shyamji Agrawal - 62,368 Mohanrao Kumbhar - 62,368 Ravinder Beniwal - 75,907 Debashis Banerjee - 108,732	Maya Nair – 51,973 Vikash Dokania – 42,672 Boilal Gangte – 35,560 Nirav Nandha – 42,672 Amar Bhosale – 42,672 Alok Thapliyal – 42,672	Nil	Nil	Nil
iii. Identified employees who were granted options during any one year equal to exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL				
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with applicable accounting standard on 'Earnings Per Share' (in Rs.).	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.
Where our Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and on the EPS of the Company.	The Company followed intrinsic value method **Employee Compensation Cost :** Intrinsic Value Method – ₹ 316.66 Mn Fair Value Based – ₹ 613.35 Mn Difference ₹ 296.69 Mn **Impact:** ***Reported*** Net profit – ₹ 26,166.56 EPS (Basic) ₹ 7.19 EPS (Diluted) ₹ 7.25	The Company follows fair value method, accordingly there is no change in the reported EPS. Under Ind AS carve outs, fair value accounting is only required for unvested shares as on the transition date			

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
	Adjusted Net profit – Rs. 25,869.87 EPS (Basic) Rs. 7.25 EPS (Diluted) Rs. 7.17				
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option	Black-Scholes Method				
Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Same as above				
Impact on profit and EPS of the last three years if the Company had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years.	Company is following accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder by ICAI for accounting of Share Based Employee Benefits which are in-line with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014				
Intention of the Key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under ESOS 2013, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of ESOS 2013, this information shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer	Not applicable				
Specific disclosures about the intention to sell equity shares arising out of ESOS 2013 within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued	Not applicable				

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	**2017**	**2018**		
under ESOS 2013 amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions), which inter-alia shall include name, designation and quantum of the equity shares issued under ESOS 2006 and the quantum they intended to sell within three months					
Details of the number of shares issued in ESOS 2013, the price at which such shares were issued, employee-wise details of the shares issued to:					
• Key managerial personnel	Himanshu Kapania – 80,000 at ₹ 126.45	NIL	NIL	NIL	NIL
• Any other employee who is issued shares in any one year amounting to 5 per cent or more shares issued during that year	NIL				
• Identified employees who were issued shares during any one year equal to or exceeding 1 per cent. Of the issued capital of our Company at the time of issuance	NIL				
Diluted EPS pursuant to issuance of shares under ESOS 2013; and consideration received against the issuance of shares.	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.

 # Diluted EPS has been calculated based on standalone financial statements comprising the issuance of shares under all schemes

(B) The details of Restricted Stock Units (RSU's) granted under ESOS 2013 as at the date of this Letter of Offer are set out below:

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	**2017**	**2018**		
Options granted	476,851	161,869	Nil	Nil	Nil
Options vested	Nil	812,987	106,395	Nil	321,740
Options exercised	Nil	3,481,190	2,507,198	847,261	1,018,848
The exercise price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
The total number of Equity Shares arising as a result of exercise of option	Nil	3,481,190	2,507,198	847,261	1,018,848
Options lapsed	86,513	221,913	107,358	80,788	80,788
Variation of terms of options	Not Applicable				
Money realized by exercise of options	NIL	₹ 34,811,900	₹ 25,071,980	₹ 8,472,610	₹ 10,188,480
Total number of options in force	8,550,446	5,009,212	2,394,656	1,466,607	1,295,020
Employee-wise detail of options granted to					
i. Key Managerial personnel	NIL	Himanshu Kapania – 44,444	NIL	NIL	NIL

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	**2017**	**2018**		
ii. Any other employee who received a grant in any one year of options amounting to five per cent or more of the options granted during that year	Rochak Kapur - 34,518 Shyamji Agrawal - 28,361 Mohanrao Kumbhar - 28,361 Ravinder Beniwal - 34,518 Debashis Banerjee - 49,445	Maya Nair - 23,634 Vikash Dokania -19,405 Boilal Gangte - 16,171 Nirav Nandha - 19,405 Amar Bhosale - 19,405 Alok Thapliyal - 19,405	NIL	NIL	NIL
iii. Identified employees who were granted options during any one year equal to exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL				
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with applicable accounting standard on 'Earnings Per Share' (in Rs.).	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.
Where our Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and on the EPS of the Company.	The Company followed intrinsic value method **Employee Compensation Cost :** Intrinsic Value Method – ₹ 316.66 Mn Fair Value Based – ₹ 613.35 Mn Difference ₹. 296.69 Mn **Impact:** ***Reported*** Net profit – ₹ 26,166.56 EPS (Basic) ₹ 7.27 EPS (Diluted) ₹ 7.25 ***Adjusted*** Net profit – ₹ 25,869.87 EPS (Basic) ₹ 7.19 EPS (Diluted) ₹ 7.17	The Company follows fair value method, accordingly there is no change in the reported EPS. Under Ind AS carve outs, fair value accounting is only required for unvested shares as on the transition date			
Description of the pricing formula and method and significant assumptions used to estimate the fair	Black-Scholes Method				

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option					
Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Same as above				
Impact on profit and EPS of the last three years if the Company had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years.	Company is following accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder by ICAI for accounting of Share Based Employee Benefits which are in-line with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014				
Intention of the Key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under RSU's ESOS 2013, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of RSU's ESOS 2013, this information shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer	Not applicable				
Specific disclosures about the intention to sell equity shares arising out of RSU's ESOS 2013 within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under RSU's ESOS 2013 amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions), which inter-alia shall include name, designation and quantum of the equity shares issued under RSU's ESOS 2013 and the	Not applicable				

Particulars	Details for the financial year ended March 31,			Nine months ended December 31, 2018	Cumulatively up to [●]
	2016	2017	2018		
quantum they intended to sell within three months					
Details of the number of shares issued in RSU's under ESOS 2013, the price at which such shares were issued, employee-wise details of the shares issued to:					
• Key managerial personnel	Nil b)	(a) Himanshu Kapania –70,000 at Rs. 10 (b) Akshaya Moondra: 146,944 at Rs.10	(a) Himanshu Kapania – 463,333 at ₹ 10 (b) Pankaj Kapdeo - 32,000 at ₹ 10	Nil	Nil
• Any other employee who is issued shares in any one year amounting to 5 per cent or more shares issued during that year	Nil	Nil	Nil	Nil	Nil
• Identified employees who were issued shares during any one year equal to or exceeding 1 per cent. Of the issued capital of our Company at the time of issuance	NIL				
Diluted EPS pursuant to issuance of shares under RSU's under ESOS 2013; and consideration received against the issuance of shares.	7.25#	(2.31)#	(12.95)#	(14.45)#	N.A.

 # Diluted EPS has been calculated based on standalone financial statements comprising the issuance of shares under all schemes

The disclosures in relation to the ESOS Schemes in the Letter of Offer are in accordance with the applicable provisions of the SEBI ICDR Regulations.

14. The ex-rights price of the Equity Shares as per Regulation 10(4)(b)(ii) of the Takeover Regulations is [●].

15. Pursuant to letters dated [●], our Promoters and Promoter Group, as applicable, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and do not intend to renounce such rights, except to the extent of renunciation within the Promoters and Promoter Group. In addition to subscription to their Rights Entitlements, certain of our Promoters and Promoter Group have reserved the right to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, in whole or in part, up to the extent permitted by the SEBI as specified below.

    Pursuant to a letter dated February 15, 2019, the SEBI has permitted our Promoters and Promoter Group to subscribe to additional Rights Equity Shares in the Issue and exceed the maximum non-public shareholding requirement of 75% in order to achieve the minimum subscription requirements in the Issue (90% of the Issue Size) under the SEBI ICDR Regulations. As a result of such additional subscription, the shareholding of our Promoters and Promoter Group may exceed 75% of the post-Issue capital of our Company and our Company will be required to reduce such shareholding of the Promoters and Promoter Group to comply with SCRR within the time period (which is currently within one year from the date of allotment in the Issue) and in the manner specified by the SEBI.

OBJECTS OF THE ISSUE

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

1. Payment of certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest); and
2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects as set out in our Memorandum of Association enables our Company to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

Issue Proceeds and Net Proceeds

Particulars	Amount up to (₹ in million)
Gross proceeds of the Issue*	250,000
(Less) Estimated Issue related expenses	[●]
Total Net Proceeds	[●]

**Assuming full subscription in the Issue.*

Requirement of Funds, Utilization of Net Proceeds and Means of Finance

The proposed utilization of the Net Proceeds is set forth in the table below:

Particulars	Amount up to (₹ in million)
Payment of certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest)	187,500*
General corporate purposes	[●]
Total Net Proceeds**	[●]

** Subject to finalization based on determination of the Issue size.*
*** Assuming full subscription in the Issue. In case of under-subscription in the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds.*

The fund requirements for the above objects are proposed to be funded from the Net Proceeds, internal accruals and borrowings from banks. Our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance.

The fund requirements for the objects are based on management estimates, payment schedule for the deferred payment liabilities prescribed by the DoT in terms of the spectrum allotment letters, the restructured deferred auction payment letters dated April 4, 2018, the terms of the NCDs issued by our Company, financing agreements (including repayment schedules) and other agreements entered into by our Company. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds and we may explore a range of options including utilizing our internal accruals, raising further equity capital and seeking additional debt from existing and future lenders, as required. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business requirements and strategy, including external factors such as market conditions, changes to the payment schedule for our deferred payment liabilities to the DoT, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company.

The fund requirements for the objects have not been appraised by any bank or financial institution or any other independent agency.

Schedule of Deployment of the Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in million)

Particulars	Estimated Utilization of Net Proceeds in FY 2020
Payment of certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest)* • Payment of deferred payment liabilities to the DoT • Repayment of loans • Redemption of and payment of interest on NCDs	187,500
General corporate purposes	[●]
Total	[●]

∗ Our Company may deploy a portion of the Net Proceeds towards payment of deferred payment liabilities to the DoT for dues payable in April 2020, i.e., FY 2021. For details, see " - Details of the Objects of the Issue" on page [●].

Our Company intends to utilize up to ₹187,500 million of the Net Proceeds towards full or partial repayment of any or all of the certain deferred payment liabilities to the DoT and repayment of certain borrowings (including interest) as identified below. In compliance with the SEBI ICDR Regulations, the funds utilized towards general corporate purposes shall not exceed 25% of the Net Proceeds.

We believe that such payment of deferred payment liabilities to the DoT and repayment of borrowings will help in reducing our outstanding indebtedness.

Details of the Objects of the Issue

1. Payment of Certain Deferred Payment Liabilities to the DoT and Repayment of Certain Borrowings (including interest)

a. Payment of Deferred Payment Liabilities to the DoT

Our Company has been allotted spectrum to offer telecom services in 22 Service Areas across India, pursuant to auctions conducted by the DoT. For further details on our existing licenses and spectrum, a brief description of the process of spectrum allocation and payments to be made towards licenses and spectrum, see "*Our Business*", "*Regulations and Policies*" and "*Government and Other Approvals*" on pages [●], [●] and [●], respectively.

Under the terms of the spectrum allotment letters, we are required to make, among others, annual equated instalment payments, inclusive of interest, to the DoT as a deferred payment liability towards spectrum payments, until such liabilities are repaid in full. As at the date of this Letter of Offer, our Company's total deferred payment liabilities (inclusive of interest) to the DoT in connection with the frequencies acquired in the auction of spectrum held from 2012 until 2016 aggregated to ₹906,808 million. We intend to utilize a portion of the Net Proceeds towards payment of such deferred payment liabilities to the DoT which are due and payable in Financial Year 2020, as identified below.

S. No.	Year of Auction	Date of upfront payment against Spectrum auction	Nature of Spectrum	Tenure of Spectrum	Payment Schedule	Instalment Amount Due in FY 2020 (inclusive of interest*) (₹ in million)
1.	2012	December 1, 2012	1800 MHZ(1)	20 years	Annual equated instalments ending in December 2030	1,642
			Total			**1,642**
2.	2014	March 3, 2014	900 MHZ(2)	20 years	Annual equated instalments ending in March 2032	16,007
			1800 MHZ(3)	20 years	Annual equated instalments ending in March 2032	14,421
			Total			**30,428**

S. No.	Year of Auction	Date of upfront payment against Spectrum auction	Nature of Spectrum	Tenure of Spectrum	Payment Schedule	Instalment Amount Due in FY 2020 (inclusive of interest*) (₹ in million)
3.	2015	April 9, 2015**	900 MHZ(4)	20 years	Annual equated instalments ending in April 2033	55,539
			1800 MHZ(5)	20 years	Annual equated instalments ending in April 2033	2,817
			2100 MHZ(6)	20 years	Annual equated instalments ending in April 2033	4,416
			Total			**62,771**
4.	2014 - 2015	September 20, 2016	1800 MHZ(7)	20 years	Annual equated instalments ending in September 2034	545
			Total			**545**
5.	2016	October 20, 2016	1800 MHZ(8)	20 years	Annual equated instalments ending in October 2034	6,695
			2100 MHZ(9)	20 years	Annual equated instalments ending in October 2034	8,271
			2300 MHZ(10)	20 years	Annual equated instalments ending in October 2034	650
			2500 MHZ(11)	20 years	Annual equated instalments ending in October 2034	8,594
			Total			**24,211**
	TOTAL					**119,597**

**The rate of interest on the deferred payment liabilities to the DoT ranges from 9.30% per annum to 10.00% per annum.*

(1) *Spectrum allotted through separate letters to our Company for the licensed service areas ("**LSA**") of Kolkata, Odisha, West Bengal, Assam, North-East, Tamil Nadu, Bihar and Jammu & Kashmir.*

(2) *Spectrum allotted through separate letters for (i) the LSAs of Delhi to each of our Company and erstwhile Vodafone India and (ii) the LSAs of Mumbai and Kolkata to erstwhile Vodafone India.*

(3) *Spectrum allotted through separate letters for (i) the LSAs of Andhra Pradesh, Gujarat, Delhi, Mumbai, Punjab, Haryana, Karnataka and Kerala to each of our Company and erstwhile Vodafone India, (ii) the LSAs of Maharashtra, Madhya Pradesh and North-East to our Company and (iii) the LSAs of Rajasthan, Kolkata and Uttar Pradesh (East) to erstwhile Vodafone India.*

(4) *Spectrum allotted through separate letters for (i) the LSAs of Maharashtra, Gujarat, Haryana and Kerala to each of our Company and erstwhile Vodafone India, (ii) the LSAs of Andhra Pradesh, Madhya Pradesh, Punjab, Karnataka and Uttar Pradesh (West) to our Company and (iii) the LSAs of Rajasthan, Uttar Pradesh (East), Odisha and West Bengal to erstwhile Vodafone India.*

(5) *Spectrum allotted through separate letters for (i) the LSAs of Karnataka, Odisha, Uttar Pradesh (West), North-East, Tamil Nadu and Himachal Pradesh to our Company and (ii) the LSAs of Gujarat, Kerala and Uttar Pradesh (East) to erstwhile Vodafone India.*

(6) *Spectrum allotted through separate letters for (i) the LSA of Kolkata to our Company and (ii) the LSAs of Rajasthan, Karnataka, Kerala, Assam, Uttar Pradesh (West) and North-East to erstwhile Vodafone India.*

(7) *Spectrum allotted through a separate letter for the LSAs of Maharashtra, Punjab, Haryana, Uttar Pradesh (West), North-East and Himachal Pradesh to our Company.*

(8) *Spectrum allotted through separate letters for (i) the LSAs of Gujarat, Rajasthan, Punjab, West Bengal, Assam and Uttar Pradesh (West) to each of our Company and erstwhile Vodafone India, (ii) the LSAs of Maharashtra, Madhya Pradesh, Haryana, Bihar, Himachal Pradesh and Jammu & Kashmir to our Company and (iii) the LSAs of Delhi, Kerala, Kolkata, Uttar Pradesh (East) and North-East to erstwhile Vodafone India.*

(9) *Spectrum allotted through separate letters for (i) the LSA of Rajasthan and Uttar Pradesh (East) to each of our Company and erstwhile Vodafone India, (ii) the LSAs of Mumbai and Bihar to our Company and (iii) the LSAs of Maharashtra, Punjab, Haryana, Odisha and Tamil Nadu to erstwhile Vodafone India.*

(10) *Spectrum allotted through separate letters for the LSAs of Maharashtra, Madhya Pradesh and Kerala to our Company.*

(11) *Spectrum allotted through separate letters for (i) the LSAs of Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, Uttar Pradesh (East), Odisha, West Bengal, Assam, Uttar Pradesh (West) and North-East to each of our Company and erstwhile Vodafone India, (ii) the LSAs of Andhra Pradesh, Madhya Pradesh, Uttar Pradesh (West), Bihar, Himachal Pradesh and Jammu & Kashmir to our Company and (iii) the LSAs of Delhi, Mumbai, Punjab and Kolkata to erstwhile Vodafone India.*

**An instalment towards the payment of deferred liability for spectrum allotted pursuant to auction conducted in March 2015 for an aggregate amount of ₹62,771 million is due and payable on April 9, 2019, *i.e.*, prior to the Issue Closing Date, when the Net Proceeds will not be available to our Company. Our Company has arranged a short-term bridge loan of ₹30,000 million from HDFC Bank Limited pursuant to a sanction letter dated March 7, 2019, towards payment of such deferred liability and this loan will be drawn down after the date of this Letter of Offer to pay such deferred liability to the DoT. Our Company will re-pay this short-term bridge loan from the Net Proceeds.

For the remaining amount of ₹32,771 million (out of the total ₹62,771 million) payable towards the above deferred liability due on April 9 2019, we intend to avail additional short-term loan(s) on similar terms where the funds will be utilized solely for the purposes of payment to DoT, or alternatively, finance such deferred payment to the DoT through our internal accruals. In the event our Company avails an additional short term-loan for such payment, we will repay such short-term loan from (i) the Net Proceeds; or (ii) proceeds of the sale of shareholding of the Company in Indus Towers Limited to Bharti Infratel Limited ("**Indus Sale**") (as full or part prepayment), whichever is received earlier.

In the event that the above loan is repaid through proceeds of the Indus Sale, our Company may deploy a portion of the Net Proceeds towards full or part repayment of the payment of deferred liability of ₹62,771 million for spectrum allotted pursuant to the auction conducted in March 2015, which would be due and payable on April 9, 2020.

b. Repayment of Loans

Our Company has, in the normal course of business, entered into various short term and long term financing arrangements with banks and other lenders. We intend to utilize up a portion of the Net Proceeds towards scheduled repayment of the principal amount of certain outstanding short-term loans in FY 2020 as identified below.

S. No.	Lender	Nature of Facility	Loan Currency	Principal Amount Outstanding (₹ in million)	Principal Amount payable in FY 2020 (₹ in million)	Repayment Terms	Purpose of the Facility
1.	State Bank of India	Short-term Loan pursuant to sanction letter dated February 28, 2019 and Facility Agreement dated March 1, 2019	INR	30,428*	30,428	In one instalment after one year from the date of disbursement ("**Principal Payment Date**"). However, the repayment shall be required to be made prior to the Principal Payment Date in case of (i) completion of the Issue (as a bullet repayment); or (ii) Indus Sale (as a partial repayment), whichever is earlier.	Making payments of the deferred spectrum instalment
2.	Axis Bank Limited	Short-term Loan pursuant to sanction letter dated June 18, 2018 and Loan Agreement dated June 21, 2018	INR	3,000**	3,000	In one instalment after 12 months from the date of disbursement.	For working capital requirement and cash flow adjustment
		TOTAL		33,428	**33,428**		

**Principal amount outstanding as at March 2, 2019*

*** Principal amount outstanding as at December 31, 2018*

In addition, we intend to utilize a portion of the Net Proceeds towards scheduled repayment of a portion of the principal amount (aggregating ₹57,633 million) and the interest due in FY 2020 on certain long term loans as identified below. Payment of any other related costs in relation to such repayments shall also be made by us out of the Net Proceeds.

S. No.	**Lender**	**Nature of Facility**	**Loan Currency**	**Principal Amount Outstanding as at December 31, 2018 (₹ in million)**	**Principal Amount and interest payable in FY 2020 (₹ in million)***	**Repayment Terms**	**Purpose of the Facility**
1.	State Bank of India	Rupee Term Loan pursuant to sanction letter dated August 12, 2016 and Facility Agreement dated September 8, 2016	INR	50,000	6,651	In 30 unequal quarterly instalments, starting from June 30, 2019, as detailed in the facility agreement.	Payments related to spectrum / licenses, capital expenditure or, refinancing of DoT loans for spectrum
2.	Sumitomo Mitsubishi Banking Corporation	ECB pursuant to Facility Agreement dated September 10, 2015	USD(1)	2,976 (USD 42.63 million)	408 (USD 5.85 million)	8 equal half-yearly instalments starting from October 2019	To refinance an existing ECB facility
3.	MUFG	ECB pursuant to Facility Agreement dated June 6, 2016	USD(1)	1,902 (USD 27.25 million)	1,015 (USD 14.54 million)	4 quarterly instalments of $4.75 million starting from July 2019	To refinance an existing ECB facility availed from the International Finance Corporation
4.	Export Development, Canada	ECB pursuant to Facility Agreement dated May 2, 2017	USD(1)	2,755 (USD 39.47 million)	1,170 (USD 16.76 million)	5 equal half-yearly instalments starting from May 2019	To refinance an existing ECB facility availed from AB Svensk Export Kredit
		TOTAL		57,633	**9,244**		

**The rate of interest on the rupee long term loan is 1 Year MCLR + 0.75% and ranges from LIBOR + 0.70% to LIBOR+1.26% (for USD denominated loans).*

(1) *Foreign currency which is unhedged have been converted into Indian Rupees based upon the reference rate published by FBIL as of December 31, 2018, 1 USD = ₹69.7923*

SBI Capital Markets Limited, one of the Lead Managers, is an affiliate of State Bank of India, a lender to our Company. Further, HDFC Bank Limited, a Lead Manager, is also a lender to our Company. However, SBI Capital Markets Limited and HDFC Bank Limited do not qualify as associates of our Company in terms of Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 read with Regulation 69(3) of the SEBI ICDR Regulations on account of this relationship.

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

For further details on the key terms and conditions of our financing arrangements, see "*Financial Indebtedness*" on page [●].

c. Redemption of and payment of interest on NCDs

Our Company issued and allotted 9.45%, 1,000 listed secured redeemable non-convertible debentures of ₹ 10 million each on October 31, 2012 (the "**October 2012 NCDs**") to various debenture holders. In addition, the erstwhile VMSL issued and allotted 8.15%, 25,000 unsecured redeemable non-convertible debentures of ₹ 1 million each on June 3, 2015 (the "**June 2015 NCDs**") to various debenture holders. The June 2015 NCDs stood assigned to our Company pursuant to the Merger. Our Company intends to utilize a portion of the Net Proceeds towards redemption of the October 2012 NCDs and the June 2015 NCDs during FY 2020 as set out below:

S. No.	Lender	Debenture Trustee	Nature of Borrowing	Principal Amount outstanding as at December 31, 2018 (₹ in million)	Redemption Date / Schedule	Purpose of the Borrowing
1.	Various debenture holders	IDBI Trusteeship Services Limited	9.45%, 1,000 listed secured redeemable non-convertible debentures of ₹ 10 million each Debenture Trust Deed dated January 28, 2013 ISIN: INE669E07021	3,960	Redemption in October 2019	General business purposes, including working capital requirement, capital expenditure, payment of statutory dues, payment of spectrum and license fee and repayment or prepayment of existing borrowings
2.	Various debenture holders	Catalyst Trusteeship Limited	8.15%, 25,000 unsecured redeemable non-convertible debentures of ₹ 1 million each Debenture Trust Deed dated June 12, 2015, as amended on November 29, 2016 ISIN: INE713G08038	25,000	Redemption in July 2019	To refinance existing debt and for general corporate purposes, including but not limited to capital expenditure and payment towards acquisition of spectrum
		TOTAL		**28,960**		

In addition, our Company intends to utilize a portion of the Net Proceeds towards payment of interest due in FY 2020 on certain NCDs issued by our Company, as set out below:

S. No.	Lender	Debenture Trustee	Nature of Borrowing	Interest Amount (₹ in million)	Interest Payment Date / Schedule	Purpose of the Borrowing
1.	Various debenture holders	Catalyst Trusteeship Limited	8.15%, 25,000 unsecured redeemable non-convertible debentures of ₹ 1 million each, allotted on June 12, 2015 ISIN:INE713G08038	2,037.50	June 2019	To refinance existing debt and for general corporate purposes, including but not limited to capital expenditure and payment towards acquisition of spectrum
3.	Various debenture holders	Catalyst Trusteeship Limited	8.15%, 25,000 unsecured redeemable non-convertible debentures of ₹ 1 million each, allotted on June 12, 2015 ISIN:INE713G08038	156.30	July 2019	To refinance existing debt and for general corporate purposes, including but not limited to capital expenditure and payment towards acquisition of spectrum
5.	Various debenture holders	IDBI Trusteeship Services Limited	9.45%, 1,000 listed secured redeemable non-convertible debentures of ₹ 10 million each, allotted on October 31, 2012 ISIN: INE669E07021	374.20	October 2019	General business purposes, including working capital requirement, capital expenditure, payment of statutory dues, payment of spectrum and license fee and repayment or

S. No.	Lender	Debenture Trustee	Nature of Borrowing	Interest Amount (₹ in million)	Interest Payment Date / Schedule	Purpose of the Borrowing
						prepayment of existing borrowings
		TOTAL		2,568.00		

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

As at the date of this Letter of Offer, our Promoters and members of our Promoter Group do not hold any NCDs.

In the event that the Indus Sale is completed prior to the completion of the Issue and the short-term loans as identified above are repaid from the proceeds of the Indus Sale or we finance any payment due as identified above through our internal accruals or there is deferment or reduction of any payment due as identified above, the Net Proceeds to be utilized towards repayment of such object would instead be utilized towards repayment of any other payments due as identified above or towards the full or part repayment of the payment of deferred liability for spectrum allotted pursuant to the auction conducted in March 2015 which would be due and payable on April 9, 2020.

2. General Corporate Purposes

Our Company proposes to deploy the Net Proceeds up to ₹[●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include, without limitation, (i) payment to vendors for operating expenses and supply of equipments; (ii) funding working capital requirements; (iii) strengthening marketing capabilities and brand-building exercises; (iv) strategic initiatives, partnerships and joint ventures; (v) investment in our Subsidiaries and Associate; (vi) meeting exigencies which our Company may face in the ordinary course of business; (vii) meeting payment obligations including payment of liabilities or remaining debt obligations (including principal and/or interest payments); and (viii) any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts, if any.

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Expenses of the Issue

The total Issue related expenses are estimated to be approximately ₹[●] million. The Issue related expenses include fees payable to the Lead Managers and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below.

Activity	Amount (₹ in million)	As a % of Total Estimated Issue Related Expenses	As a % of Issue size
Payment to the Lead Managers	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to legal advisors and other intermediaries	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including the SEBI and Stock Exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery expenses	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

** To be finalised upon determination of the Issue Price and updated prior to filing the Letter of Offer with the Stock Exchanges and submission with the SEBI. Assuming full subscription of the Issue. Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes, subject to the total amount deployed towards general corporate purposes not exceeding 25% of the Net Proceeds.*

Monitoring of Utilization of Funds

Our Company has appointed State Bank of India as the Monitoring Agency for monitoring the utilization of the Net Proceeds. Our Board and the Monitoring Agency shall monitor utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI ICDR Regulations. Our Company shall publicly disseminate such report in such manner and within such timeline as prescribed under the SEBI ICDR Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate.

Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Net Proceeds from the objects of the Issue as stated above and details of category-wise variation in the actual utilization of the Net Proceeds from the objects of the Issue as stated above. We will disclose the utilization of the Net Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Key Management Personnel or our Group Companies. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, our Directors, members of the Promoter Group, our Key Management Personnel or our Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value of Equity Shares. Investors should also see "*Our Business*", "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" beginning on pages [●], [●], [●] and [●], respectively, to have an informed view before making an investment decision. The Issue Price is [●] times of the Face Value of the Equity Shares.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Established Leadership Position and Large Subscriber Base
2. Extensive Telecommunication Infrastructure
3. Diversified Portfolio of Business Services
4. Extensive Distribution and Service Network
5. Complementary Strong Brands
6. Well Established Promoters
7. Experienced Management Team

For further details, see "*Our Business – Our Competitive Strengths*" beginning on page [●].

Quantitative Factors

Certain information presented below relating to our Company is based on the Restated Consolidated Financial Information. For further details, see "*Financial Information*" beginning on page [●].

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

I. Basic and Diluted Earnings per Share ("EPS") (face value of ₹ 10 each), as adjusted for change in capital:

Based on the Restated Consolidated Financial Information:

Fiscal	Basic EPS (₹)	Diluted EPS (₹)	Weight
2018	(11.36)	(11.36)	3
2017	(1.23)	(1.23)	2
2016	7.42	7.40	1
Weighted Average	(4.85)	(4.86)	
Nine months period ended December 31, 2018*	(15.42)	(15.42)	

**Not annualised*

Notes:
(1) *Weighted average (i) = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. Total of (EPS x Weight) for each year/Total of weights*
(2) *Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year*
(3) *Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares*
(4) *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

II. Price / Earning ("P / E") ratio in relation to Issue Price of ₹ [●] per Equity Share:

Particulars	P / E at the Issue Price (number of times)
Based on basic EPS for the year ended March 31, 2018 on a consolidated basis	[●]
Diluted EPS for the year ended March 31, 2018 on a consolidated basis	[●]

III. Industry P/E ratio:

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 121.38, the lowest P/E ratio is 121.38 and the average P/E ratio is 121.38**.**

IV. Return on Net Worth ("RoNW"):

Derived from the Restated Consolidated Financial Information:

Fiscal	RoNW (%)	Weight
2018	(15.29)	3
2017	(1.63)	2
2016	11.58	1
Weighted Average	(6.26)	
Nine months period ended December 31, 2018*	(10.31)	

* *Not annualised*

Notes:

(1) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. total of (RoNW x Weight) for each year/Total of weights

(2) Return on Net Worth = Profit / (Loss) after tax / Net Worth

(3) Net worth = Total Equity - Reserves not created out of Profits (General Reserve on amalgamation of VInL and VMSL + Capital Redemption Reserve + Capital Reserve + Amalgamation Adjustment Deficit Account)

V. Net Asset Value ("NAV") per Equity Share (face value of ₹ 10 each):

NAV per Equity Share	(Rs.)
Nine months period ended December 31, 2018*	73.88
As on March 31, 2018*	62.54
After the Issue	[●]
At Issue Price	[●]

* Derived from the Restated Consolidated Financial Information

Notes:

(1) Net Asset Value per share = Net Assets / Number of equity shares outstanding

(2) Net Assets = Total Assets – Total Non-current Liabilities – Total current Liabilities – Liabilities classified as Held for Sale

VI. Comparison with Listed Industry Peers:

Name of the company	Face Value (₹)	As at and for nine months period ended December 31, 2018				P/E Ratio(2)
		Revenue from Operations (₹ Million.)	Basic EPS* (₹)	Return on Net Worth* (%)	NAV per equity share (₹)	
Vodafone Idea Limited	10	2,53,175	(15.42)	(10.31)	73.88	(2.99)
Bharti Airtel Limited(3)	5	2,05,192	0.22	0.48	208.15	122.80

** Not annualised*

Note:

(1) All financial information are on a consolidated basis for the nine months ended December 31, 2018

(2) P/E ratio is calculated on closing share price (March 15, 2019, NSE) / Basic EPS for year ended March 31, 2018.

(3) Peer data is based on the information disclosed in the regulatory filings by Bharti Airtel Limited.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" and "*Financial Information*" on pages [●], [●], [●] and [●], respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page [●] and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Vodafone Idea Limited
(formerly Idea Cellular Limited)
10th Floor, Birla Centurion,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 030

Dear Sirs/ Madam,

Statement of Possible Special Tax Benefits available to Vodafone Idea Limited (formerly Idea Cellular Limited) and its shareholders under the Indian tax laws

We hereby confirm that the enclosed Annexure, prepared by Vodafone Idea Limited (formerly Idea Cellular Limited (the "Company"), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the IT Act') as amended by the Finance Act 2018, i.e. applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20 and The Central Goods and Services Act, 2017, The State Goods and Services Act 2017, The Integrated Goods and Services Tax Act 2017 and The Union Territory Goods and Service Tax Act 2017, as amended (collectively referred to as 'GST Regime') the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2018, i.e., applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company and / or its shareholders to derive the possible special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:
i) the Company or its shareholders will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been / would be met with; and
iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place:
Date:

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ("the Act") as amended by the Finance Act 2018, i.e., applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20, presently in force in India.

1. Special tax benefits available to the Company under the Income-tax Act, 1961 ('Act')

1.1. Deduction under section 35ABB of the Act

The Company, being engaged in telecommunication business, is eligible under section 35ABB of the Act for amortisation of the amount, being capital expenditure, incurred for acquiring right to operate telecommunication services, over the period of the license.

1.2. Deduction under section 35ABA of the Act

Similarly, the Company is eligible under section 35ABA of the Act for amortisation of the amount, being expenditure incurred on or after April 1, 2016, for obtaining the right to use spectrum, over the period for which the right is obtained.

1.3. Deduction under section 35DD of the Act

The Company, is eligible for amortisation of expenditure incurred in connection with the amalgamation / demerger under section 35DD of the Act. The Company is entitled to claim deduction of an amount equal to $1/5^{th}$ of such expenditure for each of the five successive years beginning with the year in which the amalgamation / demerger takes place.

2. Special tax benefits available to the shareholders of the Company

There are no special tax benefits available to the shareholders of the Company under the Act

3. Special tax benefits available under the Central Goods and Services Act, 2017, the State Goods and Services Act 2017, the Integrated Goods and Services Tax Act 2017 and the Union Territory Goods and Service Tax Act 2017, as amended (collectively referred to as 'GST Regime') the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2018, i.e., applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20.

There are no special tax benefits available to the Company or to its shareholders under the above laws.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis.

2. The above statement covers only certain relevant direct and indirect tax laws and does not cover any other laws.

3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2019-20 (subject to some key amendments proposed vide Finance Act, 2019 which have been highlighted above). Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. The special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant AADT, if any, between India and the country in which the non-resident has fiscal domicile.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from various government publications and the Frost & Sullivan report titled 'Executive Summary – Enterprise Telecom Services' (the "**Frost & Sullivan Report**"). Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Unless otherwise stated, the revenue data sourced from Telecom Regulatory Authority of India ("**TRAI**") is presented on a quarterly basis and the subscriber data sourced from the TRAI is presented on a monthly basis.*

The Indian Economy

The Indian economy is the fourth largest in the world by purchasing power parity. In 2017, India's gross domestic product ("**GDP**") on a purchasing power parity basis was approximately US$9.47 trillion. *(Source*: *https://www.cia.gov/library/publications/the-world-factbook/geos/in.html, as on January 2, 2019)* India is becoming increasingly urbanized and its per capita income has risen in recent years. In 2017, India's urban population increased to approximately 450.0 million people. The urban population in India represented 33.6% of the total population in 2018. *(Source: World Bank)* For 2018, India's per capita GDP at current prices was estimated to be US$ 2.19 thousand. *(Source: International Monetary Fund, available at: http://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD/IND;)*

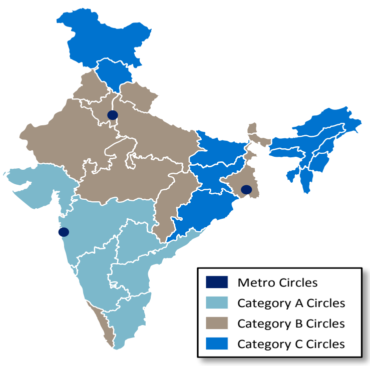
Overview of the Mobile Telecommunications Industry in India

The mobile telecommunications industry is an integral part of the Indian economy and has contributed to the economic growth and the GDP of the country. It also generates revenue for the Government and creates new jobs, directly and indirectly. The growth of the mobile telecommunications industry has had a positive influence on the overall economy over the past two decades.

The mobile telecommunications industry in India is divided into 22 Service Areas – three metro Service Areas, and 19 other Service Areas. These other Service Areas are categorized as Circle 'A', Circle 'B' and Circle 'C' in descending order on the basis of degree of affluence, infrastructure development and revenue potential across each Service Area.

As of December 31, 2018, India had a total reported subscriber base of 1,176.0 million and active wireless subscribers on the date of peak Visitor Location Register ("**VLR**") of 1,026.4 million. During the financial year 2018, mobile telecommunications operators earned gross revenues of ₹ 1,766,616 million, which excludes wire line revenue of BSNL/MTNL. *(Source: TRAI)*

A map of India showing the service areas, gross revenues per service area and total mobile subscribers in each service area is set out below:



Category A	Total Mobile Subscribers (mm)	Gross Revenues (Rs. mm)
Andhra Pradesh	87.21	132,195
Gujarat	70.65	102,276
Karnataka	68.62	129,745
Maharashtra	95.01	149,833
Tamil Nadu (incl. Chennai)	82.75	134,501

Category B	Total Mobile Subscribers (mm)	Gross Revenues (Rs. mm)
Haryana	27.68	39,480
Kerala	43.65	73,623
Madhya Pradesh	76.90	85,196
Punjab	39.32	64,278
Rajasthan	66.39	84,805
Uttar Pradesh (E)	101.79	118,161
Uttar Pradesh (W)	64.75	81,445
West Bengal	58.89	64,146

Metros	Total Mobile Subscribers (mm)	Gross Revenues (Rs. mm)
Delhi	51.13	135,076
Kolkata	27.06	44,214
Mumbai	37.54	113,002

Category C	Total Mobile Subscribers (mm)	Gross Revenues (Rs. mm)
Assam	21.74	29,959
Bihar	88.08	100,976
Himachal Pradesh	10.50	13,426
J & K	11.51	17,073
N.E.	11.67	17,767
Orissa	33.14	35,440

Notes: Revenues for the financial year ending March 31, 2018. Revenues excludes wire line revenue of BSNL/MTNL; Subscribers as of December 31, 2018. (Source: TRAI)

Evolution of the Mobile Telecommunications Industry in India

The telecommunications industry in India was a Government managed monopoly until the National Telecom Policy 1994 (the "**NTP 1994**"), in which the Government set targets for expanding service provision and privatizing the sector. The Government subsequently opened the sector to private companies and auctioned licenses for providing mobile telecommunications services with fixed fees, first, from 1994 to 1995 for the metro Service Areas, and later, from 1995 to 1998 for the 'A', 'B' and 'C' Circles. The industry was divided into Service Areas, which broadly correspond with boundaries of Indian states and metro areas. Today there are 22 Service Areas comprising three metro Service Areas, which are Mumbai, Delhi and Kolkata, and 19 other Service Areas, which are categorized as Circle 'A', Circle 'B' and Circle 'C'. Initially, licenses were awarded to two private operators with GSM spectrum in the 900 MHz band in each Service Area.

In 1997, the Telecom Regulatory Authority of India ("**TRAI**") was established by an act of parliament called the Telecom Regulatory Authority of India Act, 1997. The aim of TRAI is to regulate telecommunications services, including fixation and revision of tariffs for telecommunications services which were earlier vested with the Government and to create and nurture an environment that enables the quick growth of the telecommunications sector in India.

By 1999, the Government, recognizing that the objectives set by NTP 1994 were unattainable without further privatization, announced the New Telecom Policy, 1999 (the "**New NTP**"). The New NTP 1999 allowed service providers to migrate their license fee structure from fixed to revenue sharing, extended initial license term from 10 years to 20 years and bifurcated the Department of Telecommunications ("**DoT**") into BSNL, the Government managed telecommunications service provider, and DoT, the policy maker and licensor. BSNL, which initially provided fixed-line and domestic long distance service, was allowed to co-exist alongside two other Government owned telecommunication service providers: MTNL, which initially provided fixed-line local service in the metropolitan cities of Mumbai and Delhi, and VSNL, which provided international long distance service. VSNL was privatized in 2002 and was subsequently renamed Tata Communications. The DoT issued the third mobile telecommunications service provider licenses to MTNL in Mumbai and Delhi, and to BSNL for all other Service Areas.

In an effort to encourage competition and development, the New NTP 1999 also permitted DoT to issue more mobile telecommunications licenses in each Service Area. Subsequently, in September and October 2001, 17 fresh licenses were issued to private companies as fourth cellular operator, one each in four metro cities and 13 telecom circles. *(Source: DoT)*

In January 2001, based on the recommendations of TRAI, the Government issued guidelines to permit fixed-line telecommunications service providers to provide limited mobility services using WLL technology within specified short distance calling areas in which the relevant subscriber is registered.

Following the introduction of the unified licensing regime along with the Interconnection Usage Charges Regulations, 2003, basic operators that were providing limited mobility services using WLL technology migrated to UASL license and started providing full mobility services after payment of the difference between the entry fee paid by the fourth cellular operator and the entry fee paid by the basic licensee. The year 2003 also witnessed a change in pricing policy which was called the CPP regime which assisted in the growth of the mobile telecommunications industry in India. By introduction of the CPP regime, all incoming calls could be received free of charge.

In 2008, DoT allotted four to seven licenses in each Service Area along with start-up spectrum and also permitted code-division multiple access ("**CDMA**") operators to offer global system for mobile communications ("**GSM**") services, taking the number of operators (based on subscriber reported) in the industry to between nine to 13 per Service Area by December 2011. Licenses and spectrum were allotted on a first-come-first-serve basis and were granted at 2001 prices. A number of foreign companies entered the Indian mobile telecommunications market in partnership with Indian entrepreneurs during 2008 as a result of new licenses being offered and the 2005 relaxation in the foreign direct investment ("**FDI**") limit in the industry from 49.0% to 74.0%. The launch of mobile telecommunications services by new licensees in partnership with foreign partners led to a phase of hyper competition and, as a result, subscriber additions increased significantly and reached a peak of 22.9 million subscriber additions during the month of November 2010. *(Source: TRAI)*

Meanwhile auctions for 3G (2100 MHz band) and BWA (2300 MHz band) (unpaired) spectrum were held in 2010 with a pan India winning price of 3G spectrum of ₹ 167,505.80 million for blocks of 5 MHz of paired spectrum and pan India price of BWA spectrum of ₹ 128,477.10 million for two blocks of 20 MHz of unpaired spectrum. *(Source: DoT)*

On February 2, 2012, the Supreme Court of India directed that all licenses and spectrum allocated pursuant to the press releases of January 2008 were to be quashed as the method of allocation of these licenses followed by the Government was flawed. DoT issued a press release on February 15, 2012, where it directed that going forward licenses and spectrum be delinked. Following TRAI recommendations, the Government decided to conduct a spectrum auction for 1800 MHz band in November 2012.

In August 2013, the Government increased the maximum FDI limit in the telecommunications sector to 100% from 74%. The Government of India has allowed up to 49% FDI through the automatic route, with further investments subject to Government approval and other applicable conditions.

In August 2013, DoT announced the UL guidelines (amended from time to time), which aim to unify all licenses (except broadcasting and Direct to Home) under the ambit of TRAI under one license. According to these guidelines, national level unified licensees are permitted to provide services under a single license. Operators can convert their existing licenses into a Unified License by paying a fee to the Government. According to the UL guidelines, spectrum has been de-linked from license and needs to be obtained separately as per prescribed procedure.

Spectrum Auctions (Post 2010 Auction)

November 2012

There was an auction of spectrum in 1800 MHz and 800 MHz bands, with a block size of 1.25 MHz (paired), in each band. The quantum of the spectrum put to auction was less than the spectrum vacated due to quashing of licenses, the auction concluded in two days and only 102 blocks were sold against 236 blocks put up for auction. There were no bids received for the Service Areas of Delhi, Mumbai, Karnataka and Rajasthan. There were no applicants for 800 MHz band as well. *(Source: DoT)*

March 2013 Auction

Subsequently, the Government reduced the price of 1800 MHz band by 30% in these four Service Areas, where no bids were received in the November 2012 auction and by 50% for the 800 MHz band, for all Service Areas. The Government issued a notice inviting applications on January 30, 2013 for the auction of 900 MHz, 1800 MHz and 800 MHz bands. The auction for 1800 MHz band was limited to the four Service Areas where no bids were received in the November 2012 auction while the auction for 900 MHz band was for the Service Areas of Delhi, Mumbai and Kolkata, where some of the old licenses were due for extension in 2014. There were restrictions on minimum number of blocks which licensee new entrant or renewal licensee had to bid for as compared to an existing licensee.

However, as no applications were received by the Government for the 900 MHz and 1800 MHz bands, the Government was forced to cancel the auction for the 900 MHz and 1800 MHz bands. For 800 MHz, there was only a sole bidder, which bid and won spectrum in 8 service areas.

February 2014 Auction

In February, 2014, the DoT auctioned spectrum in 900 MHz band for three Metro Service Areas and in 1800 MHz band for all 22 Service Areas, with a block size of 200 KHz (paired) in 1800 MHz band and 1 MHz (paired) in 900 MHz band. In the 900 MHz band, the entire 46 MHz spectrum in the metro service area was sold for an aggregate price of ₹235,896 million against a reserve price of ₹127,580 million. Similarly, in the 1800 MHz band, bids were received for 307.2 MHz out of 449.2 MHz quantum of spectrum auctioned across all 22 service areas, which were sold for an aggregate price of ₹ 375,726 million against a reserve price of ₹ 196,050 million.

March 2015 Auction

In March 2015, DoT auctioned spectrum in 800 MHz, 900 MHz, 1800 MHz and 2100 MHz. In all 470.75 MHz was put to auction, and over 88% of the spectrum on offer had been committed at a value of ₹ 1,098,749 million. Bids were received in 14 (out of 17) service areas of 2100 MHz band, 14 (out of 15) Service areas in

1800 MHz band, 17 (out of 17) service areas of 900 MHz band and 18 (out of 20) service areas of 800 MHz band. *(Source: Press Information Bureau, Government of India)*

The table below illustrates the details of the auctioned spectrum in 2015:

Spectrum Band	**Spectrum Available (MHz)**	**Spectrum Sold (MHz)**	**Total Spend (₹ million)**
800 MHz	108.8	86.3	171,588
900 MHz	177.8	168.0	729,645
1800 MHz	99.2	93.8	96,362
2100 MHz	85.0	70.0	101,154

October 2016 Auction

In August 2016, DoT announced auction of spectrum in 700 MHz, 800 MHz, 900 MHz 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz bands. Total spectrum quantum put to auction was 2354.75 MHz in various bands, out of which 964.80 MHz was sold. Bids were received in 04 (out of 19) service areas in 800 MHz band, 19 (out of 21) service areas in 1800 MHz, 12 (out of 22) service areas of 2100 MHz band, 16 (out of 16) service areas of 2300 MHz band and 20 (out of 22) service areas of 2500 MHz band. There was no bid in 700 MHz and 900 MHz bands in any of the Service areas. The total bid amount of the spectrum sold was ₹657,891 million.

The table below illustrates the details of the auctioned spectrum in 2016:

Spectrum Band	**Spectrum Available (MHz)**	**Spectrum Sold (MHz)**	**Total Spend (₹ million)**
700 MHz	770.0	No bidder	0
800 MHz	73.8	15.0	36,235
900 MHz	9.4	No bidder	0
1800 MHz	221.6	174.8	184,939
2100 MHz	360.0	85.0	161,400
2300 MHz	320.0	320.0	157,901
2500 MHz	600.0	370.0	117,416

(Source: DoT)

Next Spectrum Auction

The telecom minister had in a statement in FY2018 stated that airwaves for 5G services in the 3300-3400 MHz and 3400-3600 MHz bands will be a part of the next spectrum auction. Spectrum above 3000 MHz will be up for auction for the first time in India in such forthcoming auction.

Key Policy changes

DoT guidelines for transfer or merger of various categories of telecommunication service licenses or authorization under unified license or compromises, arrangements and amalgamation of the companies.

On February 20, 2014, DoT announced the guidelines for transfer and merger of various categories of telecommunication service licenses, which have been amended from time to time. The underlying principle for the guidelines was the National Telecom Policy, 2012, which had proposed simplified merger and acquisition regime in the sector while ensuring adequate competition. The key features of these guidelines have been set out below:

- Transfer and merger of licenses will be allowed where market share for access services in respective service area of the resultant entity is up to 50%. Market share will be determined on subscriber base (including wireline subscribers according to the exchange data records ("**EDR**") and wireless subscribers according to the VLR data or its equivalent) and adjusted gross revenue ("**AGR**"). If the market share of resultant entity exceeds 50% in any Service Area, it would need to be reduced to 50% within a period of one year from the date of approval of the transfer or the merger;

- The period of validity of licenses will be equal to the longer of the license periods of the merging entities subject to pro-rata payments, if any, for the extended period of license. However, the validity period of the spectrum shall remain unchanged;

- Total spectrum held by resultant entity will not exceed 35% of the total spectrum assigned for access services, by way of auction or otherwise, in the concerned service area and as set out below:
  - the combined spectrum holding in the sub-1 GHz bands (700 MHz, 800 MHz and 900 MHz bands) by the resultant entity shall not exceed 50% of the total spectrum assigned in the sub-1 GHz bands, by way of auction or otherwise, in the concerned service area;
  - resultant entity shall be allowed to hold two blocks of 3G spectrum (2100 MHz) as a result of compromise, merger, amalgamation or transfer; and
  - excess spectrum beyond the prescribed limits will have to be surrendered or traded within one year of the approval of the transfer or the merger. The applicable ‘spectrum usage charges’ on the total spectrum holding of the resultant entity shall be levied for such period. No refund or set-off of money paid or payable for such excess spectrum will be made.
- If a transferor (the acquired) company holds part of a spectrum, which has been assigned against the entry fee paid, the transferee (the acquiring) company, will be required to pay the differential between the entry fee and the determined market price of the spectrum on a pro-rata basis for the remaining period of validity of such license to the Government at the time of the transfer or the merger and subject to the following conditions:
  - no separate charge will be required to be paid for spectrum acquired through auctions conducted from 2010 onwards;
  - in the event of judicial intervention in respect of demands raised before the transfer or the merger for one time spectrum charges (for spectrum held beyond 4.4 MHz (GSM) or 2.5 MHz (CDMA)), a bank guarantee for an amount equal to the demand raised by the department for one time spectrum charge, shall be submitted.

DoT guidelines for sharing of access spectrum by access service providers

On September 24, 2015, spectrum sharing was allowed for the first time in India, when operators were allowed to pool their respective spectrum holdings for using the whole spectrum block. The underlying principle for the guidelines was the National Telecom Policy, 2012, which had proposed to move towards spectrum pooling and sharing to enable optimal utilisation of spectrum through appropriate regulatory framework. The key features of the guidelines have been set out below:

- Sharing of spectrum is permitted between two telecom service providers utilizing the spectrum in the same band and is not permitted when both the licensees are having spectrum in different bands. Leasing of spectrum is not permitted. Sharing will be restricted to only two licensees subject to the condition that there will be at least two independent networks provided in the same band.
- Spectrum sharing shall be available for up to the balance period of the license or up to the period of right to use spectrum, whichever is earlier.
- The prescribed limits for spectrum cap shall be applicable for both the licensees individually. Further, the spectrum holding of any licensee post sharing shall be counted after adding 50% of the spectrum held by the other licensee in the band being shared and being added as the additional spectrum to the original spectrum held by the licensee in the band.
- Spectrum Usage Charges (“**SUC**”) rate of each of the licensees post-sharing shall increase by 0.5% of AGR. For the purpose of charging SUC, it shall be considered that the licensees are sharing their entire spectrum holding in the particular band in the entire Service Area. Full one month period shall be counted for the purpose of levying SUC, even if the sharing of spectrum is for part of a month.
- Sharing is permitted in the following scenarios:
  - where both the licensees who plan to share, possess the spectrum for which market price has been paid. Further, in respect of spectrum in 800 MHz acquired in the auction held in March 2013, sharing of spectrum shall be permitted only if the differential of the latest auction price and the March 2013 auction price on pro-rata basis on the balance period of right to use the spectrum is paid.

- in case both the licensees who plan to share spectrum are having the administratively allotted spectrum in that band, the sharing is permitted only when both the licensees have paid One time Spectrum Charges ("**OTSC**") (for spectrum held beyond 4.4 MHz (GSM) or 2.5 MHz (CDMA) based on reserve price / auction determined price.

- in the event of judicial intervention in respect of demands raised before the sharing of spectrum for one time spectrum charges (for spectrum held beyond 4.4 MHz (GSM) or 2.5 MHz (CDMA), a bank guarantee shall be submitted for sharing of spectrum.

- in case of proposed sharing where one licensee has spectrum acquired through auction/ trading or liberalized spectrum and the other has spectrum allotted administratively, sharing is permitted only after the spectrum charges for liberalizing the administratively allocated spectrum are paid.

DoT guidelines for trading of access spectrum by access service providers

On October 12, 2015, the DoT permitted trading of spectrum by allowing a service provider to transfer spectrum usage rights and obligations to another service provider through a regulatory framework. The key features of the guidelines have been set out below:

- Only outright transfer of right to use the spectrum shall be permitted. Leasing of spectrum is not permitted. Trading can be done only in the specific block sizes for each band and only on a pan-Licensed Service Area ("**LSA**") basis. However, in case the spectrum assigned to the seller is restricted to part of the LSA by the licensor, after trading, the rights and obligations of the seller for the remaining part of the LSA with regard to the assignment of that spectrum shall also stand transferred to the buyer. The buyer should be in compliance with the prescribed spectrum caps declared from time to time.

- Only that spectrum, which has either been assigned through an auction in the year 2010 or afterwards, or on which the service provider has already paid the prescribed market price, is permissible to be traded. Further, in respect of spectrum in 800 MHz acquired in the auction held in March 2013, trading of spectrum shall be permitted only if the differential of the latest auction price and the March 2013 auction price on pro-rata basis on the balance period of right to use the spectrum is paid.

- Buyers will be allowed to use the spectrum acquired through trading to deploy any technology by combining it with their existing spectrum holding in the same band after converting their entire existing spectrum holding into liberalized spectrum in that band.

- A telecom service provider will be allowed to sell the spectrum through trading only after two years from the date of acquisition through auction or spectrum trading or administratively assigned spectrum converted to tradable spectrum. In case of administratively assigned spectrum converted to tradable spectrum after paying the prescribed market price, period of two years will be counted from the effective date of assignment of administrative spectrum. The original validity period of spectrum assignment as applicable to the traded block of spectrum will continue to remain unchanged.

- The associated roll-out obligations of the spectrum shall be transferred as set out below:
  - if buyer is acquiring the entire spectrum holding of the seller in a spectrum band, then it shall fulfil the associated roll-out obligations within the balance time period for compliance subject to a minimum period of two years.
  - if the buyer is acquiring a part of the spectrum holding of the seller in a spectrum band, then both buyer and seller will be responsible for the roll-out obligations. There is no change in the roll-out obligations prescribed for seller. In addition, buyer will also be required to fulfil entire roll-out obligations. Since there will be additional roll-out obligations for buyer, the buyer shall be given entire time duration to fulfil these roll-out obligations.
  - if the buyer has met some or all of its roll-out obligations through its prior spectrum holding in that band, it shall be taken into account and will not be required to repeat the required testing for roll-out obligations it has already met.

- If any service provider sells only a part of its spectrum holding in a band, both, buyer as well as seller, will be required to pay the remaining instalments of payment (in case seller had acquired the spectrum through auction and opted for deferred payment), prorated for the quantum of spectrum held by each of them subsequent to the spectrum trade.

- A non-refundable transfer fee of one percent of the transaction amount (amount payable by the buyer to the seller to purchase the rights to use the spectrum block(s)) of aforesaid trade or one percent of the prescribed market price, whichever is higher shall be paid by the buyer to the Government. The market prices shall be equal to the auction determined amount prorated for the balance validity period of spectrum assignment. In case more than one set of market determined prices are available, the latest market determined price available at the time when the service provider wants to trade its spectrum holding, would be applicable. If the auction determined prices are more than one year old, the prevailing market price shall be applied by indexing the last auction price at the rate of SBI PLR

- The amount received from trading shall be part of AGR for the purpose of levy of License fee and SUC.

Spectrum Holding Caps

The spectrum holding caps were revised by the DoT on March 19, 2018. Currently, the spectrum cap is 35% of overall spectrum assigned across all bands and a cap of 50% on the combined spectrum holding in the sub-1 GHz bands (700 MHz, 800 MHz and 900 MHz bands) is applicable. There is no cap for individual or combined spectrum holding in above 1 GHz band. Note that the spectrum caps may be revisited after the Final Acts of World Radio-communication Conference, 2019.

Active Infra-sharing

In February 2016, the Department of Telecommunications issued a notification to all 'unified license' (access service) licensees, amending the unified license (access) service agreement permitting sharing of active infrastructure among service providers, based on mutual agreements. As per the notification, active infrastructure sharing will be limited to antenna, feeder cable, Node B, Radio Access Network ("**RAN**") and transmission system only.

Changes in IUC Regulation

On September 19, 2017, TRAI reduced the mobile termination charges from ₹ 0.14 per minute to ₹ 0.06 per minute with effect from October 1, 2017 and to ₹ 0 with effect from January 1, 2020, by amending the Interconnection Usage Charges Regulations, 2003.

In January 2018, the TRAI also reduced international mobile termination settlement charges from ₹ 0.53 per minute to ₹ 0.30 per minute with effect from February 1, 2018.

National Digital Communications Policy 2018

In September 2018, the Union Cabinet approved the National Digital Communications Policy 2018 (the "NDCP"). The key objectives of the NDCP are provisioning of Broadband for all; creating 4 million additional jobs in the digital communications sector; enhancing the contribution of the digital communications sector to 8% of India's GDP from ~ 6% in 2017; propelling India to the top 50 Nations in the ICT Development Index of ITU from 134 in 2017; enhancing India's contribution to global value chains; and ensuring digital sovereignty. These objectives are to be achieved by 2022. (Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=183741)

Changing Industry Structure

With presence of large number of operators, the hyper-competition was the key characteristic of the Indian wireless industry. Further, the launch of large scale free service by a new entrant in 2016 forced many operators to exit or consolidate their operations. As the DoT relaxed regulations on transfer and merger of licenses, trading and sharing of spectrum, the wireless industry witnessed multiple transactions over a period since November 2015, as set out below:

Date (Announcement)	Acquirer	Target / Counterparty	Type of Transaction
November 2, 2015	Reliance Commun	Telecommunication business of Sistema Shyam Teleservices	Merger

Date (Announcement)	Acquirer	Target / Counterparty	Type of Transaction
	ications		
January 18, 2016	Reliance Jio	Reliance Communications	Spectrum Sale and Sharing in 800 MHz band
March 16, 2016	Bharti Airtel	Videocon Telecommunications	Spectrum Sale in 1800 MHz band
April 08, 2016	Bharti Airtel	Aircel	Spectrum Sale in 2300 MHz band
February 23, 2017	Bharti Airtel	Telenor (India) Communications	Merger
March 20, 2017	Idea Cellular	Vodafone India	Merger
March 23,2017	Bharti Airtel	Tikona Digital Networks	Acquisition of 4G business including BWA spectrum in 2300 MHz band
October 12, 2017	Bharti Airtel	Consumer Mobile Businesses of Tata Teleservices and Tata Teleservices Maharashtra	Merger
December 28, 2017	Reliance Jio	Reliance Communications	Acquisition of 122.4 MHz of 4G spectrum in 800/900/1800/2100 MHz bands; 43,000 towers; ~1,78,000 RKM of fiber and 248 media convergence nodes

(Source: Company press releases)

Subscriber Growth

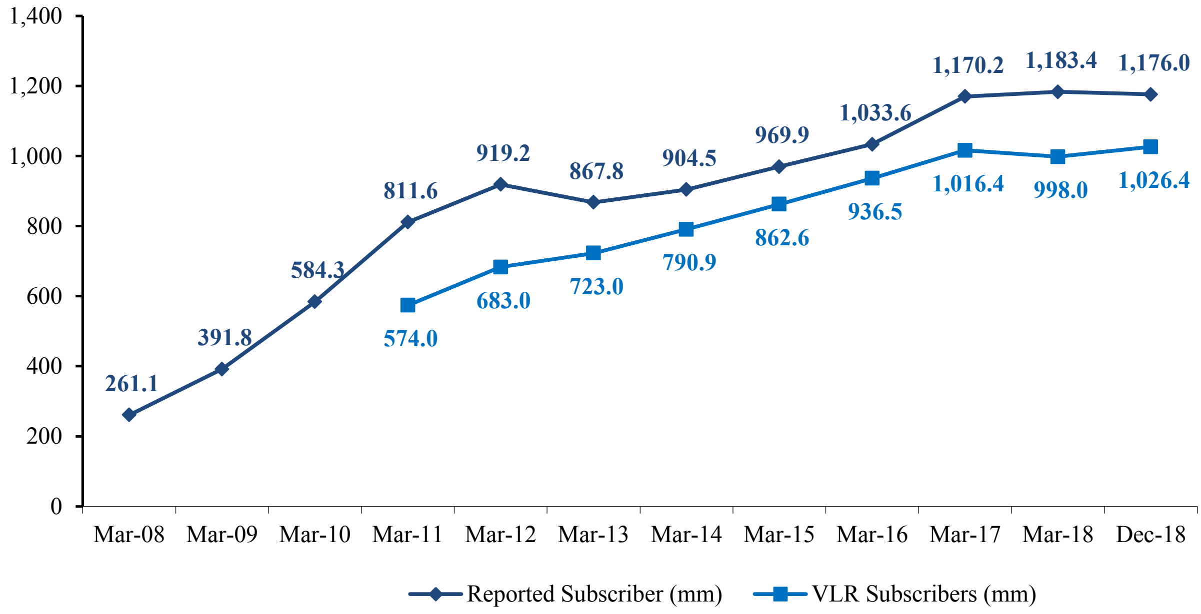
The Indian mobile telecommunications industry had approximately seven million monthly subscriber additions during 2007. In 2008, the Government awarded several new licenses as well as allowed CDMA operators to offer GSM services. Both these events prompted aggressive subscriber acquisition initiatives. After the launch of services by new licensees, subscriber additions increased significantly and reached a peak of 22.9 million subscriber additions during the month of November 2010. *(Source: TRAI)* This period also led to multi-SIM usage as subscribers attempted to take advantage of the tariff arbitrage between different plans thereby increasing the reported subscriber penetration without the commensurate increase in human population.

The competitive intensity decreased post quashing of the licenses and the associated spectrum granted in January 2008 by the Supreme Court of India in February 2012. All the operators, whose licenses were cancelled, could not renew their licenses during the November 2012 spectrum auction due to high spectrum prices. As a result, operators closed their services in select service areas. This coupled with deactivation of inactive connections resulted in a decline of customer base from 934.09 million at the end of June 2012, to 861.66 million as of the end of February 2013. Thereafter, the subscriber base has witnessed steady increase.

Reliance Jio Infocomm Limited (**RJio**), a new operator with 4G LTE only network commenced wireless telecommunication services in September 2016 across all 22 services areas. RJio Initially offered free services for a period of almost seven months and acquired over 108 million subscribers. RJio started charging for its service in April 2017, however the offerings remained very aggressive. Its subscriber base reached 280.12 million as of December 31, 2018.

The launch of services by RJio led to increased subscriber addition. The mobility Industry subscriber base reached to 1,176.0 million as of December 31, 2018 and the VLR subscriber base was 1,026.4 million as of December 31, 2018 *(Source: TRAI)*

The chart below illustrates the reported and VLR subscriber base from March 31, 2008 to December 31, 2018:



(Source: TRAI)

Key Characteristics of the Mobile Telecommunications Industry in India

Mobile Penetration

As of December 31, 2018, overall teledensity was at 89.8% based on population projections from census data published by the office of Registrar General & Census Commissioner of India. In India wireless teledensity varies significantly across urban and rural areas. As of December 31, 2018, wireless teledensity in urban areas, based on reported subscribers, was 155.5% and in rural areas was 59.1%. *(Source: TRAI)*

Broadband Technologies (3G and 4G)

Third Generation (3G) service provides high speed data services based on Internet Protocol ("**IP**") as well as greater capacity and improved spectrum efficiency. The 3G platform provides converged voice, data, internet and multimedia services supported by a high data rate. 3G standard is based on the International Telecommunication Union ("**ITU**") initiative called International Mobile Telecommunications - 2000 (IMT-2000) which stands for third generation wireless technology and network.

International Mobile Telecommunications-Advanced (IMT Advanced or 4G) systems are mobile systems which include the new capabilities of IMT that go beyond those of IMT-2000. 4G network are designed to enable high speed internet. 4G will facilitate higher bandwidth, higher data rate, lower authentication load, and support higher level of user-level customization.

Long Term Evolution ("**LTE**") is a 4G wireless broadband technology developed to achieve high-speed data. 4G is the fourth generation of technology, following 2G and 3G. LTE technology is designed to enable the rollout of high capacity mobile networks capable of delivering very high speed and low latency.

Telecom Service Operators have built packet switch networks (not limited to but include 4G network) to carry voice. A Packet Switched voice call is typically carried over IP and is typically referred to as a Voice over IP ("**VoIP**") call. Voice over Long Term Evolution ("**VoLTE**") is a voice service being delivered as data flows within the LTE data bearer. Voice calling using VoLTE delivers a significantly better consumer experience than VoIP since VoLTE is a more efficient technology as it uses standardized dedicated data packets for voice calls. All mobile operators have started voice service using the technology of VoLTE at a very large scale.

Pre-paid and Post-paid Subscriptions

Mobile telecommunications operators offer two basic subscription methods, pre-paid and post-paid. The pre-paid subscription model is currently the most widely used subscription method in the mobile telecommunications industry in India. The pre-paid subscription model accounted for 95.8% of subscribers (combined for GSM, CDMA and LTE) as of September 30, 2018. (*Source: TRAI*)

Key Operational Metrics

ARPU

Between 2008 and 2018, average revenue per user ("**ARPU**") for GSM subscribers decreased from ₹ 264 per month in the quarter ended March 2008 to ₹ 69 per month in the quarter ended June 2018. ARPU for CDMA subscribers decreased from ₹ 159 per month to ₹ 28 per month during the same period. The ARPU (combined) for GSM, CDMA and LTE subscribers was ₹ 67 per month in the quarter ended September 2018. The decrease in tariffs was the outcome of a combination of factors including, rising competitive intensity, an increase in the proportion of pre-paid and rural subscribers. More recently, the drop in the ARPU from quarter ending March 2016 to quarter ending June 2018 could be attributed to increased competition after the launch of a new operator in September 2016.

The table below illustrates the technology wise ARPU for the periods indicated:

Quarter Ending	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	June 2018	September 2018
GSM (₹ per month)	264	205	131	100	97	105	113	120	125	83	76	69	67*
CDMA (₹ per month)	159	99	76	66	75	95	105	108	104	131	79	28	

(Source: TRAI)

**As reported for GSM, CDMA and LTE combined for quarter ending September 2018*

Minutes of Use

Between 2008 and 2018, MoU for GSM subscribers increased from 493 minutes per month in the quarter ended March 2008 to 608 minutes per month in the quarter ended June 2018. MoU for CDMA subscribers decreased from 364 minutes per month to 19 minutes per month during the same period. The MoU (combined) for GSM, CDMA and LTE subscribers was 627 minutes per month in the quarter ended September 2018. As cellular operators broaden their reach in rural and semi-urban areas, the proportion of low-end users increases, resulting in lower average usage. At the same time, the increase in competitive intensity since 2009 led to rise of multi-SIM usage which also led to minutes of a single user splitting among multiple SIMs or operators.

The table below illustrates the technology wise MoU for the periods indicated:

Quarter Ending	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	June 2018	September 2018
GSM (minutes per month)	493	484	410	349	346	383	389	383	381	405	584	608	627*
CDMA (minutes per month)	364	352	307	263	229	275	275	265	260	250	61	19	

(Source: TRAI)

**As reported for GSM, CDMA and LTE combined for quarter ending September 2018*

Internet Subscribers

Total internet subscribers have increased from 251.6 million in March 2014 to 560.0 million in September 2018. Broadband subscribers have increased from 60.9 million to 481.7 million whereas Narrowband subscribers have decreased from 190.7 million to 78.3 million during the same period. Total internet subscribers per 100 population have increased from 24.1 in March 2015 to 42.9 in September 2018. Increase in internet subscribers and internet penetration can be attributed to reduced tariffs and availability of affordable smartphones.

Quarter Ending	March 2014	March 2015	March 2016	March 2017	March 2018	June 2018	September 2018
Total Internet Subscribers	251.6	302.4	342.7	422.2	494.0	512.3	560.0
Narrowband Subscribers	190.7	203.2	192.9	145.7	81.4	65.1	78.3
Wired Narrowband Subscribers	3.6	3.6	3.5	3.3	3.3	3.3	3.3
Wireless Narrowband Subscribers	187.1	199.6	189.4	142.3	78.1	61.9	75.0
Broadband Subscribers	60.9	99.2	149.8	276.5	412.6	447.1	481.7
Wired Broadband Subscribers	14.9	15.5	17.0	18.2	18.0	17.9	18.0
Wireless Broadband Subscribers	46.0	83.7	132.8	258.3	394.6	429.2	463.7
Total Internet Subscribers per 100 population	NA	24.1	27.0	32.9	38.0	39.3	42.9

(Source: TRAI)

Data Usage

Data usage for CDMA subscribers decreased from 176.2 MB per subscriber per month in quarter ending March 2014 to 53.0 MB per subscriber per month in the quarter ending June 2018. Data usage for GSM subscribers increased from 53.9 MB per subscriber per month in quarter ending March 2014 to 3,216.0 MB per subscriber per month in the quarter ending June 2018. Data usage (combined) for GSM, CDMA and LTE subscribers for was 8,519.7 MB per subscriber per month in the quarter ending September 2018. Data usage for GSM subscribers has been increasing rapidly due to the improving affordability of smartphones and aggressive price offered by operators due to hyper-competition.

The table below illustrates the technology wise data usage and cost for the periods indicated:

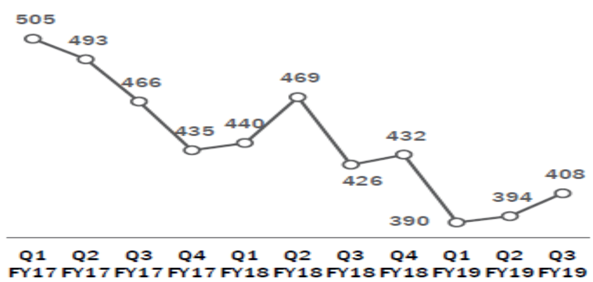
Quarter Ending	March 2014	March 2015	March 2016	March 2017	March 2018	June 2018	September 2018
GSM - Data Usage per Subscriber per Month (MB)	53.9	89.1	133.9	1,006.0	2,447.0	3,216.0	
CDMA - Data Usage per Subscriber per Month (MB)	176.2	278.2	433.6	473.0	173.0	53.0	8,519.7*
GSM + CDMA - Data Usage per Subscriber per Month (MB)	61.7	99.5	147.1	1,000.0	2,437.0	3,206.0	
GSM - Average Cost per GB Data (₹)	NA	NA	NA	19.1	14.9	12.1	10.9*
CDMA - Average Cost per GB Data (₹)	NA	NA	NA	121.0	198.0	88.0	

(Source: TRAI)

**As reported for GSM, CDMA and LTE combined for quarter ending September 2018*

Gross Revenue

The following chart sets forth the gross revenue for the wireless industry in India, for the quarters indicated (rupees in billion):



(Source: TRAI)

Spectrum

Mobile operators in India have currently been allotted spectrum in different bands. These bands are: 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz and 2600 MHz. *(Source: DoT)*

Historically, 800 MHz was used for provision of CDMA services and 900 MHz and 1800 MHz were used for the provision of GSM services. The spectrum acquired in auctions is liberalised spectrum and can be used to deploy any technology. Currently deployment is as follows:

- 4G – 800 / 1800 / 2100 / 2300 and 2500 MHz. 900 MHz can also be used to deploy 4G
- 3G – 2100 and 900 MHz
- 2G – 900 and 1800 MHz

Competitive Landscape

Vodafone, Idea Cellular, Bharti Airtel and Reliance Jio accounted for approximately 93.5% of TRAI revenue market share for the quarter ended December 31, 2018 and 93.6% of VLR subscriber market share as of December 31, 2018.

Subscriber Market Share (VLR Subscribers)

	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	September 2018	December 2018
Idea Cellular	16.6%	17.4%	18.7%	19.6%	19.5%	20.8%	19.4%	
Vodafone	20.2%	20.1%	20.3%	20.4%	19.5%	21.0%	20.4%	
Vodafone + Idea Cellular	36.8%	37.6%	39.0%	40.0%	39.0%	41.8%	39.8%	38.1%
Bharti Airtel	24.7%	24.9%	25.0%	26.2%	26.1%	32.6%	33.2%	32.7%
Reliance Jio	0.0%	0.0%	0.0%	0.0%	7.8%	16.0%	20.5%	22.8%
Others	38.5%	37.5%	36.0%	33.8%	27.0%	9.6%	6.5%	6.4%

Revenue Market Share (Gross Revenue)

	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	September 2018	December 2018
Idea Cellular	15.7%	16.6%	18.2%	19.1%	18.8%	15.8%		
Vodafone	23.0%	23.4%	23.2%	22.9%	23.7%	22.8%		
Vodafone + Idea Cellular	38.6%	40.0%	41.4%	42.0%	42.6%	38.6%	34.4%	32.3%
Bharti Airtel	29.9%	30.5%	30.4%	31.3%	33.8%	34.7%	31.7%	31.2%
Reliance Jio	0.0%	0.0%	0.0%	0.0%	0.7%	18.6%	27.3%	30.0%
Others	31.5%	29.6%	28.2%	26.7%	22.8%	8.2%	6.6%	6.5%

Note: RMS shown for the last quarter of the respective period; For RMS calculations, total industry revenue excludes wire line revenue of BSNL/MTNL.
(Source: TRAI)

Circle wise Revenue Market Share (Gross Revenue)

RMS For the quarter Ended December 31, 2018/ Subscribers as of December2018	Vodafone Idea			Bharti Airtel			Jio			Others	
Telecom Circle	**Subs (mm)**	**RMS (%)**	**Ranking**	**Subs (mm)**	**RMS (%)**	**Ranking**	**Subs (mm)**	**RMS (%)**	**Rank-ng**	**Subs (mm)**	**RMS (%)**
Andhra Pradesh	23.1	23.3%	3	29.8	36.8%	1	22.4	31.0%	2	11.8	8.9%
Assam	5.3	21.3%	3	8.4	36.6%	2	5.6	38.3%	1	2.4	3.8%
Bihar	23.4	19.9%	3	39.3	40.1%	1	20.1	38.2%	2	5.2	1.8%
Delhi	19.6	34.7%	2	15.2	39.5%	1	14.1	20.4%	3	2.3	5.4%
Gujarat	33.9	45.1%	1	12.3	18.7%	3	17.7	31.4%	2	6.7	4.8%
Haryana	11.2	39.8%	1	3.8	22.8%	3	6.9	30.4%	2	5.7	7.1%
Himachal Pradesh	1.4	12.7%	3	3.6	41.1%	1	2.7	39.4%	2	2.8	6.8%
Jammu & Kashmir	1.3	9.0%	3	5.6	45.4%	1	3.3	40.4%	2	1.2	5.1%
Karnataka	15.9	20.5%	3	27.2	47.5%	1	15.3	21.2%	2	10.3	10.7%

RMS For the quarter Ended December 31, 2018/ Subscribers as of December2018	Vodafone Idea			Bharti Airtel			Jio			Others	
Telecom Circle	**Subs (mm)**	**RMS (%)**	**Ranking**	**Subs (mm)**	**RMS (%)**	**Ranking**	**Subs (mm)**	**RMS (%)**	**Rank-ng**	**Subs (mm)**	**RMS (%)**
Kerala	20.4	52.6%	1	5.1	16.6%	3	6.9	18.2%	2	11.2	12.5%
Kolkata	9.7	34.3%	1	6.4	28.9%	3	8.1	31.8%	2	2.9	5.0%
Madhya Pradesh	32.2	32.2%	2	15.6	21.6%	3	21.0	42.1%	1	8.1	4.1%
Maharashtra	48.9	45.5%	1	16.4	19.2%	3	21.1	28.6%	2	8.6	6.6%
Mumbai	15.8	40.0%	1	8.4	26.6%	2	11.2	20.2%	3	2.1	13.3%
North East	2.1	19.9%	3	5.3	44.1%	1	2.6	31.5%	2	1.6	4.6%
Orissa	5.9	14.2%	3	13.1	38.0%	2	8.1	41.1%	1	6.1	6.6%
Punjab	11.5	27.5%	3	10.4	31.3%	1	11.2	30.8%	2	6.2	10.3%
Rajasthan	18.8	23.6%	3	23.4	33.6%	2	18.5	39.0%	1	5.8	3.8%
Tamil Nadu (incl. Chennai)	25.3	28.9%	2	25.8	36.8%	1	18.2	26.6%	3	13.4	7.7%
Uttar Pradesh (East)	36.6	36.0%	1	32.7	30.7%	2	18.9	30.5%	3	13.6	2.8%
Uttar Pradesh (West)	29.5	41.0%	1	13.8	22.9%	3	14.2	31.5%	2	7.3	4.6%
West Bengal	26.9	35.2%	1	18.5	28.1%	3	11.8	34.3%	2	1.7	2.4%
Total	**418.7**	**32.3%**	**1**	**340.3**	**31.2%**	**2**	**280.1**	**30.0%**	**3**	**136.9**	**6.5%**

Note: For RMS calculations, total industry revenue excludes wire line revenue of BSNL/MTNL Revenues (Source: TRAI)

While the largest operators successfully defended their market share, the phase of hyper-competition led to steep fall in tariffs and realizations for all operators. Since the quashing of licenses by the Supreme Court, competitive intensity has declined with operators being forced to exit or reduce their presence in India. The number of operators decreased from a peak of nine to 13 operators per circle to four to six operators per circle as of December 2018.

The chart below illustrates the number of operators in all Service Areas:

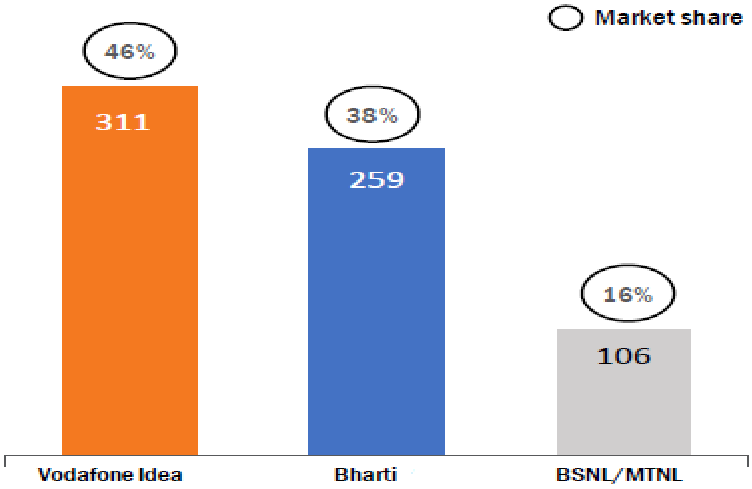
Service Area	Number of Operators					
	December 2008	**December 2011**	**December 2014**	**December 2017**	**September 2018**	**December 2018**
Andhra Pradesh	6	11	8	9	7	6
Assam	6	11	6	7	5	4
Bihar	7	13	8	9	7	6
Delhi	6	9	8	8	7	6
Gujarat	6	12	10	8	7	6
Himachal Pradesh	7	11	7	8	7	6
Haryana	6	12	8	8	7	6
Jammu and Kashmir	5	9	6	7	5	4
Karnataka	6	12	8	8	7	6
Kerala	6	11	8	8	7	6
Kolkata	6	11	8	8	7	6
Madhya Pradesh	6	12	8	8	7	6
Maharashtra	6	12	8	9	7	6
Mumbai	7	12	7*	8	7	6
North East	6	11	6	7	5	4
Orissa	6	12	7	8	7	6
Punjab	7	12	8	8	7	6
Rajasthan	7	12	8	8	7	6
Tamil Nadu (including Chennai)	6	11	8	8	7	6
Uttar Pradesh (East)	6	11	8	9	7	6
Uttar Pradesh (West)	6	12	9	9	7	6
West Bengal	6	10	8	8	7	6

Notes: Number of operators in a Service Area has been calculated on the basis subscribers reported by TRAI for a licensee. Idea and Vodafone are counted as a single entity as of December 2018 based on TRAI reporting.
(Source: TRAI)
* *Excluding Loop*

Subscriber Base

2G Market Share

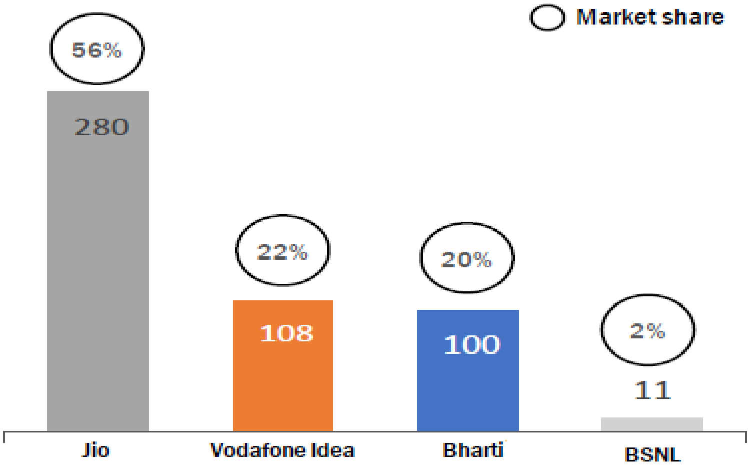
The following chart sets forth the number of 2G subscribers (in millions) as of December 31, 2018, and the market share:



(Source: TRAI. 2G subscribers = Total subscribers – broadband subscribers. Data for Bharti includes Tata subscribers)

Broadband Market Share

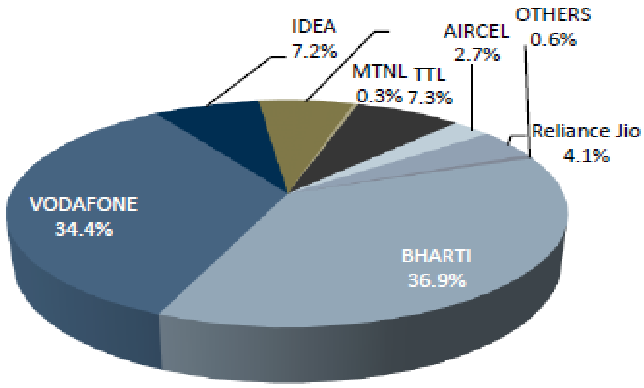
The following chart sets forth details of the number of broadband subscribers (in millions) as of December 31, 2018, and the market share:



(Source: TRAI. Data for Bharti includes Tata subscribers)

Enterprise Mobile Services – Market Share

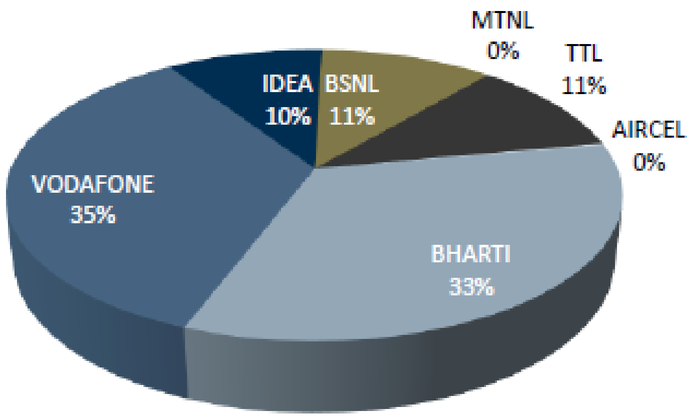
The following chart sets forth the market share of enterprise mobile services for the quarter ended June 30, 2018 (market size: ₹ 31,790 million):



(Source: Frost & Sullivan Report)

Internet of Things – Market Share

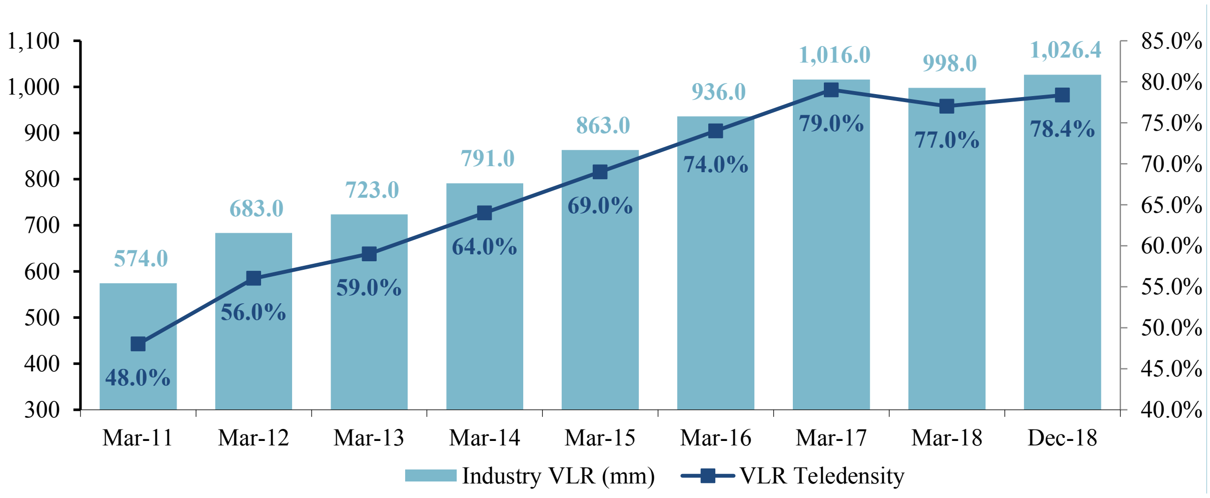
The following chart sets forth the market share of enterprise machine-to-machine services for the quarter ended June 30, 2018 (market size: ₹ 841 million):



(Source: Frost & Sullivan Report)

Key Drivers of Industry Growth

Several factors have influenced the growth of the mobile telecommunications industry in India and are expected, along with innovations, to drive future growth as well. The chart below illustrates the industry subscriber trends:



Teledensity (%)	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	September 2018	December 2018
Mobile	68.0	76.0	70.9	72.9	77.3	81.4	91.1	91.1	89.5	89.8
Urban Areas	150.1	162.8	140.7	139.9	143.1	148.7	166.7	161.2	156.2	155.5
Rural Areas	32.8	38.3	40.2	43.3	47.8	50.9	56.5	58.7	58.5	59.1

(Source: TRAI)

Favourable Demography

India's young population, rapid urbanization and growing middle class ensure a steady 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. A table showing estimated population distributions for selected countries in 2017 is shown below:

Countries	Aged 0-14 (%)	Aged 15-64 (%)	Aged 65+ (%)
Brazil	21.9	69.5	8.6
China	17.2	71.5	11.3
India	**27.0**	**66.6**	**6.4**
Japan	12.7	58.9	28.4
Russia	17.2	68.1	14.7
United States	18.6	65.4	16.0
United Kingdom	17.6	64.2	18.2

(Source: CIA World Factbook Website)

The Indian middle class is also expected to grow substantially over the next two decades and will continue to fuel consumption as more products and services become affordable. (*Source: U.S. State Department website*)

Low mobile penetration in India

As of December 31, 2018, overall teledensity was at 89.8% based on population projections from census data published by the office of Registrar General & Census Commissioner of India. In India wireless teledensity varies significantly across urban and rural areas. As of December 31, 2018, wireless teledensity in urban areas, based on reported subscribers, was 155.5% and in rural areas was 59.1%. *(Source: TRAI)*

Smart Phone adoption on rise

Penetration of smartphones in India has been increasing multifold due to growing availability of affordable smartphones and gradual reduction in data tariffs and increasing income levels. However, there is still significant headroom for smartphone penetration to improve going forward.

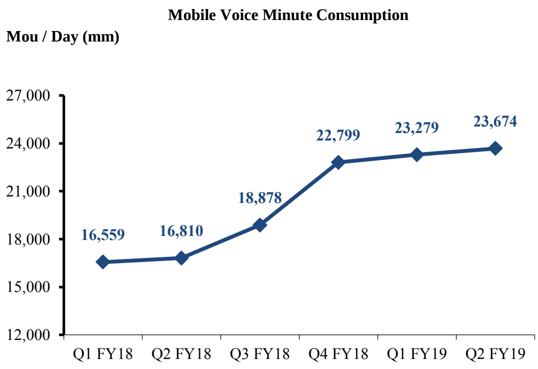
Data Services to provide exponential growth

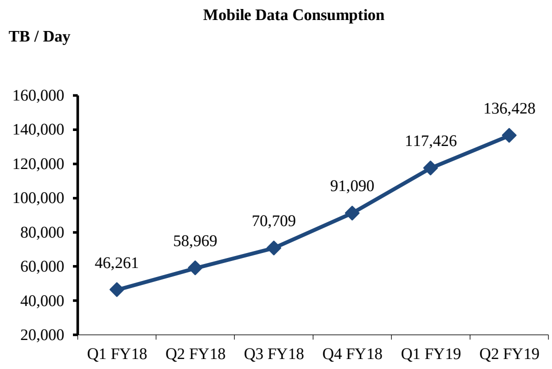
Total wired internet penetration in India, excluding subscribers who accessed the Internet through mobile phones, was 21.25 million connections as of September 30, 2018 *(Source: TRAI Performance Indicator Report for –July – September 2018)*. The growth of wired internet in India has been restricted due to lack of adequate infrastructure therefore limiting last mile connectivity. As a result, wireless is expected to be the preferred means to access the internet. Currently, 538.76 million users access the internet through wireless devices including mobile phones as of September 30, 2018 *(Source: TRAI Performance Indicator Report for July – September2018)*. The wireless technology Internet penetration continues to be low compared to the total reported subscriber base. This number is 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 transitioning from being a pure telecom service provider to an integrated digital service provider. Some operators have launched digital applications offering entertainment, information, cloud and storage services to catalyse mobile data demand. Increased content availability along with digital services is driving growth in broadband subscribers and data consumption.

Unlimited Plans to Drive Huge Voice Minute and Data Volume

Unlimited voice and bundled data plans are driving both voice and data consumption since the launch of free services by a new operator. Industry voice traffic per day has increased 40.8% from the second quarter of financial year 2018 to the second quarter of financial year 2019, while industry mobile data has increased 2.3 times during the same period.





Mobile Voice Minute Consumption **Mobile Data Consumption**

Source: TRAI

Note: The MoU per day is arrived at by using MoU per subscriber per month for the corresponding quarter and the average number of users for the quarter for GSM and CDMA separately;

TB per day is arrived at by using data usage per subscriber per month for the corresponding quarter and the average number of users for the quarter for GSM and CDMA separately

Market Consolidation

Many mobile telecommunications operators exited the market or significantly scaled down their operations after the cancellation of licenses by the Supreme Court in February 2012. The market has further consolidated since the DoT relaxed regulations on transfer and merger of licenses, trading and sharing of spectrum during the period 2014 to 2015. During 2016, Videocon sold its spectrum to Airtel. In February 2017 Telenor announced its merger with Airtel. In December 2017, Aircel has announced closure of operations in six circles and in October 2017, Reliance Communications has also announced closure of its 2G and 3G operations with effect from December 1, 2017. In December 2018, the National Company Law Tribunal cleared Bharti Airtel's acquisition of Tata Teleservices' consumer mobility business. As a result, the remaining mobile telecommunications operators are focusing on adding new subscribers, increasing data consumption and reducing churn. This could therefore lead to growth in revenue and profitability for the industry as a whole.

OUR BUSINESS

In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associate. The financial and operational information included in this section represents that of Idea Cellular Limited, on a consolidated basis (i.e., does not include such information for Vodafone India) up to, the effective date of the Merger, August 31, 2018 and thereafter includes such information for our Company on a merged basis.

Overview

We are one of the leading mobile telecommunications operators in India. We are a pan India mobile telecommunications operator offering voice, data, enterprise services and other value added services ("**VAS**"), including short messaging services, digital services and mobile wallets. All of our mobile telecommunications services, other than voice, are classified as VAS. We had a Revenue Market Share of approximately 32% of the Indian mobile telecommunications services industry (excluding wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited) for the quarter ended December 31, 2018 (as reported by TRAI). We had 387.2 million subscribers as of December 31, 2018. We had 391 million visitor location register ("**VLR**") subscribers and our VLR subscriber market share as of December 31, 2018 was 38% (as reported by TRAI). For the quarter ended December 31, 2018, we carried approximately 712 billion voice minutes and approximately 2,705 billion MB of data volume.

In March 2017, the merger between Vodafone India Limited ("**Vodafone India**"), Vodafone Mobile Services Limited and Idea Cellular Limited was announced, through a scheme of amalgamation and arrangement (the "**Idea-Vodafone Scheme**" and such merger, the "**Merger**"). The Merger was completed on August 31, 2018. For further information on the Merger, see "*History and Certain Corporate Matters*" on page [●]. For further information on Vodafone India, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India*" on page [●].

Our promoters are the Aditya Birla Group and the Vodafone Group. The Aditya Birla Group is one of the largest business groups in India and is a conglomerate with operations in more than 34 countries. The Aditya Birla Group has a history of over 50 years and has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, insurance, financial services and mobile telecommunications industries. The Vodafone Group is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partners with mobile networks in 42 more, and fixed broadband operations in 19 markets.

We provide GSM-based mobile telecommunications services, 3G services and 4G services in all 22 Service Areas in India. We also offer carriage services to other businesses. We have an aggregate of 1,849.6 MHz of spectrum across different frequency bands, of which 1,714.8 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Of our total spectrum, 134.8 MHz has been administratively allocated. We have deployed network on time division duplex ("**TDD**") spectrum (2300/2500 MHz) in 16 out of 20 Service Areas where we hold TDD spectrum. Our Company and Vodafone India acquired 1,304 MHZ of spectrum between 2014 and 2016, which are valid for terms of 20 years from the date of such acquisitions.

As of December 31, 2018, we had a network of over 198,000 2G cell sites and over 376,000 broadband (3G+4G) sites. All of our 4G sites are VoLTE enabled. Our optical fibre cable transmission network, either owned or through indefeasible right to use ("**IRU**") arrangements mainly with other telecommunications operators, extends to approximately 340,000 kms (including our own fibre of approximately 158,000 kms and IRU fibre including overlap), as of December 31, 2018.

As of December 31, 2018, our mobile telecommunication operations were spread to approximately 480,000 towns and villages and covers approximately 90.7% of the Indian population. As of December 31, 2018, our broadband network is spread across approximately 270,000 towns and villages and covers approximately 68.8% of the Indian population. Our captive NLD traffic and almost all of our ILD outgoing traffic was carried on our own infrastructure for the quarter ended December 31, 2018. We also derive revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunications companies and long distance carriers operating outside India.

All of our services and products are currently offered under the !dea and vodafone brands. The strength of our brands and our advertising is reflected in several brand recognition awards that we have won. Idea was listed among the top three brands in the Telecom category in AFAQS! India's Buzziest Brands of 2018 and our Company won the bronze award at the "Business World Golden Cart Summit and Awards 2016" for India's most preferred brand in the category of 'Telecommunication Services'. Vodafone India won two silver and three bronze awards in EFFIES 2018 and won the Emvies Media client of the year 2018.

Our Company won the gold award for the campaign 'Internet4All' for 'Best use of Web Based Games' at Indian Digital Media Awards, 2017 and four gold and two silver awards at the Big Bang Awards, 2017 in different categories. We won the ET Telecom Award 2017 in the 'Enterprise Mobility' category. In addition, Vodafone India won awards in the categories Telecom Carrier (Leased Line, Mobile Access and International Access) and Internet of Things at the CIO Choice Awards 2018.

For our Proforma total income and profit/(loss) after tax for the nine months ended December 31, 2018 and the financial year 2018, see "*Proforma Consolidated Financial Information*" on page [●].

Our Competitive Strengths

We believe that we are well positioned to exploit the growth opportunities in India's rapidly expanding mobile telecommunications industry. Our key competitive strengths are set out below:

Established Leadership Position and Large Subscriber Base

We are one of the leading mobile telecommunications operators in India. We had a Revenue Market Share of approximately 32% of the Indian mobile telecommunications services industry (excluding wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited) for the quarter ended December 31, 2018 (as reported by TRAI). We had 387.2 million subscribers (of which we had 108 million broadband subscribers) as of December 31, 2018. As of the same date, we had 391 million visitor location register ("VLR") subscribers and our VLR subscriber market share as of December 31, 2018 was 38%. Further, as of December 31, 2018, 93.3% of our subscribers were VLR subscribers (as reported by TRAI). The Indian telecommunications industry has witnessed intense competition over the last few years leading to consolidation among several telecom operators and the emergence of three large private telecom companies. As of June 30, 2016, Idea Cellular Limited had and Vodafone India had an aggregate 41% VLR market share, while as of December 31, 2018, our Company had 38% VLR subscriber market share. (*Source: TRAI*)

Extensive Telecommunication Infrastructure

We have the largest spectrum portfolio among all telecommunications operators in India comprising 1,849.6 MHz of spectrum across different frequency bands, of which 1,714.8 MHz spectrum is liberalised, while 134.8 MHz has been administratively allocated. Our Company and Vodafone India acquired 1,304 MHZ of spectrum between 2014 and 2016, which are valid for terms of 20 years from the date of such acquisitions. We have a mobile broadband footprint across all 22 Service Areas in India on 3G and 4G technologies, which enables us to offer comprehensive consumer offerings as well as have substantial capacity spectrum to address the growing data demand. We have undertaken certain initiatives such as dynamic spectrum re-farming, deployment of Ultra Band Radio and TDD sites and we are currently in the process of consolidating our spectrum and redeploying the overlapping broadband sites after our Merger, which will result in the expansion of our capacity. We have enhanced the capabilities of some of our 900 MHz sites through dynamic spectrum re-farming and re-farmed 2100 MHz spectrum from 3G to 4G usage on selected sites. In the nine Service Areas of West Bengal, Andhra Pradesh (except Hyderabad), Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East, Jammu and Kashmir and Bihar, customers of both our brands enjoy a unified network experience following the consolidation of spectrum and the radio access network.

As of December 31, 2018, our mobile telecommunications operations were spread across approximately 480,000 towns and villages while our broadband network was spread across approximately 270,000 towns and villages. We have made significant investments in expanding our infrastructure and increased the number of our 2G cell sites to over 198,000 as of December 31, 2018. We have also increased the number of our total broadband sites to 376,000 broadband (3G+4G) sites as of December 31, 2018. All of our 4G sites are VoLTE enabled. We have deployed network on TDD spectrum (2300/2500 MHz) in 16 out of 20 Service Areas where we hold TDD spectrum to expand our capacity and intend to cover the other Service Areas in the near future. We believe that this will help us in strengthening our leadership position in these Service Areas. We also believe that the redeployment of overlapping broadband equipment will enable us to expand our broadband coverage without significant costs.

Diversified Portfolio of Business Services

We offer telecommunications solutions to global enterprises, corporates, SME's, Government organizations, small-office home-offices ("**SoHos**") and start-ups. We have 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. According to the Frost & Sullivan 'Enterprise Telecom Services' report ("**Frost & Sullivan Report**"), the enterprise mobility market share of Vodafone India and our Company was 34.4% and 7.2% for the quarter ended June 30, 2018, respectively. For the same period, the IoT services revenue market share of Vodafone India and our Company was 35% and 10%, respectively. Vodafone's SuperIoT is an industry-first solution that enables end-to-end management of device, application, connectivity, service platform, support and security. *(Source: Frost & Sullivan Report)* In addition, Vodafone Group Plc is a leader in providing digital services such as IoT and cloud solutions and we expect to benefit from our relationship with them in providing such services to customers in India.

Extensive Distribution and Service Network

We maintain an extensive distribution and service network in our Service Areas to reach customers across regions in India. As of December 31, 2018, our sales network comprised approximately 28,000 distributors servicing approximately 1.35 million third-party retailers for our voice and data services, resulting in 155 serviced outlets per 100,000 persons in the population we cover.

In order to provide an enhanced brand experience and end-to-end services, we established company retail stores, which are typically large format stores owned and operated by us and located in Tier 1 cities in India. We also have stores owned and operated by our franchisee partners in urban towns. For rural customers, we have smaller stores in rural areas, which are owned and operated by our distributors. As of December 31, 2018, we had approximately 11,100 branded stores comprising company stores and franchisee stores. In order to increase our operational efficiency after our Merger, we are in the process of streamlining our centers across the country and we had 4,900 urban branded retail stores as of December 31, 2018 as compared to 5,800 as of August 30, 2018. We believe that our well-established distribution and service network assists us in ensuring that our products are easily available to the Indian population. Our use of well diversified distribution channels provides us increased access to our subscriber base and also allows us to provide an improved customer experience.

Complementary Strong Brands

We have two strong brands, Idea and vodafone, both of which have generated customer affinity over the years. We also believe that our brands, Idea and vodafone 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 to other segments over the years and we believe that the complementary nature of these brands will allow us 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. We have launched mobile applications, such as 'Idea Music', 'Idea Movies & TV', 'Idea News and Magazines' and 'Vodafone Play' to offer relevant content to our customers.

Our brand excellence is confirmed by several awards such as:

- Idea was ranked amongst the 'Buzziest Brands of the year' by AFAQS in 2018.
- Vodafone won Media client of the year at Emvies in 2018
- Vodafone India won two silver and three bronze awards in EFFIES 2018;
- Vodafone India was listed among the top three brands in the telecom category in AFAQS! India's Buzziest Brands of 2017;
- Idea won the bronze award at the BW Businessworld Golden Cart Summit and Awards 2016 in the category of 'Telecommunication Services'; and
- Idea won Silver at Maddies 2018 for "Best Use of Social Media On A Campaign" LookLook FB 360 Newsfeed Game.

Well Established Promoters

Our promoters are the Aditya Birla Group and the Vodafone Group. The Aditya Birla Group is one of the largest business groups in India with several of its companies listed on the Indian stock exchanges having an aggregate market capitalization of USD 40 billion (USD 1 = ₹ 71), as of December 31, 2018. It has businesses in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, insurance, financial services industries and mobile telecommunications. The Aditya Birla Group is one of the most respected business houses in India and we benefit from the confidence that consumers, lenders, vendors and others place in the Aditya Birla Group. The Vodafone Group is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partners with mobile networks in 42 more, and fixed broadband operations in 19 markets. Vodafone Group Plc is listed on London Stock Exchange and NASDAQ.

Experienced Management Team

Our operations are conducted by a well-qualified management team that has significant experience in all aspects of our business. We believe that the strength and quality of our senior management team and their understanding of the telecommunications industry enables us to identify and take advantage of strategic market opportunities. We believe that our management team has consistently demonstrated its ability to effectively respond to changing regulatory landscape and macro changes in Indian markets, which has contributed significantly to our growth. Mr. Balesh Sharma, our Chief Executive Officer has over 25 years of experience in the telecom sector and Mr. Akshaya Moondra, our Chief Financial Officer has over 27 years of work experience. The other members of senior leadership also have considerable experience across sectors. We believe that our experienced management team positions us well to capitalize on future growth opportunities. Our leading market position along with our strong employee value proposition helps us attract and retain high quality, result-driven people.

Our Strategies

Prior to the completion of our Merger, our Company and Vodafone India were among the largest operators offering mobility services across 22 Service Areas with overlapping operations as well as assets. Our primary focus is now on integrating our operations and leverage synergies between our Company's and Vodafone India's businesses to reduce operating expenditure, prioritize investments in profitable areas and increase our ARPU and revenue.

As we consolidate our network and spectrum and improve our coverage and capacities, specifically on 4G technology, we believe that we will be in a position to offer a better customer experience, which will assist us in retaining our existing customers and attracting new 4G customers. We are also focused on certain key districts across Service Areas from where we derive a significant portion of our revenue and profits, for any incremental investments.

Integrate Our Operations to Derive Operational Synergies and Reduce Expenditure

We are in the process of integrating the operations of Vodafone India with those of our Company to derive operational synergies and reduce expenditure. We have established a new organisational structure and commenced the process of consolidating our spectrum and integrating our network. We have completed Service Area level planning of our capital expenditure, selected vendors and placed orders for equipment with them. We have also commenced offering 4G services in all 22 Service Areas for both brands and activated national roaming on both networks to offer seamless broadband coverage. In addition, as a result of our Merger, approximately 66,000 co-located tenancies are converted from dual tenancy on a tower to a single tenancy with a higher loading. This has allowed us to reduce our operating expenses. Further, as we optimise the equipment on these sites, we expect a reduction in our overall network expenses.

We are also relocating our overlapping 3G and 4G sites to increase our coverage without any significant change in operating costs. We expect to reduce our annual maintenance charges, operations and maintenance expenses and other network expenses as we continue to install new equipment. In addition, we are rationalising our presence in districts, which we believe have low growth potential by closing down the weaker of the two networks to further reduce our operating expenses. In order to achieve IT synergies and reduce IT expenses, we are consolidating our IT facilities and utilizing cloud solutions.

We also expect to reduce our expenses incurred towards customer acquisition and servicing through the optimization of our retail stores and support offices, as well as realigning our distributors and retailers to achieve distribution efficiencies. We have completed the process of consolidating our circle and zonal office infrastructure. We are also experiencing a reduction in the cost of servicing customers with the simplification of our price plans and higher penetration of unlimited plans. In addition, although we continue to use two brands to market our services, we expect to receive better pricing terms on account of the scale of our advertising campaigns.

We intend to derive capital expenditure related synergies through measures including the redeployment of overlapping broadband equipment, which will enable us to increase our broadband coverage at a reduced cost. Further, with the consolidation of spectrum, dynamic spectrum refarming, deployment of Single Radio Access Network, Ultra Band Radio network, software upgrading and other network initiatives, we expect to obtain more coverage and capacity at lower capital expenditure. Our incremental investments will be largely directed towards building TDD network to further enhance our capacity, fibre network and the upgradation of our core network. We also expect that the scale of our procurement after the Merger will enable us to obtain better pricing and credit terms from our vendors.

Prioritise Investments in Profitable Areas

We have segregated districts in India based on their growth potential and revenue and EBITDA contribution to our Company, instead of following a conventional approach and focusing on Service Areas. On the basis of such analysis, we have identified certain high potential districts which account for a large portion of our revenues and EBITDA and we are in the process of building large 4G coverage and capacity in such districts. We believe that our focused approach in these districts will help us optimise our capital expenditure and enable us to offer a superior customer experience.

In non-profitable districts, we intend to shut 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 us in further reducing our operating expenses without impacting customer experience for either brand. We expect to achieve such objective since the network utilization for each network in these districts is low and one network, along with the spectrum consolidation, will be sufficient to manage the traffic of both networks. We also expect customer experience to improve for the subscribers of the weaker brand as they will start enjoying the coverage and experience of the stronger network.

We seek to expand our network for both brands by utilising and redeploying our existing equipment, while our incremental investments will be focussed on key districts. We intend to rapidly expand our broadband coverage by primarily improving our 4G coverage and deploying network on TDD spectrum in certain key areas with high demand to increase our capacity.

Focus on Increasing ARPU

The Indian mobile telecommunications market has traditionally operated with a complex set of customer offerings as each operator used to offer multiple pricing plans across different Service Areas. On account of intense competition, ARPU has witnessed significant pressure over the last few years. In order to simplify customer offerings, we have undertaken steps such as the discontinuation of special tariff vouchers for local and national calling and have aligned the pricing structure for both brands in all our Service Areas. We have redesigned our pre-paid offerings and currently have only a certain number of price plans in all Service Areas. We have introduced low value recharge options with bundled benefits of voice and data for pre-paid subscribers, primarily targeting customers who used to have only incoming minutes on our network or who had an ARPU below a certain threshold. These low value vouchers allow customers to remain connected as well as experience data on our network. We believe these initiatives will help our customers derive better value and increase our ARPU. We also have large number of customers who only avail our voice services and we will focus on selling our bundled voice and broadband offerings to such customers to increase our ARPU and revenue, as we expand our broadband coverage and capacity.

We continue to digitalize our customer acquisition and servicing platforms to enable our customers to avail additional services through our mobile applications and websites, as well as reduce associated costs. As the adoption of these digital applications are increasing, we are witnessing a higher share of post-paid collections and pre-paid recharges coming through these routes.

We have also deployed several machine learning models to assist us with functions such as churn prediction, product recommendations and retail sales optimization. These models identify key influencing factors that help predict consumer behaviour, enabling us to better understand the needs of customers and serve them proactively. They also assist us in retaining and growing our high values customer base. We believe greater adoption of our digital service delivery mechanisms will enable us to be more efficient, customer friendly and over time perform more reliable data analytics, resulting in targeted customer profiling, customized and tailor-made products to suit the diverse requirements of our customers and improved customer satisfaction.

Focus on Increasing Business Services and Other Arrangements to Drive Value

We believe that the Indian enterprise services market is witnessing considerable transformation in technology across infrastructure, applications and end-user computing and we intend to capitalize on such opportunities and increase the sales of our enterprise services. Our investments in IoT platforms, future ready products and services and market partnerships coupled with Vodafone Group's global IoT leadership will help us in capitalizing on a rapidly growing IoT market in India. We also provide services such as meter reading and fleet management to public and private sector companies.

With an extensive fibre network, we are well placed to service connectivity needs for businesses in India. Our wide channel partner network and digital engagement platforms enable us to grow our reach and serve fast growing SMEs, SoHos and start-ups. Our cloud portfolio of applications and services helps SMEs and SoHos go digital in a seamless manner. We believe with our well invested network and innovative mobility services, we are well placed to consolidate our market leadership in business services.

We are also focused on providing leading content offerings to our customers by sourcing content from key content creators, instead of developing content ourselves. We believe that our large customer base, know-how of customers coupled with our wide reach and digital presence through 'MyIdea' and 'MyVodafone' applications, make us a preferred choice for content creators.

We currently have several arrangements with global and regional content providers to provide premium content to our customers. For certain customers, we also offer bundled device insurance with select postpaid plans. We also had exclusive offers on certain credit and debit cards for our postpaid customers. We had also entered into arrangements with key smartphone manufacturers to provide special offers to customers purchasing a new phone. In addition, we have arrangements with certain credit evaluation companies to help generate scores for credit worthiness for the non-banked population.

Description of Our Business

Our Products and Services

We offer mobile telecommunications services in all 22 Service Areas. In addition to our core mobile voice services, we offer data services and a diverse range of other VAS. Further, we offer mobile broadband in all 22 Service Areas. Our pre-paid mobile telecommunications services cater to our retail subscribers while post-paid mobile telecommunications services cater to both retail and enterprise subscribers.

Voice Services: Mobile voice telecommunications services are offered throughout India, and through roaming arrangements in various countries other than India, to our subscribers. Voice services are complimented by an array of voice VAS offerings.

Data Services: Mobile data telecommunications services are also offered throughout India, and through roaming arrangements in numerous countries other than India, to our subscribers. We have a mobile broadband footprint across all 22 Service Areas in India on 3G and 4G technologies. Our data services are aimed at offering an excellent subscriber experience in downloading songs and movies, streaming video and audio, photo and text updates on social media, mail, watching mobile TV, blog postings and HD gaming.

Other VAS: Our other VAS offerings include:

- Digital content applications such as 'Idea Music', 'Idea Movies & TV' and 'Vodafone Play';
- Entertainment services such as sports (score updates), IVR based content (Idea music station), WAP based games;

- Voice and SMS based services such as ring back tones, voice and SMS chat and expert advice; and
- Utility services such as missed call alerts, doctor on call and astrology services.

With the intent to create a one-stop entertainment platform for our subscribers, we commenced offering digital services to cater to the evolving needs of our customers, in the form of digital content applications: ‘Idea Music’, ‘Idea Movies & TV’, ‘Idea News and Magazines’ and ‘Vodafone Play’. These applications are designed to provide customers access to a large collection of popular and premium content, including an assortment of select regional and international content.

Through our application ‘Idea Music’, we provide access to an extensive library of Indian and international songs. Our ‘Idea Movies & TV’ application is designed to cater to the needs of people across different age groups and provides access to many movies and channels across several regional and international languages. The ‘Idea News and Magazines’ application has a collection of magazines and news updates provided in several languages.

The ‘Vodafone Play’ application has live television channels, international television shows, and exclusive original web series, in addition to movies across several languages. For Vodafone RED subscribers (post-paid), the application offers a one year free subscription to Amazon Prime, which includes Prime videos, music and shopping.

We believe that the introduction of such services, in addition to our other offerings, enhances our competitive position as an integrated digital services and solutions provider and assists us with customer retention.

Select Operational Information

The following table sets out certain operational metrics about our Company’s service offerings for the periods indicated:

	Unit	**As of and for the Quarter Ended December 31, 2018**	**As of and for the quarter ended September 30, 2018**
Subscriber Base (EoP) (2G+3G+4G) [1]	Million	387.2	422.3
Pre-paid Subs (% of EoP subscribers)	%	93.9%	94.3%
Average Revenue per User (ARPU) Blended[2]	₹	89	88
Average Minutes of Use per User	Minutes	580	568
Blended Churn	%	5.0%	4.3%
Total Minutes of Use	Million	712,283	731,195
Total Data Subscribers (2G + 3G +4G)	Million	146.3	140.1
Broadband Subscribers(3G+4G)[3]	Million	107.9	99.7
Total Data Volume (2G + 3G +4G)	Million MB	2,705,157	2,426,213
Data Usage by Data Subscriber (2G+3G+4G)	MB	6,324	5,740

1. *Our Company recognises its subscribers based on certain usage threshold and accordingly such numbers are different from TRAI published Telecom Subscription Data.*
2. *ARPU (Average Revenue Per User): Is calculated by dividing services revenue (exclusive of infrastructure and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure. For the quarter ended December 31, 2018, average number of subscribers during the quarter is calculated as average of average subscribers for each month. For the quarter ended September 30, 2018, average number of subscribers is calculated as average of the opening and closing subscriber base of the quarter.*
3. *Broadband Subscriber: Any subscriber with data usage of more than 0 KB on 3G or 4G network in last 30 days*

The following table sets out certain operational metrics about our Company’s service offerings for the periods indicated:

	Unit	As of and for the Quarter Ended			
		June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Subscriber Base (EoP) (2G+3G+4G) [1]	Million	187.9	194.5	188.5	182.4
Pre-paid Subs (% of EoP subscribers)	%	95.8%	95.8%	95.6%	95.5%
Average Revenue per User (ARPU) Blended[2]	₹	100	105	114	132
Average Minutes of Use per User	Minutes	609	577	509	459
Average Realization per Minute (ARPM)[3]	Paise	16.5	18.1	22.5	28.7
Blended Churn	%	5.2%	4.3%	4.8%	6.3%
Total Minutes of Use	Million	349,530	330,364	282,574	255,035
Total Data Subscribers (2G + 3G +4G)	000	46,535	46,803	42,607	38,195
Broadband Subscribers(3G+4G)[4]	000	40,973	39,830	34,800	29,606
Total Data Volume (2G + 3G +4G)	Million MB	1,018,261	818,085	571,301	438,688
Broadband Data Volume (3G+4G)	Million MB	991,636	793,457	548,600	413,119
Data Usage by Data Subscriber (2G+3G+4G)	MB	7,309	6,065	4,742	3,805
Broadband Data Usages by Broadband Subs	MB	8,208	7,013	5,708	4,853

1. *Our Company recognises its subscribers based on certain usage threshold and accordingly such numbers are different from TRAI published Telecom Subscription Data.*
2. *ARPU (Average Revenue Per User): Is calculated by dividing services revenue (exclusive of infrastructure and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure. Average number of subscribers during the period is calculated as average of average subscribers for each month.*
3. *ARPM (Average realization per Minute): ARPM is calculated as ARPU divided by MoUs/Subscriber.*
4. *Broadband Subscriber: Any subscriber with data usage of more than 15MB on 3G or 4G network in last 30 days*

The following table sets out certain key operational metrics of Vodafone India prior to the completion of the Merger:

	Unit	As of and for the Period Ended			
		June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Total Mobile Customer Base (i.e. wireless subscribers)	Million	220	223	213	207
Pre-paid Subscribers (% of total subscribers)	%	93.6%	93.3%	92.7%	92.6%
Mobile Churn (average per month)	%	4.1%	3.7%	4.4%	5.3%
Mobile Data Usage[1]	'000 TB	1059	808	567	384

1. *Data usage represents the sum of downlink traffic and uplink traffic, all APNs (for example web, wap, corporate APNs, MMS), femto traffic (if applicable), inbound roamers and MVNOs excluding data resulting from voice over LTE traffic. The conversion methodology used is 1 terabyte (TB) = 1,000^5 bytes.*

Enterprise Solutions: We also provide additional services to our enterprise customers through our enterprise business unit:

Connectivity and Security:

Global Multi-Protocol Label Switching: A scalable and fully managed private MPLS-based wide area networking ("**WAN**") solution to connect branch offices of an enterprise securely across geographies.

L3 MPLS VPN: A scalable and fully managed WAN solution to securely connect distributed domestic branch offices of an enterprise within India.

Internet leased line (ILL): A dedicated connectivity offering symmetric internet bandwidth speed with stringent service level agreements to enterprise customers enabling them to access internet and run business critical applications securely.

National Private Leased Circuit (NPLC): This provides a highly secure and dedicated leased line service between two enterprise locations within India.

International Private Leased Circuit (IPLC): This provides a highly secure and dedicated leased line service between two enterprise locations distributed across different geographies.

SuperWifi: A fully managed Wi-Fi-Network as a service offering which enables secure wireless LAN for enterprises.

Managed Distributed Denial of Service (DDoS) Protection service: A carrier-class solution that offers detection and mitigation of volumetric attacks safeguarding the customer's network.

Business Communications:

*SIP Trunk***:** IP based fixed voice services offering scalability and flexibility to enterprises.

Primary Rate Interface: This provides office wire line voice service. PRI is a time division multiplexing connection that allows multiples of 30 simultaneous voice calls on a single fixed line.

SIP Central: A cloud based telephony service offering private branch exchange facilities along with IP based fixed line voice connectivity.

Toll Free and Universal Access Number Solution (UAN): A single number nationally which can be dialed from anywhere, anytime, and is mapped to a destination number of the customer's choice. This is either free to end customer in case of toll free or chargeable in case of UAN.

Global Calling Service: A call bridging solution that allows one to reach an international number by dialing a local India number which could be toll free, wired or mobile.

Audio Conference Solution: This is popularly known as 'Audio Bridge' and is used to set-up multi-people conferences of an enterprise with internal teams, vendors and customers spread across geographies.

Internet of Things:

SuperIoT suite: An end-to-end IoT solutions that is scalable, secure and reliable. It includes all the components – device, application, connectivity and other services that are unique and complex in each deployment.

Managed IoT Connectivity platform: We have a dedicated managed IoT connectivity platform led proposition which gives visibility, manageability and control of the IoT connectivity. The platform gives the customers independence in managing the connectivity, optimize cost and improve operational efficiency.

Location Based Services (LBS): For a growing business, tracking assets is vital for operational efficiency. With this service, customers can do so while enjoying improved security and usability. LBS is a GSM network based location tracking software as a service ("**SaaS**") solution where location is identified based on cell tower to which the SIM is latched on.

Cloud Products and Services:

Cloud Telephony: A solution which enable enterprises to automate business processes such as lead management, ordering, payments and collections, customer appointment with intelligent call routing and application integration.

CloudStore: A portfolio of cloud based Enterprise SaaS applications delivered over a completely digital quote-to-cash marketplace with dedicated onboarding and support. Products include: Office 365, G Suite, Vodafone Idea Super Shield, Mobile Workforce Essentials and Internet Presence.

Analytics and Bulk SMS:

Digital Engagement Platform: One of the biggest challenges for any enterprise is to reach their target segment in a cost effective way and we help enterprises through our Vodafone Idea Digital engagement platform. Target groups can be segmented on the basis of demographics, location and usage patterns.

PinSight: A map centric location intelligence platform to facilitate informed decision making for business expansion, performance, analysis and operation optimization by using data, analysis and visualization.

Bulk SMS: A secure application-to-person (A2P) SMS messaging service that allows customers to communicate with their desired audience cost effectively and with ease.

Mobile Banking:

Payments Bank and Prepaid Payment Instrument business

Together with an Aditya Birla Group company, we set up Aditya Birla Idea Payment Bank Limited ("**ABIPBL**"). ABIPBL received its final banking license from the RBI in April 2017 and it is also authorized to conduct a pre-paid payment instrument business.

In addition, our former subsidiary, Idea Mobile Commerce Services Limited ("**IMCSL**"), received a certificate of authorization from the Reserve Bank of India to provide pre-paid payment instrument ("**PPI**") services in November 2013 and we offered such services in July 2014 under the brand name "Idea Money". In order to comply with the Reserve Bank of India guidelines, IMCSL and ABIPBL filed petitions for their merger before the High Courts of Delhi and Bombay, which merger was effective from February 22, 2018. Post merger, our Company holds 49% of the outstanding equity interest in ABIPBL, while an Aditya Birla group company holds 51%.

As part of the payments bank business, ABIPBL intends to promote a wide range of banking products and services including current and savings bank account, domestic remittances and merchant payments as well as insurance products. The payments bank services were launched on February 22, 2018 in the form of a closed user group and in the form of a pilot program running across five districts in the states of Gujarat and Maharashtra on April 27, 2018. As part of its services, it has also launched its mobile banking, internet banking and unified payment interface services.

ABIPBL operates its pre-paid payment instrument business through retailer service points in 17 Service Areas and offers both, cash and web loading into wallets. With PPI wallet balance, customers can recharge prepaid accounts for Vodafone Idea and other operators, recharge DTH accounts, make bill payments and mobile wallet to mobile wallet transfers (only ABIPBL to ABIPBL). ABIPBL also has arrangements with online and offline merchants and aggregators for enabling ABIPBL as a payment option and caters to domestic money remittance through a retailer assisted model.

Further, pursuant to the Merger, Vodafone m-Pesa Limited ("**VMPL**") has become a wholly owned subsidiary of our Company. The Reserve Bank of India had permitted VMPL to continue its pre-paid payment instrument business until March 31, 2019.

Passive Infrastructure Services

Passive infrastructure services comprise setting up, operating and maintaining mobile telecommunications towers and an optical fibre cable network. Towers comprise the non-active components of a mobile telecommunications infrastructure network, including the tower structure, shelters, industrial air conditioners and diesel generators.

In May 2018, we completed the sale of our Company's standalone tower business held via Idea Cellular Infrastructure Services Limited ("**ICISL**") to ATC Telecom Infrastructure Private Limited, which is a subsidiary of American Tower Corporation through the sale of our entire shareholding in ICISL for an enterprise value of ₹ 40,000 million. In addition, Vodafone India sold its standalone tower business in India to ATC Telecom Infrastructure Private Limited for an enterprise value of ₹38,500 million.

We also own 11.15% of the equity share capital of Indus Towers, which is a joint venture between Bharti Infratel Limited, Vodafone Group and our Company. Indus Towers owns approximately 124,069 towers and had a tenancy ratio of approximately 1.86 as of December 31, 2018. We have the option to either (i) sell our 11.15% shareholding in Indus towers for cash based on a valuation formula linked to the volume weighted average price for Bharti Infratel's shares during the 60 trading days at the end of our election period which triggers post completion of all regulatory approvals required for the merger; or (ii) receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for each Indus towers share), both subject to closing adjustments.

Our joint venture, Indus Towers leases space on the towers it owns to our Company and other mobile telecommunications services companies. We also lease capacity on our optical fibre cable network to mobile telecommunication service providers. Our optical fibre cable transmission network, either owned or through IRU arrangements mainly with other telecommunications operators, extends to approximately 340,000 kms (including our own fibre of approximately 158,000 kms and IRU fibre including overlap), as of December 31, 2018.

Our Service Areas and Subscribers

We provide voice and data services on 2G, 3G and 4G technologies across all 22 service areas. Our mobile telecommunication operations are spread across approximately 480,000 towns and villages.

The following table sets out select information about our Service Areas, including our Revenue Market Share and our ranking based on TRAI Reported Revenue for the quarter ended December 31, 2018 and number of subscribers as of December 31, 2018 (all information provided in the table below is taken or derived from information disclosed by TRAI:

Service Areas	No. of EoP Subscribers (Millions)	Revenue Market Share*	Our Revenue Market Share Ranking
Kerala	20.4	52.6%	1
Maharashtra	48.9	45.5%	1
Gujarat	33.9	45.1%	1
UP - W	29.5	41.0%	1
Mumbai	15.8	40.0%	1
Haryana	11.2	39.8%	1
UP - E	36.6	36.0%	1
West Bengal	26.9	35.2%	1
Kolkata	9.7	34.3%	1
Delhi	19.6	34.7%	2
Madhya Pradesh	32.2	32.2%	2
Tamil Nadu	25.3	28.9%	2
Punjab	11.5	27.5%	3
Rajasthan	18.8	23.6%	3
Andhra Pradesh	23.1	23.3%	3
Assam	5.3	21.3%	3
Karnataka	15.9	20.5%	3
Bihar	23.4	19.9%	3
North East	2.1	19.8%	3
Orissa	5.9	14.2%	3
Himachal Pradesh	1.4	12.7%	3
J & K	1.3	9.0%	3
Total	**418.7**	**32.3%**	**1**

**For RMS calculation, total industry revenue excludes wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited.*

Our Licenses and Spectrum

Our operations and the provision of mobile telecommunications services are regulated by central government through license agreements issued by the DoT and other Government orders issued from time to time by the TRAI or other regulatory authorities. In order to provide GSM based mobile telecommunications services or 3G or 4G services in a particular Service Area, we are required to hold a valid license for such Service Area. Under such license, we have the right to use the spectrum that we own in such Service Area. Currently, under the UL Guidelines, the allocation of spectrum is delinked from the licenses and has to be obtained separately in accordance with the prescribed procedure. As per current policy, spectrum across frequency bands of 800; 900; 1800; 2100; 2300 and 2500 MHz is allocated through auction process. In case the UASL, CMTS license or

Unified License is cancelled or terminated for any reason, the spectrum allotments made to us with respect to that Service Area will get revoked. Further, if the period of any of the aforementioned license expires prior to the expiry of the right to use the spectrum, then the licensee company will be required to either renew or apply for a new UL. Our licenses specify the services we can offer and are subject to amendments, modification, interpretation, imposition of limitations and termination by the relevant authorities.

We have an aggregate of 1,849.6 MHz of spectrum across difference frequency bands, of which 1,714.8 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). For example, we have launched 3G on 900 MHz (which is typically used for GSM) in the Service Areas of Maharashtra, Delhi and Madhya Pradesh. Further, we currently offer 4G services in Mumbai, Maharashtra, Tamil Nadu, Chennai, Haryana, Rajasthan, Uttar Pradesh (East) and Odisha on 2100 MHz band (which is typically used for 3G).

The table below sets forth the spectrum held by us across all Service Areas:

Circle	**Administrative Spectrum**		**Liberalised Spectrum**					**Total FDDx2+TDD**
	900	**1,800**	**900**	**1,800**	**2,100**	**2,300**	**2,500**	
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 and 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	112.8
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
Total	**12.4**	**55.0**	**129.2**	**333.2**	**195.0**	**30.0**	**370.0**	**1,849.6**

**FDD spectrum consist of uplink and downlink.*
#Licenses along with administratively allocated spectrum in the Service Areas of Uttar Pradesh (East), Rajasthan, Himachal Pradesh and Delhi, Andhra Pradesh, Karnataka, Tamil Nadu and Punjab are due for renewal in October 2021; Uttar Pradesh (West),West Bengal in 2024; Mumbai, Bihar, Assam, North East, Himachal Pradesh, Jammu and Kashmir, Orissa in 2026; and Madhya Pradesh in 2027.

We also hold licenses for the provision of NLD, ILD, ISP and registration for IP1 services in India. For details, see "*Government and Other Approvals*" on page [●].

For a description of the litigation relating to our licenses, see "*Outstanding Litigation and Material Developments*" on page [●].

Our Network Infrastructure

Our telecommunications network consists of:

- Mobile switch centres ("**MSCs**") for switching calls and interconnecting with the public switched telephone networks and other mobile and fixed-line networks;
- BTS for the 2G services network, Node B for the 3G services network, E-Node B for the 4G services network and other equipment used to communicate through radio channels with subscribers' mobile devices within the range of a cell; we also introduced Single Radio Access Network ("**SRAN**") and Ultra Broadband Radios ("**UBR**") in certain Service Areas where a single radio unit can cater to multiple technologies on different frequency bands – radios that can be upgraded to 4G with a software upgrade;
- Base Station Controllers ("**BSC**") for the 2G services network, which connect to and control a number of base stations deployed within a certain area; Radio Network Controller ("**RNC**") for the 3G services

network, which connects to and controls the Node Bs deployed within a certain area and does the same function as that of a BSC in the 2G services network;

- Packet core elements to handle the 2G,3G & 4G data traffic;
- A significant majority of our Transport Network is 'IP-field' or on an IP-platform with the introduction of IPRAN, Pre-aggregation, New Generation Packet Transport Network and SuperCores to support all future technologies including VoLTE;
- Approximately 94% of our subscriber base uses pre-paid services where the charging is done through various modes using Intelligent Network system and even data charging for post-paid subscribers is online; and
- Transmission links, consisting of microwave and optical fibre media to link various elements of the network; microwave links have been upgraded to high capacity with the introduction of IP baseband that offers 200+ Mbps per microwave link.

As of December 31, 2018, we had an aggregate of over 198,000 2G cell sites and over 376,000 broadband sites. All of our 4G sites are VoLTE enabled. Each cell site comprises of BTS and/or NodeB and the transmission link. It also includes the non-active components of the mobile telecommunications passive infrastructure network, including the telecommunications tower structure, shelters, industrial air conditioners, diesel generators, batteries, switch mode power supplies and voltage stabilizers.

We enter into lease arrangements with passive infrastructure providers, including Indus Towers for use of the towers and certain other passive infrastructure equipment. Our Company has entered into infrastructure sharing agreements with Indus Towers and several other tower companies for the non-exclusive use of towers and certain other passive infrastructure equipment held by such tower companies. These agreements are generally entered into on a long-term basis and entail, in certain circumstances, the payment of early termination charges if terminated prior to such minimum period. The agreements specify the rent payable to the lessor and generally contains provision for, among other things, escalation of rent, payment of expenses for deployment of equipment beyond the standard configuration and payment for consumption of power.

We continuously evaluate measures to reduce the operating cost of our networks through optimization of leased line expenses, negotiating appropriate operational and maintenance contracts, tower sharing and control of tower and cell site running expenses. We have been focusing on reduction of power consumption and use of renewable energy, e.g., by having solar power for BTS sites and outdoor BTS to reduce energy consumption and the use of elements such as Free Cooling Unit and Natural Cooling Unit for reducing power consumption. Moreover, modernization of network with the use of SRAN and UBR units has helped us to reduce carbon footprint and power consumption.

All the key components of our mobile telecommunications networks have been supplied by leading mobile telecommunications equipment manufacturers such as Ericsson India Private Limited, Nokia Solutions and Networks Private Limited, HUAWEI Telecommunications (India) Company Private Limited and ZTE Telecom India Private Limited. We have entered into contracts with these vendors for the supply of equipment and for maintenance support of telecommunication equipment. These contracts generally have a term of five years and purchases under such contracts are made pursuant to individual purchase orders governing price and quantity of equipment purchased.

Our optical fibre cable transmission network, either owned or through IRU arrangements mainly with other telecommunications operators, extends to approximately 340,000 km (including our own fibre of approximately 158,000 kms and IRU fibre including overlap). Our mobile telecommunication operations are spread to approximately 480,000 towns and villages in India. We also derive revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunications companies operating outside India.

We are currently in compliance with the mandatory network roll-out requirements provided in the spectrum allocated to us, which mainly relate to the number of districts, towns and block headquarters in a Service Area where we need to provide network coverage. We generally cover towns and population centres in excess of the roll-out requirements specified in our licenses. For the Service Areas where licenses have been signed on October 11, 2013, we have additional roll out obligations of covering the block headquarters, which are required to be completed in a stipulated time frame of five years. For the spectrum that we won in February 2014, March 2015 and October 2016, there are similar roll out obligations, which are required to be completed within three to five years of the date of the allocation of such spectrum. However, since we are an existing operator in all 22 Service Areas, we are compliant with the rollout obligations.

Tariffs

The telecommunication industry in India is highly competitive and tariffs are determined by competitive forces. The TRAI currently has a tariff forbearance policy, except for roaming tariffs where a ceiling is provided by the authority. Moreover, termination charges for voice and SMS are reviewed and fixed by TRAI periodically. Otherwise, we have flexibility in setting our tariff plans which may differ across Service Areas. We structure our tariffs so that subscribers can choose their preferred package based on their requirements. We constantly revise our tariff plans to take advantage of new opportunities keeping in mind our competitors' existing tariffs and product offerings. We strive to keep our tariff plans simple, transparent and easy to understand. The aim of our tariff strategy is to ensure that we acquire and retain subscribers profitably and optimize network utilization.

Roaming Services

Roaming enables subscribers to make and receive voice calls, send and receive data or messages or access other services when travelling outside their Service Areas or home network. We offer roaming services to both our pre-paid and post-paid subscribers as well as to subscribers of other mobile telecommunication services companies.

We have a number of existing bilateral agreements with national and international roaming partners for voice, SMS and data transmissions. We have entered into preferred roaming relationships with select foreign operators through which our network is selected automatically when an out-roamer of the relevant operator enters any of our Service Areas and vice versa.

Sales and Distribution

We believe that our growth will continue to be dependent on our sales and distribution network. Our sales and distribution network comprises distributors, dealers and retail outlets.

Pre-paid services: As of December 31, 2018, approximately 94% of our total subscribers were pre-paid. These subscribers pay for mobile telecommunications by purchasing pre-paid starter packs and vouchers (including electronic top-up vouchers) which are sold through a wide variety of retail outlets. We have built strong distribution channels to support pre-paid mobile telecommunications services business in each of the Service Area that we operate in. The presence of these strong distribution channels enables and improves the services we provide to our subscribers. Pre-paid starter packs and vouchers are sold to distributors upfront for cash, who in turn supply them to retail outlets. The Indian retail sector is not organized on a national scale and comprises a large number of small retail shops throughout the country. Our pre-paid distribution network comprises of wide categories of retail outlets, ranging from neighbourhood department stores and pharmacies to exclusive telecommunications outlets and branded stores. We offer incentives to distributors and retailers who help in upselling our focused products and services, especially to the high data users with an aim to increase 4G market share, and are successful in meeting specified targets. We believe this promotes distributor and retailer loyalty and, as a result, continuity and availability of our products to our subscribers.

Post-paid services: Our post-paid services are segregated in retail and enterprise which are marketed through a combination of stores owned and operated by us, known as company retail stores and franchises branded as "Vodafone Store", "Vodafone Mini Store" and "My Idea", dealers and direct sales agents. Our enterprise business unit provides products and services as a complete package to meet the telecommunications and mobility solution needs of businesses, including after sales-services and support with respect to billing queries and complaints.

Our vast network of Company owned and franchisee stores have a well trained and service oriented team, and are equipped with all systems and processes to provide complete customer service to both, prepaid and postpaid subscribers.

Subscriber Service

We have created a pool of dedicated service professionals who have been put through on-the-job training to staff the service delivery function that oversees our subscriber service. We believe that subscriber service will continue to be a factor through which we can differentiate ourselves from our competitors and we have invested considerable resources in our subscriber service delivery platform. We believe that the three critical elements for delivering superior subscriber service are process, people and technology. We have invested in each of these areas to improve our subscriber service with the philosophy of standardizing these services and delivering consistent experience to customers for each of our pre-paid and post-paid service categories.

Our service delivery function is split into teams focusing on customer lifecycle management of our post-paid, pre-paid and enterprise subscribers. Apart from offering programs for new subscribers and servicing the existing subscribers, managing subscriber retention is also a key role of this function. We use our prediction models to identify disengaged subscribers and offer them attractive solutions to retain them. These teams also manage the mobile number portability related activities, ensure smooth transitioning of customers porting in and make efforts to retain subscribers who intend to port out. In addition, we have teams that manage the entire service centre infrastructure, contact centre infrastructure, create and manage backend processes, conduct consumer research to gauge satisfaction levels and manage regulatory requirements.

Service Provisioning and Activation

The service provisioning and activation function ensures that all necessary documents are procured from pre-paid subscribers at the time of subscription and that our regulatory requirements in accordance with Government guidelines in relation to verification of such documents are fulfilled.

We have moved to a new activation process, where the entire process is digitized for both our brands and uses digital technology which helps our retailers to smoothly activate new customers through the application downloaded on their phones.

This function is also responsible for management of mobile number inventory and the activation and deactivation of services requested by subscribers.

Service Centres

To better service the increasing number of subscribers, we have a well spread network of exclusive branded stores, which are company owned as well as franchisees. These centres are focussed on incentivising our franchisees with a proprietary interest in our subscribers rather than a mere subscriber servicing point. With an increase in rural penetration, we have introduced service centre models in small towns, through our rural distributors, to further service subscribers in such locations.

To provide an enhanced brand experience, we have over 770 large format retail stores. These stores are owned and operated by us and are located in Tier 1 cities in India. These stores perform sales and service functions and play a critical role in increasing awareness of new offerings. For example, customers could experience 4G services such as high speed video streaming, when 4G services were launched. As of December 31, 2018, we had approximately 11,100 branded stores comprising company stores and franchisee stores, of which approximately 4,900 are in urban areas.

Contact Centres

With the intent to improve subscriber experience and to ensure a uniform service experience, we outsourced our call centre operations. We also launched a 24x7 hub and spoke model for our call centres by expanding operations to tier II and tier III towns, thus serving benefits such as local language support and cost efficiency by employing agents from these locations. The contact centres are inbound call centres which also includes service plus call centre (to provide differentiated services to our high value subscribers) and has capacity to handle large call volumes per month. Outbound contact centres assist us in selling new products and services.

Self-Service

As more customers shift towards electronic platforms and require quick servicing, we introduced self-service platforms, which enable us to provide online support to our customers without requiring any interaction with a representative. Customers can avail of such services on either of the brand website or through our mobile applications ‘My Idea’ and ‘My Vodafone’.

Subscriber Relations and our Loyalty Program

We introduced a segmented approach to customers for both our brands to ensure we provide specialized service for selected post-paid and pre-paid subscribers. We internally categorize subscribers on the basis of their time of association with us, usage and payment performance. Through our programs, customers receive rewards and exclusive privileges.

We also have a program, “Service+”, that provides differential servicing to high usage pre-paid and post-paid subscribers. This program provides a superior service experience through well trained and dedicated call handling agents. These agents handle the entire process, from the time a subscriber calls the call centre until the query or complaint is resolved.

Net Promoter Score

The net promoter system is a management tool that can be used to gauge the health of a firm’s customer relationships. It is measured through the net promoter score, a single-question metric asked to customers. Net promoter score serves as an alternative to traditional customer satisfaction research and claims to be better correlated with business impact including revenue growth, cross-sell and churn.

Churn

Churn for a given period is the rate of subscriber deactivation. We calculate our churn by dividing the total deactivations in a period by the average number of subscribers for that period. For post-paid customers, according to our credit policy, we generally deactivate subscribers if their bill remains unpaid for a specific period of time after the billing date. We deactivate pre-paid subscribers if they do not use the network for a specific period of time. However, we exercise certain discretion in applying our credit policy to corporate subscribers and certain key retail subscribers. We seek to manage churn through the implementation of certain strategic initiatives, including new products and services, better quality of network and superior subscriber care.

Marketing

Our communication strategy aims to strengthen our brand stature for both Vodafone and Idea, by building our 4G credentials. To promote 4G services to people from all walks of life, we have launched multiple advertising campaigns such as “*Naya India Banayenge*” for the Idea brand and “*Speed Is Good*” for the Vodafone brand. Our focus has always have been differentiating through brand equity, by creating strong assets for both brands - Vodafone and Idea.

Brand Initiatives

Idea brand: We believe our ‘Idea’ brand initiatives are innovative, energetic, imaginative and contemporary. While we focus on communicating simple ideas, our advertising initiatives often champion a cause such as promoting “Education for all”, “Use mobile, save paper” and “Break the language barrier”. We believe that catchphrases used in our advertisements, such as “*What an idea, sirjee*” and “No idea - get Idea” have pervaded the Indian common man lingo. Since the launch of 4G, we have launched several campaigns such as “*#LookLook*”, “*NoAjnabee*” to drive video consumption.

Vodafone brand: We believe our Vodafone brand initiatives are idealistic, optimistic, professional and partnering. Our initiatives include the slogan in our campaign to promote our network ‘Wherever you go, our Network follows’ and the introduction of ‘ZooZoos’ while communicating offerings , to the much loved young at heart couple – Asha & Bala. Recent brand initiatives rallying around 4G include “*Speed Is Good*”, “*Be Super”* & “*Make the most of Now*”.

Market Research

We use market research extensively to assess our brand equity relative to competition, track brand and campaign performance and decide a future course of action accordingly.

Credit Risk Management Systems

Our risk management systems enable us to detect and prevent fraudulent usage of our services and to minimize bad debts in the post-paid category. For post-paid subscribers, we undertake subscriber profiling as part of the activation process of a new subscription. This profiling is undertaken by either physically verifying the customers or verifying their details via a credit bureau if a financial credit history for that subscriber exists. We also conduct exposure control for all our post-paid subscribers with reference to pre-determined credit limits based on the credit checks, which limits are reviewed monthly. If a subscriber exceeds the pre-determined credit limit, we initiate a number of steps such as sending reminders, requesting interim payments and barring certain kinds of calls. We use a fraud management system to provide us network based management information system reports in a common subscriber data format across our Service Areas. This gives us the benefit of easy maintenance, savings on hardware costs, customized credit management modules, service violation alarms and online monitoring of our out-roamers.

Subscribers who fail to make payment within the stipulated time are sent reminders for payment followed by recovery attempts, which include partial or total disconnection of services. If the subscriber does not pay within a period of 90 days of the bill date, we generally disconnect services permanently (we exercise certain discretion in applying our credit policy to corporate subscribers and certain key retail subscribers). As part of our recovery attempts, we call our subscribers, send SMS as reminders and use the services of recovery agencies. As a last recourse, depending on the merits of the case and the amount due, we initiate legal proceedings.

We are not exposed to credit-risk in relation to our pre-paid subscribers. We also do not bear any credit risk from our distributors and retailers for the pre-paid segment, as our distributors purchase items such as pre-paid starter packs and pre-paid cards for cash and then sell these to retailers.

Billing and Collections

We use Business Support and Control Systems, a billing software package for our post-paid billing, recording minutes used, calculating the appropriate charge and rendering a bill to the subscriber. Charging for our pre-paid subscribers is done through Intelligent Network system. We also use an interconnect billing system for the inter-operator settlement of interconnect for voice (including long distance) and SMSs.

Post-paid collections

Our post-paid collection department manages our billing and collection process. Post-paid subscribers can pay their bill in cash, by cheque, debit or credit card (including online payment) and we also have deployed drop-boxes across our stores to allow our subscribers to make a cheque payment at any time. In addition, we have also facilitated various digital modes of payment for our subscribers through our brand websites and our mobile applications.

A feature of the Indian market is that some subscribers prefer to pay in cash. As we have an extensive distribution network, we have been able to accommodate this preference by enabling our retailers to accept post-paid bill payments at minimal cost to us.

Competition

Competition in the Indian telecommunications industry is intense. We face significant competition from a number of companies, including from those with pan-India footprints such as Bharti Airtel Limited, Reliance Jio Infocomm Limited as well as Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited.

Information Technology

Information technology plays an important role in enhancing customer experience, improving operational efficiency and ensuring compliance in a stringent regulatory environment. To deploy contemporary IT systems, build advanced IT solutions and operate IT systems and services efficiently, our Company entered into an outsourcing agreement with IBM India Private Limited. This agreement covers functions such as customer relationship management, business intelligence, advanced analytics, subscriber billing, dealer sales management and vigilance system. We continue to remain engaged with IBM India Private Limited to render services, which will cover the operations of both our brands. As part of our IT infrastructure, we have deployed scalable systems from leading IT suppliers to provide us with competitive advantages.

Over the last 18 months, we have undertaken several initiatives to improve our IT infrastructure. These initiatives include the introduction of:

- sales force automation through various initiatives like activation app, m-Power, !Smart Mobile application –a one-stop shop for managing sales activities for business partners and our sales employees;
- digitalization of self-services through our websites and mobile applications for customers;

- improving financial controls through the implementation of cloud based ERP;
- systems to measure customer experience on touchpoints such as our websites, mobile applications and stores through a fully automated Touchpoint Net Promoter Score;
- implementation of enterprise API service layer to support omnichannel experience and reduce the time to market new offerings; and
- a unified social media management platform.

Intellectual Property

We have obtained 223 trademark registrations for our brands, including 'Idea', 'Idea 3G', 'Idea 4G', 'An idea can change your life', 'What an idea!' and 'Idea Rocks India'. We have also made trademark applications for some of the new brands namely 'Idea Movies & TV'.

The Vodafone name and trademarks (including for m-pesa) and goodwill attached thereto are owned by Vodafone Group Plc and licensed to our Company by Vodafone Sales and Services Limited for use in the territory of India pursuant to a trademark licence agreement.

In addition, we currently have certain trademark registrations in India and have made certain applications for the registration of certain other trademarks in India, which are currently pending. A brand licensing arrangement for a term of 15 years has been agreed for a lump sum amount consideration. For details on the key approvals relating to our intellectual property, see "*Government and Other Approvals*" on page [●].

Insurance

We insure our properties forming part of the tangible fixed assets on replacement value basis. Insurance for fixed assets put to use covers all operational risks and losses arising out of any material damage. We are also insured against business interruption losses and third party liabilities for amounts as felt appropriate by us. We also take coverage for equipment in transit.

Human Resources

As of December 31, 2018, our 19,192 employees were classified by function as follows:

Function	No. of Employees
Our Company	
Operations	6,448
Technology	4,450
Finance	1,509
Enterprise	1,467
Marketing	623
Others	778
Other Subsidiaries (ICISL, VIVL, m-pesa, YBB and Vodafone foundation)	3,917
Total	**19,192**

Property

Our Company's registered office is located at Suman Tower, Plot No. 18, Sector-11, Gandhinagar 382 011, Gujarat, India, which is owned by our Company.

Our Company's corporate office is located at Birla Centurion, 10th Floor, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400 030, Maharashtra, India, which property we have leased for a term of five years expiring on December 31, 2020.

Most of the properties on which our cell-sites, MSCs and BSCs are located are leased for a period ranging from nine to 20 years.

In addition, we have branch offices and zonal sales offices across all Service Areas are in various locations, the majority of which are occupied by us on leasehold basis. These lease agreements are generally for terms typically ranging from three to 20 years.

REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies prescribed by the Government which are applicable to our Company and the Subsidiaries. The information provided below has been obtained from sources available in the public domain. The description of laws, regulations and policies set out below are not exhaustive, and are only intended to provide general information and are neither designed nor intended to be a substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In addition to the regulations and policies already specified in this Letter of Offer, taxation statutes such as the Income Tax Act, 1961, central and state goods and service tax acts, various labour laws, environmental laws such as the Environment Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 and other miscellaneous laws apply to us, as they do to similar companies in India. For details of certain material regulatory approvals obtained by us, see "Government and Other Approvals" on page [●].

Overview

The telecommunications industry in India is subject to extensive government regulation. The Government holds the exclusive power to provide telecommunication services and issue licenses for telecommunication services. The Department of Telecommunications established under the Ministry of Communications, Government of India (the "**DoT**") is the primary regulator as well as the licensor for the telecommunications sector. The DoT, together with the Digital Communications Commission, is responsible for formulating and implementing development policies for the accelerated growth of telecommunication services, licensing, wireless spectrum management, promotion of private investment in telecommunications and research and development. In 1997, the Government set up the Telecom Regulatory Authority of India (the "**TRAI**"), an independent statutory regulator, with extensive powers to regulate the telecommunications sector in India. Subsequently, a separate dispute resolution body, namely the Telecom Disputes Settlement and Appellate Tribunal (the "**TDSAT**"), was set up in 2000. The Wireless Planning and Coordination Wing of the Ministry of Communications (the "**WPC**"), created in 1952, is responsible for frequency spectrum management. The WPC issues licenses to establish, maintain and operate wireless stations. The WPC is divided into (i) licensing and regulations, (ii) new technology group, and (iii) the Standing Advisory Committee on Radio Frequency Allocation (the "**SACFA**"). The SACFA, a high level committee, issues approvals for the use of radio frequency (spectrum) by telecommunication service providers, which involves a detailed technical evaluation of certain factors, including possible aviation hazards and interference (electro-magnetic interference/electro-magnetic compatibility) to existing and proposed networks.

The Government of India through the DoT assigns the right to use specified radio spectrum frequencies through an auction process for the respective frequency bands and service areas. The objectives of the auction are, inter-alia, to obtain a market determined price, ensure efficient use of spectrum, and maximize the revenue from the auctions. As part of such process, the DoT issues notice inviting applications ("**NIA**") whereby it seeks applications from prospective bidders who meet the eligibility criteria therein, in order to participate in such auction. The auction is undertaken in terms of the NIA, which, inter alia, provide for, the duration of the spectrum assigned, the payment terms for the successful bidders, condition precedents in relation to the licenses held by the bidders and certain rollout obligations. Pursuant to such auctions, the DoT announces the successful bidders who are required to make the payment in relation to the spectrum proposed to be allotted. The NIA provide for the following options for such payment to be made: (i) full upfront payment; or (ii) by way of deferred payment, wherein a portion of the payment is to be made upfront while the balance may be made in annual equated instalments. On such upfront payment being made, the successful bidders are required to apply to the DoT for issuance of a letter of intent earmarking the frequencies to successful bidders whereby the DoT would give the option to apply for allotment of spectrum and utilize it for commercial operations, subject to fulfillment of certain conditions. Such conditions include, inter alia, amending the UASL already held by the applicant to include the new spectrums and payment of SUC as percentages of the AGR as provided under the NIA or related orders from the WPC or DoT. On the fulfillment of conditions contained in such letter of intent and the NIA, the successful bidders may apply for the assignment of spectrum.

Key regulations in the telecommunications sector

Indian Telegraph Act, 1885 (the "Indian Telegraph Act")

The Indian Telegraph Act is the principal legislation regulating telegraphs, which include any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Under the Indian Telegraph Act, the Central Government has the exclusive privilege of establishing, maintaining and working telegraphs. However, it may grant licenses on such conditions and in consideration of such payments as it thinks fit, to any person to establish, maintain or work a telegraph within any part of India. The Central Government also has the power to make rules applicable to persons licensed under the Indian Telegraph Act, including rules specifying the rates and other conditions subject to which messages will be transmitted within India; conditions and restrictions subject to which any telegraph line, appliance or apparatus for telegraphic communication will be established, maintained, worked, repaired, transferred, shifted, withdrawn or disconnected; charges in respect of any application for providing any telegraph line, appliance or apparatus; charges in respect of (i) the establishment, maintenance, working, repair, transfer or shifting of any telegraph line, appliance or apparatus; (ii) the services of operators operating such line, appliance or apparatus; and the time at which, manner in which, conditions under which and the persons by whom such rates, charges and fees will be paid and the furnishing of security for the payment of such rates, charges and fees.

The Indian Telegraph Rules, 1951 (the "Telegraph Rules")

The DoT notified the Indian Telegraph Rules, 1951 under the Indian Telegraph Act. The Telegraph Rules provide, among other things, the procedure in relation to the mode of writing, language, text, payment of charges, cancellation, delivery, refund and transmission of telegraphic and telephonic communication.

Indian Telegraph Right of Way Rules, 2016

The Central Government notified the Indian Telegraph Right of Way Rules, 2016 to regulate underground infrastructure (optical fibre) and over ground infrastructure (mobile towers). Under the new rules, applications for laying fibre underground cable as well as for setting up telecom towers have to be accepted or rejected within a period of 60 days failing which application will be deemed to have been approved. All government agencies and municipal bodies will also have to establish an electronic interface to receive and process right of way permission within one year from coming into force of these rules on November 15, 2016. Further, telecom infrastructure cannot be shut down without following due process. This measure is expected to facilitate an increase in the pace of creation of infrastructure both in both rural and urban areas.

Indian Wireless Telegraphy Act, 1933 (the "Indian Wireless Act")

The Indian Wireless Act and the rules made thereunder regulate the possession of wireless telegraphy apparatus. Under the Indian Wireless Act, the term "wireless telegraphy apparatus" means any apparatus, appliance, instrument or material used or capable of being used in wireless communication, and includes any article as determined by rules made thereunder to be wireless telegraphy apparatus, but does not include any such apparatus, appliance, instrument or material commonly used for other electrical purposes, unless it has been specifically so designed or adapted for wireless communication or forms part of some apparatus, appliance, instrument or material specially so designed or adapted, nor any article determined by rules made thereunder not to be wireless telegraphy apparatus. Under the Indian Wireless Act, no person is permitted to possess a wireless telegraphy apparatus without obtaining a license. The telegraph authority constituted under the Indian Telegraph Act is the competent authority to issue licenses to possess wireless telegraphy apparatus in such manner, on such conditions and subject to such payments as may be prescribed.

Telecom Regulatory Authority of India Act, 1997 (the "TRAI Act")

The TRAI Act provides for the establishment of the TRAI for the purpose of regulating the telecommunication services industry. The TRAI Act also provides for the constitution of the TDSAT, the adjudicatory body in this sector. The functions and responsibilities of TRAI include, among others, (i) making recommendations to the respective licensor in connection with matters such as the need and timing for introduction of new service providers; (ii) specifying the terms and conditions of licenses issued to service providers and revocation of licenses for non-compliance with stipulated terms and conditions; (iii) ensuring compliance with terms and conditions of licenses; (iv) regulating revenue sharing arrangements among service providers and ensuring that such quality of service is provided so as to protect the interest of the consumers; (v) specifying standards of quality of service to be provided by service providers; (vi) ensuring effective compliance of universal service obligations; and (vii) rendering advice to the Government in matters relating to development of telecommunication technology and the telecommunication industry in general. Additionally, TRAI is empowered to specify the rates at which the telecommunication services within and outside India will be provided. For effective discharge of its functions, the TRAI is empowered to call upon any service provider at any time to furnish in writing such information or explanation as is required or to conduct an investigation into the affairs of any service provider or issue directions in respect thereof.

Telecommunication Tariff Order, 1999 (***the*** "***Tariff Order***")

Telecommunications tariffs, ceilings and floor prices for various services are regulated by TRAI through the Tariff Order. Under the Tariff Order, TRAI has the authority to review and modify the tariff for any telecommunication service, or a part thereof, from time to time. In accordance with the Tariff Order, the tariffs to be charged by the service providers from the subscribers along with conditions, if any, are required to be published. Further, the provisions of the Tariff Order prohibit the service providers from discriminating between subscribers of the same class and such classification of subscribers shall not be arbitrary. The Tariff Order also requires service providers to clearly indicate the terms and conditions of the provision of telecommunication services to subscribers, including in relation to utilization and termination of services, billing, repair and fault rectification as well as choice of tariff packages made available, along with the procedure available for revising the tariff package choices. The Tariff Order is amended from time to time.

The TRAI recently issued an amendment to the Tariff Order dated September 24, 2018 in relation to, among other things, the deletion, merger or modification of various provisions of the Tariff Order which had become redundant and could be deleted.

The Reporting System on Accounting Separation Regulations, 2016 (the "Accounting Regulations")

TRAI has issued the Accounting Regulations requiring all service providers having an aggregate turnover of not less than ₹ 1,000 million to furnish financial reports and non-financial reports each audit year, separately for each licensed service area ("**LSA**") and in consolidated form for all LSAs in case of access services. Further, every service provider is required to submit a yearly audited report based on the historical cost accounting for all specified services and audited reports based on replacement cost accounting every second accounting year for certain specified services. Each report must be submitted by the service provider to TRAI within seven months of the end of the accounting year containing such other details as prescribed.

National Digital Communications Policy, 2018 (the "NDCP 2018")

The NDCP 2018 was approved by the Government on September 26, 2018. The policy seeks to support India's transition to a digitally empowered economy and society. The NDCP 2018 aims to accomplish the following strategic objectives by 2022: (i) provision of broadband for all; (ii) creating four million additional jobs in the digital communications sector; (iii) enhancing the contribution of the digital communications sector to eight percent of India's GDP; (iv) propelling India to the top 50 nations in the ICT Development Index published by the United Nations International Telecommunication Union; (v) enhancing India's contribution to global value chains; and (vi) ensuring digital sovereignty. The NDCP 2018 further also contemplates among others, (i) establishment of a national digital grid by creating a National Fibre Authority; (ii) establishing common service ducts and utility corridors in all new cities and highway road projects; (iii) creating a collaborative institutional mechanism between the central government, the state governments and the local bodies for common rights of way, (iv) standardization of costs and timelines; (v) removal of barriers to approvals; and (vi) facilitating development of Open Access Next Generation Networks.

Guidelines for grant of Unified License (the "UL Guidelines")

On August 19, 2013, DoT issued the UL Guidelines providing for, among other things, the migration of existing licenses to a unified licensing regime. Under the unified licensing regime, a company can have only one Unified License along with authorization for more than one service and service area for a specified term of 20 years, subject to fulfilment of all conditions of entry simultaneously or separately at different time. The tenure of such authorization will run concurrently with the Unified License. In the event of holding or obtaining access spectrum, no licensee or its promoter(s) directly or indirectly can have any beneficial interest in another licensee company holding access spectrum in the same service area. Further, the minimum equity requirements and provisions for license fee have been prescribed under the UL Guidelines. In addition to the entry fee, an annual license fee as a percentage of Adjusted Gross Revenue ("**AGR**") has also been prescribed to be paid by the licensee service-area wise for each authorized service separately. From the second year of the effective date of respective authorization, the license fee shall be subject to a minimum of 10% of entry fee of the respective authorised service and service area. Further, pursuant to the UL Guidelines, no other license for any of the services covered under the Unified License shall be issued / extended / renewed. In addition, the UL Guidelines impose certain restrictive conditions in relation to equity holding in other companies and security conditions. The allocation of spectrum is delinked from the licenses and has to be obtained separately in accordance with prescribed procedure. The UL Guidelines are amended from time to time.

Guidelines for transfer or merger of various categories of telecommunication service license or authorization under Unified License on compromises, arrangements and amalgamation of the companies, notified by DoT on February 20, 2014 (the "Merger Guidelines")

The transfer or merger of various categories of telecommunication service licenses and authorizations under Unified License in the event of compromises, arrangements and amalgamation of companies is permitted as per the Merger Guidelines. The Merger Guidelines have been brought into effect in supersession of the earlier guidelines issued by the DoT for intra service area merger of Cellular Mobile Telephone Service and/or Unified Access Services Licences dated April 22, 2008. The Merger Guidelines, *inter-alia*, require that the licensees notify the licensor of any proposal of compromise, arrangement or amalgamation. Any representation or objection made by the licensor has to be communicated to all concerned parties. A time period of one year is permitted for the transfer or merger of various licenses in different service areas.

Pursuant to an amendment dated May 30, 2018, in light of the spectrum cap of 50% in a band for access services, in case the merger or acquisition proposal results in a market share in any service area exceeding 50%, the resultant entity is required to reduce its market share to the limit of 50% within a period of one year from the date of approval of the merger or acquisition. Further, upon the merger of the licenses in a service area, (i) the total spectrum held by the resultant entity cannot exceed 35% of the total spectrum assigned for access services, by way of auction or otherwise, in the concerned service area; (ii) the combined spectrum holding in the sub-1 GHz bands (700 MHz, 800 MHz and 900 MHz bands) by the resultant entity shall not exceed 50% of the total spectrum assigned in the sub-1 GHz bands, by way of auction or otherwise, in the concerned service area; and (iii) the resultant entity shall be allowed to hold two blocks of 3G spectrum (2100 MHz) as a result of compromise, merger, amalgamation or transfer. If as a result of the merger, the total spectrum held by the entity is beyond the prescribed limits, such excess spectrum beyond the prescribed limits must be surrendered or traded within one year of the approval being granted for such compromise, merger, amalgamation or transfer. The applicable 'spectrum usage charges' on the total spectrum holding of the resultant entity shall be levied for such period. No refund or set-off of money paid or payable for such excess spectrum will be made. The extant rules and regulations applicable to significant market power (the "**SMP**") would also apply if the resultant entity becomes a SMP consequent to the merger of licenses in a service area.

Registration as Infrastructure Provider Category – I

Telecommunications infrastructure service providers are required to be registered with the DoT as an Infrastructure Provider Category I (the "**IP-I Provider**") and obtain a certificate in this regard from the DoT (the "**IP-I Registration Certificate**"). An IP-I Provider can provide infrastructure such as dark fibres, right of way, duct space and towers on lease, rent out or sale basis to the licensees of telecommunication services on mutually agreed terms, but in accordance with the terms and conditions set out in the IP – I Registration Certificate and the Revised Guidelines for Registration of Infrastructure Providers Category- I dated July 4, 2017 by the DoT (the "**IP-I Guidelines**").

On March 9, 2009, the DoT issued an order regarding scope of IP-I providers. Under this order, DoT clarified that the scope of IP-I providers has been enhanced to cover the active infrastructure, if such infrastructure is provided on behalf of the licensees, i.e. they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network and transmission system only for and / or on behalf of unified access service licensees and / or cellular mobile service providers licensees.

On November 28, 2016, the DoT clarified in reference to above order that the IP-I providers are not permitted to own and share active infrastructure. The IP-I provider can only install the active elements (limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only) on behalf of Telecom

Licensees i.e. these elements should be owned by the companies who have been issued a license under Section 4 of Telegraph Act, 1885.

Infrastructure Sharing Guidelines

The DoT issued Guidelines for Infrastructure Sharing on April 1, 2008 (the "**Infrastructure Sharing Guidelines**") applicable to service providers and infrastructure providers. Under the Infrastructure Sharing Guidelines, IP-I Providers are permitted to seek sitting clearance from SACFA for erecting towers irrespective of whether the IP-I Providers have entered into agreements with licensed service providers. For setting up any wireless installations in India, clearance from the SACFA is required in respect of a fixed station and its antenna mast (cell sites).

Guidelines for Sharing of Access Spectrum by Access Service Providers (the "Spectrum Sharing Guidelines")

The DoT issued the Spectrum Sharing Guidelines dated September 24, 2015, pursuant to which two telecom service providers utilizing the spectrum in the same band were allowed to pool their respective spectrum holdings. Prescribed limits for spectrum cap are applicable to both the licensees individually. Leasing of spectrum is not permitted under the Spectrum Sharing Guidelines.

Guidelines for Trading of Access Spectrum by Access Service Providers (the "Spectrum Trading Guidelines")

The DoT issued the Spectrum Trading Guidelines dated October 12, 2015, pursuant to which one access service provider (the seller) was allowed to transfer the right to use the spectrum to another access service provider (the buyer). An access service provider is allowed to sell the spectrum through trading only after two years from the date of acquisition through auction or spectrum trading or administratively assigned spectrum converted to tradable spectrum. In case of administratively assigned spectrum converted to tradable spectrum after paying the prescribed market price, period of two years will be counted from the effective date of assignment of administrative spectrum. Leasing of spectrum is not permitted under the Spectrum Trading Guidelines.

DoT instructions on verification of subscribers

The DoT issued instructions for verification of new mobile subscribers. The guidelines, among other things, dealt with (i) subscriber activation process; (ii) activation of bulk, outstation, short time and foreign subscribers; and (iii) provided norms for change in name and address of subscribers.

Alternate Digital KYC Process

On November 6, 2018, the DoT proposed the use of alternate digital KYC process for issuing new mobile connections. Under the process, the customer acquisition form is to be embedded with live photograph of subscriber along with the original proof of identity or proof of address documents.

National Frequency Allocation Plan, 2018 (the "NFAP 2018")

The NFAP 2018 was developed by the WPC in line with the Radio Regulations (Edition of 2016), an international treaty signed by India and member states of the International Telecommunication Union (the "**ITU**"), which governs the use of radio-frequency spectrum and satellite-orbits (geostationary and non-geostationary) at the global level. The NFAP 2018 provides for a broad regulatory framework, identifying which frequency bands are available for cellular mobile service, Wi-Fi, sound and television broadcasting, radio navigation for aircrafts and ships, defense and security communications, disaster relief and emergency communications, satellite communications, satellite-broadcasting and amateur service.

Telecommunication Interconnection Usage Charges Regulations, 2003

TRAI has issued the Telecommunication Interconnection Usage Charges Regulations, 2003, which are amended from time to time, for covering arrangements among service providers for payment of interconnection usage charges for telecommunication services, covering fixed, mobile services and long distance services (STD/ ISD) throughout the territory of India. The Interconnection Usage Charges include charges such as termination charges, origination charges, carriage charges and access deficit charges.

The Telecommunication Interconnection Regulations, 2018 (the "TIR Regulations")

The TIR Regulations consist of regulations on the important aspects of interconnection, including on, interconnection agreement; bank guarantee to be furnished for entering into an interconnection agreement; provisioning of initial interconnection and augmentation of ports at points of interconnection; interconnection charges, such as set-up charges and infrastructure charges, that may be mutually negotiated between service providers; disconnection of points of interconnection; and financial disincentive on interconnection matters.

Guidelines for Grant of License for Operating Internet Services ("ISP Guidelines")

The ISP Guidelines were issued by the DoT on August 24, 2007 for the purpose of issuing a single license permitting restricted internet telephony for the internet service providers, and to provide internet services on a non-exclusive basis. Under the ISP Guidelines telecommunication service providers holding internet service license are permitted to provide internet services, including, internet access through any method and internet telephony, which is a service to process and carry voice signals offered through the public internet by use of personal computers or IP based customer services equipment.

Mobile Number Portability

On September 23, 2009, TRAI introduced the Telecommunication Mobile Number Portability Regulations, 2009 ("**MNP Regulations**"), which are amended from time to time. Under the MNP Regulations, subscribers are allowed to retain their mobile number while moving within a given licensed service area. MNP allows mobile subscribers, both pre-paid and post-paid, to retain their existing telephone numbers when they switch from one telephone operator to another, irrespective of mobile technology or from one technology to another of the same or any other access service provider and on a non-discriminatory basis. MNP is only applicable to cellular mobile telephone numbers which incorporate a Public Land Mobile Network (PLMN) Access Code.

On February 22, 2019, the TRAI released a consultation paper on '*Review of per Port Transaction Charge and Other Related Charges for Mobile Number Portability*' whereby the TRAI, *inter-alia,* sought comments from the relevant stakeholders on (i) whether the 'Per Port Transaction Charges' should continue to be calculated based on the methodology adopted by the TRAI in the past or should a new methodology be used; (ii) for calculation of 'Per Port Transaction Charge', whether the total number of MNP requests received by the service provider or successful ported number be considered; and (iii) whether the charges for 'Per Port Transaction' and 'ancillary services' be determined separately or whether the charges should be consolidated.

Installation of Mobile Towers

The DoT issued a letter dated December 11, 2012, to all telecom service providers requiring all telecom towers erected or used by telecom service providers to conform to the generic requirements of towers issued by Telecommunications Engineering Centre (the "**TEC**"), became effective from April 1, 2014.

Further, DoT has issued Advisory Guidelines for State Government for Issue of Clearance for Installation of Mobile Towers. These guidelines became effective as on August 1, 2013. These guidelines provide for, among other things, procedure for obtaining clearance from local bodies or state governments for installation of mobile towers and the power accorded to the state government or local body in this regard.

In addition to the above, permission from various authorities such as the municipal authorities, zilla parishad, gram panchayat or any other local authority would be required for setting up towers and other infrastructure. Further, permission from state pollution control boards would be also required for operating the DG sets.

International Commission on Non Ionizing Radiation Protection ("ICNIRP") guidelines

The Government of India adopted the ICNIRP guidelines in 2008 which, *inter-alia,* provided for basic levels of restrictions in electromagnetic radiation from telecom towers and were added to the licences granted to the service providers. The DoT in 2010, directed all licensees of access services to comply with the base limits prescribed by ICNIRP by way of a self-certification of their base transmitting stations ("**BTS**") for meeting the EMF radiations norms. As per the directions of the DoT, the self-certification should be submitted to the TERM Cells of the DoT. In case of a failure to meet the EMR criteria, a penalty of Rs.1.00 million could be imposed per BTS per service provided and also of shutting down the site, in case the violation continues.

Payment and Settlement Systems Act, 2007 (the "PSS Act")

The PSS Act provides for the regulation and supervision of payment and settlement systems in India and designates the Reserve Bank of India as the authority for that purpose and all related matters. While payments banks are licensed under Section 22 of the Banking Regulation Act, 1949, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services, any person or entity desirous of commencing or operating a payment system needs to apply to the RBI for authorization under the PSS Act. The PSS Act covers matters such as form of application for authorization for commencing/ carrying on a payment system and grant of authorization, payment instructions and determination of standards of payment systems, furnishing of returns, documents or other information, furnishing of accounts and balance sheets by system provider etc. The RBI also issued guidelines for licensing of payments banks dated November 27, 2014 along with the clarification dated January 1, 2015. Further, issuance and operation of pre-paid payment instruments is currently regulated by the master direction on policy guidelines on issuance and operation of pre-paid payment instruments in India issued by the RBI on October 11, 2017, as amended.

Information Technology Act, 2000 (the "Information Technology Act")

The Information Technology Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource which is owned, controlled or operated by it, but affords protection to intermediaries with respect to third party information liability. The Information Technology Act also provides for civil and criminal liability including compensation, fines and imprisonment for various offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and commission of fraudulent acts through computers.

In April 2011, the Ministry of Electronics and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (the "**IT Intermediaries Rules**") under Section 79(2) of the Information Technology Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules and to disable such information after obtaining knowledge of it.

Foreign Investment Regulations

Under the consolidated Foreign Direct Investment Policy (effective from August 28, 2017) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, foreign investment up to 100% is permitted in the telecommunications sector of which foreign investment up to 49% is permitted through the automatic route and beyond 49% through the government route, subject to certain licensing and security conditions. For details relating to the current foreign investment limit applicable to the Company, see "*Government and Other Approvals*" on page [●].

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Birla Communications Limited', a public limited company under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on March 14, 1995 and a certificate of commencement of business on August 11, 1995. Pursuant to a joint venture agreement dated December 5, 1995 between AT&T Corporation and Grasim Industries Limited, the name of our Company was changed to 'Birla AT&T Communications Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on May 30, 1996. The name of our Company was subsequently changed to 'Birla Tata AT&T Limited' and a fresh certificate of incorporation was issued by the RoC on November 6, 2001 pursuant to a shareholders agreement dated December 15, 2000 entered into between Grasim Industries Limited on behalf of the Aditya Birla Group, Tata Industries Limited on behalf of the TATA Group and AT&T Wireless Services Inc. on behalf of the AWS Group which replaced the joint venture agreement between AT&T Corporation and Grasim Industries Limited. Further, pursuant to the introduction of the Idea brand, the name of our Company was changed to 'Idea Cellular Limited' and a fresh certificate of incorporation was issued by the RoC on May 1, 2002. Thereafter, pursuant to amalgamation of VMSL and Vodafone India with our Company, the name of our Company was changed to its present name 'Vodafone Idea Limited' and a fresh certificate of incorporation was issued by the RoC on August 31, 2018.

Changes in Registered Office

The details of changes in the registered office of our Company since incorporation are:

Effective Date	Details of change	Reasons for change
October 22, 1996	The registered office address of the Company was changed from Industry House, 1st Floor, 159 Church Gate Reclamation, Mumbai 400 020, Maharashtra to Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011, Gujarat, India	For operational convenience

Our main objects

The main objects of our Company as contained in its Memorandum of Association are:

1. "*To provide all or any of the following services namely: basic telephone services, cellular telephone services, unified access services (basic and cellular services), international long distance calling services, national long distance calling services, public mobile radio trunked services (PMRTS), global mobile personal communications services (GMPCS), V-SAT, electronic mail services, video text, voice mail services, data communication services, paging services, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, multimedia services, intelligent network and other value-added services and all such activities which are incidental to the provision of such services like excavation, construction, infrastructure fabrication, installation, commissioning and testing of equipment, marketing and selling.*

2. *To carry on the business of manufacture, assemble, buy, sell, import, export, service, repair or otherwise deal in all types of electronic equipment viz, electronic communication, teletext, televideo, microwave and facsimile equipment, telecommunication and telematics equipment, network switching equipment, network communication equipment, all sorts of electrical and electronic wireless sets, high frequency apparatus, radar equipment, sonars, oscilloscopes of all kinds and description, electronic and electrical products, industrial electronics, software procedures, peripheral products, modules, instruments, hardware and software system, all kinds of solid state devices, control system and allied equipment, aerospace and defense electronics, entertainment electronics, household electronics and such other electronic equipment gadget items which may be developed and introduced in India and elsewhere.*

3. *To carry on the business of manufacture, improve, assemble, prepare, design, develop and install equipment, fabrication repair, anything and everything in electronics, telephone networks, cellular mobile network systems, paging systems, electronic mail, voice mail, data communications, electric gadgets and appliances, measuring and testing instruments, components, accessories and spares for*

control engineering, communication, defense and computer data processing application that may be developed by invention, experiment and research.

3.(a) To carry on the business of internet service and broadband service provider and to provide, render or make available and operate, sell, export, import, trade, maintain, improve, repair, service, research, develop all kinds of internet services including internet telephony, voice over internet protocol, fax over internet protocol, voice messaging applications and services in respect of and relating to bandwidth, hosting of websites, information technology and telecommunications or wireless communications through internet or any other electronic media and deal or trade in accessories, assemblies, apparatus, spares, hardware and software for internet services."

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing activities.

Amendments to our Memorandum of Association

The following amendments have been made to our Memorandum of Association in the last ten years:

Date of Shareholders' Resolution	Nature of Amendment
June 26, 2018	The name of our Company was changed from "Idea Cellular Limited" to "Vodafone Idea Limited"

Our authorised share capital as appearing in our MoA, was also increased pursuant to the Scheme. For details, see "*Capital Structure*", "*Risk Factors - The authorised share capital of our Company appearing in the records of the Ministry of Corporate Affairs and the RoC is lower than the authorised share capital as per our records*" and "- *Amalgamation of Vodafone India and VMSL with and into our Company*" on pages [●], [●] and [●], respectively.

Major events and milestones

The table below sets forth key events in the history of our Company.

Calendar Year	Event
1995	• Incorporated as Birla Communications Limited • Obtained CMTS licenses for providing services in the Gujarat and Maharashtra circles
1996	• Changed name to Birla AT&T Communications Limited
1997	• Commenced commercial operations in the Gujarat and Maharashtra service areas
2000	• Merger of Tata Cellular Limited with the Company, thereby acquiring original license for the Andhra Pradesh Circle
2001	• Acquired RPG Cellcom Limited and consequently the license for the Madhya Pradesh • Changed name to Birla Tata AT&T Limited • Obtained CMTS license for providing services in the Delhi circle
2002	• Changed name to Idea Cellular Limited and developed the "Idea" brand name Commenced commercial operations in Delhi circle
2004	• Acquired Escotel Mobile Communications Limited • First cellular operator in India to commercially launch EDGE services
2006	• Became part of the Aditya Birla group subsequent to the TATA group transferring its entire shareholding in the Company to the Aditya Birla group • Acquired Escorts Telecommunications Limited • Obtained UASL for the Mumbai and Bihar circles
2007	• Initial public offering by the Company
2008	• Obtained UASL for nine service areas • Acquired Spice Communications Limited with licences for operating service areas of Punjab and Karnataka • Preferential allotment of Equity Shares to TMI Mauritius Ltd., an affiliate of

Calendar Year	Event
	Axiata Group, aggregating to approximately Rs.72,945 million
2009	• Became a pan-India operator
2010	• Allotted 3G spectrum in 11 service areas in India
2011	• Launched 3G services in 20 service areas through combination of home network and roaming arrangements
2012	• Launched ISP services
2014	• Completed 'Qualified Institutions Placement' (QIP) ,aggregating to Rs. 30,000 million • Preferential allotment of Equity Shares to Axiata Investments 2 (India) Limited, an affiliate of Axiata Group aggregating to Rs.7,500 million
2015	• Launched 4G services in 4 southern circles in December 2015.
2016	• Expanded 4G services to 10 service areas
2018	• Preferential allotment to Promoters and Promoter Group aggregating to Rs.32,500 million • Completed 'Qualified Institutions Placement' (QIP), aggregating to Rs.35,000 million • Completed the merger of Vodafone India and VMSL with our Company • Name of the Company was changed from 'Idea Cellular Limited' to 'Vodafone Idea Limited'.

Awards, Accreditations and Recognitions

We have received the following key awards, accreditation and recognitions:

Calendar Year	Award/Accreditations/Recognition
2016	• Golden Peacock Award for Corporate Social Responsibility • Business World Golden Cart Summit and Award for India's most preferred brand in the category of 'Telecommunication Services' • GSMA Chairman's Award for enabling 'Mobile Connect' • ET Telecom Award for the Idea Internet Network campaign
2017	• ET Telecom Award for Best Enterprise Mobility Service Provider • Recognized among the 'Top 25 Companies to Work For' by Business Today
2018	• Amity Excellence Award for Customer Service Excellence • Golden Peacock Award for Corporate Social Responsibility

Time or cost overrun

Our Company has not experienced any time or cost overrun in relation to any projects.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

No defaults or rescheduling or restructuring have occurred in relation to any borrowings availed by our Company from financial institutions or banks.

Holding Company of our Company

Our Company does not have any holding company.

Our Subsidiaries

As at the date of this Letter of Offer, our Company has the following 11 direct subsidiaries and two indirect subsidiaries:

(a) Direct Subsidiaries:

1. Vodafone m-pesa Limited;
2. Vodafone Technology Solutions Limited;
3. Idea Cellular Services Limited;
4. Vodafone India Ventures Limited;
5. YOU Broadband India Limited;
6. Idea Telesystems Limited;
7. Mobile Commerce Solutions Limited;
8. Vodafone India Digital Limited;
9. Vodafone Business Services Limited;
10. Vodafone Towers Limited; and
11. Vodafone Foundation.

(b) Indirect Subsidiaries

1. YOU System Integration Private Limited; and
2. Connect (India) Mobile Technologies Private Limited.

There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

Unless otherwise stated, the information below is at the date of this Letter of Offer:

1. Vodafone m-pesa Limited

Corporate Information:

Vodafone m-pesa Limited ("**VMPL**") was incorporated under the Companies Act, 2013 on September 13, 2014. The registered office of VMPL is currently located at Peninsula Corporate Park, G K Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Nature of Business:

VMPL is engaged, *inter-alia*, in the business of mobile wallet and money transfer services including money transfers, bill payments and recharges.

Capital Structure:

The authorized share capital of VMPL is ₹ 3,500,000,000 divided into 350,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VMPL is ₹ 2,199,693,860 divided into 219,969,386 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VMPL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	219,969,380	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Pankaj Kapdeo*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Total	**219,969,386**	**100**

* *As nominee of Vodafone Idea Limited*

2. Vodafone Technology Solutions Limited

Corporate Information:

Vodafone Technology Solutions Limited ("**VTSL**") was incorporated under the Companies Act, 2013 on December 11, 2014. The registered office of VTSL is currently located at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Nature of Business:

VTSL is engaged in the business of IT enabled product and services, application software, contents for value added services for telecom companies and related solutions.

Capital Structure:

The authorized share capital of VTSL is ₹ 50,000,000 divided into 5,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VTSL is ₹ 5,000,000 divided into 500,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VTSL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	499,994	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Mr. Pankaj Kapdeo*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Total	**500,000**	**100**

* *As nominee of Vodafone Idea Limited*

3. Idea Cellular Services Limited

Corporate Information:

Idea Cellular Services Limited ("**ICSL**") was incorporated under the Companies Act, 1956 on October 3, 2007. The registered office of ICSL is currently located at Suman Tower, Plot No. 18, Sector No. 11, Gandhinagar 382 011, Gujarat, India.

Nature of Business:

ICSL is engaged in the business of, *inter-alia*, providing manpower supply services for support of back office and marketing field of work to the Company.

Capital Structure:

The authorized share capital of ICSL is ₹ 20,000,000 divided into 2,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of ICSL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of ICSL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	49,400	98.80
Mr. Sanjeev Aga*	100	0.20
Mr. Ashok Kumar Gupta*	100	0.20
Mr. Akshaya Moondra*	100	0.20
Mr. Pankaj Kapdeo*	100	0.20
Mr. Pradeep Agrawal*	100	0.20
Mr. Vineet Choraria*	100	0.20
Total	**50,000**	**100**

* *As nominee of Vodafone Idea Limited*

4. Vodafone India Ventures Limited

Corporate Information:

Vodafone India Ventures Limited ("**VIVL**") was incorporated under the Companies Act, 2013 on October 29, 2016. The registered office of VIVL is currently located at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Nature of Business:

VIVL is engaged in the business of, *inter-alia*, providing IT / ITES services, comprehensive, integrated, shared and managed security, back office support, back office customer support, back office process outsourcing services, hosted business services, hosted security services, colocation services, managed hosting services, storage services, web self-care services, sale / lease of CPEs, managed mobility services and all related activities and businesses.

Capital Structure:

The authorized share capital of VIVL is ₹ 50,000,000 divided into 5,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VIVL is ₹ 20,000,000 divided into 2,000,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VIVL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	1,999,994	99.99
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Mr. Pankaj Kapdeo*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Total	**2,000,000**	**100**

* *As nominee of Vodafone Idea Limited*

5. YOU Broadband India Limited

Corporate Information:

YOU Broadband India Limited ("**YBIL**") was incorporated under the Companies Act, 1956 on November 13, 2000. The registered office of YBIL is currently located at Plot No. 54, Marol Co-operative Industrial Estate, Makwana, Andheri East, Mumbai 400 059, Maharashtra, India.

Nature of Business:

YBIL is engaged in the business of, *inter-alia*, internet service provider, application service provider and other related value added services and providing telecom infrastructure provide category – I services and "Internet Service Provider" services.

Capital Structure:

The authorized share capital of YBIL is ₹ 7,500,000,000 divided into 750,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of YBIL is ₹ 473,453,920 divided into 47,345,392 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of YBIL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	47,345,386	99.99
Mr. Akshaya Moondra*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone India Ventures Limited*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Vodafone India Digital Limited*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Total	**47,345,392**	**100**

* *As nominee of Vodafone Idea Limited*

Rollover of Liability:

YBIL has availed an inter-corporate deposits and short loans from our Company from time to time. The amount outstanding and due to our Company as on February 28, 2019 was ₹1,579.95 million. The interest due to our Company for the month of February 2019 was rolled over to the month of March, 2019 and paid on March 5, 2019 for ₹8.25 million.

6. Idea Telesystems Limited

Corporate Information:

Idea Telesystems Limited ("**ITL**") was incorporated under the Companies Act, 1956 on September 12, 1983. The registered office of ITL is currently located at A-26/5, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi 110 044, India.

Nature of Business:

ITL is engaged in the business of, *inter-alia*, dealing in mobile communication handsets, terminals and communication accessories and related business products.

Capital Structure:

The authorized share capital of ITL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of ITL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of ITL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	49,994	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Pankaj Kapdeo*	1	Negligible
Mr. Rajendra Chourasia*	1	Negligible
Mr. Rajat Mukarji*	1	Negligible
Mr. Rahul Vatts*	1	Negligible
Mr. G.V.A.S. Murthy*	1	Negligible
Total	**50,000**	**100**

* *Jointly with Vodafone Idea Limited*

7. Mobile Commerce Solutions Limited

Corporate Information:

Mobile Commerce Solutions Limited ("**MCSL**") was incorporated under the Companies Act, 1956 on June 12, 2008. The registered office of MCSL is currently located at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Nature of Business:

MCSL is engaged in the business of, *inter-alia*, wholesale trading in handsets, data cards and related accessories.

Capital Structure:

The authorized share capital of MCSL is ₹ 5,000,000,000 divided into 500,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of MCSL is ₹ 4,052,631,530 divided into 405,263,153 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of MCSL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	405,263,147	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Total	**405,263,153**	**100**

* *As nominee of Vodafone Idea Limited*

8. Vodafone India Digital Limited

Corporate Information:

Vodafone India Digital Limited ("**VIDL**") was incorporated under the Companies Act, 2013 on March 28, 2017. The registered office of VIDL is currently located at Vodafone House, Corporate Road, Prahalad Nagar, off. S.G. Highway, Ahmedabad 380 051, Gujarat, India.

Nature of Business:

VIDL was set up to carry on the business of, *inter-alia*, designing, developing, manufacturing, implementing, assisting, facilitating, establishing, distributing, selling, licensing, leasing, installing, importing, exporting, or otherwise promoting information technology and related software, hardware, programs of any and all kinds and description, application software and contents for value added services for telecom companies.

Capital Structure:

The authorized share capital of VIDL is ₹ 50,000,000 divided into 5,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VIDL is ₹ 5,000,000 divided into 500,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VIDL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	499,994	99.99
Vodafone India Ventures Limited*	1	Negligible
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Ms. Kavita Nair*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Total	**500,000**	**100**

* *As nominee of Vodafone Idea Limited*

9. Vodafone Business Services Limited

Corporate Information:

Vodafone Business Services Limited ("**VBSL**") was incorporated under the Companies Act, 1956 on September 24, 2009. The registered office of VBSL is currently located at Vodafone House, Corporate Road, Prahlad Nagar, Off: S.G. Highway, Ahmedabad 380 051, Gujarat, India.

Nature of Business:

VBSL is engaged in the business of, *inter-alia*, providing outsourcing services catering to IT needs for data consolidation, backend IT support, data center operations and hosting services, and book keeping services.

Capital Structure:

The authorized share capital of VBSL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VBSL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VBSL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	49,994	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Mr. Pankaj Kapdeo*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Total	**50,000**	**100**

* *As nominee of Vodafone Idea Limited*

10. Vodafone Towers Limited

Corporate Information:

Vodafone Towers Limited ("**VTL**") was incorporated under the Companies Act, 1956 on October 19, 2007. The registered office of VTL is currently located at Vodafone House, Corporate Road Prahlad Nagar, Off: S.G. Highway, Ahmedabad 380 051, Gujarat, India.

Nature of Business:

VTL is engaged in the business of, *inter-alia*, providing telecom infrastructure provider category-I services pursuant to an IP-1 registration issued by the DoT.

Capital Structure:

The authorized share capital of VTL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VTL is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VTL:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	49,940	99.88
Mr. Akshaya Moondra*	10	0.02
Mr. Suresh Kumar Ramiah*	10	0.02
Mr. Suvamoy Roy Choudhury*	10	0.02
Pankaj Kapdeo*	10	0.02
Vodafone Technology Solutions Limited*	10	0.02
Vodafone Business Services Limited*	10	0.02
Total	**50,000**	**100**

* *As nominee of Vodafone Idea Limited*

11. Vodafone Foundation

Corporate Information:

Vodafone Foundation ("**VF**") was incorporated under Section 25 of the Companies Act, 1956 on May 23, 2008. The registered office of VF is currently located at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Nature of Business:

The objective of VF is to promote and implement corporate social responsibility and other charitable activities in various fields by way of engaging or applying various legal means including use of mobile technology.

Capital Structure:

The authorized share capital of VF is ₹ 100,000 divided into 10,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of VF is ₹ 2,000 divided into 200 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VF:

Name of shareholder	Number of equity shares	% of issued capital
Vodafone Idea Limited	194	97.00
Mr. Akshaya Moondra*	1	0.50
Mr. Suvamoy Roy Choudhury*	1	0.50
Mr. Pankaj Kapdeo*	1	0.50
Vodafone Towers Limited*	1	0.50
Vodafone Technology Solutions Limited*	1	0.50
Vodafone Business Services Limited*	1	0.50
Total	**200**	**100**

* *As nominee of Vodafone Idea Limited*

12. YOU System Integration Private Limited

Corporate Information:

YOU System Integration Private Limited ("**YSIPL**") was incorporated under the Companies Act, 1956 on September 10, 2008. The registered office of YSIPL is currently located at Plot No. 54, Marol Industrial Estate, Makwana Road, Andheri (East), Mumbai 400 059, Maharashtra, India. YSIPL is a wholly-owned subsidiary of YBIL.

Nature of Business:

YSIPL is engaged in the business of, *inter-alia,* system integrators, enterprise and home solution providers, etc.

Capital Structure:

The authorized share capital of YSIPL is ₹ 100,000 divided into 10,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of YSIPL is ₹ 100,000 divided into 10,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of YSIPL:

Name of shareholder	Number of equity shares	% of issued capital
YOU Broadband India Limited	9,994	99.94
Vodafone Idea Limited*	1	0.01
Vodafone Mobile Services Limited*	1	0.01
Vodafone Technology Solutions Limited*	1	0.01
Vodafone India Ventures Limited*	1	0.01
Vodafone India Digital Limited*	1	0.01
Vodafone Towers Limited*	1	0.01
Total	**10,000**	**100**

* *As nominee of YOU Broadband India Limited*

13. Connect (India) Mobile Technologies Private Limited

Corporate Information:

Connect (India) Mobile Technologies Private Limited ("**CIMTPL**") was incorporated under the Companies Act, 1956 on July 15, 1999. The registered office of CIMTPL is currently located at Skyline Ikon, 1st Floor, 86/92, Andheri Kurla Road, Marol Naka, Andheri (East) Mumbai 400 059, Maharashtra, India. CIMPTPL is a wholly-owned subsidiary of MCSL.

Nature of Business:

In February 2012, CIMTPL became a subsidiary of MCSL and subsequently under a business purchase agreement; MCSL purchased the product (dongle, handset and goodies) distribution business of CIMTPL, on a going concern basis. Upon transfer of the product distribution business by CIMTPL to MCSL, such business is carried on by MCSL and CIMTPL does not have any substantial business.

Capital Structure:

The authorized share capital of CIMTPL is ₹ 1,500,000,000 divided into 150,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of CIMTPL is ₹ 1,499,100,000 divided into 149,910,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of CIMTPL:

Name of shareholder	Number of equity shares	% of issued capital
Mobile Commerce Solutions Limited	149,909,994	99.99
Mr. Akshaya Moondra*	1	Negligible
Mr. Suresh Kumar Ramiah*	1	Negligible
Mr. Suvamoy Roy Choudhury*	1	Negligible
Vodafone Business Services Limited*	1	Negligible
Vodafone Technology Solutions Limited*	1	Negligible
Vodafone Towers Limited*	1	Negligible
Total	**149,910,000**	**100**

* *As nominee of Mobile Commerce Solutions Limited*

Common Pursuits

There are no common pursuits between our Company and the Subsidiaries. However, certain of our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company.

Business Interest between our Company and the Subsidiaries

Except as disclosed in the section "*Related Party Transactions*" on page [●], none of the Subsidiaries have any business interest in our Company.

Our Joint Ventures

As at the date of this Letter of Offer, our Company has two Joint Ventures:

1. Indus Towers Limited; and
2. Firefly Networks Limited.

Unless otherwise stated, the information below is at the date of this Letter of Offer:

1. Indus Towers Limited

Corporate Information

Indus Towers Limited ("**Indus**") was incorporated as a public limited company under the Companies Act, 1956 on November 20, 2007 and received its certificate for commencement of business on December 4, 2007. The registered office of Indus is currently located at Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram 122 002, Haryana, India.

Nature of Business:

Indus is engaged in the business of, *inter-alia*, building, owning, operating and maintaining passive infrastructure at telecommunications sites in the 15 telecommunications circles of Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Rajasthan, Tamil Nadu (including Chennai), Uttar Pradesh (East), Uttar Pradesh (West) and West Bengal and the commercial exploitation of such passive infrastructure by providing passive infrastructure services to telecommunications service providers and others in such circles in India pursuant to an IP – I registration issued by the DoT.

Capital Structure:

The authorized share capital of Indus is ₹ 500,000,000 divided into 500,000,000 equity shares of face value of ₹ 1 each. The issued, subscribed and paid-up share capital of Indus is ₹ 1,191,670**,** divided into 1,191,670 equity shares of face value of ₹ 1 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of Indus:

Name of shareholder	Number of Equity Shares	% of issued capital
Bharti Infratel Limited	500,484	42.00
Euro Pacific Securities Limited	135,028	11.33
Vodafone Idea Limited	132,868	11.15
Prime Metals Limited	74,007	6.21
P5 Asia Holding Investment (Mauritius) Limited	57,794	4.85
Mobilvest	56,729	4.76
Vodafone Telecommunications (India) Limited	55,003	4.62
Trans Crystal Limited	49,462	4.15
Asian Telecommunication Investments (Mauritius) Limited	33,191	2.79
Telecom Investments India Private Limited	28,639	2.40
Al-Amin Investments Limited	27,501	2.31
CCII (Mauritius) Inc.	15,107	1.27
Usha Martin Telematics Limited	13,409	1.12
Omega Telecom Holdings Private Limited	11,295	0.94
Jaykay Finholding (India) Private Limited	1,133	0.10
Mr. Akhil Gupta*	10	Negligible
Mr. Devendra Khanna*	10	Negligible
Total	**1,191,670**	**100**

* *As nominee of Bharti Infratel Limited*

2. Firefly Networks Limited

Corporate Information

Firefly Networks Limited ("**Firefly**") was incorporated as a public limited company under the Companies Act, 1956 on February 4, 2014 and received its certificate for commencement of business on February 4, 2014. The registered office of Firefly is currently located at A-19, Mohan Co-operative Industrial Estate, Mathura Road, South Delhi, New Delhi 110 044, India.

Nature of Business:

Firefly is engaged in the business of project management, system integration and entry into contractual partnerships with: (i) vendors, business partners and equipment providers, including last mile access providers; and (ii) locations, including shops, municipal corporations, Indian Railways, airport management companies, educational institutions and real estate developers for various Wi-Fi deployment and maintenance related activities, including right of way of coordination.

Capital Structure:

The authorized share capital of Firefly is ₹ 500,000,000 divided into 50,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of Firefly is ₹ 20,000,000 divided into 2,000,000 equity shares of face value of ₹ 10 each.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of Firefly:

Name of shareholder	Number of Equity Shares	% of Issued Capital
Vodafone Idea Limited	999,997	50
Bharti Airtel Limited	999,997	50
Mr. Sunil Sood*	1	Negligible
Mr. Rajesh Daga Choudhury*	1	Negligible
Mr. Janardanan Arun Kumar*	1	Negligible
Mr. Ajai Puri**	1	Negligible
Mr. Ashish Goenka**	1	Negligible
Mr. Abhay Savargaonkkar **	1	Negligible
Total	**2,000,000**	**100**

* *As a nominee of Vodafone Idea Limited*
** *As a nominee of Bharti Airtel Limited*

Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years

Our Company has not acquired or divested any business or undertaking, or entered into any scheme of merger or amalgamation or revalued its assets, in the last ten years, other than as disclosed below:

A. Fibre Demerger Scheme between our Company and Vodafone Towers Limited

Pursuant to a resolution dated November 14, 2018, our Board approved a scheme of arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act between our Company and its wholly owned subsidiary, Vodafone Towers Limited ("**VTL**"), for the transfer of the fibre infrastructure undertaking of our Company to VTL, by way of a demerger, on a going concern basis. The objective of the proposed scheme of amalgamation is to restructure our Company's business by divesting the fibre infrastructure undertaking into a separate legal entity with dedicated focus on the fibre infrastructure business to achieve greater infrastructure sharing, operational efficiency and cost optimization. No shares are proposed to be issued by VTL in consideration of the proposed scheme, accordingly there is no change of shareholding contemplated pursuant to the proposed scheme.

B. Amalgamation of Aditya Birla Telecom Limited with and into our Company

Pursuant to the scheme of amalgamation under Sections 230 to 232 of the Companies Act among Aditya Birla Telecom Limited (a former subsidiary of our Company) ("**ABTL**") and our Company (the "**ABTL Scheme**"), the entire undertakings of ABTL, including its assets, liabilities, lease and licenses, contracts, government approvals, litigation and employees, intellectual property, were transferred to and vested in our Company, on a going- concern basis and ABTL was dissolved without the process of winding up. The ABTL Scheme was approved by the NCLT, Ahmedabad Bench pursuant to an order dated November 13, 2018 (the "**NCLT Order**"). The appointed date of the ABTL Scheme was April 1, 2018 and the effective date of the ABTL Scheme was November 30, 2018.

The ABTL Scheme was undertaken to enable our Company to, *inter-alia*, simplify our corporate structure, strengthen the financial position and ability of our Company, eliminate the duplication in administrative cost, better and economical management and control over the running of business of our

Subsidiaries and creation of better synergies and optimal utilization of resources for obtaining economies of scale.

Upon the ABTL Scheme being effective, all the equity shares issued by ABTL and held by our Company and/or our nominees stood cancelled and extinguished and in lieu thereof, no allotment of any shares in our Company were made to any person. There was no change in the authorized share capital of our Company pursuant to the ABTL Scheme.

C. Amalgamation of Vodafone India and VMSL with and into our Company

Pursuant to the composite scheme of amalgamation and arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act among our Company, Vodafone India and VMSL and their respective shareholders and creditors, the entire undertaking (other than certain assets specified in the scheme) of VMSL and Vodafone India, including, *inter-alia,* their business, assets, licenses, spectrum and entitlements thereto, employees, contracts, properties, legal proceedings, investments and liabilities were transferred and vested in our Company, on a going-concern basis and VMSL and Vodafone India were dissolved without the process of winding up. The Merger was approved by the NCLT (Ahmedabad bench) pursuant to its order dated January 11, 2018 and the NCLT (Mumbai bench) pursuant to its orders dated December 21, 2017 (pronounced on January 19, 2018) and August 30, 2018. The effective date of the Merger was August 31, 2018.

The Merger was undertaken to consolidate the telecommunications businesses of VMSL, Vodafone India and our Company resulting in a single company for, *inter-alia*, combining synergies in operational processes and logistics alignment, higher spectrum availability and larger single radio access network deployment coupled with re-deployment of overlapping equipment from rationalized sites resulting in lower capital expenditure and take advantage of the combined resources of the parties to the Merger.

Accordingly, the following steps were taken as part of the Merger: (i) amalgamation of VMSL into and with our Company; (ii) transfer of the authorized share capital of VMSL to our Company and the consequential increase in the authorised share capital of our Company; (iii) issue and allotment of 3,893,927,522 Equity Shares to Vodafone India as the shareholder of VMSL; (iv) dissolution of VMSL without winding-up; (v) amalgamation of Vodafone India into and with our Company; (vi) transfer of the authorized share capital of Vodafone India to our Company and consequential increase in the authorized share capital of our Company to ₹ 302,930,020,000 comprising 28,793,002,000 Equity Shares and 1,500 redeemable cumulative non-convertible preference shares of ₹ 10,000,000 each; (vii) cancellation of Equity Shares issued by our Company to Vodafone India pursuant to the step outlined in (iii) above; (viii) issue and allotment of 4,375,199,464 Equity Shares to the shareholders of Vodafone India; and (ix) dissolution of Vodafone India without winding-up. In addition, pursuant to the terms of the Merger, 70,000,000 Equity Shares and 349,623,009 Equity Shares were transferred by Euro Pacific Securities Limited to Birla TMT Holdings Private Limited and IGH Holdings Private Limited, respectively, as part of the Merger. For further details of such allotment, see *"Capital Structure – Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company"* on page [●].

D. Sale of towers to ATC Telecom Infrastructure Private Limited

Our Company entered into a share purchase agreement dated November 13, 2017 with ATC Telecom Infrastructure Private Limited ("**ATC**"), (a subsidiary of American Tower Corporation) and Idea Cellular Infrastructure Services Limited ("**ICISL**") for sale of our Company's standalone tower business held through ICISL (the then wholly-owned subsidiary of our Company). Pursuant to completion of the transaction, our Company divested its entire shareholding in ICISL comprising 60,000 equity shares of ₹ 10 each to ATC for an enterprise value of ₹ 40,000,000,000.

E. Amalgamation of Idea Mobile Commerce Services Limited with and into Aditya Birla Idea Payments Bank Limited

Pursuant to the scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 among Idea Mobile Commerce Services Limited ("**IMCSL**") and Aditya Birla Idea Payments Bank Limited ("**ABIPBL**") (the "**IMCSL Scheme**"), the entire undertakings of IMCSL, including its assets, liabilities, permits, licenses, contracts, intellectual property rights, legal and other proceedings, debt and employees, subject to any charges, liens, encumbrances and obligations, were transferred to and vested in ABIPBL, on a going concern basis. The IMCSL Scheme was approved by the High Court of Bombay and the High Court of Delhi pursuant to the orders dated December 9, 2016 and January 3, 2017, respectively. The appointed date of the IMCSL Scheme was August 1, 2016 and the effective date of the IMCSL Scheme was February 22, 2018.

The IMCSL Scheme was undertaken to comply with the directions of the RBI, requiring the prepaid instrument business and the payments bank business of the promoter or promoter group to be transferred to a single entity before commencement of banking business of ABIPBL.

Upon the IMCSL Scheme being effective, the authorized share capital of IMCSL was combined with the authorized share capital of ABIPBL, which stood increased to ₹ 2,500,000,000 comprising 250,000,000 equity shares and IMCSL was dissolved without the process of winding up.

As consideration for the transfer of the undertakings of IMCSL, ABIPBL issued and allotted 116,522 fully paid-up equity shares for every 100,000 existing equity shares held in IMCSL.

F. Business transfer agreement between our Company and Idea Cellular Infrastructure Services Limited

Our Company entered into a business transfer agreement dated July 25, 2016 with ICISL (the "**ICISL BTA**") pursuant to which the business of our Company relating to owning, provisioning, sharing, maintaining and operating the tower infrastructure, including among others, telecom towers and other ancillary assets such as shelters, diesel generator sets, air conditioners and associated electrical and civil works utilized in connection with the towers, were transferred to ICISL, on a going concern basis.

The ICISL BTA was also executed to consolidate our business of providing tower infrastructure services through approximately 7,997 telecom towers (as of April 28, 2016) that we owned and operated across India (the "**Tower Infrastructure Undertaking**"), with ICISL. ICISL at the time was engaged in the business of providing passive infrastructure services mainly in Bihar and Orissa service areas.

As consideration for the transfer of our Tower Infrastructure Undertaking, ICISL issued 10,000 equity shares to our Company.

G. Amalgamation of Idea Cellular Towers Infrastructure Limited (a wholly-owned subsidiary of the Company) with and into Indus Towers Limited

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 among Vodafone Essar Infrastructure Limited ("**Vodafone Infra**"), Bharti Infratel Ventures Limited ("**BIVL**") and Idea Cellular Towers Infrastructure Limited (the then wholly-owned subsidiary of Aditya Birla Telecom Limited, the then wholly-owned subsidiary of our Company) ("**ICTIL**") (together the "**Transferor Companies**") and Indus Towers Limited ("**ITL**") (such scheme, the "**ITL Scheme**"), the entire business, undertakings, properties and liabilities of the Transferor Companies were transferred to and vested in ITL, on a going concern basis. The ITL Scheme was approved by the High Court of Delhi pursuant to an order dated April 18, 2013. The effective date of the ITL Scheme was June 11, 2013.

The ITL Scheme was undertaken to consolidate the passive infrastructure undertakings of the Transferor Companies, and to, *inter-alia*, provide telecommunications network infrastructure support services on a non-discriminatory basis to all telecommunication operators in India, lower the cost of operations for telecommunication service providers, contribute to economies of scale, enable faster growth of business, improve quality of services to consumers by establishing high service standards, increase speed of roll-out and administrative convenience through the centralization of infrastructure sharing and planning.

As consideration for the transfer of the undertakings of the Transferor Companies, ITL issued and allotted to the equity shareholders of the Transferor Companies an aggregate of 1,200 fully paid-up equity shares of ITL in a manner that the ratio among the shareholders of Vodafone Infra, BIVL and ICTIL stood at 42:42:16.

H. Amalgamation of Spice Communications Limited with and into our Company

Pursuant to a scheme of amalgamation approved by the High Court of Gujarat and the High Court of Delhi on January 26, 2009 and February 5, 2010, respectively, Spice Communications Limited ("**SCL**") merged with and into our Company with effect from March 1, 2010 (the "**Spice-Idea Merger**"). The objectives of the Spice-Idea Merger included, *inter-alia*, achieving economies of scale, infrastructure sharing and other operational synergies resulting in optimization of operations and capital expenditure and higher value creation and enhanced services to customers. The share exchange ratio approved in the Spice-Idea Merger resulted in shareholders of SCL being allotted 49 Equity Shares of the Company for every 100 equity shares held in SCL. For details, see *"Capital Structure – Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company"* on page [●]. Further, upon the scheme becoming effective, the undertaking of SCL (as described in the scheme), including its licenses, were transferred and vested into our Company pursuant to a conditional approval of the DoT upon payment of a penalty, which has been challenged by our Company. For details, see *"Outstanding Litigation and Material Developments - Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company"* on page [●].

I. Scheme of arrangement between our Company and its Shareholders

Prior to the Idea-Spice Merger, our Company acquired 40.8% of the issued and paid-up share capital of SCL from MCorpGlobal Communications Private Limited ("**MCPL**"), pursuant to a share purchase agreement dated June 28, 2008. In addition to the acquisition of shares from MCPL, our Company entered into a non-compete agreement with MCPL under which it paid a consideration of Rs.5,439.75 million to MCPL (the "**Non-Compete Consideration**"). In relation to the Non-Compete Consideration, a scheme of arrangement was entered between our Company and the Shareholders dated April 10, 2009 whereby the Non-Compete Consideration was proposed to be set off from the balance available in the securities/share premium account of our Company to be transferred and debited to the profit and loss account under the nomenclature "Amount Withdrawn from Securities/Share Premium" to come into operation from the appointed date, i.e., July 1, 2008 and effective from the date on which the certified copy of the High Court of Gujarat, sanctioning the scheme is filed with the RoC. Pursuant to an order dated August 31, 2009, the High Court of Gujarat at Ahmedabad sanctioned the above scheme of arrangement.

J. Scheme of Demerger involving UASL of Bihar (including Jharkhand) Service Area and certain assets and liabilities of Aditya Birla Telecom Limited

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 between our Company and ABTL and the respective shareholders and creditors (the "**ABTL License Demerger**"), the demerger of the de-merged undertaking comprising of UASL of Bihar (including Jharkhand) service area and certain assets and liabilities of ABTL (the then wholly-owned subsidiary of our Company) was effected and transferred to and vested in our Company. The ABTL License Demerger was approved by the High Court of Gujarat, at Ahmedabad and the High Court of Bombay, pursuant to an order dated December 2, 2009 and January 22, 2010, respectively. The appointed date of the ABTL License Demerger was April 1, 2009 and the effective date of ABTL License Demerger was March 1, 2010.

The ABTL License Demerger was undertaken to, *inter-alia*, consolidate pan-India telecom operations within our Company. The ABTL License Demerger was intended to consolidate the de-merged undertaking with our Company in a more effective manner, consistent with the diverse needs of the business. Our Company was not required to issue any shares or pay any consideration to ABTL or its shareholders or any other person.

K. Scheme of Demerger of Passive Infrastructure

Pursuant to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 between ICTIL, our Company and the respective shareholders and creditors (the "**Passive Infrastructure Scheme**"), the passive infrastructure of our Company in respect of nine service areas, was demerged from our Company and was transferred to and vested in ICTIL. The Passive Infrastructure Scheme was approved by the High Court of Gujarat, at Ahmedabad and the High Court of Delhi, pursuant to an order dated August 31, 2009 and August 3, 2009, respectively. The appointed date of the Passive Infrastructure Scheme was January 1, 2009 and the effective date of the Passive Infrastructure Scheme was September 29, 2009.

The Passive Infrastructure Scheme was undertaken, *inter-alia*, to reduce set-up and operating costs resulting in cost efficiency coupled with greater flexibility, provide improved quality of service to customers by establishing high service standards through operational agreements, increase speed of roll-out and improve sharing of infrastructure.

Since the Passive Infrastructure Scheme was intended to transfer the assets relating to passive infrastructure, in a more efficient manner consistent with the diverse needs of business, hence, ICTIL was not required to issue any shares or pay any consideration to our Company or its shareholders or any other person.

Shareholders' Agreements and Other Agreements

Key terms of subsisting shareholders' agreements

*(a) Shareholders' agreement dated March 20, 2017, as amended (the "**2017 SHA**") entered by and among (i) our Company, (ii) the Vodafone Group Shareholders (i.e., Al-Amin Investments Limited, Asian Telecommunication Investments (Mauritius) Limited, CCII (Mauritius), Inc., Euro Pacific Securities Limited, Vodafone Telecommunications (India) Limited, Mobilvest, Prime Metals Limited, Trans Crystal Limited, Omega Telecom Holdings Private Limited, Telecom Investments India Private Limited, Jaykay Finholding (India) Private Limited and Usha Martin Telematics Limited), (iii) the ICL Group Shareholders (i.e., Grasim Industries Limited, Hindalco Industries Limited, Birla TMT Holdings Private Limited, Pilani Investment and Industries Corporation Limited, Aditya Birla Nuvo Limited (which has now merged into and with Grasim Industries Limited), Elaine Investments Pte Ltd, Oriana Investments Pte Ltd and IGH Holdings Private Limited), (iv) Mr. Kumar Mangalam Birla and (v) Vodafone International Holdings B.V.*

The 2017 SHA sets out the terms and conditions for governing the relationship among the parties to the agreement in connection with the business and management of our Company. The 2017 SHA came into effect on August 31, 2018, *i.e.*, the date on which the Merger became effective.

Certain key terms of the 2017 SHA are set out below:

Board composition: Under the 2017 SHA, our Board is required to consist of 12 Directors, including a chairperson who will not have a casting vote. Each of the ICL Group Shareholders and the Vodafone Group Shareholders have the right to nominate three directors on our Board and nominate persons from among whom three independent directors are required to be appointed. The ICL Group Shareholders have the right to appoint the group chairperson of the ICL Group (or his successor) as the chairperson of our Board. One nominee Director of each of the ICL Group Shareholders and the Vodafone Group Shareholders is required for purposes of quorum at board meetings. The ICL Group Shareholders and the Vodafone Group Shareholders shall have the same rights in relation to the conduct of meetings, constitution, quorum and manner of approval of business of the committees of the Board as applicable to the Board.

Key Employees: The appointments of the chief executive officer and the chief operating officer of the Company are subject to approval of both the ICL Group Shareholders and the Vodafone Group Shareholders; however, such officers can be removed by either party. The Vodafone Group Shareholders have the right to appoint or remove the chief financial officer of our Company.

Reserved Matters: Under the 2017 SHA, certain matters relating to our Company are subject to the affirmative consent of the ICL Group Shareholders and the Vodafone Group Shareholders, including, *inter-alia*, (a) any amendments to the constitutional documents of our Company; (b) the redemption, reduction or buy-back of any share capital; (c) the issue or allotment of share capital, subject to certain exceptions; (d) any amalgamation, merger, demerger, reorganization or restructuring of our Company; (e) entry into any partnerships, joint ventures or profit sharing agreements other than in the ordinary course of business; (f) entering into any related party transactions the aggregate value of which exceeds Rs.250 million; and (g) incurring indebtedness which exceeds Rs.70 billion. Accordingly, in respect of any reserved matters placed before the Board, the affirmative vote of at least one nominee Director of each of the ICL Group Shareholders and the Vodafone Group Shareholders is required and in respect of matters placed before the shareholders at a general meeting, the affirmative vote of all the ICL Group Shareholders and the Vodafone Group Shareholders is required. In case a reserved matter is not approved at two consecutive board meetings/circular resolutions, then a deadlock shall be resolved in accordance with the procedure set out in the 2017 SHA.

Certain other matters: Under the 2017 SHA, the parties have also agreed to certain funding and shareholding equalization mechanisms and share transfer restrictions, including a standstill period of three years from August 31, 2018, subject to certain exceptions.

The shareholder rights of the ICL Group Shareholders and the Vodafone Group Shareholders under the 2017 SHA will fall away if their respective shareholding falls below (a) 26% of the equity share capital of our Company until March 31, 2020 and (b) 21% at any time thereafter on a fully-diluted basis as set out in the 2017 SHA.

For details on certain provisions of the 2017 SHA forming part of our Articles of Association, see also "*Main Provisions of Articles of Association*" on page [●]. Please note that our Articles of Association have not yet been amended for certain amendments to the 2017 SHA, including in relation to the share transfer restrictions in the 2017 SHA.

In addition to the 2017 SHA, an implementation agreement dated March 20, 2017, as amended (the "**Implementation Agreement**") was executed among our Company, Vodafone India, VMSL, Mr. Kumar Mangalam Birla, the ICL Promoters (as defined in the Implementation Agreement), the Vodafone Group Shareholders and VIBHV, to set out the terms and conditions for the Merger. Key subsisting obligations under the Implementation Agreement include reciprocal indemnification provisions for breach of representations, warranties and covenants (the representations and warranties are subject to time and monetary limitations) and a mechanism for settlement of liabilities relating to tax, regulatory and certain specified miscellaneous matters which existed as of a specified date prior to completion of the Merger.

Further, agreements with effect from August 31, 2018 were entered into by our Company with Vodafone Group Services Limited and Aditya Birla Management Corporation Private Limited, respectively, which set out the terms and conditions on which Vodafone Group Services Limited and Aditya Birla Management Corporation Private Limited will provide certain services, facilities and resources, including technical and logistical support to our Company for specified fees. Each of these agreements will remain valid until terminated in accordance with its terms.

*(b) Shareholders Agreement dated October 25, 2013 (the "**Firefly SHA**") entered by and among erstwhile Vodafone West Limited ("**VWL**") and Bharti Airtel Limited ("**BAL**")*

The Firefly SHA sets out the terms and conditions for governing the relationship among the parties to the agreement in connection with the business and management of the joint venture company, Firefly. The Firefly SHA came into effect on October 25, 2013. Pursuant to the Firefly SHA, VWL and BAL agreed to establish an independently managed joint venture company to conduct the business of site acquisition, installation, commission, operations and maintenance of infrastructure at such sites located in public places, that offer connectivity over Wi-Fi network where the appropriate infrastructure has been installed and commissioned and are available to take data traffic, in accordance with the Firefly SHA.

VWL subsequently amalgamated into VMSL, and accordingly VMSL assumed the rights and obligations of VWL under the Firefly SHA. Such rights and obligations accrued to our Company upon the completion of the Merger. Under the Firefly SHA, each of our Company and BAL have the right to nominate three directors each to the board of Firefly. The Firefly SHA also includes certain reserved matters in connection with the business, operations and management of Firefly, as well as certain funding and share transfer restrictions. In the event if either our Company or BAL cease to hold directly or indirectly at least 10% shareholding in Firefly, then at the option of the other shareholder the Firefly SHA shall cease to have effect in relation to such shareholder, except for the obligations that survive the termination of the Firefly SHA.

*(c) Shareholders Agreement dated December 8, 2007, as amended, (the "**Indus SHA**") entered by and among erstwhile Vodafone Essar Limited ("**VEL**"), Bharti Airtel Limited ("**BAL**"), Bharti Infratel*

Limited, Idea Cellular Limited, Idea Cellular Infrastructure Services Limited and Indus Infratel Limited

The Indus SHA sets out the terms and conditions for governing the relationship among the parties to the agreement in connection with the business and management of the joint venture company, Indus Towers Limited ("**Indus**"). Pursuant to the Indus SHA, the parties agreed to establish an independently managed joint venture company to provide passive infrastructure services to telecommunication services providers on such commercial and arms' length terms as would be agreed by Indus with such service providers.

The Indus SHA governs the terms of board composition and membership in Indus, including the rights of parties to nominate directors to the board and also includes certain reserved matters in connection with the business, operations and management of Indus, as well as certain funding and share transfer restrictions, including right of first refusal to the parties. It further contains provisions relating to change of control and events of defaults and their consequences. In terms of the 2018 Indus SHA, the Indus SHA shall be terminated on the date on which the Indus Merger becomes effective.

(d) *Shareholders' agreement dated April 25, 2018 (the "**2018 Indus SHA**") entered by and among (i) our Company, (ii) the Vodafone Group Shareholders (i.e., Al-Amin Investments Limited, Asian Telecommunication Investments (Mauritius) Limited, CCII (Mauritius), Inc., Euro Pacific Securities Limited, Vodafone Telecommunications (India) Limited, Mobilvest, Prime Metals Limited, Trans Crystal Limited, Omega Telecom Holdings Private Limited, Telecom Investments India Private Limited, Jaykay Finholding (India) Private Limited and Usha Martin Telematics Limited), (iii) the BAL Shareholders (i.e., Bharti Airtel Limited and Nettle Infrastructure Investments Limited), and (iv) Bharti Infratel Limited*

The 2018 Indus SHA sets out the terms and conditions for regulating the management and governance of Bharti Infratel Limited upon the merger of Indus Towers Limited with Bharti Infratel Limited. Other than the non-compete and non-solicitation obligations under the 2018 Indus SHA, the other rights and obligations expressed to be assumed by our Company under the 2018 Indus SHA would apply only if our Company becomes a shareholder in the merged entity in accordance with the Indus Implementation Agreement. If our Company becomes a shareholder in the merged entity, we would be subject to certain share transfer restrictions, lock-up and standstill provisions.

In addition, an implementation agreement was executed among our Company, Vodafone Group Shareholders, VIHBV, Vodafone India, ABTL, the BAL Shareholders, Bharti Infratel Limited and Indus Towers Limited, to set out the terms and conditions for the merger of Indus with Bharti Infratel Limited. On the closing date of the such implementation agreement, our Company will acquire shares in the merged entity at an agreed share exchange ratio, unless we exercise our option to require Bharti Infratel Limited to purchase our entire equity interest of 11.15% in Indus at a pre-determined pricing formula.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

Pursuant to our Articles of Association and 2017 SHA, unless otherwise determined by our Company in a general meeting, our Board is required to comprise of 12 directors. As at the date of this Letter of Offer, we have 12 Directors on the Board of our Company, of which six are Non-Executive Directors and six are Independent Directors.

The following table sets forth details regarding our Board as at the date of this Letter of Offer:

Name, Designation, Address, Date of Birth, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Directorships in other companies
Mr. Kumar Mangalam Birla *Designation:* Non-Executive Chairman *Address:* Mangal Adityayan 20 Carmichael Road Mumbai 400 026 Maharashtra, India *Date of birth*: June 14, 1967 *Occupation:* Industrialist *Nationality:* Indian *Period of Directorship*: Director since June 20, 2006 *Term:* Liable to retire by rotation *DIN:* 00012813	51	Indian companies 1. ABG Realty and Infrastructure Company Private Limited 2. Aditya Birla Capital Limited 3. Aditya Birla Management Corporation Private Limited 4. Aditya Birla Sun Life AMC Limited 5. Aditya Birla Sun Life Insurance Company Limited 6. Air India Limited 7. Birla Group Holdings Private Limited 8. Century Textile and Industries Limited 9. G.D. Birla Medical Research and Education Foundation 10. Global Holdings Private Limited 11. Grasim Industries Limited 12. Hindalco Industries Limited 13. RKN Retail Private Limited 14. Svatantra Microfin Private Limited 15. TGS Investment & Trade Private Limited 16. Trapti Trading & Investments Private Limited 17. Turquoise Investments and Finance Private Limited 18. UltraTech Cement Limited Foreign companies 1. Aditya Birla Chemicals (Thailand) Ltd. 2. Alexandria Carbon Black Co. S.A.E., Egypt (*representative director of PT. Indo Bharat Rayon, Indonesia*) 3. Domsjo Fabriker AB, Sweden 4. Indo Thai Synthetics Co. Ltd., Thailand 5. Novelis Inc., Canada 6. PT. Elegant Textile Industry, Indonesia (*as commissioner director)* 7. PT. Indo Bharat Rayon, Indonesia (*as commissioner director)* PT. Indo Liberty Textiles, Indonesia (*as commissioner director)* 8. Surya Kiran Investments Pte. Ltd. 9. Thai Carbon Black Public Co. Ltd., Thailand 10. Thai Peroxide Co. Ltd., Thailand 11. Thai Polyphosphate & Chemicals Co. Ltd., Thailand 12. Thai Rayon Public Co. Ltd., Thailand

Name, Designation, Address, Date of Birth, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Directorships in other companies
Mr. Debnarayan Bhattacharya *Designation*: Non-Executive Director *Address:* A-2502 & 2602, Vivarea Sane Guruji Marg, Mahalaxmi Mumbai 400011 Maharashtra, India *Date of birth*: September 13, 1948 *Occupation*: Professional *Nationality:* Indian *Period of Directorship*: Director since August 31, 2018 *Term:* Liable to retire by rotation *DIN:* 00033553	70	Indian companies 1. Haldia Petrochemicals Limited 2. Hindalco Industries Limited Foreign companies 1. International Aluminium Institute (A company limited by guarantee) 2. Novelis Inc, Canada
Mr. Himanshu Kapania *Designation:* Non-Executive Director *Address:* Flat No. 1401/1402 14th Floor Vastu Bandra Co-Op Housing Society Limited, B.J. Road Dr. Pereira Road, Bandra West Mumbai 400 050 Maharashtra, India *Date of birth*: April 23, 1961 *Occupation:* Professional *Nationality:* Indian *Period of Directorship*: Director since April 1, 2011 *Term:* Liable to retire by rotation *DIN:* 03387441	57	Indian companies 1. Aditya Birla Idea Payments Bank Limited 2. Aditya Birla Management Corporation Private Limited 3. Grasim Industries Limited 4. Idea Cellular Services Limited 5. Idea Telesystems Limited 6. IIMA Idea Telecom Centre of Excellence Foreign companies 1. Celcom Axiata Berhad
Mr. Ravinder Takkar *Designation*: Non-Executive Director *Address:* AR-102B, The Aralias 4th & 5th Floor (Entrance through DLF Golf Club) DLF City Phase-V Golf Course Road Gurugram 122 002 Haryana, India *Date of birth*: July 5, 1968 *Occupation*: Professional *Nationality:* U.S.A. *Period of Directorship*: Director since August 31, 2018 *Term:* Liable to retire by rotation *DIN:* 01719511	50	Indian companies 1. Cable and Wireless Global (India) Private Limited 2. Indus Towers Limited
Mr. Thomas Reisten *Designation*: Non-Executive Director *Address:* Faraway, Snows Paddock, Windlesham, Surrey, GU20 6LH, United Kingdom *Date of birth*: August 2, 1972	46	Indian companies 1. Indus Towers Limited Foreign companies 1. Vodacom Group Limited 2. Vodafone Australia Pty Limited 3. Vodafone Hutchison Australia Pty Limited

Name, Designation, Address, Date of Birth, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Directorships in other companies
Occupation: Professional *Nationality:* German *Period of Directorship*: Director since August 31, 2018 *Term:* Liable to retire by rotation *DIN:* 06900067		4. Vodafone Hutchison Finance Pty Limited 5. Vodafone Hutchison Receivables Pty Limited 6. Vodafone Network Pty Limited 7. Vodafone Pty Limited 8. Ghana Telecommunications Company Limited 9. Vodafone New Zealand Limited 10. Vodafone Egypt Telecommunications S.A.E.
Mr. Vivek Badrinath *Designation*: Non-Executive Director *Address:* 6, Rue Guizot, Viroflay Paris 78220, France *Date of birth*: June 27, 1969 *Occupation*: Professional *Nationality:* French *Period of Directorship*: Director since August 31, 2018 *Term:* Liable to retire by rotation *DIN:* 07319718	49	<u>Foreign companies</u> 1. Safaricom PLC 2. Vodacom Group Limited 3. Vodafone Egypt Telecommunications S.A.E. 4. Vodafone Hutchinson Australia Pty Limited
Mr. Arun Kumar Adhikari *Designation*: Independent Director *Address:* 903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle Mumbai 400 011 Maharashtra, India *Date of birth*: January 20, 1954 *Occupation*: Professional *Nationality:* Indian *Period of Directorship*: Director since August 31, 2018 *Term:* Three years from August 31, 2018 *DIN:* 00591057	65	<u>Indian companies</u> 1. Aditya Birla Capital Limited 2. Aditya Birla Retail Limited 3. Aditya Birla Sun Life Insurance Company Limited 4. UltraTech Cement Limited 5. Voltas Limited
Mr. Arun Kannan Thiagarajan *Designation:* Independent Director *Address:* 102, Prestige Ashcroft, 47/11 Lavelle Road, 6th Cross Bengaluru 560 001 Karnataka, India *Date of birth*: September 7, 1944 *Occupation:* Professional *Nationality:* Indian *Period of Directorship*: Director since September 2, 2006 *Term:* Five years from September 26, 2014 *DIN:* 00292757	74	<u>Indian companies</u> 1. Aditya Birla Fashion and Retail Limited 2. Fowler Westrup (India) Private Limited 3. GE Power India Limited 4. Gokaldas Exports Limited 5. Grasim Industries Limited 6. TTK Prestige Limited <u>Foreign companies</u> 1. Westrup A/s

Name, Designation, Address, Date of Birth, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Directorships in other companies
Mr. Ashwani Windlass *Designation*: Independent Director *Address:* N-53, Panchshila Park New Delhi 110 017 India *Date of birth*: July 2, 1956 *Occupation*: Professional *Nationality:* Indian *Period of Directorship*: Director since August 31, 2018 *Term:* Three years from August 31, 2018 *DIN:* 00042686	62	Indian companies 1. Hindustan Media Ventures Limited 2. Hitachi MGRM Net Limited 3. Jubilant Foodworks Limited 4. Max Financial Services Limited 5. Max India Limited
Mr. Krishnan Ramachandran *Designation:* Independent Director *Address:* 2401-2402 A Wing, Raheja Atlantis, Ganpatrao Kadam Marg Lower Parel Mumbai 400 013 Maharashtra, India *Date of birth*: June 22, 1949 *Occupation:* Professional *Nationality:* Indian *Period of Directorship*: Director since December 27, 2018 *Term:* Three years from December 27, 2018 *DIN:* 00193357	69	Indian companies 1. Blue Sapphire Healthcares Private Limited 2. Cerebrus Consultants Private Limited 3. Cyient Limited 4. Nelco Limited
Ms. Neena Gupta *Designation*: Independent Director *Address:* A-236, Sushant Lok Phase-I Gurugram 122009 Haryana, India *Date of birth*: April 13, 1975 *Occupation*: Professional *Nationality:* Indian *Period of Directorship*: Director since September 17, 2018 *Term:* Three years from September 17, 2018 *DIN:* 02530640	43	Indian companies 1. AAPC India Hotel Management Private Limited 2. Accent Hotels Private Limited 3. Caddie Hotels Private Limited 4. Calleo Distribution Technologies Private Limited 5. HMS Real Estate Private Limited 6. InterGlobe Business Solutions Private Limited 7. InterGlobe Education Services Limited 8. InterGlobe Enterprises Limited 9. InterGlobe Hotels Private Limited 10. InterGlobe Real Estate Ventures Private Limited 11. InterGlobe Technology Quotient Private Limited 12. Motherland Joint Ventures Private Limited 13. SARV Estate Private Limited 14. Srilanand Mansions Private Limited 15. Techpark Hotels Private Limited 16. Triguna Hospitality Ventures (India) Private Limited Foreign companies 1. Luchthaven Hotel Beleggingsmaatschappij B.V. 2. Hamburg Furniture S.à r.l. 3. NKS Hospitality II S.à r.l. 4. Event Operations Holdings II B.V.

Name, Designation, Address, Date of Birth, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Directorships in other companies
Mr. Suresh Vaswani* *Designation:* Independent Director *Address:* 5760 Daniel Road Apt 7607, Plano, Texas 75024 *Date of birth*: January 2, 1960 *Occupation:* Professional *Nationality:* Indian *Period of Directorship:* Director since February 8, 2019 *Term:* Three years from February 8, 2019 *DIN:* 02176528	59	Indian companies 1. Instavans Logistics Private Limited

** Mr. Suresh Vaswani's appointment is subject to approval of the shareholders at the next general meeting*

Brief Biographies of our Directors

Mr. Kumar Mangalam Birla chairman of the Aditya Birla Group, was appointed as Chairman of our Company in June 2006. He holds a bachelor's degree in commerce from University of Bombay and a master's degree in business administration from London Business School. He is also a qualified Chartered Accountant. He also held several key positions on various regulatory and professional boards. An erstwhile director of the Central Board of Directors of the RBI, he was also chairman of the advisory committee on corporate governance constituted by the Ministry of Corporate Affairs and served on the Prime Minister of India's Advisory Council on Trade and Industry. He was awarded the Outstanding Businessman of the Year 2017, the Visionary Leadership Award by Frost & Sullivan and the 'CEO of the Year, 2016' award by the International Advertising Association.

Mr. Debnarayan Bhattacharya is a Non-Executive Director of our Company. He holds a bachelor of technology (Honors) degree in Chemical Engineering from the Indian Institute of Technology, Kharagpur. He is the vice-chairman of Hindalco Industries Limited and the vice-chairman of Novelis Inc. He is a recipient of various distinguished awards including the prestigious Indian Business Leader of the Year Award, 2005 and the Global Leader Award, 2016 by the CEO Magazine. He has an experience of leading multi-national organizations with experience over 45 years.

Mr. Himanshu Kapania was the Managing Director of our Company from April 1, 2011 to August 31, 2018 and is at present a Non-Executive Director of our Company. He holds a bachelor's degree of science (Engineering) in electrical from Birla Institute of Technology, Mesra and a post-graduate diploma in Management from Indian Institute of Management, Bangalore. He has over 32 years of work experience with 19 years of experience in the Indian telecom industry. He is currently the Vice Chairman of Grasim Industries Limited.

Mr. Ravinder Takkar is a Non-Executive Director of our Company. He holds a bachelor's degree of science in computer science from Loyola Marymount University, Los Angeles. He was previously associated with Vodafone Romania S.A and Vodafone India. He has experience of more than 25 years in the field of business strategy, business planning and development.

Mr. Thomas Reisten is a Non-Executive Director of our Company. He holds a diploma in business administration from the University of Münster, Germany. He is a member of the finance leadership team of Vodafone Group Plc. and was previously associated with Vodafone GmbH, Vodafone Ireland Limited and Vodafone India. He has more than 20 years of experience in the field of commercial investment, financial control and governance architecture.

Mr. Vivek Badrinath is a Non-Executive Director of our Company. He is a graduate of Ecole Polytechnique and Ecole Nationale Superieure des Telecommunications (ENST). He was previously associated with AccorHotels, Orange Business Services, as a non-executive director of Nokia and Vodafone India. He was a receipt of the French National Order of Merit. He has over 26 years of experience in the field of telecommunication and information technologies.

Mr. Arun Kumar Adhikari is an Independent Director of our Company. He holds a bachelor of technology in chemical engineering from the Indian Institute of Technology, Kanpur and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He was previously associated with Hindustan Unilever Limited and McKinsey & Company, as a Senior Advisor. He has 19 years of work experience in the field of sales and marketing and nine years of experience in general management.

Mr. Arun Kannan Thiagarajan is an Independent Director of our Company. He holds a bachelor of arts from Uppsala University, Sweden and a master's degree of engineering in Electro technology from Royal University of Technology, Stockholm. He has also attended the advanced management program of the Graduate School of Business Administration, Harvard University. He has previously served as the Managing Director of Asea Brown Boveri Limited, as the Vice Chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited. He has also severed as an independent director on the board of various companies. He has extensive experience in the field of sales and marketing, strategy planning, electrical engineering and industrial manufacturing.

Mr. Ashwani Windlass is an Independent Director of our Company. He holds a bachelor of commerce degree and a bachelor of journalism degree, both from Punjab University, Chandigarh and a masters' degree of business administration from University of Delhi. He was previously associated with MGRM Group, Max India Limited and Reliance Telecom Limited. He has 41 years of experience in the field of finance, telecom, strategy, corporate governance and general management.

Mr. Krishnan Ramachandran is an Independent Director of our Company. He holds a degree of bachelor of Engineering (Honors) in electrical branch from the Birla Institute of Technology & Science, Pilani, and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He was earlier associated with Philips India Limited as its Vice Chairman & Managing Director and was also associated with Tata Administrative Service and Voltas Limited as General Manager (Ops). He was also engaged as an Advisor to the Chancellor of BITS Pilani from 2009 to 2017. He has advised and worked with the leadership teams of several companies and has over 44 years of experience in general management. He has extensive experience in the field of general management.

Ms. Neena Gupta is an Independent Director of our Company. She holds a bachelor's degree of arts (Honours Course) in history from the University of Delhi, a bachelor's degree in law from the University of Delhi. She is an Executive Director (Strategy and M&A) and is the group general counsel with InterGlobe Enterprises. Prior to joining InterGlobe Enterprises, she was a partner with J. Sagar & Associates. She has over 19 years of experience in field of legal and regulatory issues, strategic sale and divestments, capital market transactions, corporate governance, mergers & acquisitions and international taxation.

Mr. Suresh Vaswani is an Independent Director of our Company. He holds a degree of bachelor of technology in metallurgical engineering from Indian Institute of Technology, Kharagpur and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is a global advisor to Bain Consulting and is also a member of the board of directors of Servion Global Solutions Inc. USA. He is also a senior director of Everstone Capital. He was earlier associated with IBM Global Technology Services, and served as President Dell Services (Global), Chairman Dell India and Co-CEO of Wipro Services. He has 34 years of experience in the field of IT/ITES/IT leveraged businesses.

Relationship between Directors and with Key Managerial Personnel

None of our Directors are related to each other or to any Key Managerial Personnel.

Terms of Appointment of our Whole-time Directors

Currently, there are no whole-time Directors on the Board of the Company. However, Mr. Himanshu Kapania, who is currently a Non-Executive Director, was the Managing Director of the Company from April 1, 2011 to August 31, 2018. Additionally, Mr. Akshaya Moondra, who is currently the Chief Financial Officer was a whole-time Director and Chief Financial Officer of the Company from July 8, 2016 to August 31, 2018.

Compensation paid to our Executive Directors

The compensation paid to our former Executive Directors in Fiscal 2018 is set out below:

Name of the Director	Compensation paid *(in ₹)
Mr. Himanshu Kapania, former Managing Director	83.22 million
Mr. Akshaya Moondra, former Whole-time Director	26.55 million

** Excludes perquisite value towards exercise of stock options / restricted stock unit*

Compensation paid to our Independent Directors

Pursuant to a resolution of our Board dated February 6, 2019, Independent Directors are entitled to receive a sitting fee of ₹ 100,000 for each meeting of the Board, ₹ 50,000 for each other meeting of the board committees.

As at the date of this Letter of Offer, other than our Independent Directors, our Non- Executive Directors are not entitled to receive any compensation from our Company.

The sitting fees / compensation paid to our Independent Directors in Fiscal 2018 is set below:

Name of the Director	Compensation paid (in ₹)
Mr. Arun Kannan Thiagarajan	0.54 million
Ms. Tarjani Vakil*	0.82 million
Mr. Mohanbir Singh Gyani*	0.10 million
Mr. Pejavar Murari*	0.15 million
Mr. Baldev Raj Gupta*	0.25 million

**For dates of resignations of Ms. Tarjani Vakil, Mr. Mohanbir Singh Gyani, Mr. Pejavar Murari and Mr. Baldev Raj Gupta, please see " – Changes in our Board during the last three years" on page [●].*

Compensation paid to our Directors by our Subsidiaries and Associate Company

Our Directors did not receive any remuneration in Fiscal 2018 from our Subsidiaries or Associate Company.

Loans to Directors

No loans have been availed by the Directors from our Company.

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require the Directors to hold any qualification shares. Except as set forth below, none of our Directors hold any Equity Shares in our Company as at the date of this Letter of Offer.

Name of Director	Number of Equity Shares	Percentage (in %)
Mr. Kumar Mangalam Birla	233,333	Negligible
Mr. Himanshu Kapania	822,708	0.01
Mr. Debnarayan Bhattacharya	6,202	Negligible
Mr. Arun Kannan Thiagarajan	7,700	Negligible
Total	**1,069,943**	**0.01**

Arrangement or understanding with major shareholders, customers, suppliers or others

Pursuant to the 2017 SHA and our Articles of Association, each of the Vodafone Group Shareholders and the ICL Group Shareholders have the right to nominate three directors on our Board. Further, the ICL Group Shareholders have the right to appoint the group chairperson of the ICL Group (or his successor) as the chairperson of the Board. Accordingly, the following Directors have been nominated by the Vodafone Group Shareholders and by the ICL Group Shareholders:

Directors nominated by ICL Group Shareholders

- Mr. Kumar Mangalam Birla (Chairperson)
- Mr. Debnarayan Bhattacharya
- Mr. Himanshu Kapania

Directors nominated by Vodafone Group Shareholders

- Mr. Vivek Badrinath
- Mr. Ravinder Takkar
- Mr. Thomas Reisten

Further, under the 2017 SHA and our Articles of Association, the ICL Group Shareholders and the Vodafone Group Shareholders have the right to nominate persons from among whom three independent Directors are required to be appointed.

For details of the 2017 SHA, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" and "*Main Provisions of Articles of Association*" on pages [●] and [●], respectively.

No other Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service contracts with Directors

There are no service contracts entered into by the Directors with our Company, which provide for benefits upon termination of employment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. For details, see "*Related Party Transactions*" on page [●].

Some of our Directors may be interested in options granted (if any) pursuant to ESOS 2006 and ESOS 2013. For details, see "*Capital Structure*" on page [●].

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Our Non-Executive Directors nominated by the ICL Group Shareholders and the Vodafone Group Shareholders may also be deemed to be interested to the extent of Equity Shares held by the Promoter entities nominating them to the Board.

For further details regarding the shareholding of our Directors, see - "*Shareholding of our Directors in our Company*" on page [●].

Interest in property

None of our Directors are interested in any property acquired of or by our Company or proposed or intended to be acquired by it.

Interest in promotion of our Company

Except for Mr. Kumar Mangalam Birla, who is one of the Promoters of our Company, none of the other Directors have any interest in the promotion of our Company, as at the date of this Letter of Offer.

Confirmations

Our Directors are not, and during the five years prior to the date of this Letter of Offer, have not been on the board of any listed company whose shares have been / were suspended from being traded on any of the Stock Exchanges, during the term of his/her directorship in such company.

Except for Mr. Krishnan Ramachandran, none of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any Stock Exchange(s) during the term of their directorship in such companies.

Details in relation to Mr. Krishnan Ramachandran and with the delisting of Philips India Limited are as follows:

S. No.	Particulars	Details
1.	Name of the company	Philips India Limited
2.	Name of the stock exchange(s) on which the company was listed	BSE
3.	Date of delisting on stock exchange(s)	February 16, 2004
4.	Whether delisting was compulsory or voluntary	Voluntary
5.	Reasons for delisting	Acquisition of Philips India Limited by Koninklijke Philips Electronics N. V.
6.	Whether the company has been relisted	No
7.	Date of relisting on BSE	Not applicable
8.	Term of directorship (along with relevant dates) in the above company	February 24, 1995 to October 2, 2007

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Letter of Offer are set forth below:

Name of Director	Date of Change	Reason
Suresh Vaswani	February 8, 2019	Appointment
Krishnan Ramachandran	December 27, 2018	Appointment
Douglas Bailie	November 14, 2018	Resignation
Uday Chander Khanna	September 28, 2018	Resignation
Neena Gupta	September 17, 2018	Appointment
Tarjani Vakil	September 17, 2018	Resignation
Akshaya Moondra	August 31, 2018	Resignation
Sanjeev Aga	August 31, 2018	Resignation
Rajashree Birla	August 31, 2018	Resignation
Mohanbir Singh Gyani	August 31, 2018	Resignation
Pejavar Murari	August 31, 2018	Resignation
Baldev Raj Gupta	August 31, 2018	Resignation
Douglas Baillie	August 31, 2018	Appointment
Thomas Reisten	August 31, 2018	Appointment
Vivek Badrinath	August 31, 2018	Appointment
Arun Kumar Adhikari	August 31, 2018	Appointment
Ravinder Takkar	August 31, 2018	Appointment
Ashwani Windlass	August 31, 2018	Appointment
Debnarayan Bhattacharya	August 31, 2018	Appointment
Uday Chander Khanna	August 31, 2018	Appointment
Alka Marezban Bharucha	March 31, 2018	Resignation

Name of Director	Date of Change	Reason
Shridhir Sariputta Hansa Wijayasuirya	March 30, 2018	Resignation
Baldev Raj Gupta	May 13, 2017	Appointment
Madhabi Puri Buch	April 3, 2017	Resignation
Alka Marezban Bharucha	December 26, 2016	Appointment
R.C. Bhargava	October 1, 2016	Resignation
Akshaya Moondra	July 8, 2016	Appointment

Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws and the ordinary resolution passed by our Shareholders at the annual general meeting held on September 26, 2014, our Board has been authorised to borrow for and on behalf of the Company, from time to time, as it may deem fit, any sum or sums of money, in Indian Rupee or any other foreign currency, from bank(s), financial institution(s), other person or persons, firms, bodies corporate, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans and credits obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up capital and free reserves of our Company, provided that the total amount so borrowed and outstanding at any time shall not exceed ₹ 250,000 million over and above the aggregate of the paid-up share capital and free reserves of the Company. Pursuant to the Merger becoming effective, the borrowing limit of our Company was deemed without any further act or deed to have been enhanced by the borrowing limit of VMSL and Vodafone India in accordance with paragraphs 2.1.1(xviii) and 3.1.1 (xviii), respectively of the Idea-Vodafone Scheme. Accordingly, as at the date of this Letter of Offer, our Company is permitted to borrow monies not exceeding ₹1,500 billion.

Corporate Governance

As at the date of this Letter of Offer, there are 12 Directors on our Board comprising six Non-Executive Directors and six Independent Directors. The Chairman of our Board, Mr. Kumar Mangalam Birla, is a Non-Executive Director. Further, we have one woman Independent Director on our Board. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations and the Companies Act:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) CSR Committee; and
(e) Risk Management Committee

For purposes of the Issue, our Board has also constituted a Capital Raising Committee.

The conduct of meetings, constitution, quorum and manner of approval of business of the Board committees is subject to the provisions of the 2017 SHA and our Articles of Association. For details of the 2017 SHA, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" and "*Main Provisions of Articles of Association*" on pages [●] and [●], respectively.

Audit Committee

The Audit Committee was re-constituted by a resolution of the Board dated February 18, 2019. The Audit Committee currently comprises the following Directors:

S. No.	Name of the Director	Designation
1.	Mr. Ashwani Windlass	Chairman
2.	Mr. Debnarayan Bhattacharya	Member
3.	Mr. Thomas Reisten	Member

S. No.	Name of the Director	Designation
4.	Mr. Arun Kannan Thiagarajan	Member
5.	Mr. Krishnan Ramachandran	Member
6.	Mr. Suresh Vaswani	Member

Under the SEBI Listing Regulations, the quorum necessary for the transaction of business shall be two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee. The Audit Committee shall meet at least four times in a year and not more than 120 days should lapse between two meetings.

Scope and terms of reference:

The broad terms of reference of Audit Committee includes the following:

1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3) Approval of payment to statutory auditors for any other services rendered by statutory auditors.
4) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report;

5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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.

Powers of Audit Committee

The powers of Audit Committee include the following:

i. To investigate any activity within its terms of reference;
ii. To seek information from any employee;
iii. To obtain outside legal or other professional advice;
iv. To secure attendance of outsiders with relevant expertise, if it considers necessary;
v. To call for a separate meeting with statutory and internal auditors with or without the Management team;
vi. To call for a separate meeting with the MD/CEO and as appropriate, other members of the management team to get an independent feedback and also to give feedback received from the auditors;
vii. Appoint any external firm to conduct special reviews of the Company (financial or legal) subject to the approval of the Board;
viii. Perform other activities related to the Charter as requested by the Board of Directors; and
ix. Carry out additional functions as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted pursuant to a resolution passed by our Board on February 18, 2019. The Nomination and Remuneration Committee currently comprises the following Directors:

S. No.	Name of the Director	Designation
1.	Mr. Arun Kumar Adhikari	Chairman
2.	Mr. Himanshu Kapania	Member
3.	Mr. Vivek Badrinath	Member
4.	Mr. Suresh Vaswani	Member

Under the SEBI Listing Regulations, quorum necessary for the transaction of business shall be two members or one third of the members of the Nomination and Remuneration Committee, whichever is greater, with at least one independent director in attendance. The Nomination and Remuneration Committee shall meet at least once in a year.

Scope and terms of reference:

The role of Nomination and Remuneration Committee include the following:

1) Formulating and recommending to the board of directors, the Company's policies relating to the remuneration of the directors, KMPs and other employees; and
2) Criteria for determining the qualifications, positive attributes and independence of current and proposed directors.
3) Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior managers of the quality required to run the Company successfully;

4) Ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
5) The remuneration provided to directors and senior managers includes a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
6) 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 to the Board of Directors their appointment and removal from time to time.
7) Review and implement succession and development plans for managing director, executive directors and senior managers;
8) Devise a policy on board diversity;
9) Formulate the criteria for determining qualifications, positive attributes and independence of directors.
10) Establish evaluation criteria and conduct the process of performance evaluation of each Director and structure manner.
11) Establish evaluation criteria of board and board committees
12) Review and make recommendations to the board with respect to any incentive based compensation and equity based plans that are subject to the Board and shareholder approval (including broad-based plans)
13) Review and discuss with management the disclosures required to be included in the director's report as specified in the act and rules thereunder.
14) 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.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was re-constituted by a resolution of our Board dated September 17, 2018. The Stakeholders' Relationship Committee currently comprises the following Directors:

S. No.	Name of the Director	Designation
1.	Mr. Ravinder Takkar	Chairman
2.	Ms. Neena Gupta	Member
3.	Mr. Debnarayan Bhattacharya	Member
4.	Mr. Himanshu Kapania	Member

Scope and terms of reference:

The role of the Stakeholders' Relationship Committee includes the following:

1) To monitor, under the supervision of the Company Secretary, the complaints received by the Company from Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Company Affairs, Registrar of Companies and the Share/ Debenture/Security holders of the Company etc., and the action taken for redressal of the same;
2) To consider and resolve the complaints / grievances of security holders of the Company including but not limited to complaints relating to transfer of shares, non-receipt of dividend, non-receipt of annual report etc.;
3) To approve allotment of Shares, Debentures and other Securities as per the authority conferred/to be conferred to the Committee by the Board of Directors from time to time;
4) To authorise officers of the Company to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization and rematerialization etc., of Shares, Debentures and other Securities;
5) To approve and ratify the action taken by the authorised officers of the Company in compliance of the requests received from the Shareholders/ Investors for issue of duplicate/replacement/consolidation/sub-division and other purposes for the Shares, Debentures and Securities of the Company;
6) To monitor and expedite the status and process of dematerialisation and rematerialisation of Shares, Debentures and Securities of the Company;
7) To oversee the performance of the Registrar and Share Transfer Agents of the Company;
8) To monitor and oversee the status of unclaimed / undelivered shares / dividend of the Company;
9) To give directions for monitoring the stock of blank stationery and for printing of stationery required

by the Secretarial Department of the Company, from time to time, for issuance of Share Certificates, Debenture Certificates, Allotment Letters, Warrants, Pay Orders, Cheques and other related stationary;

10) To perform such other acts, deeds and things as may be delegated to the Committee by the Board from time to time.

CSR Committee

The CSR Committee was last re-constituted by a resolution of our Board dated February 18, 2019. The CSR Committee currently comprises of:

S. No.	Name of the Director	Designation
1.	Ms. Neena Gupta	Chairperson
2.	Mr. Arun Kumar Adhikari	Member
3.	Mr. Ravinder Takkar	Member
4.	Mr. Krishnan Ramachandran	Member

Scope and terms of reference:

The role of the CSR Committee includes the following:

1) To consider matters relating to education, health care, sustainable livelihood, infrastructural development and social change that it determines to be desirable. In addition, the CSR Committee shall examine any other matters referred to it by the Board.
2) To monitor the Company's CSR policy framework;
3) To receive reports and review CSR activities across the Company's operations;
4) To consider and propose an Annual Budget for CSR activities;
5) To develop a framework for submission, assessment and approval of discretionary and obligatory community, social, educational and charitable expenditures;
6) To prepare the Annual CSR Report and ensure that it is a fair reflection of the Company's CSR approach, policies, systems and performance;
7) To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner as and when circumstances warrant and in line with regulatory requirement, if any;
8) To retain outside consultants, if required;
9) To take such independent professional / legal advice, and
10) To consider other matters as specified by the Board.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated September 17, 2018. The Risk Management Committee currently comprises the following Directors:

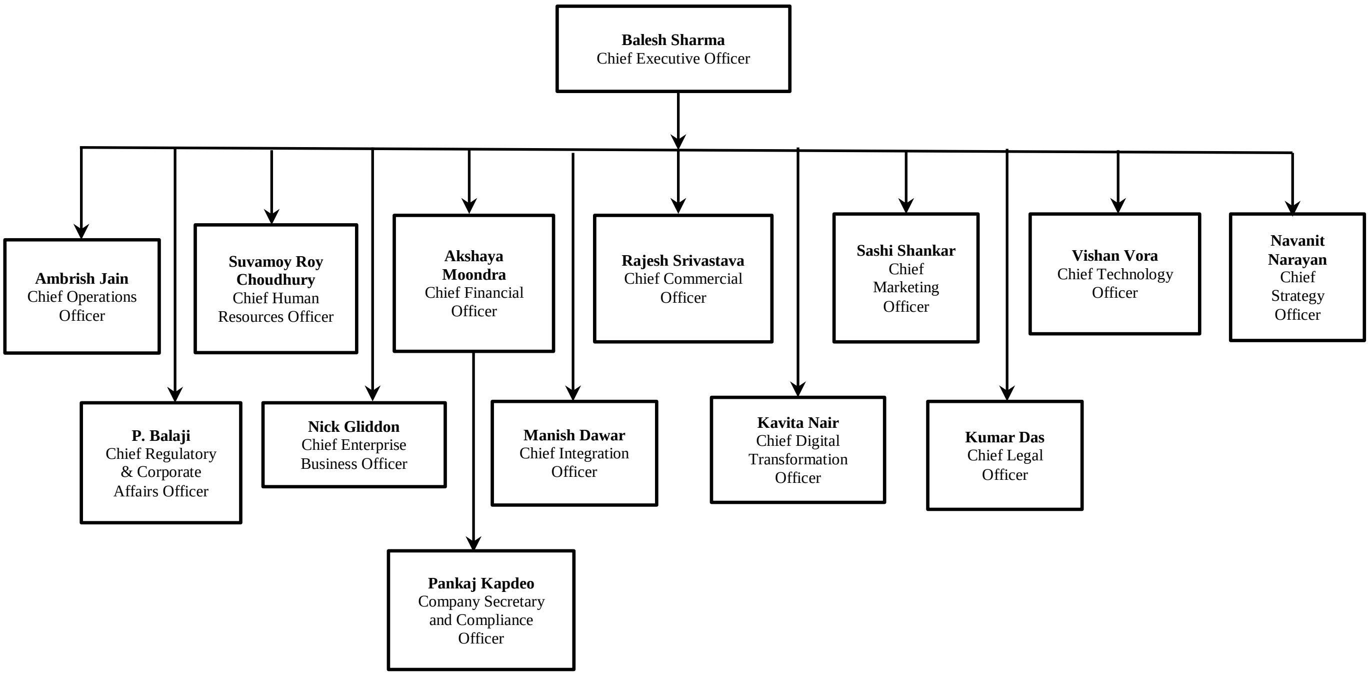
S. No.	Name of the Director	Designation
1.	Mr. Himanshu Kapania	Chairman
2.	Mr. Thomas Reisten	Member
3.	Mr. Arun Kumar Adhikari	Member
4.	Mr. Ashwani Windlass	Member

Scope and terms of reference:

The role of the Risk Management Committee includes the following:

1) To Frame, Implement and Monitor Enterprise Wide Risk Management Plan;
2) To review the Risk Governance Structure, Risk Assessment and Risk Management Processes;
3) To review Risk Assessment and Minimization procedures;
4) To review status of risks / mitigation plans from time to time;
5) To take independent professional / legal advice, if required; and
6) To consider other matters as specified by the Board.

Management Organization Structure



Key Managerial Personnel

The details of our Key Managerial Personnel as at the date of this Letter of Offer are set forth below.

Mr. Balesh Sharma is the Chief Executive Officer of our Company. He joined us from the Vodafone India and was appointed the Chief Executive Officer of our Company with effect from August 31, 2018 pursuant to the Merger. He holds a bachelor's degree of engineering in mechanical and a master's degree of business administration from University of Rajasthan, Jaipur. He has extensive business experience, including more than 15 years of experience in the telecom sector. He joined Vodafone (then Hutch) in 2003 and has held several senior management positions in India and internationally, including as the chief operating and chief executive officer of Vodafone India – Gujarat circle, the chief executive officer of Vodafone Malta and the chief executive officer of Vodafone Czech Republic. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Mr. Akshaya Moondra is the Chief Financial Officer of our Company. He joined our Company on June 23, 2008. He was appointed as the Chief Financial Officer on July 21, 2014. He holds a bachelor's degree of commerce from University of Delhi and is a qualified Chartered Accountant and Licentiate Company Secretary. He has also completed advance management program from Harvard Business School. He has earlier worked with Grasim Industries Limited, Thai Rayon Co. Ltd., Thai Epoxy and Allied Products Co., Ltd., Thai Acrylic Fibre Company Limited, Thailand in the past. He has over 27 years of work experience including ten years of experience in telecom sector. In Fiscal 2018, he received a gross remuneration of ₹ 26.73 million in his capacity as the whole-time Director and Chief Financial Officer of our Company.

Mr. Pankaj Kapdeo is the Company Secretary of our Company. He joined our Company on November 21, 2006. He holds a bachelor's degree in commerce and bachelor's degree in law from Vikram University, Ujjain. He is also a qualified Company Secretary. He has also completed an executive education program from the Wharton School. He has over two decades of work experience including over 12 years of experience in telecom sector. He has also worked with Grasim Industries Limited, Nestle India Limited, Dabur Pharma Limited and Radico Khaitan Limited in the past. [In Fiscal 2018, he received a gross remuneration of ₹ 11.90 million.

Senior Managerial Personnel

The details of our Senior Managerial Personnel as at the date of this Letter of Offer are set forth below.

Mr. Ambrish Jain is the Chief Operations Officer of our Company. He joined our Company on July 1, 2004 and held the position of Deputy Managing Director of the Company. Post the Merger on August 31, 2018, he has been designated as the Chief Operations Officer of the Company responsible for pan-India circle operations and service deliver. He holds a bachelor’s degree of technology from Indian Institute of Technology, Delhi and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He has also completed an advanced management program from Harvard Business School. He has also worked with Escorts Limited, Escotel Mobile Communication Limited and Aircel Digilink India Limited in the past. He has extensive experience in telecom sector. In the Fiscal 2018, he received a gross remuneration of ₹ 45.19 million.

Mr. Nick Gliddon is the Chief Enterprise Business Officer of our Company. He joined Vodafone India (on secondment) on May 21, 2015 and held the position of Director – Vodafone Business Services India. Post the Merger on August 31, 2018, he has been appointed as Chief Enterprise Business Officer of our Company responsible for Enterprise Business. He holds a bachelor’s degree of arts in marketing (engineering) from the Polytechnic of Huddersfield and diploma in marketing from the Chartered Institute of Marketing in the United Kingdom. He has vast experience in Business to Business domain. He has also worked with Vodafone Egypt as Enterprise Business Unit Director. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Mr. Manish Dawar is the Chief Integration Officer of our Company. He joined Vodafone India on November 22, 2017 and held the position of Chief Financial Officer. Post the Merger on August 31, 2018, he has been appointed as Chief Integration Officer of our Company responsible for integration planning and developing integration strategies. He holds a bachelor’s degree of commerce with Honors in Accounting from Punjab University, Chandigarh. He is a member of the Institute of Chartered Accountants of India and Institute of Company Sectaries of India. He has significant business experience including 4 years in the telecom sector and has worked with multinationals and leading domestic companies. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Mr. Sashi Shankar is the Chief Marketing Officer of our Company. He joined our Company on October 1, 2001 and held the position of Chief Marketing Officer of the Company. Post the Merger on August 31, 2018, he has been designated as the Chief Marketing Officer of the Company responsible for Marketing, Product and Brand strategy for the consumer business. He holds a bachelor’s degree of technology in chemical engineering from Madras University and a master’s degree of management studies from University of Bombay. He has significant work experience including over sixteen years of experience in telecom sector. In the Fiscal 2018, he received a gross remuneration of ₹ 21.12 million. He is due to retire in June 2019.

Mr. Vishant Vora is the Chief Technology Officer of our Company. He joined Vodafone India (on secondment) on July 5, 2010 and held the position of Director – Technology. Post the Merger on August 31, 2018, he has been appointed as Chief Technology Officer responsible for networks, IT operations and overall technology strategy. He holds a bachelor of science in electrical engineering from Lawrence Technological University in Michigan, USA. He has more than 25 years in the telecom sector. He has also worked with Vodafone Group Services Limited in the past. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Ms. Kavita Nair is the Chief Digital Transformation Officer of our Company. She joined Vodafone India on December 1, 1998, and held the position of Associate Director – Commercial Operations. Post the Merger on August 31, 2018, she has been appointed as Chief Digital Transformation Officer leading Digital Transformation across the organization. She holds a master’s diploma in Computer Science from Datapro Infoworld Limited. She has participated in leadership programs from London Business School and Indian Institute of Management, Ahmedabad. She has over 20 years in the telecom sector. She has also worked with our Company in the past. Since she joined our Company in August 2018, she did not receive any remuneration from our Company in Fiscal 2018.

Mr. Navanit Narayan is the Chief Strategy Officer of our Company. He joined our Company on January 2, 2008 and held the position of Chief Service Delivery Officer. Post the Merger on August 31, 2018, he has been designated as the Chief Strategy Officer of the Company responsible for strategy function. He holds a bachelor’s degree of engineering in mechanical from Birla Institute of Technology and a master of science from Northwestern University. He also holds a post graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. He has significant work experience including eleven years of experience in telecom sector. He has also worked with Nokia Siemens Networks Limited, Epicenter technologies Private Limited, Wipro Spectramind Services Limited, William M Mercer and Tata Steel in the past. In the Fiscal 2018, he received a gross remuneration of ₹ 21.15 million.

Mr. P. Balaji is the Chief Regulatory and Corporate Affairs Officer of our Company. He joined Vodafone India on October 20, 2014, and held the position of Director –Regulatory, External Affairs and CSR. Post the Merger on August 31, 2018, he was appointed as the Chief Regulatory and Corporate Affairs Officer of our Company responsible for Regulatory and CSR function. He holds a bachelor's degree in electronics engineering from Indian Institute of Technology, Roorkee and a post graduate diploma of engineering in electronics and communication engineering from Indian Institute of Management, Ahmedabad. He has extensive experience in the telecom sector. He has also worked with Nokia Limited and Sony Ericsson Mobile Communications (India) Private Limited as the head of Market Unit - India. He is also the Chairman of ASSOCHAM National Council on Telecommunications and Convergence. He was also the President of Telecom Equipment Manufacturers Association. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Mr. Kumar Das is the Chief Legal Officer of our Company. He joined Vodafone India on April 30, 2010 and held the position of General Counsel. Post the Merger on August 31, 2018 he was appointed as the Chief Legal Officer of our Company responsible for Legal, Compliance and Corporate Security function. He holds a bachelor's degree of law and a bachelor's degree of science (Honours), both from University of Delhi. He holds a master's degree in law from University of Delhi. In the past, he has worked with Nokia India Private Limited and was also associated with Hindustan Unilever Limited. He has more than 29 years of work experience including 9 years in the telecom sector. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018.

Mr. Rajesh Srivastava is the Chief Commercial Officer at our Company. He joined our Company on November 7, 2006 and held the position of Chief Commercial Officer. Post the Merger on August 31, 2018, he has been designated as the Chief Commercial Officer of the Company responsible for commercial function. He holds a bachelor's degree of Science in Physics from University of Delhi and a bachelor's degree of engineering in electrical technology and electronics from Indian Institute of Science, Bangalore. In the past, he has worked with FAST Telecommunication Co. W.L.L., Gulf Bank, Alghanim Industries, Essar Investments Limited, The East India Hotels Limited and Ipca Laboratories Limited. He has over 40 years of work experience including 14 years in the telecom sector. In the Fiscal 2018, he received a gross remuneration of ₹ 19.04 million.

Mr. Suvamoy Roy Choudhury is the Chief Human Resource Officer of our Company. He joined Vodafone India on January 15, 2015 and held the position of Director – Human Resources. Post the Merger on August 31, 2018, he was appointed as the Chief Human Resource Officer of our Company responsible for Human Resource function. He holds a bachelor's degree of arts from University of Calcutta and a master's degree of arts in personnel management and industrial relations from Tata Institute of Social Sciences. He has worked with Motorola Limited, Baxter (India) Private Limited and Reckitt Benckiser (India) Limited in the past. Since he joined our Company in August 2018, he did not receive any remuneration from our Company in Fiscal 2018. He has significant work experience including 4 years in telecom sector.

Except Mr. Nick Gliddon and Mr. Vishant Vora, who have been seconded to our Company from Vodafone Global Enterprise Ltd. until June 30, 2019 and Vodafone Group Services Limited until June 30, 2020, respectively, all the other Key Managerial Personnel and the Senior Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Managerial Personnel

None of our Key Managerial Personnel and Senior Managerial Personnel are related to each other.

Bonus or profit sharing plan for the Key Managerial Personnel and Senior Managerial Personnel

There is no bonus or profit sharing plan for the Key Managerial Personnel and Senior Managerial Personnel of our Company.

Changes in the Key Managerial Personnel in the last three years other than by way of retirement in normal course

The changes in the Key Managerial Personnel during the three years immediately preceding the date of this Letter of Offer for reasons other than retirement in the normal course are set forth below.

Name of Key Managerial Personnel	Date of Change	Reasons
Mr. Himanshu Kapania	August 31, 2018	Resignation as Managing Director
Mr. Balesh Sharma	August 31, 2018	Appointment as Chief Executive Officer

Shareholding of Key Managerial Personnel in our Company

As on the date of Letter of Offer, none of our Key Managerial Personnel hold any Equity Shares in our Company other than as stated below:

Name of Key Managerial Personnel	Number of Equity Shares	Percentage (in %)
Mr. Balesh Sharma	1,000	Negligible
Mr. Akshaya Moondra	277,444	Negligible
Mr. Pankaj Kapdeo	69,452	Negligible

Shareholding of Senior Managerial Personnel in our Company

As on the date of Letter of Offer, none of our Senior Managerial Personnel hold any Equity Shares in our Company other than as stated below:

Name of Senior Managerial Personnel	Number of Equity Shares	Percentage (in %)
Mr. Ambrish Jain	601,042	Negligible
Mr. Kumar Das	295	Negligible
Mr. Navanit Narayan	125	Negligible
Mr. Rajesh Srivastava	73,944	Negligible
Mr. Shashi Shankar	91,169	Negligible

Service Contracts with Key Managerial Personnel and Senior Managerial Personnel

Except for terms set forth in the appointment letters, our Company has not entered into any service contracts, pursuant to which the Key Managerial Personnel and Senior Managerial Personnel are entitled to benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel and Senior Managerial Personnel, are entitled to any benefit upon termination of employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Managerial Personnel accrued for the Fiscal Year 2018, payable at a later date.

Arrangements and understanding with major shareholders, customers, suppliers or others

Pursuant to the 2017 SHA and our Articles of Association, the appointment of the chief executive officer and the chief operating officer of our Company shall require the approval of both the Vodafone Group Shareholders and the ICL Group Shareholders; however, such officers can be removed by either party. The Vodafone Group Shareholders have the right to appoint or remove the chief financial officer.

For details of the 2017 SHA, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" and "*Main Provisions of Articles of Association*" on pages [●] and [●], respectively.

No other Key Managerial Personnel and Senior Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee Stock Option Plans

For details of the ESOS Schemes, see "*Capital Structure – Employee Stock Option Plans*" on page [●].

Payment or benefits to Key Managerial Personnel and Senior Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel and Senior Managerial Personnel within the two preceding years or is intended to be paid or given to any Key Managerial Personnel and Senior Managerial Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

As at the date of this Letter of Offer, the following are the Promoters of our Company:

Aditya Birla Group

1. Mr. Kumar Mangalam Birla;
2. Hindalco Industries Limited;
3. Grasim Industries Limited;
4. Birla TMT Holdings Private Limited;

Vodafone Group

5. Vodafone International Holdings B.V.;
6. Al-Amin Investments Limited;
7. Asian Telecommunication Investments (Mauritius) Limited;
8. CCII (Mauritius), Inc.;
9. Euro Pacific Securities Limited;
10. Vodafone Telecommunications (India) Limited;
11. Mobilvest;
12. Prime Metals Limited;
13. Trans Crystal Limited;
14. Omega Telecom Holdings Private Limited;
15. Telecom Investments India Private Limited;
16. Jaykay Finholding (India) Private Limited; and
17. Usha Martin Telematics Limited.

The Promoters together hold an aggregate of 5,546,488,667 Equity Shares, aggregating to 63.50% of the pre-Issue issued, subscribed and paid-up share capital of our Company. For further details, see "*Capital Structure*" on page [●].

1. Mr. Kumar Mangalam Birla

	Mr. Kumar Mangalam Birla is our Non-Executive Chairman and is one of the original promoters since the incorporation of the Company. For additional details on the profile of Mr. Kumar Mangalam Birla, *i.e.*, his date of birth, age, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships, and special achievements, see "*Our Management*" on page [●]. Mr. Kumar Mangalam Birla holds 233,333 Equity Shares in our Company. Mr. Kumar Mangalam Birla's permanent account number is AEFPB5926H and his aadhaar card number is [●]. Mr. Kumar Mangalam Birla does not have a driving license. Other than as disclosed in "– *Our Promoter Group*" on page [●] and "*Our Management*" on pages [●] and [●], respectively, Mr. Kumar Mangalam Birla is not involved in any other venture.

Our Company confirms that the permanent account number, aadhaar card number, bank account number(s) and passport number of Mr. Kumar Mangalam Birla will be submitted to the Stock Exchanges at the time of filing of this Letter of Offer.

2. Hindalco Industries Limited

Corporate Information and History:

Hindalco Industries Limited ("**HIL**") was incorporated as a public company limited by shares under the Companies Act, 1956 on December 15, 1958 and its registered office is located at Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road , Mumbai 400 093, Maharashtra, India.

HIL is promoted by Mr. Kumar Mangalam Birla, the individual promoter of our Company and IGH Holdings Private Limited.

As at the date of this Letter of Offer, HIL holds 228,340,226 Equity Shares, representing 2.61% of the issued, subscribed and paid-up equity share capital of our Company.

Nature of Business:

HIL is a leading producer of primary aluminum and copper in India. Further, HIL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of HIL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Kumar Mangalam Birla	Non Executive Chairman
2.	Rajashree Birla	Non Executive Director
3.	Askaran Agarwala	Non Executive Director
4.	D Bhattacharya	Non Executive Director
5.	M M Bhagat	Independent Director
6.	Kailash Nath Bhandari	Independent Director
7.	Girish Mohanlal Dave	Independent Director
8.	Alka M Bharucha	Independent Director
9.	Yazdi Piroj Dandiwala	Independent Director
10.	Ram Charan	Independent Director
11.	Satish Pai	Managing Director
12.	Praveen Kumar Maheshwari	Whole Time Director & CFO

Change in Control:

There has been no change in the control of HIL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of HIL as at December 31, 2018:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (1V)-(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: y	Total								
(A)	Promoter & Promoter Group*	20	763797188	0	14542309	778339497	34.66	778339497	0	778339497	34.73	0	0	0	0	0	0	778339497
(B)	Public**	299205	1325053195	0	137647445	1462700640	65.14	1462700640	0	1462700640	65.27	0	0	0	0	0	0	1419278918
(C)	Non Promoter-Non Public	1	4472248	0	0	4472248	0.20	0	0	0		0	0					4472248
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	-	0	0	0	0	0	0	
(C2)	Shares held by Employee Trusts	1	4472248	0	0	4472248	0.20	0	0	0		0	0	0	0	0	0	4472248
	Total	299226	2093322631	0	152189754	2245512385	100.00	2241040137	0	2241040137	100.00	0	0			0	0	2202090663

*Promoters includes 0.7 % as GDRs. Refer the Deposit Agreement between the Parties

** Public includes 6.92 % as GDRs. Refer the Deposit Agreement between the Parties

As at the date of this Letter of Offer, the equity shares of HIL are listed on the National Stock Exchange of India Limited and the BSE Limited.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of HIL, and the address of the registrar of companies where HIL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

3. Grasim Industries Limited

Corporate Information and History:

Grasim Industries Limited ("**GIL**") was incorporated as a public company limited by shares under the provisions of the Gwalior Companies Act (1 of Samvat 1963) on August 25, 1947 and its registered office is located at Birlagram, Nagda, Ujjain 456 331, Madhya Pradesh, India.

GIL is promoted by Mr. Kumar Mangalam Birla, the individual promoter of our Company and Birla Group Holdings Private Limited.

As at the date of this Letter of Offer, GIL holds 1,008,540,115 Equity Shares, representing 11.55% of the issued, subscribed and paid-up equity share capital of our Company.

Nature of Business:

GIL is engaged in the business of manufacture of viscose staple fibre ("**VSF**"), viscose filament yarn, cement, chlor-alkali and allied chemicals, epoxy resins, textiles, fertilizers, seeds, agro chemicals and insulators. It is a leading global player in VSF. It is also the largest manufacturer of caustic soda in India. GIL is also the largest cement producer and diversified financial services (NBFC, Asset Management and Life Insurance) player in India through its subsidiaries UltraTech Cement Limited and Aditya Birla Capital Limited, respectively. Further, GIL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of GIL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Mr. Kumar Mangalam Birla	Non-Executive Director
2.	Mrs. Rajashree Birla	Non-Executive Director
3.	Mr. Himanshu Kapania	Non-Executive Director
4.	Mr. Madhav Laxman Apte	Independent Director
5.	Mr. Bhupendranath Bhargava	Independent Director
6.	Mr. Cyril Shroff	Independent Director
7.	Dr. Thomas M Connelly Jr.	Independent Director
8.	Ms. Usha Sangwan	Non-Executive Director
9.	Mr. Shailendra Kumar Jain	Non-Executive Director
10.	Mr. Om Prakash Rungta	Independent Director
11.	Mr. Arun Thiagarajan	Independent Director
12.	Ms. Anita Ramachandran	Independent Director
13.	Mr. Dilip Gaur	Managing Director
14.	Mr. Sushil Agarwal	Whole-Time Director and CFO

Change in Control:

There has been no change in the control of GIL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of GIL as at December 31, 2018:

Category	***Category of shareholder***	***Nos. of share-holders***	***No. of fully paid up equity shares held***	***No. of Partly paid-up equity Shares held***	***No. of shares underlying Depository Receipts***	***Total nos. shares held***	***Share-holding as a % of total no. of shares (calculated as per SCRR, 1957)***	***Number of Voting Rights held in each class of securities***				***No. of Shares Underlying Outstanding convertible securities (including Warrants)***	***Share-holding, as a % assuming full conversion of convertible securities (as a percentage***	***Number of Locked in shares***		***Number of Shares pledged or Otherwise encumbered***		***Number of equity shares held In dematerialized form***
(I)	*(II)*	*(III)*	*(IV)*	*(V)*	*(VI)*	**(VII) =** ***(IV)+(V)+ (VI)***	***(VIII) As a % of (A+B+C2)***	*(IX)*				*(X)*		**(XII)**		*(XIII)*		**(XIV)**
								No of Voting Rights			***Total as a % of (A+B+ C)***			***No. (a)***	***As a % of total Shares held***	***No. (a)***	***As a % of total Shares held (b)***	
								Class eg: X	***Class eg:y***	***Total***								
A	Promoter & Promoter Group	27	240046208	0	24011520	264057728	40.16	264057728	0	264057728	40.23	0	40.16	0	0.00			264057728
B	Public	235280	373620077	0	18615667	392235744	59.65	392235744	0	392235744	59.77	0	59.65	0	0.00			370824217
C	Non Promoter-Non Public	1	1297816	0		1297816		0	0	0	0.00	0		0	0.00			1297816
C1	Shares underlying DRs	0	0	0		0		0	0	0	0.00	0		0	0.00			0
C2	Shares held by Employee Trusts	1	1297816	0		1297816	0.20	0	0	0	0.00	0	0.20	0	0.00			1297816
	Total	235308	614964101	0	42627187	657591288	100.00	656293472	0	656293472	100.00	0	100.00	0	0.00			636179761

As at the date of this Letter of Offer, the equity shares of GIL are listed on the National Stock Exchange of India Limited and the BSE Limited.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of GIL, and the address of the registrar of companies where GIL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

4. Birla TMT Holdings Private Limited

Corporate Information and History:

Birla TMT Holdings Private Limited ("**BTHPL**") was incorporated as a private company limited by shares under the Companies Act, 1956 on October 12, 2000 and its registered office is located at 212, 2nd Floor, T. V. Industrial Estate, 52, S. K. Ahire Marg, Worli, Mumbai 400 030, Maharashtra, India.

BTHPL is promoted by Birla Group Holdings Private Limited.

As at the date of this Letter of Offer, BTHPL holds 353,798,538 Equity Shares, representing 4.05% of the issued, subscribed and paid-up equity share capital of our Company. BTHPL is not an original Promoter of our Company and has acquired control in the manner stated below:

Birla TMT Holdings Private Limited acquired Equity Shares in the Company during 2001 to 2018. Such acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

BTHPL is a non-deposit taking non-banking finance company registered with the RBI and functioning as a Core Investment Company. Further, BTHPL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of BTHPL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Mr. Gopi Krishna Tulsian	Director
2.	Mr. Sushil Agarwal	Director

Change in Control:

There has been no change in the control of BTHPL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of BTHPL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Birla Group Holdings Private Limited	2,250,000	99.99
Other Indian shareholders	200	0.01
Total	2,250,200	100

As at the date of this Letter of Offer, the equity shares of BTHPL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of BTHPL, and the address of the registrar of companies where BTHPL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

5. Vodafone International Holdings B.V.

Corporate Information and History:

Vodafone International Holdings B.V. ("**VIHBV**") was incorporated as a private limited company, limited by shares, under the laws of the Netherlands on and its registered office is located at Rivium Quadrant 173, 15th floor, 2909 LC Capelle aan den IJssel, the Netherlands.

VIHBV is promoted by Vodafone Europe B.V. Its ultimate holding company is Vodafone Group Plc.

As at the date of this Letter of Offer, VIHBV does not hold any Equity Shares of our Company. VIHBV is not an original Promoter of our Company. It is the promoter of certain of our Promoters who became Promoters of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

VIHBV is a holding and finance company.

Board of Directors:

The composition of the board of directors of VIHBV as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Erik de Rijk	Director
2.	John Connors	Director
3.	Martin Buckers	Director
4.	Taco van der Mast	Director
5.	Henri Lantsheer	Director

Change in Control:

There has been no change in the control of VIHBV in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VIHBV:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Vodafone Europe B.V.	18,928	100%
Total	18,928	100%

As at the date of this Letter of Offer, the equity shares of VIHBV are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of VIHBV will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

6. Al-Amin Investments Limited

Corporate Information and History:

Al-Amin Investments Limited ("**AAIL**") was incorporated as a private company limited by shares under the laws of Mauritius on November 30, 1999 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

AAIL is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, AAIL holds 247,074,233 Equity Shares, representing 2.83% of the issued, subscribed and paid-up equity share capital of our Company. AAIL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

AAIL is an investment holding company. Further, AAIL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of AAIL as at the date of this Letter of Offer is set forth below:

S. No.	**Name**	**Designation**
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of AAIL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of AAIL:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Capital**
Array Holdings Limited	10,037	100%
Total	10,037	**100%**

As at the date of this Letter of Offer, the equity shares of AAIL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of AAIL will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

7. Asian Telecommunication Investments (Mauritius) Limited

Corporate Information and History:

Asian Telecommunication Investments (Mauritius) Limited ("**ATIML**") was incorporated as a private company limited by shares under the laws of Mauritius on May 26, 1997 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

ATIML is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, ATIML holds 298,062,840 Equity Shares, representing 3.41% of the issued, subscribed and paid-up equity share capital of our Company. ATIML is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

ATIML is an investment holding company. Further, ATIML has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of ATIML as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of ATIML in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of ATIML:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Array Holdings Limited	2,749	100%
Total	2,749	**100%**

As at the date of this Letter of Offer, the equity shares of ATIML are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of ATIML will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

8. CCII (Mauritius), Inc.

Corporate Information and History:

CCII (Mauritius), Inc. ("**CCII**") was incorporated as a private company limited by shares under the laws of Mauritius on August 15, 1995 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

CCII is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, CCII holds 135,602,165 Equity Shares, representing 1.55% of the issued, subscribed and paid-up equity share capital of our Company. CCII is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

CCII is an investment holding company. Further, CCII has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of CCII as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of CCII in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of CCII:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
CGP India Investments Limited	3,544	100%
Total	**3,544**	**100%**

As at the date of this Letter of Offer, the equity shares of CCII are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of CCII will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

9. Euro Pacific Securities Limited

Corporate Information and History:

Euro Pacific Securities Limited ("**EPSL**") was incorporated as a private company limited by shares under the laws of Mauritius on November 25, 1992 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

EPSL is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, EPSL holds 722,754,922 Equity Shares, representing 9.08% of the issued, subscribed and paid-up equity share capital of our Company. EPSL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

EPSL is an investment holding company. Further, EPSL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of EPSL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of EPSL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of EPSL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
CGP India Investments Limited	3,745	100%
Total	**3,745**	**100%**

As at the date of this Letter of Offer, the equity shares of EPSL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of EPSL will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

10. Vodafone Telecommunications (India) Limited

Corporate Information and History:

Vodafone Telecommunications (India) Limited ("**VTIL**") was incorporated as a private company limited by shares under the laws of Mauritius on July 25, 1995 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

VTIL is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, VTIL holds 493,851,584 Equity Shares, representing 5.65% of the issued, subscribed and paid-up equity share capital of our Company. VTIL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

VTIL is an investment holding company. Further, VTIL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of VTIL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of VTIL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of VTIL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Array Holdings Limited	2,701	100%
Total	2,701	**100%**

As at the date of this Letter of Offer, the equity shares of VTIL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of VTIL will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

11. Mobilvest

Corporate Information and History:

Mobilvest was incorporated as a private company limited by shares under the laws of Mauritius on December 22, 1995 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

Mobilvest is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, Mobilvest holds 509,502,318 Equity Shares, representing 5.83% of the issued, subscribed and paid-up equity share capital of our Company. Mobilvest is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

Mobilvest is an investment holding company. Further, Mobilvest has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of Mobilvest as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of Mobilvest in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of Mobilvest:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
CGP India Investments Limited	159,888,964	100%
Total	**159,888,964**	**100%**

As at the date of this Letter of Offer, the equity shares of Mobilvest are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of Mobilvest will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

12. Prime Metals Limited

Corporate Information and History:

Prime Metals Limited ("**PML**") was incorporated as a private company limited by shares under the laws of Mauritius on June 8, 1993 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

PML is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, PML holds 664,399,929 Equity Shares, representing 7.61% of the issued, subscribed and paid-up equity share capital of our Company. PML is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The aforementioned acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

PML is an investment holding company. Further, PML has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of PML as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of PML in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of PML:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
CGP India Investments Limited	2,445	100%
Total	**2,445**	**100%**

As at the date of this Letter of Offer, the equity shares of PML are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of PML will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

13. Trans Crystal Limited

Corporate Information and History:

Trans Crystal Limited ("**TCL**") was incorporated as a private company limited by shares under the laws of Mauritius on July 7, 2000 and its registered office is located at 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius.

TCL is promoted by VIHBV and its ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, TCL holds 444,187,567 Equity Shares, representing 5.09% of the issued, subscribed and paid-up equity share capital of our Company. TCL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

TCL is an investment holding company. Further, TCL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of TCL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Helen Suzanne Gujadhur-Bell	Director
2.	Mr. Boopendradas Sungker	Director
3.	Mr. Gerhardus Adriaan Van Niekerk	Director

Change in Control:

There has been no change in the control of TCL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of TCL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Array Holdings Limited	2,445	100%
Total	2,445	**100%**

As at the date of this Letter of Offer, the equity shares of TCL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of TCLwill be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

14. Omega Telecom Holdings Private Limited

Corporate Information and History:

Omega Telecom Holdings Private Limited ("**OTHPL**") was incorporated as a private company limited by shares under the Companies Act, 1956 on April 24, 1995 and its registered office is located at 127, Maker Chamber III, Nariman Point, Mumbai 400 021, Maharashtra, India.

OTHPL is promoted by SMMS Investments Private Limited ("**SMMS**") and VTIL. SMMS and VTIL are indirect subsidiaries of VIHBV, whose ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V*." at page [●]

As at the date of this Letter of Offer, OTHPL holds 76,687,227 Equity Shares, representing 0.88% of the issued, subscribed and paid-up equity share capital of our Company. OTHPL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

OTHPL is an investment holding company. Further, OTHPL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of OTMPL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Priyanka Sinha	Director
2.	Mr. Surender Dharam Mehta	Director
3.	Mr. Pankaj Vasani	Director
4.	Ms. Varsha Singh	Director

Change in Control:

There has been no change in the control of OTHPL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of OTHPL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
SMMS Investments Private Limited	143,881,527	61.60%
Vodafone Telecommunications (India) Limited	89,692,381	38.40%
Total	233,573,908	**100%**

As at the date of this Letter of Offer, the equity shares of OTHPL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of OTHPL, and the address of the registrar of companies where OTHPL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer with them.

15. Telecom Investments India Private Limited

Corporate Information and History:

Telecom Investments India Private Limited ("**TIIPL**") was incorporated as a private company limited by shares under the Companies Act, 1956 on December 30, 1997, and its registered office is located at 127, Maker Chamber III Nariman Point, Mumbai 400 021, Maharashtra, India.

TIIPL is promoted by CGP India Investments Limited ("**CGP India**"), ND Callus Info Services Private Limited ("**ND Callus**") and Nadal Trading Company Private Limited ("**Nadal Trading**"). CGP India, ND Callus and Nadal Trading are indirect subsidiaries of VIHBV, whose ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, TIIPL holds 194,738,421 Equity Shares, representing 2.23% of the issued, subscribed and paid-up equity share capital of our Company. TIIPL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

TIIPL is an investment holding company. Further, TIIPL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of TIIPL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Priyanka Sinha	Director
2.	Mr. Surender Dharam Mehta	Director
3.	Ms. Varsha Singh	Director

Change in Control:

There has been no change in the control of TIIPL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of TIIPL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
CGP India Investments Limited	439,486,232	49%
ND Callus Info Services Private Limited	242,435,143	27.03%
Nadal Trading Company Private Limited	214,989,551	23.97%
Total	869,910,926	**100%**

As at the date of this Letter of Offer, the equity shares of TIIPL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of TIIPL, and the address of the registrar of companies where TIIPL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

16. Jaykay Finholding (India) Private Limited

Corporate Information and History:

Jaykay Finholding (India) Private Limited ("**JFIPL**") was incorporated as a private company limited by shares under the Companies Act, 1956 on September 28, 1999, and its registered office is located at 127, Maker Chamber III Nariman Point, Mumbai 400 021, Maharashtra, India.

JFIPL is promoted by Telecom Investments India Private Limited and Scorpios Beverages Private Limited. Telecom Investments India Private Limited and Scorpios Beverages Private Limited are indirect subsidiaries of VIHBV whose ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, JFIPL holds 7,592,136 Equity Shares, representing 0.09% of the issued, subscribed and paid-up equity share capital of our Company. JFIPL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

JFIPL is an investment holding company. Further, JFIPL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of JFIPL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Ms. Priyanka Sinha	Director
2.	Mr. Surender Dharam Mehta	Director
3.	Ms. Varsha Singh	Director

Change in Control:

There has been no change in the control of JFIPL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of JFIPL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Telecom Investments India Private Limited	401,129,247	100%
Scorpios Beverages Private Limited (as a nominee of Telecom Investment India Private Limited)	1	negligible
Total	401,129,248	100%

As at the date of this Letter of Offer, the equity shares of JFIPL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of JFIPL, and the address of the registrar of companies where JFIPL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

17. Usha Martin Telematics Limited

Corporate Information and History:

Usha Martin Telematics Limited ("**UMTL**") was incorporated as a company limited by shares under the Companies Act, 1956 on March 16, 1995, and its registered office is located at 8th Floor, RDB Boulevard, Plot K-1, Block EP & GP, Sector - V, Salt Lake, Kolkata 700 091, West Bengal, India.

UMTL is promoted by UMT Investments Limited ("**UMT Investments**"). UMT Investments is an indirect subsidiary of VIHBV, whose ultimate holding company is Vodafone Group Plc. For details in relation to VIHBV, please see "*Our Promoters and Promoter Group – Vodafone International Holdings B.V.*" at page [●].

As at the date of this Letter of Offer, UMTL holds 91,123,113 Equity Shares, representing 1.04% of the issued, subscribed and paid-up equity share capital of our Company. UMTL is not an original Promoter of our Company. It became a Promoter of our Company with effect from August 31, 2018, pursuant to the Merger. For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years*" on page [●].

The above acquisition of control was in compliance with the provisions of the Takeover Regulations and the SEBI Listing Regulations.

Nature of Business:

UMTL is an investment holding company. Further, UMTL has not changed its activities since the date of its incorporation.

Board of Directors:

The composition of the board of directors of UMTL as at the date of this Letter of Offer is set forth below:

S. No.	Name	Designation
1.	Mr. Nagesh Ganesh Alai	Director
2.	Ms. Priyanka Sinha	Director
3.	Mr. Surender Dharam Mehta	Director
4.	Mr. Pankaj Vasani	Director
5.	Ms. Varsha Singh	Director
6.	Mr. Balasubramanian Venkataraman	Director

Change in Control:

There has been no change in the control of UMTL in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of UMTL:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
UMT Investments Limited	197,595,384	100%
ND Callus Info Services Private Limited*	10	0%
MV Healthcare Services Private Limited*	10	0%
Scorpios Beverages Private Limited*	10	0%
Telecom Investments India Private Limited*	10	0%
Jaykay Finholding (India) Private Limited*	10	0%
Christian Sommer jointly with UMT Investments Limited*	5	0%
Arpita Doshi jointly with UMT Investments Limited*	5	0%
Total	197,595,444	**100%**

As at the date of this Letter of Offer, the equity shares of UMTL are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of UMTL, and the address of the registrar of companies where UMTL is registered, will be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

Individuals forming part of the Promoter Group

S. No.	Name of the Individual	Relationship with Mr. Kumar Mangalam Birla
1.	Neerja Birla	Wife
2.	Rajashree Birla	Mother
3.	Ananyashree Birla	Daughter
4.	Advaitesha Birla	Daughter
5.	Aryaman Vikram Birla	Son
6.	Vasavadatta Bajaj	Sister

Entities forming part of the Promoter Group

Aditya Birla Group:

1. Elaine Investments Pte. Ltd;
2. Oriana Investments Pte. Ltd.;
3. IGH Holdings Private Limited;
4. Pilani Investment and Industries Corporation Limited;
5. Global Holdings Private Limited;
6. Vikram Holdings Private Limited;
7. Vaibhav Holdings Private Limited;
8. Svatantra Holdings Private Limited;
9. Talk and Cheese Private Limited;
10. Rajratna Holdings Private Limited;
11. Birla Group Holdings Private Limited;
12. Sungod Coal Mining Co. Private Limited;
13. Green Acre Agro Services Private Limited;
14. Samruddhii Swastik Trading and Investments Limited;
15. ABNL Investments Limited;

16. UltraTech Cement Limited;
17. Aditya Birla Capital Limited;
18. Aditya Birla Science and Technology Company Private Limited;
19. Aditya Birla Idea Payments Bank Limited;
20. AV Group NB Inc.;
21. Birla Jingwei Fibres Company Limited;
22. AV Terrace Bay Inc.;
23. Aditya Group AB;
24. Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi;
25. Bhubaneswari Coal Mining Limited;
26. Aditya Birla Renewable Limited;
27. Aditya Birla Solar Limited;
28. Mahan Coal Limited;
29. Minerals & Minerals Limited;
30. Utkal Alumina International Limited;
31. Suvas Holdings Limited;
32. Renukeshwar Investments and Finance Limited;
33. Renuka Investments and Finance Limited;
34. Dahej Harbour and Infrastructure Limited;
35. Lucknow Finance Company Limited;
36. Hindalco-Almex Aerospace Limited;
37. Tubed Coal Mines Limited;
38. East Coast Bauxite Mining Company Private Limited;
39. AV Minerals (Netherlands) N.V.;

<u>Vodafone Group:</u>

40. Vodafone Group Plc;
41. Vodafone Europe B.V.;
42. Vodafone For Trading;
43. Starnet;
44. Vodafone Data;
45. Sarmady Communications;
46. Vodafone International Services LLC;
47. Vodafone Egypt Telecommunications S.A.E.;
48. Safaricom PLC;
49. Cavalry Holdings Limited;
50. East Africa Investments (Mauritius) Limited;
51. Waterberg Lodge (Proprietary) Limited;
52. Vodacash S.A;
53. Vodacom Congo (RDC) SA;
54. Storage Technology Services (Pty) Limited;
55. M-Pesa Limited;
56. Vodacom Tanzania Foundation;
57. Vodacom Tanzania Limited Zanzibar;
58. Vodacom Tanzania PLC;
59. Vodacom Trust Limited;
60. Shared Networks Tanzania Limited;
61. Vodacom Lesotho (Pty) Limited;
62. Amsterdamse Beheer- en Consultingmaatschappij B.V.;
63. Esprit Telecom B.V.;
64. FinCo Partner 1 B.V.;
65. LGE HoldCo V B.V.;
66. LGE HoldCo VI B.V.;
67. LGE Holdco VII B.V.;
68. LGE HoldCo VIII B.V.;
69. Liberty Global Content Netherlands B.V.;
70. Vodafone Financial Services B.V.;
71. Vodafone Libertel B.V.;
72. Vodafone Nederland Holding I B.V.;

73. Vodafone Nederland Holding II B.V.;
74. VodafoneZiggo Group B.V.;
75. VodafoneZiggo Group Holding B.V.;
76. VZ Financing I B.V.;
77. VZ Financing II B.V.;
78. Zesko B.V.;
79. Ziggo B.V.;
80. Ziggo Bond Company B.V.;
81. Ziggo Finance 2 B.V.;
82. Ziggo Holding B.V.;
83. Ziggo Netwerk B.V.;
84. Ziggo Netwerk II B.V.;
85. Ziggo Real Estate B.V.;
86. Ziggo Services B.V.;
87. Ziggo Services Employment B.V.;
88. Ziggo Services Netwerk 2 B.V.;
89. Ziggo Zakelijk Services B.V.;
90. Ziggo Deelnemingen B.V.
91. Zoranet Connectivity Services B.V.;
92. ZUM B.V.;
93. Array Holdings Limited;
94. CGP India Investments Limited;
95. SMMS Investments Private Limited;
96. ND Callus Info Services Private Limited;
97. Nadal Trading Company Private Limited;
98. UMT Investments Limited;
99. Vodacom Business (Angola) Limitada;
100. Vodafone Empresa Brasil Telecomunicações Ltda;
101. Vodafone Serviços Empresariais Brasil Ltda.;
102. Vodafone Business Cameroon SA;
103. CGP Investments (Holdings) Limited;
104. Vodafone China Limited (China);
105. Vodacom Business Cote d'Ivoire s.a.r.l.;
106. Vodafone Mobile Operations Limited;
107. Vodafone Business (Ghana) Limited;
108. Ghana Telecommunications Company Limited;
109. National Communications Backbone Company Limited;
110. Vodafone Ghana Mobile Financial Services Limited;
111. VBA Holdings Limited;
112. VBA International Limited;
113. VSSB Vodafone Shared Services Budapest Private Limited Company;
114. Scorpios Beverages Private Limited;
115. Vodafone India Services Private Limited;
116. Vodafone Global Services Private Limited;
117. MV Healthcare Services Private Limited;
118. AG Mercantile Company Private Limited;
119. Plustech Mercantile Company Private Limited;
120. M-PESA Holding Co. Limited;
121. Vodacom Business (Kenya) Limited;
122. Vodafone Kenya Limited;
123. Vodafone Mauritius Limited;
124. Vodafone Tele-Services (India) Holdings Limited;
125. Mobile Wallet VM1;
126. Mobile Wallet VM2;
127. VBA (Mauritius) Limited;
128. Vodacom International Limited;
129. Vodafone Maroc SARL;
130. VM, SA;
131. Vodafone M-Pesa, S.A;
132. Vodacom Business Africa (Nigeria) Limited;

133. VBA International (SL) Limited;
134. Vodafone Holdings (SA) Proprietary Limited;
135. Vodafone Investments (SA) Proprietary Limited;
136. Mezzanine Ware Proprietary Limited (RF);
137. GS Telecom (Pty) Limited;
138. Jupicol (Proprietary) Limited;
139. Motifprops 1 (Proprietary) Limited;
140. Scarlet Ibis Investments 23 (Pty) Limited;
141. Vodacom (Pty) Limited;
142. Vodacom Business Africa Group (Pty) Limited;
143. Vodacom Financial Services (Proprietary) Limited;
144. Vodacom Group Limited;
145. Vodacom Insurance Administration Company (Proprietary) Limited;
146. Vodacom Insurance Company(RF) Limited;
147. Vodacom International Holdings (Pty) Limited;
148. Vodacom Life Assurance Company (RF) Limited;
149. Vodacom Payment Services (Proprietary) Limited;
150. Vodacom Properties No 1 (Proprietary) Limited;
151. Vodacom Properties No.2 (Pty) Limited;
152. Wheatfields Investments 276 (Proprietary) Limited;
153. XLink Communications (Proprietary) Limited;
154. Gateway Communications Tanzania Limited;
155. Vodafone Bilgi Ve Iletisim Hizmetleri AS;
156. Vodafone Dagitim Hizmetleri A.S.;
157. Vodafone Elektronik Para Ve Ödeme Hizmetleri A.Ş.;
158. Vodafone Holding A.S.;
159. Vodafone Net İletişim Hizmetleri A.Ş.;
160. Vodafone Teknoloji Hizmetleri A.S.;
161. Vodafone Telekomunikasyon A.S;
162. Vodafone Investment UK;
163. Gateway Communications Africa (UK) Limited;
164. Vodacom Business Africa Group Services Limited;
165. Vodacom UK Limited;
166. Africonnect (Zambia) Limited and
167. Indus Towers Limited

Interest of Promoters

Our Promoters are interested in our Company to the extent of the following: (i) they have promoted our Company, (ii) in the Equity Shares and stock options, if any, held by them or their relatives in our Company, and dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives, and (iii) any transactions or business arrangements undertaken by our Company with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest. For details regarding the shareholding of our Promoters and the members of our Promoter Group in our Company, see *"Capital Structure – Notes to Capital Structure – History of Build-up and Contribution and Lock-in of Promoter's Shareholding*" on page [●], and for business transactions between our Promoters and the Promoter Group, see *"Related Party Transactions*" on page [●].

Except as disclosed in "*– Payment of Benefits to our Promoters or Promoter Group*" and in "*Related Party Transactions*" on pages [●] and [●], respectively, our Promoters have no interest in any property acquired within the three years from the date of this Letter of Offer or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company, in cash or shares or otherwise, by any person either to induce them to become or to qualify them as a director or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company. For details of related party transactions entered into by our Company with our Promoters, members of our Promoter Group and Group

Companies during the Financial Year immediately preceding the date of this Letter of Offer, see "*Related Party Transactions*" beginning on page [●].

Payment or Benefits to our Promoters or Promoter Group

There has been no payment or benefits to our Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Letter of Offer, nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group other than as stated in "*Related Party Transactions*" and "*Our Management*" beginning on pages [●] and [●], respectively.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company.

Companies or Firms with which our Promoters have disassociated in the Last Three Years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Letter of Offer other than as disclosed below.

S. No.	Name of Entity	Date of Disassociation	Reasons for Disassociation
Hindalco Industries Limited			
1.	Mauda Energy Limited	Voluntary Dissolution	November 29, 2018
2.	Utkal Alumina Technical and Services limited	Voluntary Dissolution	May 29, 2018
3.	Hindalco Guinea	Voluntary Dissolution	February 21, 2018
4.	Aditya Birla Minerals Limited	Sale of shareholding	July 21, 2016
5.	Birla Resources Pte Limited	Voluntary Dissolution	April 3, 2017
6.	Canada Limited (Canada)	Merged into Novelis Inc.	March 31, 2016
7.	Novelis Delaware LLC (US)	Merged into Novelis Inc.	March 31, 2016
8.	Eurofoil Inc. (USA)	Merged into Novelis PAE Corp	November 1, 2015
9.	Novelis Asia Holdings (Singapore) Pte. Ltd. (Singapore)	Struck off	March 17, 2016
10.	Aluminium Company of Malaysia Berhad (Malaysia)	Sold	September 20, 2016
11.	Alcom Nikkei Specialty Coatings Sdn Berhad (Malaysia)	Sold	September 20, 2016
12.	Al Dotcom Sdn Berhad (Malaysia)	Sold	January 21, 2016
13.	Aluminum Upstream Holdings LLC (Delaware) (US)	Merged into Novelis South America Holdings LLC	December 2, 2015
14.	Brito Energetica Ltda (Brazil)	Sold	September 1, 2016
15.	Albrasilis - Alumínio do Brasil Indústria e Comércio Ltda. (Brazil)	Dissolved	November 18, 2015
16.	Novelis Madeira; Unipessoal, Lda.	Liquidated	March 31, 2015
17.	Novelis No. 1 Limited Partnership	Dissolved	March 31, 2015
18.	Novelis Brand LLC	Amalgamated into Novelis Inc	March 31, 2015
19.	Novelis Cast House Technology Ltd.	Amalgamated into Novelis Inc.	March 31, 2015
Grasim Industries Limited			
1.	Grasim Bhiwani Textiles Limited	As a part of GIL's restructuring process, GIL's entire shareholding in GBTL was divested to Rajendra Synthetics Private	July 10, 2017

S. No.	Name of Entity	Date of Disassociation	Reasons for Disassociation
		Limited	
2.	Sun God Trading and Investments Limited	Ceased to be a direct subsidiary of GIL. With effect from September 29, 2018, became a subsidiary of ABNL Investment Limited, a wholly owned subsidiary of GIL	September 29, 2018
3.	Aditya Birla Chemicals Belgium, BVBA	As a part of GIL's restructuring process, GIL's holding in Aditya Birla Chemicals BVBA was sold to Aditya Birla Chemicals (Europe) GmbH	January 21, 2019
4.	Birla Laos Pulp & Plantations Company Limited, Laos	As a part of GIL's restructuring process, GIL's holding in Birla Laos Pulp and Plantations Company Limited, it was sold to Sunpaper Holding (Lao) Co. Limited	September 18, 2018
5.	Shaktiman Mega Food Park Private Limited	As a part of restructuring process, Shaktiman Mega Food had applied for strike off and on February 22, 2019, it was struck off by Registrar of Companies, Gujarat	February 22, 2019

OUR GROUP COMPANIES

Pursuant to a board resolution dated March 15, 2019, our Board has noted that in accordance with the SEBI ICDR Regulations, companies (other than Promoters and Subsidiaries) have been identified as "group companies" on the basis that there were related party transactions in accordance with the applicable accounting standards (Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India) with such companies during the financial years ended March 31, 2016, March 31, 2017, March 31, 2018 and the nine months ended December 31, 2017 and December 31, 2018 disclosed in the Restated Consolidated Financial Information included in this Letter of Offer.

Based on the above, the following companies have been identified as our Group Companies:

1. Aditya Birla Idea Payments Bank Limited
2. Indus Towers Limited
3. Firefly Networks Limited
4. Aditya Birla PE Advisors Private Limited (erstwhile Aditya Birla Capital Advisors Private Limited)
5. Aditya Birla Finance Limited
6. Aditya Birla Capital Limited (erstwhile Aditya Birla Financial Services Limited)
7. Aditya Birla Financial Shared Services Limited
8. Aditya Birla Health Insurance Co. Limited
9. Aditya Birla Housing Finance Limited
10. Aditya Birla Insurance Brokers Limited
11. Aditya Birla Money Limited
12. Aditya Birla Management Corporation Private Limited
13. Aditya Birla Money Mart Limited
14. Aditya Birla Wellness Private Limited
15. Aditya Birla Sun Life AMC Limited (erstwhile Birla Sun Life Asset Management Company Limited)
16. Aditya Birla Sun Life Insurance Company Limited (erstwhile Birla Sun Life Insurance Company Limited)
17. Vodafone Enterprise Luxembourg S.A
18. UltraTech Cement Limited
19. Vodafone Limited
20. Vodafone Enterprise Global Limited
21. Vodafone India Services Private Limited
22. Vodafone Network Pty Limited
23. Vodafone New Zealand Limited
24. Vodafone International Services LLC
25. Vodafone Libertel B.V.
26. Vodafone Telekomünikasyon A.Ş.
27. Vodafone GmbH
28. Vodafone Italia S.P.A.
29. Vodafone Ireland Limited
30. Vodafone España, S.A.U.
31. Vodacom (Pty) Limited
32. Vodafone-Panafon Hellenic Telecommunications Societe Anonyme
33. Vodafone Romania S.A
34. Vodafone Hungary Limited (formerly known as Vodafone Magyarorszag ZRT)
35. Vodacom Lesotho (Pty) Limited
36. Vodafone Albania Sh.A.
37. Vodafone Czech Republic a.s.
38. Safaricom PLC
39. Vodafone Portugal Comunicacoes Pessoais, S.A.
40. Vodafone Malta Limited
41. Vodafone Net İletişim Hizmetleri A. Ş. (formerly known as Vodafone Alternatif Telekom Hizmetleri A.S.)
42. Vodacom Tanzania PLC
43. Vodacom Congo (RDC) S.A.
44. Ghana Telecommunications Company Limited
45. Vodafone Holdings Europe S.L.U.
46. Vodafone Group Services Limited
47. Vodafone Sales & Services Limited
48. VM, S.A.

49. Vodafone Enterprise Singapore Pte. Ltd
50. Vodafone Global Enterprise Limited
51. LLC Vodafone Enterprise Ukraine
52. Vodafone Australia Pty Limited
53. Vodafone Egypt Telecommunications S.A.E.
54. Vodafone Pty Limited
55. Vodafone Enterprise Austria Gmbh
56. Vodafone Enterprise Germany GMBH
57. Vodafone Roaming Services S.à r.l.
58. Vodafone Procurement Company S.A.R.L.
59. Cable and Wireless UK Services Limited (dissolved on October 30, 2018)
60. VodafoneZiggo Group II B.V. (formerly known as Lynx Global Europe II B.V.)
61. Vodacom Group Limited
62. Svatantra Microfin Private Limited
63. Bhubaneswari Coal Mining Limited
64. Interglobe Hotels Private Limited
65. G.D. Birla Medical Research and Education Foundation (Section 25 company)
66. Axiata Group Berhad (ceased to be a related party from August 16, 2018)
67. Celcom Axiata Berhad (ceased to be a related party from August 16, 2018)
68. Axiata Investments 1 (India) Limited (ceased to be a related party from August 16, 2018)
69. Axiata Investments 2 (India) Limited (ceased to be a related party from August 16, 2018)
70. Dialog Axiata PLC (ceased to be a related party from August 16, 2018)
71. Ncell Private Limited (ceased to be a related party from August 16, 2018)
72. PT XL Axiata Tbk (ceased to be a related party from August 16, 2018)
73. Robi Axiata Limited (ceased to be a related party from August 16, 2018)
74. Smart Axiata Co., Ltd. (ceased to be a related party from August 16, 2018)
75. Breach Candy Hospital Trust (Section 25 company; ceased to be a related party from August 31, 2018)
76. Citec Engineering India Private Limited (ceased to be a related party from March 30, 2018)
77. Agora Advisory Private Limited (ceased to be a related party from April 3, 2017)

Other than the Group Companies identified above, our Board does not consider any other company as material to be identified as a Group Company.

Our top five Group Companies

In accordance with the requirement of the SEBI ICDR Regulations, the following are our top five listed Group Companies:

1. Axiata Group Berhad
2. Vodacom Group Limited
3. Safaricom PLC
4. UltraTech Cement Limited
5. Aditya Birla Capital Limited

A. Details of our Group Companies

Details of the top five Group Companies of our Company

1. Axiata Group Berhad

Axiata Group Berhad was incorporated on June 12, 1992 and is currently engaged in the business of investment holding and provision of technical and management services on an international scale. The corporate identification number of Axiata is 242188-H.

Share price information

The equity shares of Axiata Group Berhad are currently listed on the Bursa Malaysia Securities Berhad. The highest and the lowest market price of the equity shares of Axiata Group Berhad during the immediate six months immediately preceding the date of this Letter of Offer is as follows:

Month	Bursa Malaysia Securities Berhad	
	High*	Low*
January, 2019	4.14	3.77
December, 2018	4.02	3.76
November, 2018	3.78	3.41
October, 2018	4.65	3.25
September, 2018	4.77	4.43
August, 2018	4.82	4.29

**amount in Malaysian Ringgit (RM)*

Financial Information

The following table sets forth certain details of the financial results of Axiata Group Berhad on a consolidated basis for the last three Financial Years:

Particulars	Financial Year ended March 31		
	2018 (unaudited) (RM'000)	2017 (RM'000)	2016 (RM'000)
Equity Capital	13,502,992	13,407,253	13,052,521
Reserves (excluding revaluation reserves) and surplus	3,974,431	11,323,883	10,528,131
Sales/Turnover	23,885,781	24,402,401	21,565,392
Profit/(Loss) after tax	(5,247,240)	(1,162,482)	657,158
Earnings per share (basic)	(55.6)	10.1	5.7
Earnings per share (diluted)	(55.4)	10.1	5.7
Net asset value	23,214,706	30,504,583	28,618,101

There are no significant notes of the auditors in relation to the above-mentioned financial information for the last three Financial Years.

2. Vodacom Group Limited

Corporate Information

Vodacom Group Limited was incorporated in the Republic of South Africa on September 20, 1993 and is currently engaged in the business of being an investment holding company. The corporate identification number of Vodacom Group Limited is 1993/005461/06.

Share price information

The equity shares of Vodacom Group Limited are currently listed on the Johannesburg Stock Exchange. The highest and the lowest market price of the equity shares of Vodacom Group Limited during the immediate six months immediately preceding the date of this Letter of Offer is as follows:

Month	Johannesburg stock exchange	
	High (in ZAR)*	Low (in ZAR)*
February	122.01	119.90
January	136.44	117.70
December	132.97	119.95
November	133.36	118.05
October	128.90	114.62
September	129.50	119.01

******amount in South African rand (R/ZAR)*
Source:Factset

Financial Information

The following table sets forth certain details of the audited financial results of Vodacom Group Limited for the last three Financial Years:

(in ZAR million)

Particulars	Financial Year ended March 31		
	2018	2017	2016
Issued share capital	42,618	-*	-*
Retained earnings	28,731	26,396	24,635
Revenue	86,370	81,278	80,077
Profit for the year	15,562	13,126	12,910
Earnings per share (basic) (in ZAR cents)	947	915	881
Earnings per share (diluted) (in ZAR cents)	919	886	857
Net asset value	70,652	22,996	23,024

**Fully paid share capital of ZAR 100*

There are no significant notes of the auditors in relation to the above-mentioned financial information for the last three Financial Years.

3. Safaricom PLC

Corporate Information

Safaricom PLC was incorporated on April 3, 1997 and is currently engaged in the business of operating network facilities and providing converged communication solutions. The corporate identification number of Safaricom PLC is C8/2002.

Month	Nairobi stock exchange	
	High (in KES)*	Low (in KES)*
February	27.05	25.50
January	23.85	21.30
December	23.75	22.05
November	24.50	22.50
October	24.75	22.25
September	28.25	24.00

**amount in Kenyan shilling (KES)*
Source: www.mystocks.co.ke

Financial Information

The following table sets forth extracts from the audited consolidated financial statements of Safaricom PLC for the last three Financial Years:

(in KES million)

Particulars	Financial Year ended March 31		
	2018	2017	2016
Issued share capital	2,003	2,003	2,003
Retained earnings	75,640	64,422	82,052
Revenue	233,717	212,885	195,685
Profit for the year	55,289	48,444	38,104
Earnings per share (basic) (in KES)	1.38	1.21	0.95
Earnings per share (diluted) (in KES)	n.a.	n.a.	n.a.
Net asset value	123,914	107,488	116,739

There are no significant notes of the auditors in relation to the above-mentioned financial information for the last three Financial Years

4. UltraTech Cement Limited

Corporate Information

UltraTech Cement Limited was incorporated on August 24, 2000 and is currently engaged in the business of manufacture and sale of various grades and types of cement, ready mix concrete and other cement related products. The corporate identification number of UltraTech Cement Limited is L26940MH2000PLC128420.

Share price information

The equity shares of UltraTech Cement Limited are currently listed on the BSE and NSE. The highest and the lowest market price of the equity shares of UltraTech Cement Limited during the immediate six months immediately preceding the date of this Letter of Offer is as follows:

(₹)

Month	BSE		NSE	
	High	Low	High	Low
February	4,018.85	3,340	4,018.95	3,332.45
January	4,170.95	3,738.45	4,173.75	3,725.05
December	4,082	3,473.10	4,081	3,470
November	4,055	3,263.70	4,050	3,260.45
October	4,471	3,910	4,470	3,910.50
September	4,490	4,142.85	4,493.65	4,137.05

Financial Information

The following table sets forth certain details of the audited financial results of UltraTech Cement Limited for the last three Financial Years:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2018	2017	2016
Equity Capital	2,746	2,745	2,744
Reserves (excluding revaluation reserves) and surplus	256,484	236,665	213,574
Sales/Turnover	293,626	236,157	234,402
Profit/(Loss) after tax	22,313	26,277	23,702
Earnings per share (basic) (in ₹)	81.27	95.74	86.37
Earnings per share (diluted) (in ₹)	81.25	95.70	86.32
Net asset value#	407,819	243,868	244,993

 # (Net Fixed Assets + CWIP + Capital Advances)

The significant notes of the auditors are as below:

"Emphasis of matter

We draw attention to Note 32 (b) of the Standalone Ind AS financial statements which describes the following matters:

a) In terms of order dated 31 August 2016, the Competition Commission of India ('CCI') has imposed penalty of Rs.1,175.49 crore for alleged contravention of the provisions of the Competition Act, 2002 by the Company. The Company had filed an appeal against CCI Order before the Competition Appellate Tribunal ('COMPAT'). COMPAT has granted stay on the CCI Order on the condition that the Company deposits 10% of the penalty amounting to Rs.117.56 crore which has since been deposited. Consequent to reconstitution of Tribunals by the government, this matter was transferred to the National Company Law Appellate Tribunal ("NCLAT"). NCLAT has completed its hearing on the matter and order is awaited. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been considered in the books of account.

b) In terms of order dated 19 January 2017, the CCI has imposed penalty of Rs.68.30 crore pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by the Company. The Company has filed an appeal before COMPAT and received the stay order dated 10 April 2017. Consequent to reconstitution of Tribunals by the government, this matter has now been transferred to the NCLAT. Based on a legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been considered in the books of account.

Our opinion is not modified in respect of the above matters."

5. Aditya Birla Capital Limited (erstwhile Aditya Birla Financial Services Limited)

Corporate Information

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) was incorporated on October 15, 2007 and is the holding company of all the financial services businesses of Aditya Birla group. The Company alongwith its Subsidiaries has significant presence across several business sectors including NBFC, asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management, pension fund management and asset reconstruction business. The corporate identification number of the Company is L67120GJ2007PLC058890.

Share price information

The equity shares of Aditya Birla Capital Limited are currently listed on the BSE and NSE. The highest and the lowest market price of the equity shares of Aditya Birla Capital Limited during the immediate six months immediately preceding the date of this Letter of Offer is as follows:

(₹)

Month	BSE		NSE	
	High	Low	High	Low
February	93.60	77.55	93.65	77.50
January	101.50	80.40	101.45	80.20
December	105.95	92.85	105.90	92.65
November	116.9.	101.10	117.00	101.00
October	115.55	90.10	115.00	90.55
September	143.60	112.00	143.55	113.05

Aditya Birla Capital Limited issued Global Depositary Shares pursuant to a composite scheme which were listed on the official list of the Luxembourg Stock Exchange ("**LSE**") and admitted to trading on the Euro MTF market of the LSE with effect from October 11, 2017.

Financial Information

The following table sets forth certain details of the audited financial results of Aditya Birla Capital Limited (erstwhile Aditya Birla Financial Services Limited) for the last three Financial Years:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2018	2017	2016
Equity Capital	22,010.4	12,322.4	7,960.1
Reserves (excluding revaluation reserves) and surplus	64,497.2	53,632.5	19,211.8
Sales/Turnover	134,277.6	58,230.1	35,979.5
Profit/(Loss) after tax	10,037.3	6,911.5	5,240.8
Earnings per share (basic) (in ₹)	4.22	6.35	5.01
Earnings per share (diluted) (in ₹)	4.20	6.35	4.34
Net asset value*	102,472.7	85,619.9	52,252.6

**Net Asset value = Shareholders Fund + Minority Interest + Preference Shares issued by Subsidiary Companies.*

There are no significant notes of the auditors in relation to the above-mentioned financial information for the last three Financial Years.

B. Other Group Companies

6. Aditya Birla Idea Payments Bank Limited

Aditya Birla Idea Payments Bank Limited was incorporated as a public limited company under the Companies Act, 2013 on February 19, 2016. It received its banking license on April 3, 2017. Aditya Birla Idea Payments Bank Limited has been incorporated with the object of carrying on the business of the payments bank as permitted by the RBI. The main object of Aditya Birla Idea Payments Bank Limited, *inter-alia*, includes carrying on the business of accepting demand deposits and providing payments and remittance services. The corporate identification number of Aditya Birla Idea Payments Bank Limited is U65923MH2016PLC273308.

7. Indus Towers Limited

Indus Towers Limited was incorporated as a public limited company under the Companies Act, 1956 on November 20, 2007, and received its certificate for commencement of business on December 4, 2007. Indus Towers Limited is a registered infrastructure provider under certificate of registration as an Infrastructure Service Provider Category-1 (IP-1) and is currently engaged in the business of establishing, operating and maintaining and managing telecom passive infrastructure including wireless communication towers as authorized by its memorandum of association. The corporate identification number of Indus Towers Limited is U92100HR2007PLC073822.

8. Firefly Networks Limited

Firefly Networks Limited was incorporated as a public limited company under the Companies Act, 1956 on February 4, 2014, and received its certificate for commencement of business on February 4, 2014. Firefly Networks Limited is currently engaged in the business of project management, system integration and entry into contractual partnerships with: (i) vendors, business partners and equipment providers, including last mile access providers; and (ii) locations, including shops, municipal corporations, Indian Railways, airport management companies, educational institutions and real estate developers, for various Wi-Fi deployment and maintenance related activities, including right of way coordination, as authorised by its memorandum of association. The corporate identification number of Firefly Networks Limited is U74999DL2014PLC264417.

9. Aditya Birla PE Advisors Private Limited (erstwhile Aditya Birla Capital Advisors Private Limited)

Aditya Birla PE Advisors Private Limited (erstwhile Aditya Birla Capital Advisors Private Limited) was incorporated on February 22, 2008 and is currently engaged in the business of providing investment manager service to venture capital fund / alternate investment fund. The corporate identification number of Aditya Birla PE Advisors Private Limited is U74140MH2008PTC179360.

10. Aditya Birla Finance Limited

Aditya Birla Finance Limited was incorporated on August 28, 1991 and is currently engaged in the business of lending. Aditya Birla Finance Limited is a systemically important non-deposit taking non-banking financial company registered with RBI. The corporate identification number of Aditya Birla Finance Limited is U65990GJ1991PLC064603.

11. Aditya Birla Financial Shared Services Limited

Aditya Birla Financial Shared Services Limited was incorporated on June 19, 2008 and is currently engaged in the business of providing support service. The corporate identification number of Aditya Birla Financial Shared Services Limited is U65999MH2008PLC183695.

12. Aditya Birla Health Insurance Co. Limited

Aditya Birla Health Insurance Co. Limited was incorporated on April 22, 2015 and is currently engaged in the business of standalone health insurance. The corporate identification number of Aditya Birla Health Insurance Co. Limited is U66000MH2015PLC263677.

13. Aditya Birla Housing Finance Limited

Aditya Birla Housing Finance Limited was incorporated on July 27, 2009 and is currently engaged in the business of housing finance. The corporate identification number of Aditya Birla Housing Finance Limited is U65922GJ2009PLC083779.

14. Aditya Birla Insurance Brokers Limited

Aditya Birla Insurance Brokers Limited was incorporated on December 26, 2001 and is currently engaged in the business of insurance broking and allied activities which are regulated by the Insurance Regulatory and

Development Authority of India. The corporate identification number of Aditya Birla Insurance Brokers Limited is U99999GJ2001PLC062239**.**

15. Aditya Birla Money Limited

Aditya Birla Money Limited was incorporated on July 4, 1995. It is a subsidiary of Aditya Birla Capital Limited (erstwhile Aditya Birla Financial Services Limited), and is listed on the BSE Limited and National Stock Exchange of India Limited since 2008. Aditya Birla Money Limited is currently engaged in the business of securities broking and is registered as a stock broker with SEBI. It is a member of BSE and NSE and offers equity and derivatives trading through NSE and BSE. It holds PMS license from SEBI and offers portfolio management services. Aditya Birla Money Limited is also registered as a depository participant with the NSDL and the CDSL. It also holds SEBI license as a research analyst and an investment adviser. Aditya Birla Money Limited also holds an ARN code issued by AMFI and is registered with CDSL as an e-Repository for holding insurance policies in electronic form. The corporate identification number of Aditya Birla Money Limited is L65993GJ1995PLC064810.

16. Aditya Birla Management Corporation Private Limited

Aditya Birla Management Corporation Private Limited is a private limited company, limited by guarantee, incorporated on February 16, 1999 under the provisions of Companies Act, 1956. Aditya Birla Management Corporation Private Limited provides a common pool facilities and resources to its members with a view to optimize the benefit of specialization and minimize the cost for each member. The corporate identification number of Aditya Birla Management Corporation Private Limited is U73100MH1999PTC118379.

17. Aditya Birla Money Mart Limited

Aditya Birla Money Mart Limited was incorporated on June 13, 1997 and is currently engaged in providing a wide range of services including but not limited to financial consultants, management consultants, lead managers, issue advisors registrars and transfer agents, brokers, underwriters, promoters, dealers, agents, and to carry on the business of share broking and general brokers and service providers for shares, debentures, debenture-stocks, bonds, units, obligations, securities, commodities and commodity derivatives, bullion currencies, trading, hedging and to provide a complete range of personal financial services like investment planning, estate planning, tax planning, consultancy / counselling service in various fields general administrative, commercial, financial, legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control, data processing, management information systems. The corporate identification number of Aditya Birla Money Mart Limited is U61190GJ1997PLC062406.

18. Aditya Birla Wellness Private Limited

Aditya Birla Wellness Private Limited was incorporated on June 23, 2016 and is currently engaged in the business of an incentivized wellness provider that aims to create shared value in making people, businesses and communities more well. Aditya Birla Wellness Private Limited manages and administers incentivized wellness programs by securing access to various wellness and leisure facilities and services and/or products through various partners. The corporate identification number of Aditya Birla Wellness Private Limited is U74999MH2016PTC282782.

19. Aditya Birla Sun Life AMC Limited (erstwhile Birla Sun Life Asset Management Company Limited)

Aditya Birla Sun Life AMC Limited (formerly known as Birla Sun Life Asset Management Company Limited) was incorporated on September 5, 1994. Aditya Birla Sun Life AMC Limited is engaged in the business of acting as an investment manager for mutual funds (Aditya Birla Sun Life Mutual Fund). It also provides portfolio management services and investment advisory services to offshore funds and Aditya Birla Real Estate Fund and Alternative Investment Funds. Aditya Birla Sun Life AMC Limited also manages funds of certain financial institutions and sovereign funds and has certain overseas subsidiaries and funds. The corporate identification number of Aditya Birla Sun Life AMC Limited is U65991MH1994PLC080811.

20. Aditya Birla Sun Life Insurance Company Limited (erstwhile Birla Sun Life Insurance Company Limited)

Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited) was incorporated on August 4, 2000 and commenced operations on January 17, 2001. Aditya Birla Sun Life Insurance Company Limited is engaged in the business of carry on life insurance business (including engaging in retrocession). The company was originally incorporated as Birla Sun Life Insurance Company Limited on August 4, 2000 under the Companies Act, 1956 and registered under Section 3 of the Insurance Act, 1938 to render life insurance services. The corporate identification number of Aditya Birla Sun Life Insurance Company Limited is U99999MH2000PLC128110.

21. Vodafone Enterprise Luxembourg S.A

Vodafone Enterprise Luxembourg S.A. was incorporated on January 8, 1999 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Enterprise Luxembourg S.A. is B 68302.

22. Vodafone Limited

Vodafone Limited was incorporated on January 7, 1980 and is currently engaged in the business of the installation of industrial machinery and equipment and other telecommunications activities. The corporate identification number of Vodafone Limited is 01471587.

23. Vodafone Enterprise Global Limited

Vodafone Enterprise Global Limited was incorporated on March 26, 1998 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Enterprise Global Limited is 282638.

24. Vodafone India Services Private Limited

Vodafone India Services Private Limited was incorporated on March 16, 1999 and is currently engaged in the business of providing IT/ ITES services. The corporate identification number of Vodafone India Services Private Limited is U64201MH1999PTC294960.

25. Vodafone Network Pty Limited

Vodafone Network Pty Limited was incorporated on March 10, 1998 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Network Pty Limited is 081 918 461.

26. Vodafone New Zealand Limited

Vodafone New Zealand Limited was incorporated on October 12, 1998 and is currently engaged in the business of providing fixed and mobile connectivity services. The company number of Vodafone New Zealand Limited is 927212.

27. Vodafone International Services LLC

Vodafone International Services LLC was incorporated on January 15, 2002 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone International Services LLC is 4216**.**

28. Vodafone Libertel B.V.

Vodafone Libertel B.V. was incorporated on November 29, 1991 and is currently engaged in the business of: SBI-code: 6120 - wireless telecommunications activities, SBI-code: 4652 - wholesale of electronic and communication equipment and related parts. The corporate identification number of Vodafone Libertel B.V. is 14052264.

29. Vodafone Telekomünikasyon A.Ş.

Vodafone Telekomünikasyon A.Ş. was incorporated on September 13, 2005 and is currently engaged in the business of wireless telecommunication activities except provision of internet access over wireless networks and over satellite. The corporate identification number of Vodafone Telekomünikasyon A.Ş. is 564625.

30. Vodafone GmbH

Vodafone GmbH was incorporated on January 25, 2001 and is currently engaged in the business of planning, building and operating telecommunications networks; providing telecommunication and multimedia services, sale of products in these areas and other connected activities. The corporate identification number of Vodafone GmbH is HRB 38062, registered with the Amtsgericht Duesseldorf.

31. Vodafone Italia S.P.A.

Vodafone Italia S.P.A. was incorporated on June 18, 2002 and is currently engaged in the business of providing telecommunications services. The corporate identification number of the Register of Enterprise of Turin is 93026890017.

32. Vodafone Ireland Limited

Vodafone Ireland Limited was incorporated on April 14, 2000 and is currently engaged in the business of the provision of total telecommunications services in Ireland. The corporate identification number of Vodafone Ireland Limited is 326967.

33. Vodafone España, S.A.U.

Vodafone España, S.A.U. was incorporated on May 27, 1994 and is currently engaged in the telecommunications business. The corporate VAT identification number of Vodafone España, S.A.U. is A80907397.

34. Vodacom (Pty) Limited

Vodacom (Pty) Ltd was incorporated on June 21, 1993 and is currently engaged in the business of providing telecommunication products and services. The corporate identification number of Vodacom (Pty) Ltd is 1993/003367/07.

35. Vodafone-Panafon Hellenic Telecommunication Societe Anonyme

Vodafone-Panafon Hellenic Telecommunication Societe Anonyme was incorporated on March 12, 1992 and is currently engaged in the business of the provision of telecommunication services. The corporate identification number of Vodafone-Panafon Hellenic Telecommunication Societe Anonyme is 000828201000.

36. Vodafone Romania S.A

Vodafone Romania S.A. was incorporated in Romania in 1996, and is currently engaged in the business of electronic communications services. The corporate identification number of Vodafone Romania S.A. is J40/9852/1996.

37. Vodafone Hungary Limited (formerly known as Vodafone Magyarország ZRT)

Vodafone Hungary Limited was incorporated on September 17, 1999 and is currently engaged in the business of telecommunications services. The corporate identification number of Vodafone Hungary Zrt. is 01-10-044159.

38. Vodacom Lesotho (Pty) Ltd

Vodacom Lesotho (Pty) Ltd was incorporated on October 12, 1995 and is currently engaged in the business of telecommunications and mobile financial services. The corporate identification number of Vodacom Lesotho (Pty) Ltd is I95/236.

39. Vodafone Albania Sh.A.

Vodafone Albania Sh.A., a joint stock company organized and existing under the laws of the Republic of Albania, incorporated with the Tirana Court Decision no. 25766, dated May 10, 2001, registered with the National business center and is currently engaged in the telecommunication business. The unique identification number of Vodafone Albania Sh.A. is K11715005L.

40. Vodafone Czech Republic a.s.

Vodafone Czech Republic a.s. was incorporated in the Commercial Register of the Czech Republic on August 13, 1999 and is currently engaged in the business of electronic communications in the Czech Republic. The corporate identification number of Vodafone Czech Republic a.s. is 25788001.

41. Vodafone Portugal Comunicacoes Pessoais, S.A.

Vodafone Portugal Comunicacoes Pessoais, S.A. was incorporated on May 16, 1991 and is currently engaged in the business of establishment, management and operation of infrastructures, electronic communication services and television distribution activity, as well as any supplementary or ancillary activity. The corporate identification number of Vodafone Portugal - Comunicacoes Pessoais, S.A. is 502 544 180.

42. Vodafone Malta Limited

Vodafone Malta Limited was incorporated on August 3, 1989 and is currently engaged in the business of mobile telephony services. The corporate identification number of Vodafone Malta Limited is C-10865.

43. Vodafone Net İletişim Hizmetleri A. Ş. (formerly known as Vodafone Alternatif Telekom Hizmetleri A.S.)

Vodafone Net İletişim Hizmetleri A.Ş. was incorporated on December 29, 1993 and is currently engaged in the business of wireless telecommunication activities except provision of internet access over wireless networks and over satellite; and provision of internet access over wired networks; and manufacture of other machines used for receiving, processing, transmitting/recreation of voice, images or other data (including transmitter / receiver with a telegram, telex devices and equipment, switching and routing devices. The corporate identification number of Vodafone Net İletişim Hizmetleri A.Ş. is 307524.

44. Vodacom Congo (RDC) S.A.

Vodacom Congo (RDC) S.A. was incorporated on November 29, 2001 and is currently engaged in the business of providing telecommunication products and services. The corporate identification number of Vodacom Congo (RDC) S.A. is RCCM/CD/KIN/RCCM/14-B-3123.

45. Vodacom Tanzania PLC

Vodacom Tanzania PLC was incorporated on December 15, 1999 and is currently engaged in the business of mobile network operator and other communication services. The corporate identification number of Vodacom Tanzania PLC is 38501.

46. Ghana Telecommunications Company Limited

Ghana Telecommunications Company Limited was incorporated on June 16, 1995 and is currently engaged in the business of providing telecommunications services. The corporate identification number of Ghana Telecommunications Company Limited is CS522702014.

47. Vodafone Holdings Europe S.L.U.

Vodafone Holdings Europe, S.L.U. was incorporated on October 30, 2000 and is currently the holding company of the Vodafone Group entities in Spain. The corporate VAT identification number of Vodafone Holdings Europe, S.L.U. is B62399563.

48. Vodafone Group Services Limited

Vodafone Group Services Limited was incorporated on July 7, 1999 and is currently engaged in the business of providing services to the Vodafone Group telecommunications business. The corporate identification number of Vodafone Group Services Limited is 3802001.

49. Vodafone Sales & Services Limited

Vodafone Sales & Services Limited was incorporated on March 11, 2009 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Sales & Services Limited is 6844137.

50. VM, S.A.

VM, S.A. was incorporated on September 21, 2004 and is currently engaged in the business of operating a GSM mobile cellular telecommunication network and the implementation of new developments in the telecommunications industry by means of satellite and transmission systems. The corporate identification number of VM, S.A. is 14.497.

51. Vodafone Enterprise Singapore Pte. Ltd

Vodafone Enterprise Singapore Pte. Ltd was incorporated on February 9, 2009 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Enterprise Singapore Pte. Ltd is 200902264M.

52. Vodafone Global Enterprise Limited

Vodafone Global Enterprise Limited was incorporated on August 16, 1993 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Global Enterprise Limited is 2844851.

53. LLC Vodafone Enterprise Ukraine

LLC Vodafone Enterprise Ukraine was incorporated on November 7, 2011 and is currently engaged in the business of telecommunications. The corporate identification number of LLC Vodafone Enterprise Ukraine is 37923501.

54. Vodafone Australia Pty Limited

Vodafone Australia Pty Limited was incorporated on May 18, 1992 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Australia Pty Limited is 056 161 043.

55. Vodafone Egypt Telecommunications S.A.E.

Vodafone Egypt Telecommunications S.A.E. was incorporated on May 27, 1998 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Egypt Telecommunications S.A.E. is 120898.

56. Vodafone Pty Limited

Vodafone Pty Limited was incorporated on December 23, 1993 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Pty Limited is 062 954 554.

57. Vodafone Enterprise Austria Gmbh

Vodafone Enterprise Austria GMBH was incorporated on August 27, 1999 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Enterprise Austria GMBH is FN 185813f.

58. Vodafone Enterprise Germany GMBH

Vodafone Enterprise Germany GMBH was incorporated on February 13, 2003 and is currently engaged in the business of telecommunications. The corporate identification number of Vodafone Enterprise Germany GMBH is HRB 81290.

59. Vodafone Roaming Services S.à r.l.

Vodafone Roaming Services S.à r.l. was incorporated on March 22, 2007 and is currently engaged in the business of roaming services. The corporate identification number of Vodafone Roaming Services S.à r.l. namely the company registration number with Luxembourg Business Registry is: B125883.

60. Vodafone Procurement Company S.A.R.L.

Vodafone Procurement Company S.a.r.l. was incorporated on December 22, 2003 and is currently engaged in the business of procurement and supply chain management. The corporate identification number of Vodafone Procurement Company S.a.r.l. is B 97920.

61. VodafoneZiggo Group II B.V. (formerly known as Lynx Global Europe II B.V.)

VodafoneZiggo Group Holding B.V. was incorporated on February 9, 2016 and is currently engaged in the business of telecommunications. The corporate identification number of VodafoneZiggo Group Holding B.V. is 65291166.

62. Svatantra Microfin Private Limited

Svatantra Microfin Private Limited was incorporated on February 17, 2012 and is currently engaged in the business of investment activities. The corporate identification number of Svatantra Microfin Private Limited is U74120MH2012PTC227069.

63. Bhubaneswari Coal Mining Limited

Bhubaneswari Coal Mining Limited was incorporated on September 21, 2010 and is currently engaged in the operation of open cast coal project under MDO model from Mahanadi Coal Fields Limited. The corporate identification number of Bhubaneswari Coal Mining Limited is U10102WB2010PLC153242.

64. Interglobe Hotels Private Limited

InterGlobe Hotels Private Limited was incorporated on August 24, 2004 and is currently engaged in the business of developing, owning, acquiring, renovating and promoting hotels and other hospitality related activities. The corporate identification number of InterGlobe Hotels Private Limited is U55101DL2004PTC128567.

65. G.D. Birla Medical Research and Education Foundation (Section 25 company)

G.D. Birla Medical Research and Education Foundation was incorporated in 1987 and is engaged in carrying out charitable activities in the field of medical and education. It was incorporated under Section 25 of the Companies Act, 1956. The G.D. Birla Medical Research and Education Foundation is also registered under Section 12A of the Income Tax Act, 1961. The corporate identification number of G.D. Birla Medical Research and Education Foundation is U80300MH1987GAT042663.

66. Celcom Axiata Berhad

Celcom Axiata Berhad was incorporated on January 5, 1988 in Malaysia under the Companies' Act, 1956 (now the Companies Act 2016) and is currently engaged in the business of mobile communication services and network transmission related services in Malaysia. The corporate identification number of Celcom Axiata Berhad is 167469-A.

67. Axiata Investments 1 (India) Limited

Axiata Investments 1 (India) Limited was incorporated on June 3, 1997 and is currently engaged in the business of investment holding. The corporate identification number of Axiata Investments 1 (India) Limited is C18031.

68. Axiata Investments 2 (India) Limited

Axiata Investments 2 (India) Limited was incorporated on January 3, 1996 and is currently engaged in the business of investment holding. The corporate identification number of Axiata Investments 2 (India) Limited is C15788.

69. Dialog Axiata PLC

Dialog Axiata PLC was incorporated in Sri Lanka on August 27, 1993, under the Companies Act, No.17 of 1982 (the "**Companies Act, 1982**"), as a private limited liability company bearing the name MTN Networks (Private) Limited. Dialog Axiata PLC is currently engaged in the business of communication services, telecommunications infrastructure services media and digital services. The registration number of Dialog Axiata PLC is PQ 38.

70. Ncell Private Limited

Ncell Private Limited was incorporated on June 21, 2001 and is currently engaged in the business of providing mobile telecommunication service in Nepal. The corporate identification number of Ncell Private Limited is 15888/2057/2058.

71. PT XL Axiata Tbk

PT XL Axiata Tbk was incorporated on October 6, 1989 and is currently engaged in the business of telecommunication services and/or telecommunications network and/or multimedia services provider in Indonesia. The corporate registration number of PT XL Axiata Tbk is 09.03.1.61.27516.

72. Robi Axiata Limited

Robi Axiata Limited was incorporated on October 22, 1995 in Bangladesh under the Companies Act, 1994 and is currently engaged in the business of telecommunication in Bangladesh. The corporate identification number of Robi Axiata Limited is C-29552.

73. Smart Axiata Co., Ltd

Smart Axiata Co., Ltd. was incorporated on September 9, 2008 and is currently engaged in the business of mobile telecommunication services. The corporate identification number of Smart Axiata Co., Ltd. is 00016061.

74. Breach Candy Hospital Trust

Breach Candy Hospital Trust was incorporated on July 23, 1946 and is currently engaged in the business of managing hospital. The corporate identification number of Breach Candy Hospital Trust is U85100MH1946GAT005082.

75. Citec Engineering India Private Limited

Citec Engineering India Private Limited was incorporated on February 11, 2004 and is currently engaged in the business of providing multidisciplinary engineering services, expertise across various industry segments like power plants, oil & gas, process plants, industrial buildings, vehicles, machinery & equipment etc. offering plant engineering, product engineering and technical documentation services. The corporate identification number of Citec Engineering India Private Limited is U72200MH2004PTC179939.

76. Agora Advisory Private Limited

Agora Advisory Private Limited was incorporated on May 7, 2013 and is currently engaged in the business of providing advisory services. The corporate identification number of Agora Advisory Private Limited is U74120MH2013PTC243033.

C. Litigation

There are no outstanding litigations involving our Group Companies which will have a material impact on our Company.

D. Details of Group Companies that have become sick or under winding-up/insolvency proceedings

None of our Group Companies have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding-up/insolvency proceedings under the Insolvency and Bankruptcy Code, 2016.

E. Loss Making Group Companies

Except as disclosed below, none of our Group Companies has incurred a loss in the last Financial Year.

Name of the Group Company	Details of Profit/ (Loss)		
	Financial Year 2018	**Financial Year 2017**	**Financial Year 2016**
Aditya Birla Idea Payments Bank Limited +(*in million Rs.*)	(1,192.23)	(352.06)	NA
Aditya Birla PE Advisors Private Limited (erstwhile Aditya Birla Capital Advisors Private Limited) (*in million Rs.*)	(77.05)	19.29	45.21
Aditya Birla Health Insurance Co. Limited (*in million Rs.)*	(1892.2)	(866.7)	(152)
Aditya Birla Money Mart Limited (*in million Rs.)*	(12.03)	(11.68)	(108.68)
Aditya Birla Wellness Private Limited (*in million Rs.)*	(59.8)	(24.1)	NA
Vodafone Enterprise Luxembourg S.A. (*in Euro*)	(22,748)	(24,586)	77,731
Vodafone Limited (*in million Pound Sterling*)	(256.9)	(621.3)	(658.2)
Vodafone India Services Private Limited (*in million Rs.)*	(1,386.99)	(2,139.01)	(4,639.94)
Vodafone Telekomunikasyon A.S. (*in million Turkish lira*)	(672,464)	(592,923)	(316,249)
Vodafone GmbH (*in thousand Euro*)	(2,217,845)	(3,238,922)	(3,375,561)
Vodafone España, S.A.U. (*in thousand Euro*)	(180,277)	(132,064)	(207,037)
Vodafone Albania S.H.A. (*in units of Albanian lek*)	(*not available*)	(1,044,892,336)#	(481,024,134)##
Vodacom Congo (RDC) S.A. (*in thousand Congolese franc*)	(*not available*)	(199,625,757)#	(51,710,030)##
Ghana Telecommunications Company Limited (*in Ghanaian cedi*)	(848,075)	(1,048,231)	(441,983)
Vodafone Holdings Europe S.L.U. (*in thousand Euro*)	(802,033)	(256,073)	82,513
Vodafone Global Enterprise Limited (*in thousand Euro*)	(83,472)	(50,007)	(38,307)
Vodafone Enterprise Germany GmbH (*in Euro*)	(163,236.60)	407,779.81	475,381.39
VodafoneZiggo Group Holding B.V. (*in million Euro*)	(*not available*)	(790.9)#	-*
Svatantra Microfin Private Limited (*in million Rs.)*	(102.36)	20.95	(45.24)

Name of the Group Company	Details of Profit/ (Loss)		
	Financial Year 2018	**Financial Year 2017**	**Financial Year 2016**
Interglobe Hotels Private Limited (*in million Rs.*)	(753.84)	(588.78)	(531.55)
Axiata Investments 1 (India) Limited (*in million Malaysian Ringgit*)	(2,723)	601	(377)
Axiata Investments 2 (India) Limited (*in million Malaysian Ringgit)*	(4)	136	(51)
Axiata Group Berhad (*in thousand Malaysian Ringgit*)	(5,247,240)	(1,162,482)	657,158
PT XL Axiata Tbk *(in million Indonesian rupiah)*	(3.2)	-	-
G.D. Birla Medical Research and Education Foundation (*in million Rs*)	(26.11)	93.48	59.40
Agora Advisory Private Limited (*in million Rs.*)	(0.002)	1.09	(0.33)

+ In terms of the provisions of Section 2(41) of the Companies Act, 2013, the first financial year of the Company has been fixed from February 19, 2016 to March 31, 2017
#For the year ended December 31, 2017
For the year ended December 31, 2016

F. Defunct Group Companies

There are no defunct Group Companies and no applications have been made to the concerned registrar of companies for striking off the name of any of our Group Companies in the five years immediately preceding the date of filing of this Letter of Offer.

G. Common Pursuits between the Group Companies and our Company

Except as disclosed below, there are no common pursuits between any of the Group Companies and our Company.

H. Related Party Transactions with the Group Companies and significance on the financial performance of our Company

Except as disclosed in the section "*Related Party Transactions*" on page [●], there are no related business transactions with the Group Companies.

There are no business transactions among our Group Companies which impact the financial performance of our Company. However, certain of our Group Companies are engaged in lines of business that are similar or synergetic to our Company.

I. Business and Other Interests

Except as disclosed in the section "*Related Party Transactions*" on page [●], none of our Group Companies has any business and other interest in our Company.

Certain Confirmations

Except, Aditya Birla Capital Limited (erstwhile Aditya Birla Financial Services Limited), UltraTech Cement Limited, Vodacom Group Limited, Vodacom Tanzania PLC, Safaricom PLC, Aditya Birla Money Limited, Axiata Group Berhad, Dialog Axiata PLC and PT XL Axiata Tbk none of our Group Companies are listed on any stock exchanges.

None of our Group Companies have been refused listing of any securities during the last ten years by any of the stock exchanges in India or abroad and have not failed to meet the listing requirements of any stock exchange in India or abroad and no penalty, including, suspension of trading has been imposed by such stock exchanges.

Except as disclosed below, none of our Group Companies has made a public or rights issue in the preceding three years before the date of filing of this Letter of Offer.

1. Aditya Birla Capital Limited issued global depositary shares, pursuant to a composite scheme which were listed on the official list of the Luxembourg Stock Exchange ("**LSE**") and admitted to trading on the Euro MTF market of LSE with effect from October 11, 2017.

2. Vodacom Tanzania Public Limited Company issued 560,000,100 shares through an initial public offer at an issue price of TZS 850, in the year 2017. The issue closed on July 28, 2017 and the allotment and credit of securities to the dematerialized account of investors was made on August 7, 2017. The current market price of the shares of Vodacom Tanzania Public Limited Company is TZS 800.

Nature and Extent of Interest of Group Companies

In the promotion of the Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the preceding three years before filing of this Letter of Offer or proposed to be acquired

None of our Group Companies are interested in the properties acquired by our Company in the preceding three years before the date of filing of this Letter of Offer or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Financial Years ended March 31, 2016, 2017, 2018, and the nine month period ended December 31, 2017 and December 31, 2018 as per the requirements of IndAS 24 read with the Companies Rules, 2015 and SEBI ICDR Regulations, see "*Restated Consolidated Financial Information – Related Party Transactions*" on page [●].

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, our Company's profits, capital requirements, contractual obligations, applicable legal restrictions, overall financial condition and other factors considered relevant by the Board, including as set out in the dividend policy adopted by the Board.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page [●]

The dividend on the Equity Shares by our Company is set out in the following table:

Particulars	**From April 1, 2018 to December 31, 2018**	**Fiscal 2018**	**Fiscal 2017**	**Fiscal 2016***
Number of Equity Shares	Nil	Nil	Nil	3,601,031,239
Rate of Dividend (₹ per share)	Nil	Nil	Nil	0.60
Amount of dividend (in ₹ million)	Nil	Nil	Nil	2,161
Mode of payment of dividend	Nil	Nil	Nil	Cash

** The dividend was paid in Fiscal 2017*

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page [●].

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

[*This page has been intentionally left blank*]

Independent auditors examination report on the restated consolidated statement of assets and liabilities as at December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016, the restated consolidated statement of profit and loss (including other comprehensive income) and restated consolidated statement of changes in equity and restated consolidated cash flow statement for the nine month ended December 31, 2018, nine month ended December 31, 2017 and for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 ('restated consolidated financial information')

The Board of Directors
Vodafone Idea Limited
10th Floor, Birla Centurion,
Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 030

Dear Sirs,

1. We have examined the attached restated consolidated financial information of Vodafone Idea Limited (formerly Idea Cellular Limited) (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), its associates and its joint ventures, as approved by the Board of Directors of the Company at their meeting held on March 15, 2019 for the purpose of inclusion in the letter of offer prepared by the Company in connection with its proposed Rights Issue of equity shares prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2018) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the restated consolidated financial information for the purpose of inclusion in the letter of offer to be filed with Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited (the "Stock Exchanges") and Registrar of Companies, Gujarat in connection with the proposed letter of offer. The Board of Directors of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the restated consolidated financial information. The Board of Directors are also responsible for identifying and ensuring that the Group and its associates and joint ventures complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such restated consolidated financial information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 11, 2019 in connection with the proposed letter of offer of equity shares of the Company;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the restated consolidated financial information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the letter of offer.

4. This restated consolidated financial information has been compiled by the management from:

   a. Audited special purpose interim consolidated Ind AS financial statements of the Group and its associates and joint ventures as at and for the nine month period ended December 31, 2018, prepared in accordance with other accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act, which have been approved by the Board of Directors at their meeting held on February 6, 2019;

b. Audited special purpose interim consolidated Ind AS financial statements of the Group and its associate and joint venture as at and for the nine month period ended December 31, 2017, prepared in accordance with other accounting principles generally accepted in India, including recognition and measurement principles of Ind AS 34, specified under section 133 of the Act, which have been approved by the Board of Directors at their meeting held on February 6, 2019;

c. Audited consolidated Ind AS financial statements of the Group and its associate and joint venture as at and for the year ended March 31, 2018, prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended, which have been approved by the Board of Directors at their meeting held on April 28, 2018;

d. Audited consolidated Ind AS financial statements of the Group and its associate and joint venture as at and for the year ended March 31, 2017, prepared in accordance other accounting principles generally accepted in India, including the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, which have been approved by the Board of Directors at their meeting held on May 13, 2017. As specified in the note 6 of these financial statements, the Company had prepared financial statements for the year ended March 31, 2016 in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (“Indian GAAP”). The Company has prepared the restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of Company’s transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the Financial year ended March 31, 2016 and the balance sheet as at April 1, 2015, including exemptions and exceptions applied, were as mentioned in such note; and;

e. Audited consolidated financial statements of the Group and its jointly controlled entity as at and for the year ended March 31, 2016, prepared in accordance with Indian GAAP, which was approved by the Board of directors at their meeting held on April 28, 2016.

5. For the purpose of our examination, we have relied on:

a. Audit reports issued by us on the special purpose interim consolidated Ind AS financial statements of the Group and its associates and joint ventures as at and for the nine month period ended December 31, 2018 dated February 6, 2019, on the special purpose interim consolidated Ind AS financial statements of the Group and its associate and joint venture as at and for the nine month period ended December 31, 2017 dated February 6, 2019 and on the consolidated financial statements of the Group and its associate and joint venture as at and for the year ended March 31, 2018 dated April 28, 2018 as referred in Paragraphs 4a, 4b and 4c above; and

b. Auditor’s Report issued by Deloitte Haskins & Sells LLP (the “Previous Auditors”) on the consolidated financial statements of the Group and its associate and joint venture as at and for the year ended March 31, 2017 and March 31, 2016 dated May 13, 2017 and April 28, 2016, respectively, as referred in Paragraphs 4d and 4e above. The audits for the financial years ended March 31, 2017 and March 31, 2016 were conducted by the Company’s Previous Auditors.

6. The audit reports on the special purpose interim consolidated financial statements for the nine month period ended December 31, 2018 and December 31, 2017, the consolidated financial statements for the year ended March 31, 2018 issued by us, the consolidated financial statements for the year ended March 31, 2017 and March 31, 2016 issued by the Previous Auditors included the following Emphasis of Matter paragraphs:

a. For the nine month period ended December 31, 2018

We draw your attention to note 46(A)(i) of the special purpose interim 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.

We draw your attention to note 44(viii) of the special purpose interim consolidated Ind AS financial statements which details the uncertainties related to the outcome of discussions between the Company and infrastructure services providers for exit charges pursuant to the change of two tenancies to a single tenancy with higher loading on co-located sites. Our report is not qualified in respect of this matter.

b. For the nine month period ended December 31, 2017

We draw attention to Note 2 to the Special Purpose Financial Statements, which describe the basis of preparation and presentation and further states that the comparative financial information has not been included in these Special Purpose Financial Statements. Only a complete set of financial statements together with comparative financial information and explanatory notes can provide a fair presentation of the Company's state of affairs (financial position), Profit (financial performance including other comprehensive income), cash flows and the changes in equity. Our report is not qualified in respect of this matter.

We draw attention to note 41(A)(i) of the Special Purpose 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.

c. For the year ended March 31, 2018

We draw your attention to Note 42A(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.

d. For the year ended March 31, 2017

We draw attention to Note 44A(i) to 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 opinion is not modified in respect of this matter.

e. For the year ended March 31, 2016

We draw attention to the Note 35A(i) to the consolidated financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication (DoT) demand notices for one time spectrum charges. Our opinion is not modified in respect of this matter.

7. The audit reports referred to in paragraph 5 above included the following other matters:

a. The audit report for the nine month period ended December 31, 2018 included the below 'Other Matters':

i) We did not audit the interim financial statements as at and for the nine month period ended December 31, 2018 for one associate whose share of loss of Rs 580 million included in the interim consolidated Ind AS financial statements, which have been audited by other auditor, M/s Kimji Kunverji & Co., and whose reports have been furnished to us by the Company's management. Our opinion on the interim consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the reports of the other auditor.

Our opinion on the special purpose interim consolidated Ind AS financial statements is not modified in respect of the above matter 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.

ii) The accompanying special purpose interim consolidated Ind AS financial statements have been prepared, and this report thereon issued solely, for the purpose of preparation of restated consolidated Ind AS financial information in connection with its proposed Rights Issue of equity shares to its eligible-existing equity shareholders.

b. The audit report for the nine month period ended December 31, 2017 included the below 'Other Matter':

The accompanying Special Purpose Financial Statements have been prepared, and this report thereon issued solely, for the purpose of preparation of restated consolidated Ind AS financial information in connection with its proposed Rights Issue of equity shares to its eligible-existing equity shareholders.

c. The audit report for the year ended March 31, 2018 included the below 'Other Matter':

The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 13, 2017.

d. The audit report for the year ended March 31, 2017 by the Previous Auditors included the below 'Other Matters':

i) The consolidated Ind AS financial statements include the Group's share of net profit of Rs 4,303 million and total comprehensive income of Rs 4,299 million for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of Indus Towers Limited a joint venture of Aditya Birla Telecom Limited (Subsidiary of the Parent), whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of such other auditors.

ii) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of one joint venture included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

e. The audit report for the year ended March 31, 2016 by the Previous Auditors included the below 'Other Matters':

i) We did not audit the financial statements of Indus Towers Limited, a jointly controlled entity of Aditya Birla Telecom Limited (Subsidiary of the Company), whose financial statements reflect Group's share of total assets (Net) of Rs 18,596 million as at March 31, 2016, total revenues of Rs 25,623 million and net cash flows amounting to Rs 35 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

ii) The consolidated financial statements do not include the Group's share of net profit/loss for the year ended March 31, 2016 in respect of Aditya Birla Idea Payments Bank Limited, an associate which has been incorporated on February 19, 2016. The associate is required to prepare its first full financial statements for the period ending on March 31, 2017. According to the information and explanations given to us by the Management, the Group's share of net profit/loss, if any, would be immaterial.

8. Based on our examination and according to the information and explanations given to us, we report that the restated consolidated financial information:

a. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2018, March 31, 2017, March 31, 2016 and December 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2018;

b. do not require any adjustments for the matters mentioned in paragraph 6 and 7 above; and

c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of the audit reports on the interim consolidated Ind AS financial statements and audited consolidated financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the letter of offer to be filed with Securities and Exchange Board of India, the Stock Exchanges and Registrar of Companies, Gujarat in connection with the proposed Rights Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place: Mumbai
Date: March 15, 2019

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Assets and Liabilities

₹ Mn

Particulars	Notes	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Assets						
Non-current assets						
Property, plant and equipment	7	512,653	235,977	244,549	228,443	211,761
Capital work-in-progress		13,719	8,155	6,513	13,303	6,623
Investment Property	8	675	-	-	-	-
Goodwill on consolidation		36	61	61	61	61
Other Intangible assets	9	1,275,666	559,070	552,309	539,128	440,079
Intangible assets under development	9	46,534	28,700	29,340	62,048	53,775
Investments accounted for using the equity method	10	14,728	13,906	16,601	14,785	21,404
Financial assets						
Long term loans to employees	11	12	25	24	26	25
Other non-current financial assets	12	11,951	4,445	4,180	4,865	8,965
Deferred tax assets (net) (refer note 57)		84,581	5,861	12,052	369	-
Other non-current assets	13	153,590	23,499	17,797	27,694	13,593
Total non-current assets (A)		**2,114,145**	**879,699**	**883,426**	**890,722**	**756,286**
Current assets						
Inventories	14	38	413	367	588	1,065
Financial assets						
Current investments	15	77,025	15,075	56,304	48,998	13,305
Trade receivables	16	40,736	9,738	8,874	13,139	11,424
Cash and cash equivalents	17	10,587	500	193	782	7,630
Bank balance other than cash and cash equivalents	18	1,432	37	98	45	61
Loans	19	23	20	20	21	17
Other current financial assets	20	892	370	314	399	921
Current tax assets (net)		-	10	7,752	25	56
Other current assets	21	66,669	13,607	17,915	12,312	10,335
Total current assets (B)		**197,402**	**39,770**	**91,837**	**76,309**	**44,814**
Assets classified as held for sale (AHFS) (C)	22 (a)	1,971	10,052	10,509	16	155
Total Assets (A+B+C)		**2,313,518**	**929,521**	**985,772**	**967,047**	**801,255**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Assets and Liabilities

₹ Mn

Particulars	Notes	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity and Liabilities						
Equity						
Equity share capital	23	87,354	36,075	43,593	36,053	36,005
Other equity	24	558,000	178,793	229,032	211,269	199,500
Total equity (A)		**645,354**	**214,868**	**272,625**	**247,322**	**235,505**
Liabilities						
Non-current liabilities						
Financial liabilities						
Long term borrowings	25	1,156,078	565,012	569,408	516,378	359,040
Trade Payables		2,759	-	-	-	-
Other non-current financial liabilities	26	84,026	24,199	26,062	10,382	23,722
Long term provisions	27	4,013	3,948	3,107	3,842	3,454
Deferred tax liabilities (net) (refer note 57)		413	473	659	13,587	19,539
Other non-current liabilities	28	3,929	5,031	5,602	4,921	4,108
Total non-current liabilities (B)		**1,251,218**	**598,663**	**604,838**	**549,110**	**409,863**
Current liabilities						
Financial liabilities						
Short term borrowings	29	10,906	901	217	347	16,456
Trade payables		127,751	41,425	35,479	40,777	32,471
Other current financial liabilities	30	199,384	40,062	43,820	102,560	82,540
Other current liabilities	31	77,509	30,636	26,597	26,732	23,494
Short term provisions	32	412	198	224	199	926
Total current liabilities (C)		**415,962**	**113,222**	**106,337**	**170,615**	**155,887**
Liabilities classified as held for sale (D)	22 (b)	984	2,768	1,972	-	-
Total Equity and Liabilities (A+B+C+D)		**2,313,518**	**929,521**	**985,772**	**967,047**	**801,255**

The accompanying notes are an integral part of the Financial Information

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Prashant Singhal
Partner
Membership No.: 93283

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Place: Mumbai
Date: March 15, 2019

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Profit and Loss

₹ Mn

Particulars	Notes	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Income						
Service revenue		252,481	220,628	281,677	354,898	358,834
Sale of trading goods		169	46	51	228	330
Other operating income	33	525	160	318	231	330
Revenue from operations		**253,175**	**220,834**	**282,046**	**355,357**	**359,494**
Other income	34	5,745	1,026	3,529	3,069	2,131
Total income		**258,920**	**221,860**	**285,575**	**358,426**	**361,625**
Operating Expenditure						
Cost of trading goods		200	67	73	279	289
Employee benefit expenses	35	15,652	12,835	15,430	17,977	16,119
Network expenses and IT outsourcing cost	36	119,062	75,905	97,334	101,817	88,143
License fees and spectrum usage charges	37	26,716	23,340	28,667	40,515	41,508
Roaming and access charges	38	29,194	28,249	35,358	42,754	46,653
Subscriber acquisition and servicing expenditure	39	20,559	21,058	27,199	29,882	28,668
Advertisement, business promotion expenditure & content cost	40	6,567	6,283	8,147	9,413	9,499
Other expenses	41	12,648	7,093	9,362	10,284	8,551
		230,598	**174,830**	**221,570**	**252,921**	**239,430**
Profit before finance costs, depreciation, amortisation, share of net profit / (loss) of joint ventures and associate, exceptional items and tax		**28,322**	**47,030**	**64,005**	**105,505**	**122,195**
Fair value loss on Compulsorily Convertible Preference Shares (CCPS)		-	-	-	290	3,174
Finance costs	42	65,168	35,884	48,130	39,794	18,176
Depreciation	7 & 8	53,859	38,237	50,630	49,914	48,045
Amortisation	9	44,858	25,000	33,461	28,358	14,516
Profit / (Loss) before share of profit / (loss) of joint ventures and associate, exceptional items and tax		**(135,563)**	**(52,091)**	**(68,216)**	**(12,851)**	**38,284**
Add: Share in profits / (losses) of joint ventures (net)		1,999	2,586	3,458	4,303	4,217
Add: Share in loss of associate		(580)	(106)	(234)	(84)	-
Profit / (Loss) before exceptional items and tax		**(134,144)**	**(49,611)**	**(64,992)**	**(8,632)**	**42,501**
Exceptional items	43	19,979	-	-	-	-
Profit / (Loss) before tax		**(114,165)**	**(49,611)**	**(64,992)**	**(8,632)**	**42,501**
Tax expense:						
- Current tax	56	169	920	1,234	990	8,922
- Deferred tax	56 & 57	(17,115)	(18,471)	(24,544)	(5,625)	6,298
Profit / (Loss) after tax		**(97,219)**	**(32,060)**	**(41,682)**	**(3,997)**	**27,281**
Other comprehensive income / (loss)						
Items not to be reclassified to profit or loss in subsequent periods:						
Re-measurement gains / (losses) of defined benefit plans	55	432	(47)	442	(57)	(200)
Income tax effect	56 & 57	(143)	16	(152)	20	69
Group's share in other comprehensive income of joint ventures and associate (net of taxes)		3	(2)	(7)	(6)	(8)
Other comprehensive income / (loss) for the period / year, net of tax		**292**	**(33)**	**283**	**(43)**	**(139)**
Total comprehensive income / (loss) for the period / year		**(96,927)**	**(32,093)**	**(41,399)**	**(4,040)**	**27,142**
Earnings / (Loss) per equity share of ₹ 10 each:	58					
Basic (₹)		(15.42)	(8.95)	(11.36)	(1.23)	7.42
Diluted (₹)		(15.42)	(8.95)	(11.36)	(1.23)	7.40

The accompanying notes are an integral part of the Financial Information

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Prashant Singhal
Partner
Membership No.: 93283

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Place: Mumbai
Date: March 15, 2019

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Changes in Equity

A. Equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid	**Numbers**	**₹ Mn**
As at April 1, 2015	**3,597,844,427**	**35,978**
Issue of shares under Employee Stock Option Scheme (ESOS)	2,664,951	27
As at March 31, 2016	**3,600,509,378**	**36,005**
Issue of shares under Employee Stock Option Scheme (ESOS)	4,818,853	48
As at March 31, 2017	**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(viii))	326,633,165	3,266
Allotment of shares under Qualified Institutional Placement (QIP) (refer note 44(ix))	424,242,424	4,243
As at March 31, 2018	**4,359,320,930**	**43,593**
As at April 1, 2017	**3,605,328,231**	**36,053**
Issue of shares under Employee Stock Option Scheme (ESOS)	2,170,806	22
As at December 31, 2017	**3,607,499,037**	**36,075**
As at April 1, 2018	**4,359,320,930**	**43,593**
Issue of shares under Employee Stock Option Scheme (ESOS)	866,348	9
Issue of shares pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (VInL) with the Company (refer note 6)	4,375,199,464	43,752
As at December 31, 2018	**8,735,386,742**	**87,354**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Changes in Equity

B. Other equity **₹ Mn**

Particulars	Capital reserve	Capital reduction reserve	Debenture redemption reserve	Securities premium	Amalgamation adjustment deficit account	General reserve	Retained earnings	Employee stock options reserve	Total
As at April 1, 2015	**-**	**-**	**342**	**103,653**	**-**	**169**	**69,827**	**775**	**174,766**
Profit for the year	-	-	-	-	-	-	27,281	-	27,281
Other comprehensive loss for the year	-	-	-	-	-	-	(139)	-	(139)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**27,142**	**-**	
Dividend for the year ended March 31, 2015	-	-	-	-	-	-	(2,160)	-	(2,160)
Dividend distribution tax	-	-	-	-	-	-	(440)	-	(440)
Issue of shares under ESOS	-	-	-	148	-	-	-	-	148
Transfer from retained earnings	-	-	141	-	-	-	(141)	-	-
Share-based payment expenses (refer note 54)	-	-	-	-	-	-	-	614	614
Transfer to Securities premium account on exercise of options	-	-	-	37	-	-	-	(37)	-
Group's share of additional depreciation in joint venture Indus Towers Ltd. (Indus) on fair valued assets / physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(570)	-	(570)
As at March 31, 2016	**-**	**-**	**483**	**103,838**	**-**	**169**	**93,658**	**1,352**	**199,500**
Loss for the year	-	-	-	-	-	-	(3,997)	-	(3,997)
Other comprehensive loss for the year	-	-	-	-	-	-	(43)	-	(43)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(4,040)**	**-**	
Dividend for the year ended March 31, 2016	-	-	-	-	-	-	(2,161)	-	(2,161)
Dividend distribution tax	-	-	-	-	-	-	(440)	-	(440)
Issue of shares under ESOS	-	-	-	48	-	-	-	-	48
Transfer from retained earnings	-	-	834	-	-	-	(834)	-	-
Share-based payment expenses (refer note 54)	-	-	-	-	-	-	-	432	432
Transfer to Securities premium account on exercise of options	-	-	-	443	-	-	-	(443)	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets / physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(423)	-	(423)
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme (refer note 44(x))	-	-	-	29,040	-	-	(10,687)	-	18,353
As at March 31, 2017	**-**	**-**	**1,317**	**133,369**	**-**	**169**	**75,073**	**1,341**	**211,269**
Loss for the year	-	-	-	-	-	-	(41,682)	-	(41,682)
Other comprehensive income for the year	-	-	-	-	-	-	283	-	283
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(41,399)**	**-**	
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 shares under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹309 Mn) (refer note 44(ix))	-	-	-	30,448	-	-	-	-	30,448
Transfer from retained earnings	-	-	3,091	-	-	-	(3,091)	-	-
Share-based payment expenses (refer note 54)*	-	-	-	-	-	-	-	(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)
As at March 31, 2018	**-**	**-**	**4,408**	**193,354**	**-**	**169**	**30,299**	**802**	**229,032**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Statement of Changes in Equity

₹ Mn

Particulars	Capital reserve	Capital Reduction Reserve	Debenture redemption reserve	Securities premium	Amalgamation adjustment deficit account	General reserve	Retained earnings	Employee stock options reserve	Total
As at April 1, 2017	**-**		**1,317**	**133,369**		**169**	**75,073**	**1,341**	**211,269**
Loss for the nine months period ended December 31, 2017	-	-	-	-	-	-	(32,060)	-	(32,060)
Other comprehensive loss for the nine months period ended December 31, 2017	-	-	-	-	-	-	(33)	-	(33)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(32,093)**	**-**	
Issue of shares under ESOS	-	-	-	24	-	-	-	-	24
Transfer from retained earnings	-	-	2,634	-	-	-	(2,634)	-	-
Share-based payment expenses (refer note 54)*	-	-	-	-	-	-	-	(190)	(190)
Transfer to Securities premium account on exercise of options	-	-	-	200	-	-	-	(200)	-
Group's share of additional depreciation in joint venture (Indus) on fair valued assets / physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(217)	-	(217)
As at December 31, 2017	**-**	**-**	**3,951**	**133,593**	**-**	**169**	**40,129**	**951**	**178,793**
As at April 1, 2018	**-**	**-**	**4,408**	**193,354**	**-**	**169**	**30,299**	**802**	**229,032**
Loss for the nine months period ended December 31, 2018	-	-	-	-	-	-	(97,219)	-	(97,219)
Other comprehensive income for the nine months period ended December 31, 2018	-	-	-	-	-	-	292	-	292
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(96,927)**	**-**	
Pursuant to amalgamation of erstwhile Vodafone Mobile Services Limited (VMSL) and erstwhile Vodafone India Limited (VInL) with the Company (refer note 6)	165	277,787	-	842,139	(488,408)	1,393	(122,024)	-	511,052
Pursuant to merger of ABTL with the Company (refer note 44(vii))	(3,474)	-	-	-	-	-	3,449	-	(25)
Indemnity (refer note 6(C))	(84,861)	-	-	-	-	-	-	-	(84,861)
Issue of shares under ESOS	-	-	-	1	-	-	-	-	1
Stamp Duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 6)									
Share-based payment expenses (refer note 54)	-	-	-	(83)	-	-	-	-	(83)
Transfer to Securities premium account on exercise of options	-	-	-	-	-	-	-	(9)	(9)
Group's share of additional depreciation in joint venture (Indus) on fair valued	-	-	-	101	-	-	-	(101)	-
assets/physical verification adjustments pursuant to scheme	-	-	-	-	-	-	(180)	-	(180)
As at December 31, 2018	**(88,170)**	**277,787**	**4,408**	**1,035,512**	**(488,408)**	**1,562**	**(185,383)**	**692**	**558,000**

* The charge for the nine months period ended December 31, 2017 and year ended March 31, 2018 is net of reversal on account of cancellation of unvested options.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal
Partner
Membership No.: 93283

Place: Mumbai
Date: March 15, 2019

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Cash Flow Statements

₹ Mn

Particulars	For the period ended December 31, 2018		For the period ended December 31, 2017		For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	
A) Cash Flow from Operating Activities										
Profit / (Loss) before tax		**(114,165)**		**(49,611)**		**(64,992)**		**(8,632)**		**42,501**
Adjustments to reconcile profit / (loss) before tax to net cash flows:										
Share in (profits) / loss of joint ventures and associate (net)	(1,419)		(2,480)		(3,224)		(4,219)		(4,217)	
Depreciation of property, plant and equipment and investment property	53,859		38,237		50,630		49,914		48,045	
Amortisation of intangible assets	44,858		25,000		33,461		28,358		14,516	
Share based payment expenses (ESOS)	146		(190)		(229)		432		614	
(Gain) / Loss on disposal of property, plant and equipment and intangible assets (net)	(54)		(131)		(274)		(176)		(64)	
Impairment of assets (refer note 43)	350		-		-		-		-	
Finance costs (including fair value loss on CCPS)	65,168		35,884		48,130		40,084		21,350	
Provision for gratuity and compensated absences	(163)		583		254		323		378	
Bad debts / advances written off	22		54		59		104		1,328	
Allowance for doubtful debts / advances	2,083		1,231		1,630		1,869		282	
Liabilities / provisions no longer required written back	(391)		(99)		(223)		(151)		(177)	
Gain on sale of ICISL & profit before tax of ICISL upto date of sale	(33,766)		-		-		-		-	
Other income	(5,745)		(1,026)		(3,529)		(3,069)		(2,131)	
		124,948		**97,063**		**126,685**		**113,469**		**79,924**
Operating profit before working capital changes		**10,783**		**47,452**		**61,693**		**104,837**		**122,425**
Adjustments for changes in Working Capital										
(Increase) / Decrease in Trade receivables	(3,973)		1,233		1,995		(3,614)		(3,555)	
(Increase) / Decrease in Inventories	365		175		221		477		(355)	
(Increase) / Decrease in Other financial and non financial assets	(319)		1,739		(2,483)		(2,538)		(6,078)	
Increase / (Decrease) in Trade Payables	35,891		2,171		(4,558)		8,457		3,031	
Increase / (Decrease) in Other financial and non financial liabilities	(4,705)		4,233		620		4,236		3,017	
		27,259		9,551		(4,205)		7,018		(3,940)
Cash flow from Operating Activities		**38,042**		**57,003**		**57,488**		**111,855**		**118,485**
Income tax refund / (paid) (including TDS) (net)		3,915		(3,225)		(4,164)		(6,808)		(8,611)
Net Cash flow from Operating Activities (A)		**41,957**		**53,778**		**53,324**		**105,047**		**109,874**
B) Cash Flow from Investing Activities										
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(58,570)		(69,053)		(86,508)		(53,313)		(71,243)	
Payment towards spectrum and licenses - Upfront payment / One time spectrum charges	(39,263)		-		-		(66,207)		(58,082)	
Payment towards spectrum and licenses - Deferred payment liability	-		-		-		(7,182)		-	
Proceeds from sale of property, plant and equipment and intangible assets	368		240		493		382		207	
Proceeds from sale of subsidiary	42,303		-		-		-		-	
Additional investment in associate #	(486)		-		(991)		(174)		(2)	
Net (Purchase) / proceeds from sale of current investments	(15,154)		32,618		(8,385)		(33,298)		103,912	
Interest received	239		13		17		611		1,318	
Dividend income from joint venture (Indus)	2,990		2,657		2,657		3,623		-	
Net Cash flows from/(used) in Investing Activities (B)		**(67,573)**		**(33,525)**		**(92,717)**		**(155,558)**		**(23,890)**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Consolidated Cash Flow Statements

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
C) Cash Flow from Financing Activities					
Proceeds from exercise of share options	1	45	58	97	175
Stamp Duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 6)	(83)	-	-	-	-
Proceeds from allotment of Equity Share Capital under Qualified Institutional Placement (QIP)(Net of share issue expenses of ₹309 Mn)(refer note 44(ix))	-	-	34,691	-	-
Proceeds from Preferential allotment of Equity shares (Net of share issue expenses of ₹35 Mn)(refer note 44(viii))	-	-	32,465	-	-
Amount paid on extinguishment of Equity Shares held by P5 as per high court approved scheme	-	-	-	(4,550)	-
Proceeds from Long Term Borrowings	56,429	35,000	44,950	115,156	347
Repayment of Long Term Borrowings	(10,673)	(7,655)	(18,015)	(15,859)	(101,630)
Proceeds from short term borrowings	985	-	-	-	14,798
Repayment of short term borrowings	(56,553)	-	-	(15,000)	-
Payment of Dividend, including Dividend Distribution Tax	-	-	-	(2,599)	(2,598)
Payment of interest & finance charges*	(12,893)	(48,247)	(54,900)	(32,473)	(4,781)
Net Cash flows from/(used) in Financing Activities (C)	**(22,787)**	**(20,857)**	**39,249**	**44,772**	**(93,689)**
Net increase / (decrease) in Cash and Cash Equivalents during the period/year (A+B+C)	**(48,403)**	**(604)**	**(144)**	**(5,739)**	**(7,705)**
Cash and Cash Equivalents at the beginning of the year	(24)	435	435	6,174	13,879
Cash and cash equivalent pursuant to amalgamation of VMSL and VInL with the Company (net of bank overdraft)	58,307	-	-	-	-
Less: Cash & Cash Equivalent of VMPL (refer note 44(iii))	(956)	-	-	-	-
Less: Cash & Cash Equivalent of ICISL (refer note 44(ii))	-	(232)	(296)	-	-
Less: Cash & Cash Equivalent of IMCSL (refer note 44(vi))	-	-	(19)	-	-
Cash and Cash Equivalents at the end of the period/year	**8,924**	**(401)**	**(24)**	**435**	**6,174**

Notes to Restated Cash Flow Statement

₹ Mn

1. Cash and Cash Equivalents include the following Balance Sheet amounts	**For the period ended December 31, 2018**	**For the period ended December 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Cash on hand	65	9	10	9	19
Cheques on hand	461	65	28	63	87
Balances with banks					
In Current Accounts	3,682	426	155	710	324
In Deposit Accounts	6,379	-	-	-	7,200
Sub Total	**10,587**	**500**	**193**	**782**	**7,630**
Less:Bank overdraft which forms an integral part of cash management (refer note 29)	(1,663)	(901)	(217)	(347)	(1,456)
	8,924	**(401)**	**(24)**	**435**	**6,174**

(#) excludes value of shares allotted on merger of IMCSL, being non-cash transaction.
(*) includes interest payment on deferred payment liabilities forming part of long term borrowings.

2.Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions

₹ Mn

Particulars	Long term borrowings including current maturities	Change in derivative assets / liabilities	Interest accrued but not due
Balance as at April 1,2015	**255,166**	**(1,694)**	**1,917**
(i) Cash flow items			
Net proceed / (repayment) of borrowings	(101,283)	-	-
Payment of interest and finance charges	(2,582)	3,264	(5,648)
(ii) Non - Cash items			-
Foreign exchange (gain) / loss	3,516	-	-
Finance Cost accrued (charged to profit and loss / capitalised)	-	(422)	37,421
Interest on ARO	-	-	(39)
Upfront fees amortisation	535	-	(535)
Deferred payment liability for spectrum on allotment of Spectrum	224,033	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	9,572	-	(9,572)
Balance as at April 1,2016	**388,957**	**1,148**	**23,544**
(i) Cash flow items			
Net proceed / (repayment) of borrowings	99,297	-	-
Payment of Interest and Finance Charges	(16,665)	(482)	(15,340)
Payment towards deferred payment liability for spectrum	(7,182)	-	-
(ii) Non - cash items		-	
Foreign exchange (gain) / loss	(1,113)	-	1,113
Finance cost accrued (charged to profit and loss / capitalised)	-	1,219	41,803
Interest on ARO	-	-	(42)
Upfront fees amortisation	123	-	(123)
Deferred payment liability for spectrum on allotment of Spectrum	64,378	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	22,403	-	(22,403)
Balance as at March 31, 2017	**550,198**	**1,885**	**28,552**
(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
Upfront fees amortisation	524	-	(525)
Interest on ARO	-	-	(47)
Deferred payment liability for spectrum on allotment of Spectrum	3,180	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	21,119	-	(21,119)
Balance as at March 31, 2018	**579,634**	**84**	**27,808**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Restated Cash Flow Statements

₹ Mn

Particulars	Long term Borrowings including current maturities	Change in Derivative Assets / Liabilities	Interest accrued but not due
Balance as at April 1, 2017	**550,198**	**1,885**	**28,552**
(i) Cash flow items			
Net proceed / (repayment) of borrowings	27,345	-	-
Payment of Interest and Finance Charges	(22,403)	(1,703)	(24,141)
(ii) Non - cash items			
Foreign exchange (gain) / Loss	(503)	-	-
Finance Cost accrued (charged to profit and loss / capitalised)	-	91	38,692
Interest on ARO	-	-	(32)
Upfront fees amortisation	545	-	(545)
Deferred payment liability for spectrum on allotment of Spectrum	3,180	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	14,165	-	(14,165)
Balance as at December 31, 2017	**572,527**	**273**	**28,361**
Balance as at April 1, 2018	**579,634**	**84**	**27,808**
(i) Cash flow items			
Net proceed / (repayment) of borrowings	45,756	-	-
Payment of Interest and Finance Charges	1,761	(21)	(14,633)
(ii) Non - cash items			
Addition due to amalgamation of VMSL and VInL with the Company (refer note 6)	557,396	(2,453)	26,565
Foreign exchange (gain) / loss	450	-	-
Finance cost accrued (charged to Profit and Loss / capitalised)	-	2,387	65,188
Interest on ARO	-	-	(5)
Upfront fees addition	(703)	-	703
Upfront fees amortisation	132	-	(132)
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	41,306	-	(41,306)
Balance as at December 31, 2018	**1,225,732**	**(3)**	**64,188**

3. The above Restated Cash Flow Statement 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: March 15, 2019

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

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") have 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, the Restated Consolidated Financial Information for the nine months period ended December 31, 2018 includes consolidated financial results of the operations of VInL and its subsidiaries for the period from August 31, 2018 to December 31, 2018. The Company is leading telecom service provider in India. The Company and its subsidiaries is engaged in the business of Mobility and Long Distance services, trading of handset and data cards, and payment banking services across India.

2. The Group has incurred a net loss for the nine months period ended December 31, 2018 of ₹97,219 Mn (nine months ended December 31, 2017 ₹32,060 Mn). The borrowings including interest thereon repayable during the next twelve months period ending December 31, 2019 is ₹195,613 Mn. In addition, the Company expects to incur capital expenditure to achieve its planned business growth as per its approved business plan. The Board of Directors have considered and approved the capital raise for an amount aggregating upto ₹250,000 Mn by way of rights issue to existing eligible equity shareholders of the Company. The Promoter Shareholders Vodafone Group (VFG) and Aditya Birla Group (ABG) have re-iterated to the Board that they intend to contribute up to ₹110,000 Mn and up to ₹72,500 Mn respectively, as part of such rights issue and indicated to subscribe the under subscribed portion, if any. The Company believes that the expected capital infusion as mentioned above together with operating cash and cash equivalents (including current investments) of ₹87,612 Mn as at December 31, 2018 and the cash from operations over the next twelve months is sufficient for scheduled debt repayments, accrued interest, capital expenditure payouts and other working capital requirements of the Group for the next twelve months. Accordingly, these financial statements have been prepared on a going concern basis.

3. A. Basis of Preparation

(i) Restated Consolidated Financial Information:

This Restated Consolidated Financial Information of the Company, its subsidiaries (hereinafter collectively referred to as "Group"), joint ventures and associate comprising of Restated Consolidated Statement of Assets and Liabilities as at December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Changes in Equity and Restated Consolidated Cash Flow statement for the nine months period ended December 31, 2018 and December 31, 2017, and for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 and other explanatory information (including significant accounting policies), have been prepared specifically for inclusion in the letter of offer to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Rights issue ("Rights Issue") of its equity shares.

The Restated Consolidated Financial Information have been compiled from:

a) Audited consolidated financial statements of the Group as at and for the nine month period ended December 31, 2018 and December 31, 2017 prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) 34 specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

b) Audited financial statements of the Group as at and for the year ended March 31, 2018 and March 31, 2017 prepared in accordance with the accounting principles generally accepted in India including Ind AS notified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and

c) Audited financial statements of the Group as at and for the year ended March 31, 2016 has prepared in accordance with the accounting principles generally accepted in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time).

These Restated Consolidated Financial Information have been prepared on an accrual basis and under the 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 Restated Consolidated Financial Information 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.

(ii) Restatement Adjustment:

There is no difference between the total equity, profit / (loss) or other comprehensive income / (loss) as per the audited consolidated financial statements and restated consolidated financial information for the nine month period ended December 31, 2018 and December 31, 2017 and for the year ended March 31, 2018 and March 31, 2017. The principal adjustments made by the Group in restating its Previous GAAP consolidated financial statements as at and for the Financial year ended March 31, 2016 and the balance sheet as at April 1, 2015 on transition to Ind AS are mentioned in note 67.

B. Statement of Compliance

These Restated Consolidated Financial Information have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions and amendments of the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR regulations").

The Group has uniformly applied the accounting policies during the periods presented. The Group has prepared its first Ind AS compliant consolidated financial statements for the year ended March 31, 2017 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ('Indian GAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101. Accordingly, the Opening consolidated statement of assets and liabilities, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of Group's transition to Ind AS. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Equity, Statement of Profit and Loss and Cash Flow Statement are provided in note 67.

C. Basis of consolidation

The Restated Consolidated Financial Information have been prepared in accordance with Ind AS 110 on 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 Information 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 Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Assets and Liabilities 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.

Sr. No.	Name of the Company	Relationship	Voting Power % as at				
			December 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017	March 31, 2016
1.	Idea Telesystems Limited	Subsidiary	100.00	100.00	100.00	100.00	100.00
2.	Aditya Birla Telecom Limited(1)	Subsidiary	-	100.00	100.00	100.00	100.00
3.	Idea Cellular Services Limited	Subsidiary	100.00	100.00	100.00	100.00	100.00
4.	Idea Cellular Infrastructure Services Limited(2)	Subsidiary	-	100.00	100.00	100.00	100.00

Sr. No.	Name of the Company	Relationship	Voting Power % as at				
			December 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017	March 31, 2016
5.	Idea Mobile Commerce Services Limited(3)	Subsidiary	-	100.00	-	100.00	100.00
6.	Vodafone Business Services Limited*	Subsidiary	100.00	-	-	-	-
7.	Mobile Commerce Solutions Limited*	Subsidiary	100.00	-	-	-	-
8.	Vodafone M-Pesa Limited(4)*	Subsidiary	100.00	-	-	-	-
9.	Vodafone India Ventures Limited*	Subsidiary	100.00	-	-	-	-
10.	Vodafone India Digital Limited*	Subsidiary	100.00	-	-	-	-
11.	You Broadband India Limited*	Subsidiary	100.00	-	-	-	-
12.	Vodafone Technology Solutions Limited*	Subsidiary	100.00	-	-	-	-
13.	Vodafone Towers Limited*	Subsidiary	100.00	-	-	-	-
14.	Vodafone Foundation*	Subsidiary	100.00	-	-	-	-
15.	Connect (India) Mobile Technologies Private Limited (CIMTPL)*	Subsidiary	100.00	-	-	-	-
16.	You System Integration Private Limited (YSIPL)*	Subsidiary	100.00	-	-	-	-

(1) Merged with VIL from November 30, 2018 (Refer note 44(vii))
(2) Ceased to be a subsidiary from May 31, 2018 (Refer note 44(ii))
(3) Ceased to exist from February 22, 2018 (Refer note 44(vi))
(4) Classified as assets held for sale (Refer note 44(iii))
* Effective August 31, 2018, pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

The Restated Financial Statements of the following associate and joint venture used in the consolidation are drawn up to the same reporting date as that of the Group and the accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group. All the entities are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at				
			December 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017	March 31, 2016
1.	Indus Towers Limited (Indus)	Joint Venture*	11.15	11.15	11.15	11.15	16.00
2.	Firefly Networks Limited**	Joint Venture*	50.00	-	-	-	-
3.	Aditya Birla Idea Payments Bank Limited (ABIPBL)***	Associate	49.00	12.14	49.00	9.84	49.00

* by virtue of the joint venture agreement
** Effective August 31, 2018, pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)
*** Refer note 44(vi)

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 the restated consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit and loss on disposal of the related assets and liabilities.

b) Associates and Joint Arrangements

The Group ceases to equity account for an investment if it loses joint control or significant influence over such equity accounted investee. When the Group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in Restated Consolidated Statement of Profit and 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 Restated Consolidated 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 Restated Consolidated Other Comprehensive Income are reclassified to Restated Consolidated Statement of 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 Restated Consolidated Comprehensive Income are reclassified to Restated Consolidated Statement of Profit and Loss where appropriate.

New and amended standards adopted by the Group

<u>Ind AS-115, “Revenue from Contracts with Customers”</u>
Effective April 1, 2018, the Group has adopted Ind AS 115 “Revenue from Contracts with Customers”. The accounting standard has been applied for all periods presented in the restated consolidated financial information. The effect on adoption of the said standard was insignificant on these restated consolidated financial information. Accordingly, the consolidated financial information has not been restated.

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.

4. A. Significant Accounting Policies

a) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of the goods or receive services and thus has the ability to direct the use and obtain the benefits from the goods or services. Revenue is measured at the Transaction price i.e. an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the Group on their own account. Accordingly, it is excluded from revenue. The Group evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard. Consideration payable to a customer includes cash or credit or other items expected to be payable to the customer (or to other parties that purchase the entity’s goods or services from the customer). The Group accounts for consideration payable to a customer as a reduction from the transaction price unless the payment to the customer is in exchange for a distinct 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 4 q) Financial instruments – initial recognition and subsequent measurement.

iv). Advance from customer and Deferred revenue
Advance from customer and deferred revenue is the obligation to transfer 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 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 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 Restated Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease:

Operating lease payments are recognised as an expense in the Restated 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 Restated 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 Restated 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 operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. 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 restated consolidated statement of assets and Liabilities with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re measurements are not reclassified to the Restated 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 restated 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 Restated Consolidated Statement of Profit and Loss in the period in which they arise.

iv. Share- based payments

Equity-settled share-based payments to employees for options granted by the Group to its employees are measured at the fair value of the equity instruments at the grant date.

Stock option of Vodafone Group Plc (VGPLc) granted to the employees of the Group are accounted as cash-settled share based payments by the Group.

The fair value determined at the grant date of the equity settled share-based payments is expensed over the period in which the performance or service conditions are fulfilled, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity. The fair value of the cash settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Restated 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 Restated 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 at prescribed rates of revenue share, are charged to the Restated Consolidated Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprise of adjusted gross revenue as per the license agreement of the licensed service area.

e) Foreign currency transactions

The Group's Restated Consolidated Financial Information 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 Restated 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 from ordinary activities which are non-recurring 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 Restated 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 Restated Consolidated Financial Information 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. Unrecognised deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation statute.

h) Current / Non – Current Classification

An asset is classified as current when

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

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

A liability is classified as current when

a) It is expected to be settled in the normal operating cycle of the 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

On transition to Ind AS i.e. April 1, 2015, the Group has decided to continue with the carrying value of all of its Property, Plant and Equipment (PPE) recognised as at April 1, 2015 as the deemed cost of the PPE. 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 capitalised 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 Restated 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 years
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 derecognised. 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 recognised in the Restated Consolidated Statement of Profit and Loss on the date of retirement or disposal.

j) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For 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 restated 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 Restated 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 Restated 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 and licenses is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the license/ spectrum.

- 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.

- Payment for Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and the cost is amortised over the period of the agreement ranging from 10 to 20 years.

- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. The Group amortises brand using the straight line method over the estimated useful life of 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 Restated 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 restated consolidated statement of assets and liabilities..

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

m) Impairment of Non – Financial Assets

Tangible 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 Restated 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 recognised 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 recognised 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 Restated Consolidated Financial Information 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 recognise the Group's share of the post-acquisition profits or losses of the investee in the Restated 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 recognise 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 an objective evidence indicating impairment. Impairment is tested in accordance with Ind AS 36 – Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

o) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

p) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

q) Cash and cash equivalents

Cash and cash equivalents in the Restated Consolidated statement of assets and liabilities 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 Restated 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 Restated 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 Restated Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Restated 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 Restated Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘passthrough’ arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

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

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

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

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

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

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

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 Restated 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 Restated Consolidated Statement of Profit and Loss.

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 Restated Consolidated Profit and 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 Restated 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 Restated Consolidated Statement of Profit and Loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Restated Consolidated Statement of Profit and 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 restated consolidated statement of assets and liabilities 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 restated consolidated financial information 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 restated 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 contracts

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 Restated Consolidated Statement of Profit and Loss.

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

i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Group has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Restated 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 recognised in the Restated Consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised 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 recognise 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.

B. Use of Estimates, assumptions and judgments

The preparation of the Restated Consolidated Financial Information 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.

Deferred Tax Assets ('DTA') is recognised 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.

MAT is recognised 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 recognised as an asset, the said asset is created by way of a credit to the Restated Consolidated Statement of Profit and loss and is included in DTA. 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 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

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). 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. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. 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 7.

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 higher of the fair value less costs of disposal and value in use calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate. Refer Note 63 for further details.

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 specializes 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 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.

5. New accounting pronouncements to be adopted on or after January 1, 2019.

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

6. Business combinations

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, 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 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 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 own 45.1% and 26.0% in the combined Company, respectively and the balance 28.9% is owned by other shareholders.

In compliance with the scheme, on merger of Transferor Company 1 with the Transferee Company, 3,893,927,522 equity shares of the Company were issued to Transferor Company 2 being the shareholder of Transferor Company 1. Immediately thereafter, on merger of Transferor Company 2 with the Transferee Company, these share were cancelled and 4,375,199,464 equity shares were issued afresh to shareholders of Transferor Company 2. 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 venturers using 'Pooling of Interest' method or adopt the 'fair value' method. The Company has adopted the 'Pooling of Interest' method. Accordingly, all the assets, liabilities and reserves of Transferor Companies and its subsidiaries have been recorded at their carrying amounts 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 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 the Transferor Companies after eliminating the inter-company transactions between these entities and adjustments with respect to alignment of accounting policies and practices.

A. The aggregate carrying balances of the Transferor Companies and its subsidiaries which merged into the Company for the purposes of consolidation are as under:

Particulars	Transferor Companies and its subsidiaries	Intercompany elimination*	Adjustments **	Total
Assets:				
Property, plant and equipment	275,218	-	(561)	274,657
Capital work-in-progress	15,271	-	-	15,271
Investment property	679	-	-	679
Other Intangible assets	645,774	-	(4,384)	641,390
Intangible assets under development	100,941	-	-	100,941
Non-current investments	488,256	(8,222)	(2,311)	477,723
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
Total Assets	**1,990,300**	**(128,476)**	**(8,472)**	**1,853,352**
Equity and Liabilities				-
Equity:				-
Equity share capital	41,223	(8,156)	-	33,067
Other equity	981,704	(48)	17,804	999,460
Total equity	**1,022,927**	**(8,204)**	**17,804**	**1,032,527**
Liabilities:				-
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 and others	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
Total liabilities	**967,373**	**(120,272)**	**(26,276)**	**820,825**
Total Equity and Liabilities	**1,990,300**	**(128,476)**	**(8,472)**	**1,853,352**

* Intra group elimination between Transferor Company 1, Transferor Company 2 and its subsidiaries.
**Effects of alignment of policies and practices, transaction between Transferor Companies and the Company and indemnity liability created as per implementation agreement (Refer C below).

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.

B. Details of other equity on formation of joint venture of Transferor Company 1, Transferor Company 2 and its subsidiaries

Particulars	Capital Reserve	Capital Reduction Reserve	Securities Premium	Amalgamation adjustment deficit account*	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 share capital issued by Transferee Company	-		-	(10,685)	-	-	(10,685)
Total	**165**	**277,787**	**842,139**	**(488,408)**	**1,393**	**(122,024)**	**511,052**

* 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 education material on Ind-AS 103 issued by Institute of Chartered Accounts of India. This nature of this reserve is akin to Debit balance of Profit and loss account.

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 ₹83,996 Mn, of which ₹84,861 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/ouflows 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.

D. In view of the aforesaid merger with effect from August 31, 2018, the figures for the current period are not comparable to those of the earlier periods/ years.

7 Property, Plant and Equipment

₹ Mn

Particulars	Freehold land	Leasehold land	Buildings	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
Cost									
As at April 1, 2015	**119**	**-**	**830**	**166**	**178,308**	**289**	**259**	**559**	**180,530**
Additions	-	-	10	18	78,675	171	250	342	**79,466**
Disposals/Adjustments (including assets held for sale)	-	-	(137)	(2)	(253)	(2)	-	(48)	**(442)**
As at March 31, 2016	**119**	**-**	**703**	**182**	**256,730**	**458**	**509**	**853**	**259,554**
Additions	-	-	-	44	65,158	501	308	610	**66,621**
Disposals/Adjustments	-	-	158	-	(320)	(9)	(2)	(131)	**(304)**
As at March 31, 2017	**119**	**-**	**861**	**226**	**321,568**	**950**	**815**	**1,332**	**325,871**
Additions	-	-	-	-	71,886	30	188	687	**72,791**
Disposals/Adjustments	-	-	-	(2)	(704)	(17)	(2)	(183)	**(908)**
Transferred to AHFS (refer note 44(ii))	-	-	(1)	-	(10,413)	(1)	(5)	(33)	**(10,453)**
As at March 31, 2018	**119**	**-**	**860**	**224**	**382,337**	**962**	**996**	**1,803**	**387,301**
As at April 1, 2017	**119**	**-**	**861**	**226**	**321,568**	**950**	**815**	**1,332**	**325,871**
Additions	-	-	-	-	50,990	12	186	534	**51,722**
Disposals/Adjustments	-	-	-	-	(305)	-	(1)	(137)	**(443)**
Transferred to AHFS (refer note 44(ii)	-	-	(1)	-	(10,413)	(1)	(5)	(33)	**(10,453)**
As at December 31, 2017	**119**	**-**	**860**	**226**	**361,840**	**961**	**995**	**1,696**	**366,697**
As at April 1, 2018	**119**	**-**	**860**	**224**	**382,337**	**962**	**996**	**1,803**	**387,301**
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	66	600	4,195	1,366	450,413	1,010	1,452	25	**459,127**
Additions	-	-	25	16	48,051	2	56	149	**48,299**
Disposals/Adjustments	-	-	(1)	(14)	(1,254)	(12)	(6)	(210)	**(1,497)**
Transferred to AHFS (refer note 44(iii))	-	-	-	-	(622)	-	-	-	**(622)**
As at December 31, 2018	**185**	**600**	**5,079**	**1,592**	**878,925**	**1,962**	**2,498**	**1,767**	**892,608**
Accumulated Depreciation									
As at April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	-	-	67	34	47,397	91	153	304	**48,045**
Disposals/Adjustments	-	-	-	-	(236)	(1)	-	(16)	**(252)**
As at March 31, 2016	**-**	**-**	**67**	**34**	**47,161**	**90**	**153**	**288**	**47,793**
Depreciation charge for the year	-	-	53	27	49,204	111	187	332	**49,914**
Disposals/Adjustments	-	-	21	-	(198)	(8)	(1)	(93)	**(279)**
As at March 31, 2017	**-**	**-**	**141**	**61**	**96,167**	**193**	**339**	**527**	**97,428**
Depreciation charge for the year	-	-	32	34	49,843	150	199	372	**50,630**
Disposals/Adjustments	-	-	-	(2)	(564)	(3)	(1)	(136)	**(706)**
Transferred to AHFS (refer note 44(ii))	-	-	-	-	(4,583)	-	(3)	(14)	**(4,600)**
As at March 31, 2018	**-**	**-**	**173**	**93**	**140,863**	**340**	**534**	**749**	**142,752**
As at April 1, 2017	**-**	**-**	**141**	**61**	**96,167**	**193**	**339**	**527**	**97,428**
Depreciation charge for the period	-	-	21	26	37,648	116	151	275	**38,237**
Disposals/Adjustments	-	-	-	-	(240)	-	(1)	(104)	**(345)**
Transferred to AHFS (refer note 44(ii))	-	-	-	-	(4,583)	-	(3)	(14)	**(4,600)**
As at December 31, 2017	**-**	**-**	**162**	**87**	**128,992**	**309**	**486**	**684**	**130,720**
As at April 1, 2018	**-**	**-**	**173**	**93**	**140,863**	**340**	**534**	**749**	**142,752**
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	**-**	26	216	969	181,548	752	947	12	**184,470**
Depreciation charge for the period	**-**	3	106	98	52,871	256	244	277	**53,855**
Disposals/Adjustments	**-**	-	-	(10)	(752)	(8)	(3)	(108)	**(881)**
Transferred to AHFS (refer note 44(iii))	**-**	-	-	-	(241)	-	-	-	**(241)**
As at December 31, 2018	**-**	**29**	**495**	**1,150**	**374,289**	**1,340**	**1,722**	**930**	**379,955**
Net Book Value									
As at December 31, 2018	**185**	**571**	**4,584**	**442**	**504,636**	**622**	**776**	**837**	**512,653**
As at December 31, 2017	**119**	**-**	**698**	**139**	**232,848**	**652**	**509**	**1,012**	**235,977**
As at March 31, 2018	**119**	**-**	**687**	**131**	**241,474**	**622**	**462**	**1,054**	**244,549**
As at March 31, 2017	**119**	**-**	**720**	**165**	**225,401**	**757**	**476**	**805**	**228,443**
As at March 31, 2016	**119**	**-**	**636**	**148**	**209,569**	**368**	**356**	**565**	**211,761**

Footnotes:

1. Plant and machinery includes gross block of assets capitalised under finance lease ₹18,790 Mn (December 31, 2017: ₹10,406 Mn, March 31, 2018: ₹11,859 Mn, March 31, 2017: ₹9,881 Mn and March 31, 2016: ₹7,443 Mn) and corresponding accumulated depreciation being ₹14,192 Mn (December 31, 2017: ₹7,905 Mn, March 31, 2018: ₹8,431 Mn, March 31, 2017: ₹5,919 Mn and March 31, 2016: ₹3,049 Mn). Additions in plant and machinery includes gross block of assets capitalised under finance lease ₹1,729 Mn (December 31, 2017: ₹525 Mn, March 31, 2018: ₹2,061 Mn, March 31, 2017: ₹2,438 Mn and March 31, 2016: ₹3,035 Mn) and corresponding accumulated depreciation being ₹111 Mn (December 31, 2017: ₹87 Mn, March 31, 2018: ₹228 Mn, March 31, 2017: ₹415 Mn and March 31, 2016: ₹653 Mn).

2. Certain assets are pledged as securities towards borrowings and non fund based facilities (refer note 25(a)).

3. Foreign exchange loss / (gain) (net) amounting to ₹423 Mn (December 31, 2017: ₹(329) Mn, March 31, 2018: ₹(192) Mn, March 31, 2017: ₹(662) Mn and March 31, 2016: ₹3,516 Mn capitalsed / (decapitalised) during the period / year.

4. Disposal / Adjustments for the nine months period ended December 31, 2018 includes amount provided for impairment of assets amounting to ₹350 Mn under exceptional item.

8 Investment Property

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Leasehold Land					
Cost					
Opening Balance	-	-	-	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	720	-	-	-	-
Closing balance	**720**	**-**	**-**	**-**	**-**
Accumulated Depreciation					
Opening Balance	-	-	-	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	41	-	-	-	-
Depreciation charge for the period	4	-	-	-	-
Closing balance	**45**	**-**	**-**	**-**	**-**
Net Book Value	**675**	**-**	**-**	**-**	**-**

The remaining lease term for Leasehold land is 55.3 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(b)(viii)) Financial Instruments by Category for fair value disclosures of Investment Property.

9 Other Intangible assets

₹ Mn

Particulars	Entry / license fees and spectrum	Brand	Computer - Software	Bandwidth	Total
Cost					
As at April 1, 2015	**134,561**	**-**	**586**	**7,018**	**142,165**
Additions	308,929	-	1,974	1,527	**312,430**
Retirement of expired licenses	(617)	-	-	-	**(617)**
As at March 31, 2016	**442,873**	**-**	**2,560**	**8,545**	**453,978**
Additions	122,944	-	1,589	2,873	**127,406**
Retirement of expired licenses	(417)	-	-	-	**(417)**
As at March 31, 2017	**565,400**	**-**	**4,149**	**11,418**	**580,967**
Additions	42,593	-	1,015	3,037	**46,645**
Transferred to AHFS (refer note 44(ii))	-	-	(5)	-	**(5)**
As at March 31, 2018	**607,993**	**-**	**5,159**	**14,455**	**627,607**
As at April 1, 2017	**565,400**	**-**	**4,149**	**11,418**	**580,967**
Additions	42,593	-	675	1,694	**44,962**
Disposals/Adjustments	-	-	-	(17)	**(17)**
Transferred to AHFS (refer note 44(ii))	-	-	(5)	-	**(5)**
As at December 31, 2017	**607,993**	**-**	**4,819**	**13,095**	**625,907**
As at April 1, 2018	**607,993**	-	**5,159**	**14,455**	**627,607**
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)*	709,704	26,222	11,971	8,716	**756,613**
Additions	124,828	-	1,209	842	**126,879**
Disposals/Adjustments	-	-	-	(69)	**(69)**
Transferred to AHFS (refer note 44(iii))	-	-	(177)	-	**(177)**
As at December 31, 2018	**1,442,525**	**26,222**	**18,162**	**23,944**	**1,510,853**
Accumulated Amortisation					
As at April 1, 2015	**-**	**-**	**-**	**-**	**-**
Amortisation charge for the year	13,143	-	729	644	**14,516**
Retirement of expired licenses	(617)	-	-	-	**(617)**
As at March 31, 2016	**12,526**	**-**	**729**	**644**	**13,899**
Amortisation charge for the year	26,445	-	1,112	801	**28,358**
Retirement of expired licenses	(418)	-	-	-	**(418)**
As at March 31, 2017	**38,553**	**-**	**1,841**	**1,445**	**41,839**
Amortisation charge for the year	31,062	-	1,405	994	**33,461**
Transferred to AHFS (refer note 44(ii))	-	-	(2)	-	**(2)**
As at March 31, 2018	**69,615**	**-**	**3,244**	**2,439**	**75,298**
As at April 1, 2017	**38,553**	**-**	**1,841**	**1,445**	**41,839**
Amortisation charge for the period	23,235	-	1,116	649	**25,000**
Transferred to AHFS (refer note 44(ii))	-	-	(2)	-	**(2)**
As at December 31, 2017	**61,788**	**-**	**2,955**	**2,094**	**66,837**
As at April 1, 2018	**69,615**	-	**3,244**	**2,439**	**75,298**
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)*	105,606	311	6,835	2,471	**115,223**
Amortisation charge for the period	41,257	614	1,940	1,047	**44,858**
Disposals/Adjustments	-	-	-	(21)	**(21)**
Transferred to AHFS (refer note 44(iii))	-	-	(171)	-	**(171)**
As at December 31, 2018	**216,478**	**925**	**11,848**	**5,936**	**235,187**
Net Book Value					
As at December 31, 2018	**1,226,047**	**25,297**	**6,314**	**18,008**	**1,275,666**
As at December 31, 2017	**546,205**	**-**	**1,864**	**11,001**	**559,070**
As at March 31, 2018	**538,378**	**-**	**1,915**	**12,016**	**552,309**
As at March 31, 2017	**526,847**	**-**	**2,308**	**9,973**	**539,128**
As at March 31, 2016	**430,347**	**-**	**1,831**	**7,901**	**440,079**

* Includes ₹ 25,945 Mn paid by VMSL and VInL on July 20, 2018 for using Vodafone brand in accordance with the terms of agreement for the period of 15 years.

Footnotes:

1. Computer - software includes gross block of assets capitalised under finance lease ₹5,303 Mn (December 31, 2017: ₹3,490 Mn , March 31, 2018: ₹3,795 Mn, March 31, 2017: ₹2,932 Mn and March 31, 2016: ₹1,845 Mn) and corresponding accumulated amortisation being ₹4,142 Mn (December 31, 2017: ₹2,069 Mn, March 31, 2018: ₹2,363 Mn, March 31, 2017: ₹1,290 Mn and March 31, 2016: ₹507 Mn). Additions in computer - software includes gross block of assets capitalised under finance lease ₹473 Mn (December 31, 2017: ₹557 Mn, March 31, 2018: ₹863 Mn, March 31, 2017: ₹1,087 Mn and March 31, 2016: ₹1,488 Mn) and corresponding accumulated amortization being ₹105 Mn (December 31, 2017: ₹96 Mn, March 31, 2018: ₹167 Mn, March 31, 2017: ₹168 Mn and March 31, 2016: ₹318 Mn).

2. Interest amounting to ₹1,980 Mn (December 31, 2017: ₹2,723 Mn, March 31, 2018: ₹3,244 Mn, March 31, 2017: ₹3,889 Mn and March 31, 2016: ₹18,824 Mn) (including amounts added to intangible assets under development) has been capitalised during the period/year.

3. The remaining amortisation period of entry/license fees and spectrum as at December 31, 2018 ranges between 2.8 to 18.8 years (as at December 31, 2017: 3.8 to 19.8 years, March 31, 2018: between 3.5 to 19.5 years, March 31, 2017: 4 to 20 years and March 31, 2016: 4 to 20 years) based on the respective telecom service license/spectrum validity period.

4. Certain assets are pledged as securities towards borrowings and non fund facilities (refer note 25(a)).

5. Intangible Assets under development:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Opening balance	29,340	62,048	62,048	53,775	42,313
Additions during the period / year*	3,869	4,645	6,968	135,679	323,892
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)*	100,941	-	-	-	-
Capitalisation during the period / year^**	(87,616)	(37,993)	(39,676)	(127,406)	(312,430)
Closing balance	**46,534**	**28,700**	**29,340**	**62,048**	**53,775**

^ Additions in Spectrum of ₹6,969 Mn pertaining to Maharashtra circle for the year ended March 31, 2018 and ₹39,263 Mn pertaining to one time spectrum charges during the period ended December 31, 2018 directly capitalised and not routed through Intangible Asset under development.

* Includes interest of ₹1,980 Mn (December 31, 2017: ₹2,409 Mn, March 31, 2018: ₹2,931 Mn, March 31, 2017: ₹3,952 Mn and March 31, 2016: ₹18,824 Mn)).

** Includes interest of ₹8,206 Mn (December 31, 2017: ₹2,187 Mn, March 31, 2018: ₹2,186 Mn, March 31, 2017: ₹5,349 Mn and March 31, 2016: ₹17,787 Mn)).

10 Investments accounted for using the equity method

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	Investment (Unquoted)					
a)	**Investment in Equity Instruments of Associate**					
	Aditya Birla Idea Payments Bank Limited (ABIPBL)	2,700	176	2,217	135	2
	269,973,075 (December 31, 2017 : 17,615,670, March 31, 2018: 221,634,545, March 31, 2017 : 13,433,360, and March 31, 2016: 245,000) fully paid equity shares of ₹ 10 each (refer note 44(vi))					
	Add: Group's share of Loss of ABIPBL	(904)	(176)	(328)	(86)	-
	Total investment in Associate (A)	**1,796**	**-**	**1,889**	**49**	**2**
b)	**Investments in Equity Instruments of Joint Ventures**					
	(i) Indus*	-	-	-	-	-
	132,868 (December 31, 2017: 132,868, March 31, 2018: 132,868, March 31, 2017: 132,868 and March 31, 2016: 190,662) fully paid equity shares of ₹ 1 each) (refer note 44(v))					
	Add: Group's share of Profit / Reserves of Indus	12,929	13,906	14,712	14,736	21,402
		12,929	**13,906**	**14,712**	**14,736**	**21,402**
	(ii) Firefly Networks Limited (FNL)^	10	-	-	-	-
	1,000,000 fully paid equity shares of ₹10 each					
	Add: Group's share of Loss / Reserves of FNL	(7)	-	-	-	-
		3	**-**	**-**	**-**	**-**
	Total investment in Joint Ventures (B)	**12,932**	**13,906**	**14,712**	**14,736**	**21,402**
	Total (A+B)	**14,728**	**13,906**	**16,601**	**14,785**	**21,404**

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

^ Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

11 Long term loans to employees

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Loan to employees	12	25	24	26	25
	12	**25**	**24**	**26**	**25**

12 Other non-current financial assets

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Deposits with body corporates and others (including amount referred to in note 59)	8,717	4,005	3,753	4,109	8,386
b)	Deposits and balances with government authorities	1,671	440	427	700	578
c)	Derivative assets at fair value through profit or loss	333	-	-	14	1
d)	Advance for purchase of equity shares of ABIPBL	-	-	-	42	-
e)	Margin money deposits	6	-	-	-	-
f)	Other receivables from Joint venture (Indus) (refer note 59)	1,224	-	-	-	-
	Total	**11,951**	**4,445**	**4,180**	**4,865**	**8,965**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

13 Other non-current assets

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Capital advances					
	- Considered Good	252	411	460	4,123	239
	- Considered Doubtful	58	-	-	-	-
b)	Input tax credit	-	-	-	3,184	-
c)	Prepaid expenses	2,206	1,019	1,038	989	972
d)	Advance income tax (net)	92,935	12,454	9,040	10,128	4,992
e)	Others (consisting mainly deposit against demands which are appealed against / subjudice)					
	- Considered Good	58,197	9,615	7,259	9,270	7,390
	- Considered Doubtful	1,654	445	409	452	535
		59,851	10,060	7,668	9,722	7,925
	Sub-total	**155,302**	**23,944**	**18,206**	**28,146**	**14,128**
	Allowance for doubtful advances (refer note 51)	(1,712)	(445)	(409)	(452)	(535)
	Total	**153,590**	**23,499**	**17,797**	**27,694**	**13,593**

14 Inventories

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Sim and recharge vouchers	-	382	339	542	851
Trading Goods	38	31	28	46	214
Total	**38**	**413**	**367**	**588**	**1,065**

15 Current Investments

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Investment in units of liquid mutual funds (quoted) (refer note 49)	77,025	15,075	56,304	48,998	13,305
Total	**77,025**	**15,075**	**56,304**	**48,998**	**13,305**

16 Trade receivables (Unsecured, unless otherwise stated) (including amount referred to in note 59)

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	**Billed Receivables**					
	Unsecured, considered good	29,336	6,038	5,512	8,039	6,948
	Unsecured, considered doubtful	14,767	7,015	7,356	5,867	3,924
		44,103	13,053	12,868	13,906	10,872
	Allowance for doubtful debts (refer note 51)	(14,767)	(7,015)	(7,356)	(5,867)	(3,924)
		29,336	**6,038**	**5,512**	**8,039**	**6,948**
b)	**Unbilled Receivables**	11,400	3,700	3,362	5,100	4,476
	Total	**40,736**	**9,738**	**8,874**	**13,139**	**11,424**

Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹780 Mn (December 31, 2017: ₹217 Mn, March 31, 2018: ₹201 Mn, March 31, 2017: ₹631 Mn, March 31, 2016: ₹288 Mn)

17 Cash and cash equivalents

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Cash on hand	65	9	10	9	19
b)	Cheques on hand	461	66	28	63	87
c)	Balances with banks					
	- In current accounts	3,682	425	155	710	324
	- In deposit accounts (having maturity less than 3 months)	6,379	-	-	-	7,200
	Total	**10,587**	**500**	**193**	**782**	**7,630**

18 Bank balance other than cash and cash equivalents

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Margin money	1,166	33	94	41	58
b)	Earmarked bank balance towards dividend	4	4	4	4	3
c)	Earmarked balances*	262	-	-	-	-
	Total	**1,432**	**37**	**98**	**45**	**61**

*Contirbution received by Vodafone Foundation towards CSR activities.

19 Loans

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Loan to related party					
- Loan to joint venture - FNL* (refer note 59)	9	-	-	-	-
Current portion of loans to employees	14	20	20	21	17
Total	**23**	**20**	**20**	**21**	**17**

*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 period ₹9 Mn.

20 Other current financial assets

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Interest Receivable	23	-	1	-	20
b)	Deposits with body corporates and others	125	278	217	334	686
c)	Derivative assets at fair value through profit or loss	327	8	28	-	99
d)	Other receivables (including amount referred to in note 59)					
	- Considered good	417	84	68	65	116
	- Considered doubtful	2	2	2	2	3
		419	86	70	67	119
	Sub-total	**894**	**372**	**316**	**401**	**924**
	Allowance for doubtful advances (refer note 51)	(2)	(2)	(2)	(2)	(3)
	Total	**892**	**370**	**314**	**399**	**921**

21 Other current assets

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Input tax credit	62,642	11,922	16,205	10,411	6,778
b)	Prepaid expenses	2,581	702	1,047	885	970
c)	Others					
	- Considered good	1,446	983	663	1,016	2,587
	- Considered doubtful	213	14	25	10	2
		1,659	997	688	1,026	2,589
	Sub-total	**66,882**	**13,621**	**17,940**	**12,322**	**10,337**
	Allowance for doubtful advances (refer note 51)	(213)	(14)	(25)	(10)	(2)
	Total	**66,669**	**13,607**	**17,915**	**12,312**	**10,335**

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

22 (a) Assets classified as held for sale

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	The major classes of assets classified as held for sale are as below:					
a)	Property, Plant and Equipment	-	11	-	16	155
b)	Assets of VMPL (refer note 44(iii))*	1,971	-	-	-	-
c)	Assets of ICISL (refer note 44(ii))	-	10,041	10,509	-	-
	Total	**1,971**	**10,052**	**10,509**	**16**	**155**

* Includes bank balance of ₹425 Mn maintained in escrow account that 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.

22 (b) Liabilities classified as held for sale

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	The major classes of liabilities classified as held for sale are below :					
a)	Liabilities of VMPL (Refer note 44 (iii))*	984	-	-	-	-
b)	Liabilities of ICISL (Refer note 44 (ii))	-	2,768	1,972	-	-
		984	**2,768**	**1,972**	**-**	**-**

* Including monies received from customers ₹323 Mn.

23 Equity share capital

Particulars	As at December 31, 2018		As at December 31, 2017		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn
Equity share capital										
Authorised share capital*										
Equity Shares of ₹10 each	28,793,002,000	287,930	6,775,000,000	67,750	6,775,000,000	67,750	6,775,000,000	67,750	6,775,000,000	67,750
Redeemable cumulative non-convertible Preference shares of ₹10 Mn each	1,500	15,000	1,500	15,000	1,500	15,000	1,500	15,000	1,500	15,000
	28,793,003,500	**302,930**	**6,775,001,500**	**82,750**	**6,775,001,500**	**82,750**	**6,775,001,500**	**82,750**	**6,775,001,500**	**82,750**
Issued, Subscribed and Paid-Up share capital										
Equity Shares of ₹10 each fully paid up	8,735,386,742	87,354	3,607,499,037	36,075	4,359,320,930	43,593	3,605,328,231	36,053	3,600,509,378	36,005
	8,735,386,742	**87,354**	**3,607,499,037**	**36,075**	**4,359,320,930**	**43,593**	**3,605,328,231**	**36,053**	**3,600,509,378**	**36,005**

* Stands enhanced pursuant to amalgamation of VMSL and VInL with the Company (refer note 6 and refer note 23(e)).

(a) Reconciliation of number of shares outstanding

Particulars	As at December 31, 2018		As at December 31, 2017		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn	Numbers	₹ Mn
Equity shares outstanding at the beginning of the period/year	4,359,320,930	43,593	3,605,328,231	36,053	3,605,328,231	36,053	3,600,509,378	36,005	3,597,844,427	35,978
Issue of shares under ESOS	866,348	9	2,170,806	22	3,117,110	31	4,818,853	48	2,664,951	27
Preferential allotment of equity shares (refer note 44 (viii))	-	-	-	-	326,633,165	3,266	-	-	-	-
Allotment of equity shares under Qualified Institutional placement (QIP) (refer note 44 (ix))	-	-	-	-	424,242,424	4,243	-	-	-	-
Issue of equity shares pursuant to amalgamation of VMSL and VInL with the Company (Refer note 6)*	4,375,199,464	43,752	-	-	-	-	-	-	-	-
Equity shares outstanding at the end of the period/year	**8,735,386,742**	**87,354**	**3,607,499,037**	**36,075**	**4,359,320,930**	**43,593**	**3,605,328,231**	**36,053**	**3,600,509,378**	**36,005**

* 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 share 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 shareholders.

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

Name of the shareholders	As at December 31, 2018		As at December 31, 2017		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Numbers	% of holding in the class	Numbers	% of holding in the class	Numbers	% of holding in the class	Numbers	% of holding in the class	Numbers	% of holding in the class
Equity shares of ₹ 10 each fully paid										
Grasim Industries Limited#	1,008,540,115	11.55%	1,008,540,115	27.96%	1,008,540,115	23.14%	-	-	-	-
Aditya Birla Nuvo Limited (merged with Grasim Industries Limited effective from July 1, 2017)	-	-	-	-	-	-	837,526,221	23.23%	837,526,221	23.26%
P5 Asia Investments (Mauritius) Limited	-	-	-	-	-	-	-	-	245,000,000	6.80%
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	12.88%	464,734,670	10.66%	464,734,670	12.89%	464,734,670	12.91%
Birla TMT Holdings Private Limited*	-	-	283,565,373	7.86%	283,798,538	6.51%	283,565,373	7.87%	283,565,373	7.88%
Hindalco Industries Limited*	-	-	228,340,226	6.33%	228,340,226	5.24%	228,340,226	6.33%	228,340,226	6.34%
Axiata Investments 2 (India) Limited*	-	-	247,265,873	6.85%	247,265,873	5.67%	247,265,873	6.85%	247,265,873	6.87%

* The percentage of shareholding as at December 31, 2018 is less than 5% and hence not included above.

The percentage of shareholding as at March 31, 2017 is less than 5% and hence not included above.

(d) Share reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (refer note 54).

(e) Enhancement of authorised share capital

Pursuant to amalgamation of VMSL and VInL with the Company, authorised share capital of Transferor Company 1 (Vodafone Mobile Services Limited) and Transferor Company 2 (Vodafone India Limited) stand transferred as authorised share capital of the Company (refer note 6). Further in terms of amalgamation of VMSL in to the Company, authorised share capital (equity share capital and preference share capital) were reclassified into equity shares of ₹10 each.

Erstwhile Vodafone Mobile Services Limited

Authorized Share Capital	Number of shares	₹ Mn
Equity share of par value of ₹10 each	10,516,000,000	105,160
Equity share of par value of ₹85 each	649,412,000	55,200
Preference share of par value ₹100 each	48,000,000	4,800
0.1% non cumulative non-convertible redeemable preference shares of par value of ₹100 each	200,000	20
0.001% non cumulative non-convertible redeemable preference shares of par value of ₹1,000,000 each	5,000	5,000

Erstwhile Vodafone India Limited

Authorized share Capital	Number of shares	₹ Mn
Equity shares of the par value of ₹10 each	5,000,000,000	50,000

24 Other Equity

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
i) Capital reserve[(1)]					
Opening balance	-	-	-	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	165	-	-	-	-
Pursuant to merger of ABTL with the Company (refer note 44(vii))	(3,474)	-	-	-	-
Indemnity (refer note 6(C))	(84,861)	-	-	-	-
Closing balance (A)	**(88,170)**	**-**	**-**	**-**	**-**
(ii) Capital reduction reserve[(2)]					
Opening balance	**-**	**-**	**-**	**-**	**-**
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	277,787	-	-	-	-
Closing balance (B)	**277,787**	**-**	**-**	**-**	**-**
(iii) Debenture redemption reserve[(3)]					
Opening balance	4,408	1,317	1,317	483	342
Transfer from retained earnings	-	2,634	3,091	834	141
Closing balance (C)	**4,408**	**3,951**	**4,408**	**1,317**	**483**
(iv) Securities premium					
Opening balance	193,354	133,369	133,369	103,838	103,653
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	842,139	-	-	-	-
Premium on issue of shares under ESOS	1	24	29	49	148
Transfer from Outstanding employee stock options reserve on exercise of options	101	200	310	443	37
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme (refer note 44(x))	-	-	-	29,039	-
Stamp Duty on issue of shares on amalgamation of VMSL and VInL with the Company (refer note 6)	(83)		-	-	-
Premium on Preferential allotment of shares (Net of share issue expenses of ₹ 35 Mn (refer note 44(viii))	-	-	29,198	-	-
Premium on allotment of shares under QIP (Net of share issue expenses of ₹ 309 Mn (refer note 44(ix))	-	-	30,448	-	-
Closing balance (D)	**1,035,512**	**133,593**	**193,354**	**133,369**	**103,838**

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(v) Amalgamation adjustment deficit account[4]					
Opening balance	-	-	-	-	-
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	(488,408)	-	-	-	-
Closing balance (E)	**(488,408)**	**-**	**-**	**-**	**-**
(vi) General Reserve					
Opening balance	169	169	169	169	169
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)*	1,393	-	-	-	-
Closing balance (F)	**1,562**	**169**	**169**	**169**	**169**
(vii) Retained Earnings					
Opening balance	30,299	75,073	75,073	93,658	69,827
Net profit / (loss) for the period / year	(97,219)	(32,060)	(41,682)	(3,997)	27,281
Other Comprehensive Income recognised directly in retained earnings	292	(33)	283	(43)	(139)
Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	(122,024)	-	-	-	-
Transfer to Debenture redemption reserve	-	(2,634)	(3,091)	(834)	(141)
Group's share of additional depreciation on fair valued assets / physical verification adjustments pursuant to scheme	(180)	(217)	(284)	(423)	(570)
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme (refer note 44(x))	-	-	-	(10,687)	-
Dividends	-	-	-	(2,161)	(2,160)
Dividends distribution tax	-	-	-	(440)	(440)
Pursuant to merger of ABTL with the Company (refer note 44(vii))	3,449	-	-	-	-
Closing balance (G)	**(185,383)**	**40,129**	**30,299**	**75,073**	**93,658**
(viii) Employee Stock Options Reserve					
Opening balance	802	1,341	1,341	1,352	775
Share-based payment expenses (refer note 54)^	(9)	(190)	(229)	432	614
Transfer to Securities premium account on exercise of options	(101)	(200)	(310)	(443)	(37)
Closing balance (H)	**692**	**951**	**802**	**1,341**	**1,352**
Total (A+B+C+D+E+F+G+H)	**558,000**	**178,793**	**229,032**	**211,269**	**199,500**

* Not available for distribution as dividend.

^ The charge for the nine months period ended December 31, 2017 and year ended March 31, 2018 is net of reversal on account of cancellation of unvested options.

[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 6(C)) and amount pursuant to merger of ABTL with the Company (refer note 44(vii)).

[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 VSML and VInL with the Company. The Company has incurred losses during the period ended December 31, 2018. Accordingly, the Company is not required to create any further DRR as per the Act and hence no DRR has been created during the period ended December 31, 2018.

[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. This nature of this reserve is akin to Debit balance of Profit and loss account.

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

25 Long term borrowings

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
i)	**Secured loans**					
	Redeemable Non-Convertible Debentures (NCDs)	50	13,953	4,009	13,952	3,953
	Term loans					
	Foreign currency loan					
	- From others	-	-	-	19,505	30,056
	Rupee loan					
	- From banks	88,027	79,932	89,885	44,943	4,298
	Vehicle loan from banks	10	76	53	169	292
	Total Secured loans	**88,087**	**93,961**	**93,947**	**78,569**	**38,599**
ii)	**Unsecured loans**					
	Redeemable Non-Convertible Debentures (NCDs)	103,507	59,879	59,855	59,879	-
	Term loans					
	Foreign currency loan					
	- From banks	2,964	4,444	4,267	10,581	8,836
	- From Others	23,522	22,033	22,425	-	-
	Rupee loan					
	- From banks	49,267	-	-	-	500
	- From Others	2,737	-	-	-	-
	Total Unsecured loans	**181,997**	**86,356**	**86,547**	**70,460**	**9,336**
	Subtotal (A)	**270,084**	**180,317**	**180,494**	**149,029**	**47,935**
	Deferred payment liabilities towards spectrum (unsecured) (B)	885,295	384,695	388,914	367,349	311,105
	Deferred Payment Others (unsecured) (C)	699	-	-	-	-
	Total (A+B+C)	**1,156,078**	**565,012**	**569,408**	**516,378**	**359,040**

25 (a)(i) Security clause

	Type of Borrowing	Outstanding Secured Loan Amount* As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	₹ Mn Security Offered**
a	9.45% Redeemable Non Convertible Debentures	3,960	3,960	3,960	3,960	3,960	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure.
b	8.12% Redeemable Non Convertible Debentures	50	10,000	50	10,000	-	First pari passu charge on movable fixed assets of the Company excluding: a) Spectrum and Telecom licenses b) Vehicles upto ₹2,500 Mn and c) Passive telecom infrastructure
c	Rupee Loan	9,950	-	9,950	-	-	
d	Rupee Loan	80,000	80,125	80,000	48,000	9,025	First pari passu charge on all the movable and immovable properties (including intangible assets) of the Company excluding a) Spectrum and Telecom Licenses; b) Vehicles up to ₹2,500 Mn and c) Passive Telecom Infrastructure
e	Foreign currency loan	-	-	-	26,653	38,788	
f	Vehicle Loans	66	198	159	353	519	Hypothecation of Vehicles against which the loans have been taken.
	Total	**94,026**	**94,283**	**94,119**	**88,966**	**52,292**	

* Amounts represent long term borrowings including current maturities of ₹5,891 Mn (December 31, 2017: ₹247 Mn; March 31, 2018: ₹106 Mn; March 31, 2017: ₹9,737 Mn; March 31, 2016: ₹12,749 Mn) and gross off upfront fees amounting to ₹48 Mn (December 31, 2017: ₹75 Mn; March 31, 2018: ₹66 Mn; March 31, 2017: ₹661 Mn; March 31, 2016: ₹943 Mn)

**Security offered does not cover properties / assets acquired pursuant to amalgamation of VMSL and VInL with the Company.

25(a)(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 (December 31, 2017 - Nil; March 31, 2018 - Nil; March 31, 2017; Nil, March 31, 2016; Nil).
- Second pari passu charge on present and future moveable and current assets of the Company (excluding assets acquired pursuant to amalgamation of VInL and VMSL with the Company) amounting to ₹111,750 Mn (December 31, 2017 - ₹32,500 Mn; March 31, 2018 - ₹32,500 Mn; March 31, 2017; ₹32,500 Mn, March 31, 2016; ₹32,500 Mn).
- Second pari passu charge on present and future moveable assets of the Company (excluding assets acquired pursuant to amalgamation of VInL and VMSL with the Company) amounting to ₹402 Mn (December 31, 2017 - ₹19,750 Mn; March 31, 2018 - ₹19,750 Mn; March 31, 2017; ₹19,750 Mn, March 31, 2016; ₹19,750 Mn).

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

25 (b) Repayment terms of Long term borrowings as at December 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
(i)	**Secured Loans**				
a	Rupee Loan	1,875	48,125	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 Mn each, aggregating to ₹6,040 Mn with an option to re-issue the same in future)
e	8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹1 Mn each, aggregating to ₹9,950 Mn with an option to re-issue the same in future)
f	Vehicle Loans	56	10	66	Equal monthly installments over the term of the loan ranging from 2 to 5 years
	Sub-Total (A)	**5,891**	**88,135**	**94,026**	
(ii)	**Unsecured Loans**				
a	Foreign currency Loan	1,239	663	1,902	a) 2 equal quarterly installments of USD 4.125 Mn (₹288 Mn) starting from January, 2019 b) 4 equal quarterly installments of USD 4.75 Mn (₹332 Mn) starting from July, 2019
b	Foreign currency loan	661	2,314	2,975	9 equal half yearly installments starting April, 2019
c	Foreign currency loan	1,102	1,653	2,755	5 equal half yearly installments starting May, 2019
d	Foreign currency loan	-	21,354	21,354	3 equal annual installments starting June, 2020
e	Foreign currency loan	498	249	747	3 equal half yearly installments starting March, 2019
f	Foreign currency loan	-	249	249	Repayable in September, 2020
g	Foreign currency loan	-	50	50	Repayable in March, 2021
h	Rupee term loan	-	40,000	40,000	4 equal quarterly installments starting September, 2022
i	Rupee term loan	518	1,198	1,716	Repayable in half yearly installment starting February, 2019 to December, 2023
j	Rupee term loan	3,806	1,538	5,344	Repayable in quarterly installment starting June, 2019 to July, 2020
k	Rupee term loan	-	10,000	10,000	Repayable in 4 equal quarterly installments starting October, 2022
l	7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
m	7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
n	8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
o	8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
p	8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable February, 2022
q	10.90% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in September, 2023
r	8.15% Redeemable Non Convertible Debentures	25,000	-	25,000	Repayable in July, 2019
s	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)
	Sub-Total (B)	**32,824**	**183,018**	**215,842**	
(iii)	**Deferred Payment Liability (DPL) towards spectrum acquired in**				
a	November - 2012 auction	538	10,790	11,328	12 equal annual installments starting December, 2019
b	February - 2014 auction	8,085	218,857	226,942	a) ₹224,152 Mn and interest thereon will be repaid in 14 equal annual installments starting March, 2019 b) ₹2,790 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019
c	March - 2015 auction	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 auction	5,836	191,743	197,579	16 equal annual installment starting October, 2019
	Sub-Total (C)	**29,526**	**885,295**	**914,821**	
(iv)	**Deferred Payment Others (D)**	1,425	699	2,124	Repayable in quarterly/yearly instalment from March, 2019 to June, 2021
Grand Total (A+B+C+D)		**69,666**	**1,157,147**	**1,226,813**	

* Amounts represent Current maturities of Long term borrowings and Long term borrowings gross off upfront fees amounting to ₹12 Mn and ₹1,069 Mn respectively.

vodafone

Idea

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)

Notes forming part of Restated Consolidated Financial Information

Repayment terms of Long term borrowings as at 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
(i)	**Secured Loans**				
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 Mn each, aggregating to ₹6,040 Mn with an option to re-issue the same in future)
e	8.12% Redeemable Non Convertible Debentures	-	50	50	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹1 Mn each, aggregating to ₹9,950 Mn with an option to re-issue the same in future)
f	Vehicle Loans	106	53	159	Equal monthly installments over the term of the loan ranging from 2 to 5 years
	Sub-Total (A)	**106**	**94,013**	**94,119**	
(ii)	**Unsecured Loans**				
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
	Sub-Total (B)	**7,399**	**86,746**	**94,145**	
(iii)	**Deferred Payment Liability (DPL) towards spectrum acquired in**				
a	November - 2012 auction	-	10,322	10,322	12 equal annual installments starting December, 2019
b	February - 2014 auction	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 auction	-	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 auction	-	69,941	69,941	16 equal annual installments starting October, 2019
	Sub-Total (C)	**2,734**	**388,914**	**391,648**	
Grand Total (A+B+C)		**10,239**	**569,673**	**579,912**	

* Amounts represent Current maturities of Long term borrowings and Long term borrowings gross off upfront fees amounting to ₹13 Mn and ₹265 Mn respectively.

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

Repayment terms of Long term borrowings as at December 31, 2017 **₹ Mn**

	Type of Borrowing	Current maturities of Long term borrowings*	Long term borrowings excluding current maturities*	Total	Repayment Terms for the Balance Amount
(i)	**Secured Loans**				
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	-	30,000	30,000	Repayable in 20 equal quarterly installments starting September, 2021
c	Rupee Loan	125	-	125	Repayable in March, 2018
d	9.45% Redeemable Non Convertible Debentures	-	3,960	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹10 Mn. each, aggregating to ₹6,040 Mn with an option to re-issue the same in future)
e	8.12% Redeemable Non Convertible Debentures	-	10,000	10,000	Repayable in February, 2024
f	Vehicle Loans	122	76	198	Equal monthly installments over the term of the loan ranging from 2 to 5 years
	Sub-Total (A)	**247**	**94,036**	**94,283**	
(ii)	**Unsecured Loans**				
a	Foreign currency loan	1,055	1,742	2,797	a) 6 equal quarterly installments of USD 4.125 Mn (₹264 Mn) starting from January, 2018 b) 4 equal quarterly installments of USD 4.75 Mn (₹304 Mn.) starting from July, 2019
b	Foreign currency loan	606	2,726	3,332	11 equal half yearly installments starting April, 2018
c	Foreign currency loan	1,009	2,523	3,532	7 equal half yearly installments starting May, 2018
d	Foreign currency loan	-	19,559	19,559	3 equal annual installments starting June, 2020
e	Foreign currency loan	4,603	-	4,603	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
	Sub-Total (B)	**7,273**	**86,550**	**93,823**	
(iii)	**Deferred Payment Liability (DPL) towards spectrum acquired in**				
a	November - 2012 auctions	-	10,322	10,322	6 equal annual installments starting December, 2019
b	February - 2014 auctions	-	72,070	72,070	a) ₹69,534 Mn and interest thereon will be repaid in 8 equal annual installments starting March, 2019 b) ₹2,536 Mn and interest thereon will be repaid in 10 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 9 equal annual installments starting April, 2019 b) ₹1,388 Mn and interest thereon will be repaid in 10 equal annual installments starting September, 2019
d	October - 2016 auctions	-	69,941	69,941	10 equal annual installments starting October, 2019
	Sub-Total (C)	**-**	**384,695**	**384,695**	
Grand Total (A+B+C)		**7,520**	**565,281**	**572,801**	

* Amounts represent Current maturities of Long term borrowings and Long term borrowings gross off upfront fees amounting to ₹4 Mn and ₹269 Mn respectively.

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

Repayment terms of Long term borrowings as at March 31, 2017 ₹ Mn

	Type of Borrowing	Current maturities of Long term borrowings*	Long term borrowings excluding current maturities*	Total	Repayment Terms for the Balance Amount
(i)	**Secured Loans**				
a	Rupee Loan	3,000	-	3,000	a) ₹2,500 Mn repayable in 4 equal quarterly installments starting April, 2017 b) ₹500 Mn repayable in 4 equal quarterly installments starting June, 2017
b	Rupee Loan	-	31,500	31,500	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
c	Rupee Loan	-	10,000	10,000	Repayable in 20 equal quarterly installments starting September, 2021
d	Rupee Loan	-	3,500	3,500	
e	9.45% Redeemable Non Convertible Debentures	-	3,960	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹10 Mn. each, aggregating to ₹6,040 Mn with an option to re-issue the same in future)
f	8.12% Redeemable Non Convertible Debentures	-	10,000	10,000	Repayable in February, 2024
g	Foreign currency loan	1,365	2,730	4,095	Repayable in 6 equal half yearly installments starting April, 2017
h	Foreign currency loan	-	1,365	1,365	Repayable in 2 equal half yearly installments starting April, 2020
i	Foreign currency loan	1,024	3,583	4,607	Repayable in 9 equal half yearly installments starting May, 2017
j	Foreign currency loan	273	1,229	1,502	Repayable in 11 equal half yearly installments starting July, 2017
k	Foreign currency loan	839	2,937	3,776	Repayable in 9 equal half yearly installments starting July, 2017
l	Foreign currency loan	1,030	3,089	4,119	Repayable in 8 equal half yearly installments starting August, 2017
m	Foreign currency loan	1,068	3,738	4,806	Repayable in 9 equal half yearly installments starting June, 2017
n	Foreign currency loan	954	1,430	2,384	Repayable in 5 equal half yearly installments starting September, 2017
o	Vehicle Loans	184	169	353	Equal monthly installments over the term of the loan ranging from 2 to 4 years
	Sub-Total (A)	**9,737**	**79,230**	**88,967**	
(ii)	**Unsecured Loans**				
a	7.57% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in December, 2021
b	7.77% Redeemable Non Convertible Debentures	-	15,000	15,000	Repayable in January, 2022
c	8.04% Redeemable Non Convertible Debentures	-	20,000	20,000	Repayable in January, 2022
d	8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in January, 2022
e	8.03% Redeemable Non Convertible Debentures	-	5,000	5,000	Repayable in February, 2022
f	Foreign currency Loan	1,070	2,569	3,639	a) 9 equal quarterly installments of USD 4.125 Mn (₹267 Mn) starting April, 2017 b) 4 equal quarterly installments of USD 4.75 Mn (₹308 Mn) starting July, 2019
g	Foreign currency Loan	-	4,668	4,668	Repayable in June, 2018
h	Foreign currency Loan	614	3,379	3,993	13 equal half yearly installments starting April, 2017
	Sub-Total (B)	**1,684**	**70,616**	**72,300**	
(iii)	**Deferred Payment Liability (DPL) towards spectrum acquired in**				
a	November - 2012 auction	-	9,405	9,405	8 equal annual installments starting December, 2017
b	February - 2014 auction	-	71,840	71,840	a) ₹69,534 Mn and interest thereon will be repaid in 9 equal annual installments starting March, 2018 b) ₹2,306 Mn and interest thereon will be repaid in 10 equal annual installments starting September, 2019
c	March - 2015 auction	22,403	225,295	247,698	a) ₹ 246,437 Mn and interest thereon will be repaid in 10 equal annual installments starting April, 2018 b) ₹ 1,262 Mn and interest thereon will be repaid in 10 equal annual installments starting September, 2019
d	October - 2016 auction	-	60,810	60,810	10 equal annual installments starting October, 2019
	Sub-Total (C)	**22,403**	**367,350**	**389,753**	
Grand Total (A+B+C)		**33,824**	**517,196**	**551,020**	

* Amounts represent Current maturities of Long term borrowings and Long term borrowings gross off upfront fees amounting to ₹4 Mn and ₹818 Mn respectively.

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)

Notes forming part of Restated Consolidated Financial Information

Repayment terms of Long term borrowings as at March 31, 2016 **₹ Mn**

	Type of Borrowing	Current maturities of Long term borrowings*	Long term borrowings excluding current maturities*	Total	Repayment Terms for the Balance Amount
(i)	**Secured Loans**				
a	Rupee Loan	1,075	4,300	5,375	5 equal quarterly installments of ₹1,075 Mn. each starting March, 2017
b	Rupee Loan	3,650	-	3,650	4 equal quarterly installments of ₹913 Mn. Each starting June, 2016
c	9.45% Redeemable Non Convertible Debentures	-	3,960	3,960	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹10 Mn. each, aggregating to ₹6,040 Mn with an option to re-issue the same in future)
d	Foreign currency loan	1,094	3,723	4,817	a) 9 equal quarterly installments of USD 4.125 Mn (₹267 Mn) starting April, 2017 b) 4 equal quarterly installments of USD 4.75 Mn (₹308 Mn) starting July, 2019
e	Foreign currency loan	975	2,439	3,414	Repayable in 7 equal half yearly installments starting September, 2016
f	Foreign currency loan	1,054	4,214	5,268	Repayable in 10 equal half yearly installments starting August, 2016
g	Foreign currency loan	1,093	4,916	6,009	Repayable in 11 equal half yearly installments starting June, 2016
h	Foreign currency loan	1,396	4,189	5,585	Repayable in 8 equal half yearly installments starting April, 2016
i	Foreign currency loan	-	1,396	1,396	Repayable in 2 equal half yearly installments starting April, 2020
j	Foreign currency loan	1,047	4,713	5,760	Repayable in 11 equal half yearly installments starting May, 2016
k	Foreign currency loan	858	3,863	4,721	Repayable in 13 equal half yearly installments starting July, 2016
l	Foreign currency loan	280	1,536	1,816	Repayable in 11 equal half yearly installments starting July, 2016
m	Vehicle Loans	228	292	520	Equal monthly installments over the term of the loan ranging from 2 to 4 years
	Sub-Total (A)	**12,750**	**39,541**	**52,291**	
(ii)	**Unsecured Loans**				
a	Foreign currency Loan	628	4,085	4,713	Repayable in 15 equal half yearly installments starting April, 2016
b	Foreign currency Loan	-	4,776	4,776	Repayable in June, 2018
c	Rupee Loan	500	500	1,000	a) 3 equal quarterly installments of ₹94 Mn starting June, 2016 b) 1 installment of ₹218 Mn in March, 2017 c) 4 equal quarterly installments of ₹125 Mn starting June, 2017
	Sub-Total (B)	**1,128**	**9,361**	**10,489**	
(iii)	**Deferred Payment Liability (DPL) towards spectrum acquired in**				
a	November - 2012 auctions	1,704	13,314	15,018	Repayable in 9 equal annual installments starting December, 2016
b	February - 2014 auctions	14,338	73,758	88,096	Repayable in 10 equal annual installments starting March, 2017
c	March - 2015 auctions	-	224,033	224,033	Repayable in 10 equal annual installments starting April, 2018
	Sub-Total (C)	**16,042**	**311,105**	**327,147**	
Grand Total (A+B+C)		**29,920**	**360,007**	**389,928**	

* Amounts represent Current maturities of Long term borrowings and Long term borrowings gross off upfront fees amounting to ₹3 Mn and ₹968 Mn respectively.

25(c) Interest rate for Rupee Term Loan ranges from 4.0% to 10.9% (March 2018 : 7.8% to 8.7%, December 2017: 8.25% to 8.9%, March 2017: 9.30% to 9.75% and March 2016: 9.85% to 10%), Foreign currency Loan ranges from 3.05% to 5.47% (March 2018 : 2.58% to 3.14%, December 2017: 1.96% to 2.58%, March 2017: 1.47% to 4.68% and March 2016: 1.72% to 4.68%) and Deferred Payment Liability ranges from 9.30% to 10% (March 2018 : 9.30% to 10%, December 2017: 9.30% to 10%, March 2017: 9.30% to 10% and March 2016: 9.75% to 10%).

25(d) During the period/year ended, the Group has re-financed Loans worth ₹ Nil (December 31, 2017: ₹ 23,734 Mn; March 31, 2018: ₹23,734 Mn; March 31, 2017: ₹4,317 Mn; March 31, 2016: ₹10,586 Mn).

26 Other non-current financial liabilities

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Security deposits	26	32	23	384	369
b)	Payables for capital expenditure	-	-	-	43	8
c)	Interest accrued but not due on deferred payment liability	4	24,167	26,039	9,955	22,594
d)	Derivative liabilities at fair value through profit or loss	-	-	-	-	751
e)	Indemnity Liability (refer note 6(C))	83,996	-	-	-	-
	Total	**84,026**	**24,199**	**26,062**	**10,382**	**23,722**

27 Long term provisions

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Gratuity (refer note 55)	2,387	1,904	1,522	1,575	1,543
b)	Compensated absences	1,493	1,978	1,507	1,774	1,442
b)	Asset retirement obligation (refer note 52)	133	66	78	493	469
	Total	**4,013**	**3,948**	**3,107**	**3,842**	**3,454**

28 Other non-current liabilities

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Deferred revenue	3,786	4,380	4,920	4,308	3,544
b)	Others (consists mainly of Lease Rent Equalisation)	143	651	682	613	564
	Total	**3,929**	**5,031**	**5,602**	**4,921**	**4,108**

29 Short Term borrowings

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	**Secured loans**					
	Bank overdraft	4	-	1	20	-
	(Secured by way of pari passu second charge on movable and immovable assets of the Company excluding movable and immovable assets of erstwhile VMSL and VInL and its subsidiaries and repayable on demand)					
b)	**Unsecured loans**					
	Bank overdraft (repayable on demand)	1,659	901	216	327	1,456
	Short term loan from banks*	9,243	-	-	-	10,000
	Commercial papers from banks**	-	-	-	-	5,000
	Total	**10,906**	**901**	**217**	**347**	**16,456**

* Loan O/s as at December 31, 2018 is repayable in full on various maturity dates between May 2019 to September 2019 and loan O/s as at March 31, 2016 is repayable in full on various maturity dates in April 2016.

** Repayable in April 2016.

30 Other current financial liabilities

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Current maturities of long term debt (refer note 25(b) and (c))*	69,654	7,516	10,226	33,820	29,917
b)	Payable for capital expenditure	59,660	25,816	29,523	45,943	20,252
c)	Interest accrued but not due on borrowings#	64,184	4,192	1,769	18,597	950
d)	Unpaid dividend	4	4	4	4	3
e)	Derivative liabilities at fair value through profit or loss	657	281	112	1,899	498
f)	CCPS Liability (refer note 44(x))	-	-	-	-	28,793
g)	Security deposits from customers and others	5,225	2,253	2,186	2,297	2,127
	Total	**199,384**	**40,062**	**43,820**	**102,560**	**82,540**

*Includes ₹ 22,403 Mn in the year ended March 31, 2017 which was prepaid in April 2017

#Includes ₹ 17,702 Mn in the year ended March 31, 2017 which was prepaid in April 2017

Vodafone Idea Limited (Formerly known as Idea Cellular Limited)
Notes forming part of Restated Consolidated Financial Information

31 Other current liabilities

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Advance from customers and deferred revenue	27,274	14,000	14,080	14,139	12,714
b)	Taxes, regulatory and statutory liabilities*	50,200	16,579	12,453	12,504	10,650
c)	Others (consists mainly of Lease Rent Equalisation)	35	57	64	89	130
	Total	**77,509**	**30,636**	**26,597**	**26,732**	**23,494**

*includes provision with respect to sub-judice matter related to licensing dispute

32 Short term provisions

₹ Mn

	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
a)	Gratuity (refer note 55)	180	-	-	-	-
b)	Compensated absences	214	164	208	145	130
c)	Asset retirement obligation (refer note 52)	18	16	16	32	-
d)	Provision for current tax (net of advance tax)	-	18	-	22	796
	Total	**412**	**198**	**224**	**199**	**926**

33 Other operating income

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Liabilities no longer required written back	391	99	223	151	177
Miscellaneous receipts	134	61	95	80	153
Total	**525**	**160**	**318**	**231**	**330**

34 Other income

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	170	304	2,078	675	277
Gain on Mutual Funds (including fair value gain)	5,567	722	1,451	2,394	1,854
Others	8	-	-	-	-
Total	**5,745**	**1,026**	**3,529**	**3,069**	**2,131**

35 Employee benefit expenses

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	13,598	11,626	13,811	15,576	13,715
Contribution to provident and other funds (refer note 55)	1,085	855	1,144	1,119	926
Share based payment expenses (ESOS) (refer note 54)*^	146	(190)	(229)	432	614
Staff welfare	717	466	605	676	646
Recruitment and training	106	78	99	174	218
Total	**15,652**	**12,835**	**15,430**	**17,977**	**16,119**

* includes expenses on account of cash settled ESOP ₹155 Mn

^ The charge for the nine months period ended December 31, 2017 and year ended March 31, 2018 is net of reversal on account of cancellation of unvested options.

36 Network expenses and IT outsourcing cost

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Security service charges	493	832	1,109	1,099	1,078
Power and fuel	41,096	24,846	30,597	30,617	25,203
Repairs and maintenance - plant and machinery	14,233	8,127	10,450	12,057	10,628
Switching and cellsites rent	1,010	1,373	1,881	1,644	1,489
Lease line and connectivity charges	2,738	1,200	1,219	1,914	2,004
Network insurance	164	120	158	175	182
Passive infrastructure charges	51,672	34,268	45,485	47,330	41,724
Other network operating expenses	1,744	915	1,257	1,122	1,132
IT outsourcing cost	5,912	4,224	5,178	5,859	4,703
Total	**119,062**	**75,905**	**97,334**	**101,817**	**88,143**

37 License fees and spectrum usage charges

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
License fees	17,711	15,156	19,769	24,897	25,079
Spectrum usage charges	9,005	8,184	8,898	15,618	16,429
Total	**26,716**	**23,340**	**28,667**	**40,515**	**41,508**

38 Roaming and access charges

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Roaming charges	3,191	3,044	3,794	9,107	13,204
Access charges	26,003	25,205	31,564	33,647	33,449
Total	**29,194**	**28,249**	**35,358**	**42,754**	**46,653**

39 Subscriber acquisition and servicing expenditure

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of sim and recharge vouchers	1,108	1,113	1,357	2,019	1,775
Commission to dealers	13,781	14,085	18,428	18,478	17,683
Customer verification expenses	376	1,111	1,337	2,410	2,771
Collection, telecalling and servicing expenses	4,494	4,007	5,157	5,963	5,544
Customer retention and customer loyalty expenses	800	742	920	1,012	895
Total	**20,559**	**21,058**	**27,199**	**29,882**	**28,668**

40 Advertisement, business promotion expenditure & content cost

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertisement & Business promotion expenditure	2,764	3,005	4,024	4,577	4,864
Content cost	3,803	3,278	4,123	4,836	4,635
Total	**6,567**	**6,283**	**8,147**	**9,413**	**9,499**

41 Other expenses

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Repairs and maintenance					
- Building	119	113	154	113	84
- Others	1,330	637	920	818	501
Other insurance	38	27	37	38	31
Non network rent	1,993	1,247	1,653	1,505	1,180
Rates and taxes	294	33	70	550	160
Electricity	864	425	543	570	574
Printing and stationery	63	67	77	85	92
Communication expenses	126	109	128	121	116
Travelling and conveyance	887	692	950	1,163	1,236
Bad debts / advances written off	22	54	59	104	1,328
Allowances for doubtful debts and advances (refer note 51)	2,083	1,231	1,630	1,867	282
Gain on disposal of property, plant and equipment (net)	(54)	(131)	(274)	(176)	(64)
Bank charges	501	228	344	304	244
Directors commission (refer note 59)	-	-	-	-	150
Directors Sitting Fees (refer note 59)	3	2	4	5	4
Legal and professional charges	737	863	1,132	1,004	965
Audit fees	65	32	38	47	47
CSR expenditure	11	152	204	372	189
Support service charges (refer note 59)	1,828	-	-	-	-
Miscellaneous expenses	1,738	1,312	1,693	1,794	1,432
Total	**12,648**	**7,093**	**9,362**	**10,284**	**8,551**

42 Finance costs

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest					
- On fixed period loan (Net of ₹ 529 Mn, December 31, 2017 : ₹1,213 Mn, March 31, 2018 : ₹1,408 Mn, March 31, 2017 : ₹1,732 Mn and March 31, 2016 : ₹345 Mn capitalised)	15,615	8,548	11,770	3,546	4,636
- On deferred payment liability towards spectrum (Net of ₹ 1,451 Mn, December 31, 2017 : ₹1,510 Mn, March 31, 2018 : ₹1,836 Mn, March 31, 2017 : ₹2,157 Mn and March 31, 2016 : ₹18,479 Mn capitalised)	45,657	26,737	35,823	35,096	13,035
- Others	159	270	595	284	110
Other finance charges	248	92	121	95	429
Total interest expense	**61,679**	**35,647**	**48,309**	**39,021**	**18,210**
Exchange difference (net) (Net of ₹423 Mn capitalised, December 31, 2017: ₹(329) Mn (decapitalised), March 31, 2018: ₹(192) Mn (decapitalised), March 31, 2017: ₹(662) Mn (decapitalised), March 31, 2016: ₹3,516 Mn capitalised)	1,102	146	878	(445)	388
Loss / (gain) on derivatives (including fair value changes on derivatives)	2,387	91	(41)	1,218	(422)
Change in investment value on merger of IMCSL with ABIPBL (refer note 44(vi))	-	-	(1,016)	-	-
Total	**65,168**	**35,884**	**48,130**	**39,794**	**18,176**

43. Exceptional items includes (Income) / Expense towards:

₹ Mn

Particulars	**Impact on statement of profit and loss for the period ended December 31, 2018**
Income from sale of ICISL (refer note 44(ii))	(33,473)
Integration and merger related costs (includes site exit related cost as explained in note 44(i))	21,043
Re-assessment of certain estimates and accrual	(7,899)
Impairment of assets on account of network re-alignment/integration	350
Total impact	**(19,979)**
Deferred tax impact on above	7,937

44. Significant transactions / new developments

i. 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 infrastructure service providers have raised demands for exit charges on the Company aggregating to approximately ₹30,000 Mn on account of this change. The Company has not admitted these demands based on certain interpretations of the MSA and has been in discussion with the infrastructure service providers. Further, the Company has given notices to the infrastructure providers to exit certain additional sites based on its ongoing network integration plan for which additional demands have not yet been received. The Company has estimated that the combined settlement amount for tenancy conversion and additional exits undertaken till December 31, 2018 will not exceed ₹17,250 Mn, and has accordingly accrued this amount towards such exit charges and disclosed as an exceptional item in the Consolidated Restated Statement of Profit and Loss for the period ended December 31, 2018.

ii. 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 of the above is ₹13,235 Mn.

iii. VIL 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). With the merger of ICL and erstwhile VInL being completed on August 31, 2018, VIL is now a promoter in both the entities. The Reserve Bank of India (RBI) has permitted VMPL to continue with the PPI business only until March 31, 2019 with a condition of not onboarding new customers and no increase in the balance of existing customers post December 31, 2018. Hence, effective August 31, 2018, 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 has not been consummated till December 31, 2018.

iv. 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 will be filed with the NCLT Ahmedabad after stock exchange approval. The transaction has not been consummated till December 31, 2018.

v. Pursuant to agreement entered into by the Company, Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory / corporate approvals and certain closing conditions, the Company has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on which option to follow is taken, Indus continues to be accounted for as joint venture of the Group and reflected as a non-current investment.

vi. 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 year ended March 31, 2018, pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The excess of the value of such shares issued over the net assets of IMCSL that have been vested into ABIPBL on the effective date amounting to ₹1,016 Mn has been regrouped under finance cost in the Consolidated Restated Statement of Profit and Loss for the year ended March 31, 2018. The Company now holds 49% stake in ABIPBL.

vii. 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 Registrar of Companies (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.

viii. After the requisite shareholders' approval, the Company, during the year ended March 31, 2018, has issued and allotted 326,633,165 Equity Shares of face value of ₹10 to entities forming part of the 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.

ix. The Company during the year ended March 31, 2018, 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.

x. Compulsorily Convertible Preference Shares (CCPS) issued by ABTL to P5 Holdings Investments (Mauritius) Limited (P5) was classified as a Financial Liability on the date of transition to Ind AS as at April 1, 2015. During, the year ended March 31, 2017, the CCPS were converted to Equity Shares. Subsequently, the Hon'ble High Court of Bombay approved the scheme petition to extinguish the equity shares held by P5 by distributing (a) 57,794 equity shares of ₹1 each held by ABTL in Indus Towers Limited (4.85% stake); and (b) an amount of ₹4,550 Mn. The Capital reduction pursuant to the above mentioned approval became effective on February 1, 2017. Accordingly, the Group's share in net assets and profit of Indus has been consolidated at 11.15% effective February 1, 2017. The accounting for capital reduction in the books of ABTL and consequently financial statements of the Group has been done as per scheme approved by the Hon'ble High Court. The excess of CCPS liability over the face value of equity shares issued to P5 has been credited to securities premium. The difference along with proportionate net assets of Indus (equivalent to 4.85% stake) and ₹4,550 Mn payable to P5 have been debited to retained earnings.

45. Capital and other Commitments:

Estimated amount of commitments are as follows:

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Spectrum won in auctions	-	-	-	3,312	-
Contracts remaining to be executed for capital expenditure (net of advances) and not provided for	22,527	18,301	13,027	20,227	19,867
Long term contracts remaining to be executed including early termination commitments (if any)	22,465	16,010	18,721	17,600	14,800

46. Contingent Liabilities

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 (December 31, 2017: ₹3,691 Mn; March 31, 2018: ₹3,691 Mn; March 31, 2017: ₹3,691 Mn; March 31, 2016: ₹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 (December 31, 2017: ₹17,444 Mn; March 31, 2018: ₹17,444 Mn; March 31, 2017: ₹17,444 Mn; March 31, 2016: ₹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 period ended December 31, 2018, 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 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, where the matter was sub-judice as of December 31, 2018. Subsequently, 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.

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 – ₹133,036 Mn (December 31, 2017: ₹26,792 Mn; March 31 2018: ₹107,710 Mn; March 31, 2017: ₹58,318 Mn; March 31, 2016: ₹30,502 Mn)

– Above amounts for the year ended March 31, 2018, March 31, 2017 and March 31, 2016, include matters considered remote of ₹76,992 Mn, ₹13,190 Mn and ₹6,072 Mn, respectively.
– 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.
– 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 NIA and had challenged the DoT guidelines in TDSAT.

B) **Other Matters not acknowledged as debts**

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Income tax matters (see note i below)	14,123	6,004	22,836	74,030	88,018
Sales tax and entertainment tax matters (see note ii below)	1,519	698	1,180	1,687	1,511
Service tax/Goods and Service Tax (GST) matters (see note iii below)	15,684	1,228	4,298	4,073	3,968
Entry tax and customs matters (see note iv below)	4,707	387	404	351	321
Other claims (see note v below)	11,929	2,775	4,783	2,612	2,429
Total [A]	**47,962**	**11,092**	**33,501**	**82,753**	**96,247**
Demands considered as Remote [B]	-	-	19,810	71,679	85,919
Total [C] = [A-B]	**47,962**	**11,092**	**13,691**	**11,074**	**10,328**

i. Income Tax Matters

- 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.
- 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 shares of Indus (4.85%) held by P5 to the Company at its fair value in the event of not meeting certain conditions. Such right is suspended pursuant to the proposed merger of Indus with BIL effective 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 ₹54,675 Mn (December 31, 2017: ₹36,858 Mn; March 31, 2018: ₹48,844 Mn; March 31, 2017: ₹50,424 Mn, March 31, 2016: ₹44,337 Mn) are included in passive infrastructure charges, non-network rent, switching and cell-site rent in the Restated 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:

₹ Mn

Particulars	**As at December 31, 2018**	**As at December 31, 2017***	**As at March 31, 2018***	**As at March 31, 2017**	**As at March 31, 2016**
Within one year	58,575	41,985	42,814	45,334	41,662
After one year but not more than five years	178,917	135,588	133,752	127,326	119,444
More than five years	51,390	34,266	28,747	60,332	45,867

*Includes below amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale as at December 31, 2017 and March 31, 2018 and disposed off during the current period (refer note 44(ii))

- Within one year **–** December 31, 2017: ₹1,053 Mn (March 31, 2018: ₹1,377 Mn);
- After one year but not more than five years – December 31, 2017: ₹4,532 Mn (March 31, 2018: ₹5,441 Mn);
- More than five years – December 31, 2017: ₹4,218 Mn (March 31, 2018: ₹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:

₹ Mn

Particulars	**As at December 31, 2018**	**As at December 31, 2017***	**As at March 31, 2018***	**As at March 31, 2017**	**As at March 31, 2016**
Within one year	-	2,827	2,993	2,910	2,010
After one year but not more than five years	-	11,695	11,294	10,580	7,834
More than five years	-	7,876	7,005	8,445	7,470

*amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale as at December 31, 2017 and March 31, 2018 and disposed off during the current period (refer note 44(ii))

- Within one year **–** December 31, 2017: ₹2,772 Mn (March 31, 2018: ₹2,659 Mn);
- After one year but not more than five years – December 31, 2017: ₹11,695 Mn (March 31, 2018: ₹11,294 Mn);
- More than five years – December 31, 2017: ₹7,876 Mn (March 31, 2018: ₹7,005 Mn)

48. The Group has composite IT outsourcing agreements where in Property, plant and equipment, computer software and services related to IT has been supplied by the vendor. Such Property, plant and equipment received have been accounted for as finance lease. Correspondingly, such assets are recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Group.

49. Details of Current Investments:

Particulars	As at December 31, 2018		As at December 31, 2017	
	Qty in '000	₹ Mn	Qty in '000	₹ Mn
	Units	Value	Units	Value
Birla Sun Life Cash Plus - Direct – Growth	102,708	30,303	39,925	10,957
Birla Sun Life Liquid Fund - Direct – Growth	2,375	701	-	-
Axis Liquid Fund - Direct – Growth	1,179	2,400	-	-
DSP Liquidity Fund - Direct - Growth	1,443	3,789		
HDFC Liquid Fund - Direct – Growth	1,228	4,438	-	-
Tata Liquid Fund - Direct – Growth	1,460	4,223	-	-
IDFC Ultra Short Term Fund - Direct - Growth	-	-	31,130	757
SBI Magnum InstaCash-Cash(G) – Direct Plan	-	-	890	3,361
SBI Liquid Fund - Direct – Growth	1,851	5,325	-	-
Tata Money Market Fund - Regular – Growth	-	-	-	-
Invesco India Liquid Fund - Direct – Growth	957	2,417	-	-
ICICI Prudential Liquid -Direct- Growth	22,436	6,092	-	-
Reliance Liquidity Fund - Direct – Growth	2,046	9,167	-	-
UTI-Liquid Cash Plan -Direct- Growth	2,038	6,126	-	-
Kotak Liquid Scheme - Direct – Growth	550	2,044	-	-
Total	**140,271**	**77,025**	**71,945**	**15,075**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31 2016	
	Qty in '000	₹ Mn	Qty in '000	₹ Mn	Qty in '000	₹ Mn
	Units	Value	Units	Value	Units	Value
Birla Sun Life Cash Plus - Direct – Growth	136,850	38,224	171,584	44,836	21,138	5,143
L&T Liquid Fund - Direct – Growth	366	871	-	-	-	-
SBI Premier Liquid Fund - Direct – Growth	2,301	6,269	-	-	-	-
Tata Money Market Fund - Regular – Growth	202	551	-	-	-	-
Invesco India Liquid Fund - Direct – Growth	196	469	-	-	-	-
HDFC Cash Management Fund - Savings Plan - Direct - Growth	1,344	4,873	-	-	-	-
ICICI Prudential Liquid -Direct- Growth	19,629	5,047	-	-	-	-
Reliance Liquidity Fund - Direct – Growth	-	-	510	1,251	-	-
DSP BlackRock Liquidity Fund - Direct – Growth	-	-	538	1,251	-	-
UTI-Liquid Cash Plan - Direct- Growth	-	-	358	1,000	-	-
Kotak Liquid Scheme - Plan A - Direct – Growth	-	-	100	330	-	-

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31 2016	
	Qty in '000	₹ Mn	Qty in '000	₹ Mn	Qty in '000	₹ Mn
	Units	Value	Units	Value	Units	Value
IDFC Cash Fund - Direct – Growth	-	-	167	330	136	250
Religare Invesco Liquid Fund - Dir – Growth	-	-	-	-	480	1,001
HDFC Liquid Fund - Dir - Growth	-	-	-	-	335	1,001
Reliance Liquid Fund - TP - Dir – Growth	-	-	-	-	271	1,001
ICICI Prudential Money Market Fund - Dir-Growth	-	-	-	-	4,776	1,001
Birla Sun Life Savings Fund - Dir – Growth	-	-	-	-	12,448	3,658
Tata Liquid Fund - Dir - Growth	-	-	-	-	89	250
Total	**160,888**	**56,304**	**173,257**	**48,998**	**39,673**	**13,305**

50. Details of Foreign Currency Exposures

a. Hedged by a Derivative Instrument

Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Foreign Currency Loan					
Foreign Currency Loan in USD	54	57	53	127	254
Equivalent ₹ of Foreign Currency Loan#	3,578	3,888	3,566	10,001	18,997
Trade Payables and Other Current Financial Liabilities					
Trade Payables and Other Current Financial Liabilities in USD	413	83	67	162	62
Interest accrued but not due on Foreign Currency Loans in USD	1	-	-*	-*	-*
Equivalent ₹ of Trade Payables and Other Current Financial Liabilities#	29,659	5,436	4,459	10,892	4,295

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

#Amount in ₹ represents conversion at hedged rate

b. Not hedged by a Derivative Instrument or otherwise

Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Foreign Currency Loan					
Foreign Currency Loan in USD	415	472	472	474	474
Equivalent ₹ of Foreign Currency Loan#	28,964	30,187	30,714	30,717	31,425
Trade Payables and Payables for capital expenditure					
Trade Payables in In USD	212	170	181	139	60
Trade Payables In EURO	15	1	-*	-*	-*
Trade Payables in GBP	-	-	-*	-*	-
Interest accrued but not due on Foreign Currency Loans in USD	-	-	-*	3	3
Equivalent ₹ of Trade Payables for capital expenditure#	15,993	10,955	11,789	9,195	4,234
Trade Receivables					
In USD	63	18	20	14	14
In EURO	2	-	-*	-*	-*
In GBP	5	-	-*	-	-
Balances with banks-In current accounts in USD	6	-	-	-	-
Equivalent ₹ of Trade Receivables in Foreign Currency#	5,418	1,178	1,347	895	919

*Numbers are below one million under the rounding off convention adopted by the Group and accordingly not reported.
#Amount in ₹ represents conversion at closing rate

51. Movement of allowances for doubtful debts/advances

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Opening Balance	**7,792**	**6,331**	**6,331**	**4,464**	**4,182**
Addition pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	6,869	-	-	-	-
Charged to the Statement of Profit and Loss (Net) (refer note 41)	2,083	1,231	1,630	1,867	282
Expenses pertaining to ICISL disposed during the period	(48)	-	-	-	-
Allowances for doubtful debts pertaining to VMPL / ICISL disclosed under Assets held for sale (refer note 44(iii) and 44(ii))	(2)	(86)	(169)	-	-
Closing Balance	**16,694**	**7,476**	**7,792**	**6,331**	**4,464**

52. Asset Retirement Obligation:

The Group 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	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Opening Balance	**94**	**525**	**525**	**469**	**421**
Addition pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	55	-	-	-	-
Additional Provision	2	2	11	14	9
Unwinding of discount	5	32	47	42	39
Utilisation	(5)	-	(1)	-	-
ARO pertaining to ICISL disclosed under Assets held for sale (refer note 44(ii))	-	(477)	(488)	-	-
Closing Balance	**151**	**82**	**94**	**525**	**469**

53. Segment information

The Group reported three segments till the 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 as at December 31, 2018 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 – Option granted by VIL

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 fulfillment 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 & 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 period / year ended December 31, 2018, March 31, 2018, December 31, 2017, March 31, 2017 and March 31, 2016. During the period / year ended, certain unvested options were cancelled on non-fulfillment of certain vesting conditions under ESOS 2013. As at the end of the respective period/year, details and movements of the outstanding options are as follows:

	Particulars	As at December 31, 2018		As at December 31, 2017	
		No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i)	**Options granted under ESOS 2006**				
	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	527,175	53.06
	Options cancelled during the year	33,387	59.20	14,625	65.09
	Options expired during the year	183,953	57.55	47,024	52.45
	Options outstanding at the end of the year	290,250	68.86	628,327	63.95
	Options exercisable at the end of the year	290,250	68.86	628,327	63.95
	Range of exercise price of outstanding options (₹)	68.86 - 68.86		57.55 - 68.86	
	Remaining contractual life of outstanding options (months)	7		12	
ii)	**Options granted under ESOS 2013**				
	Options outstanding at the beginning of the year	13,096,614	126.35	18,972,641	126.28
	Options cancelled during the year	442,393	123.29	5,302,969	126.17
	Options outstanding at the end of the year	12,654,221	126.46	13,669,672	126.33
	Options exercisable at the end of the year	12,299,417	126.82	12,737,695	126.80
	Range of exercise price of outstanding options (₹)	110.45 - 150.10		117.55 - 150.10	
	Remaining contractual life of outstanding options (months)	33		46	
iii)	**RSU's granted under ESOS 2013**				
	Options outstanding at the beginning of the year	2,394,656	10.00	5,009,212	10.00
	Options exercised during the year	847,261	10.00	1,643,631	10.00
	Options cancelled during the year	80,788	10.00	81,782	10.00
	Options outstanding at the end of the year	1,466,607	10.00	3,283,799	10.00
	Options exercisable at the end of the year	1,006,632	10.00	2,726,865	10.00
	Range of exercise price of outstanding options (₹)	10.00		10.00	
	Remaining contractual life of outstanding options (months)	47		55	

	Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i)	**Options granted under ESOS 2006**						
	Options outstanding at the beginning of the year	1,217,151	58.80	2,681,041	52.56	4,851,573	51.74
	Options exercised during the year	609,912	54.43	1,337,663	46.37	2,136,095	50.67
	Options cancelled during the year	14,625	65.09	9,750	68.86	10,625	62.74
	Options expired during the year	65,937	57.15	116,477	56.97	23,812	49.64
	Options outstanding at the end of the year	526,677	63.90	1,217,151	58.80	2,681,041	52.56
	Options exercisable at the end of the year	526,677	63.90	1,217,151	58.80	2,681,041	52.56
	Range of exercise price of outstanding options (₹)	57.55 - 68.86		45.55 - 68.86		39.30 - 68.86	
	Remaining contractual life of outstanding options (months)	13		15		17	
ii)	**Options granted under ESOS 2013**						
	Options outstanding at the beginning of the year	18,972,641	126.28	19,018,618	126.66	18,657,280	127.16
	Options granted during the year	-	-	416,033	110.45	1,048,615	117.55
	Options cancelled during the year	5,876,027	126.13	462,010	127.29	158,421	126.45
	Options exercised during the year					528,856	126.45
	Options outstanding at	13,096,614	126.35	18,972,641	126.28	19,018,618	126.66

	Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		No. of Options	**Weighted average exercise price (₹)**	**No. of Options**	**Weighted average exercise price (₹)**	**No. of Options**	**Weighted average exercise price (₹)**
	the end of the year						
	Options exercisable at the end of the year	12,635,255	126.79	13,166,437	126.76	8,622,110	126.83
	Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10		117.55 - 150.10	
	Remaining contractual life of outstanding options (months)	42		55		66	
iii)	**RSU's granted under ESOS 2013**						
	Options outstanding at the beginning of the year	5,009,212	10.00	8,550,446	10.00	8,160,108	10.00
	Options granted during the year	-	-	161,869	10.00	476,851	10.00
	Options exercised during the year	2,507,198	10.00	3,481,190	10.00	-	-
	Options cancelled during the year	107,358	10.00	221,913	10.00	86,513	10.00
	Options outstanding at the end of the year	2,394,656	10.00	5,009,212	10.00	8,550,446	10.00
	Options exercisable at the end of the year	1,853,893	10.00	4,123,456	10.00	41,422	10.00
	Range of exercise price of outstanding options (₹)	10.00		10.00		10.00	
	Remaining contractual life of outstanding options (months)	53		62		72	

The weighted average share price at the date of exercise of options exercised during the period/year was ₹56 (December 31, 2017: ₹84.88; March 31, 2018: ₹85.15; March 31, 2017: ₹84.88; March 31, 2016: ₹155.01).

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 6months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.50	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.30	91.95	57.55	68.86	57.05	57.05
Fair Value*	68.99	48.25	31.34	37.47	18.42	10.57

*As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/01/16)	Tranche IV (11/02/17)
	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, 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 (21/01/16)	Tranche IV (11/02/17)
	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 VF Group Plc. The plans are administered by VF 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 VGPLc and market based condition, based on total shareholder return (TSR), which is taken into account when calculating the fair value of share awards. The valuation for the TSR is based on Vodafone's ranking within the same group of companies, where possible over the past five years.

As at nine months period ended December 31, 2018, details and movements of the outstanding options are as follows:

Particulars	**As at December 31, 2018**
i) Options granted under GLTI / GLTR	**No. of Options**
Options outstanding as at August 31, 2018	13,868,024
Options granted during the period	-
Options lapsed during the period	501,933
Options exercised during the period	328,899
Options outstanding at the end of the period	13,037,192
Options exercisable at the end of the period	13,037,192
Weighted average remaining contractual life of the options outstanding at the end of the period (in months)	15
ii) Options granted under VGIP	
Options outstanding as at August 31, 2018	1,702,228
Options granted during the period	-
Options lapsed during the period	-
Options exercised during the period	-
Options outstanding at the end of the period	1,702,228
Options exercisable at the end of the period	1,702,228
Weighted average remaining contractual life of the options outstanding at the end of the period (in months)	13

The exercise price is Nil and hence the weighted average exercise price is not disclosed. Liability at the end of nine month period ended December 31, 2018 is ₹1,007 Mn.

Fair value of option is measured by deducting the present value of expected dividend cash flows over the life of the awards from the share price as at the grant date.

The fair value of each option is mentioned below:

Particulars	Grant date	Expected life	Market price on date of grant/re-pricing (₹)	Fair Value(₹)
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*	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	196	151
	04/08/17**	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

* Vesting percentage: 77.20%
** Vesting percentage: 48.30%

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-à-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 recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the restated balance sheet for gratuity:

₹ Mn

Sr. No	Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	**Amount recognised in Balance Sheet**					
	Present value of obligations as at the end of the period / year	2,099	2,760	2,348	2,400	1,968
	Fair value of plan assets as at the end of the period / year	774	813	795	826	426
	Net Funded Obligation	1,325	1,947	1,553	1,574	1,543
	Present value of unfunded obligations	1,283	-	-	-	-
	Net Asset/(Liability) recognised in Balance Sheet	(2,608)	(1,947)	(1,553)	(1,574)	(1,543)
	Net Asset/(Liability) recognised in Balance Sheet is bifurcated as					
	Other non-financial asset	-	-	6	1	-*
	Long term provision	(2,387)	(1,904)	(1,522)	(1,575)	(1,543)
	Short term provision	(180)	-	-	-	-
	Liabilities classified as held for sale	(41)	(43)	(37)	-	-

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

₹ Mn

Sr. No	Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
1	**Reconciliation of Net Defined Benefit Obligation**					
	Opening Net Defined Benefit liability/(asset)	1,553	1,574	1,574	1,543	1,237
	Net Liabilities assumed pursuant to amalgamation of VMSL and VInL with the Company	1,268	-	-	-	-
	Expense charged to the Statement of Profit & Loss	389	334	447	428	327
	Expense / (Income) charged/credited to OCI	(432)	47	(442)	57	200
	Employer contributions	-	(7)	(15)	(424)	(221)
	Benefits Paid	(122)	-	-	-	-
	Liabilities assumed / (settled)**	(9)	(1)	(14)	(30)	-
	Impact of Divestiture	(39)		3	-	
	Closing Net Defined Benefit liability/(asset)	**2,608**	**1,947**	**1,553**	**1,574**	**1,543**
2	**Reconciliation of Defined Benefit Obligation**					
	Opening Defined Benefit Obligation	2,348	2,400	2,400	1,968	1,476
	Liabilities assumed on formation of Joint Venture	1,366	-	-	-	-
	Current Service cost	271	255	341	308	229
	Interest on Defined Benefit Obligation	165	124	167	158	115
	Actuarial (Gain)/Loss arising from change in financial assumptions	215	(20)	(204)	296	226
	Actuarial (Gain)/Loss arising from change in demographic assumptions	(296)	-	(253)	-*	-
	Actuarial (Gain)/Loss arising on account of experience changes	(356)	56	(10)	(238)	(14)
	Benefits paid	(275)	(54)	(80)	(62)	(64)
	Liabilities assumed / (settled)**	(9)	(1)	(14)	(30)	-
	Liabilities transferred on account of Divestiture	(47)	-	2	-	-
	Closing Defined Benefit Obligation	**3,382**	**2,760**	**2,348**	**2,400**	**1,968**
3	**Reconciliation of plan assets**					
	Opening fair value of plan assets	795	826	826	426	239
	Assets acquired pursuant to amalgamation of VMSL and VInL with the Company	98	-	-	-	-
	Employer contributions	-	7	15	424	221
	Interest on plan assets	47	45	61	38	18
	Re measurements due to-					
	Actual return on plan assets less interest on plan assets	(5)	(11)	(25)	2	12
	Benefits paid	(153)	(54)	(80)	(62)	(64)
	Assets transferred on account of Divestiture	(8)	-	(2)	-	
	Closing fair value of plan assets	**774**	**813**	**795**	**826**	**426**

*Numbers are below one million under the rounding off convention adopted by the Group and accordingly not reported.
**On account of inter group transfer.

Amounts recognized in Restated Statements of Profit and Loss in respect of these defined benefit plans are as follow:

₹ Mn

Sr. No	Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
1	**Expenses Recognised in the Statement of Profit & Loss**					
	Current Service cost	271	255	341	308	229
	Interest on Net Defined Benefit liability/(asset)	118	79	106	120	98
	Expenses recognised in the Statement of Profit & Loss	**389**	**334**	**447**	**428**	**327**
2	**Amount recorded as Other Comprehensive Income (OCI)**					
	Re measurement during the year due to					
	– Changes in financial assumptions	215	(20)	(204)	296	226
	– Changes in demographic assumptions	(296)	-	(253)	-	-
	– Experience adjustments	(356)	56	(10)	(238)	(14)
	– Return on plan assets (excluding amounts included in net interest expense)	5	11	25	(1)	(12)
	Amount recognised in OCI (gains)/ loss	**(432)**	**47**	**(442)**	**57**	**200**

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount rate	7.45%	7.20%	7.85%	7.10%	8.10%
Future salary increase*	8.00%	8.00%	8.00%	8.00%	8.00%
Attrition rate	5%-30%	2%-12%	2%-25%	2%-12%	2%-12%
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.				

*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 period ended December 31, 2018		For the period ended December 31, 2017	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(3.79%)	4.00%	(6.60%)	6.78%
Impact of decrease in 50 bps on DBO	4.05%	(3.78%)	6.89%	(6.57%)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(5.23)%	5.61%	(8.04)%	5.36%	(6.55)%	7.14%
Impact of decrease in 50 bps on DBO	5.67%	(5.24)%	5.46%	(8.01)%	7.18%	(6.57)%

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 period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Within the next 12 months	158	158	158	158	154

Disaggregation details of plan assets (% allocation):

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Insurer Managed Funds *	767	813	795	826	426
Bank balances	7	-	-	-	-

*The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

₹ Mn

Maturity Profile	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Expected benefits for year 1	431	107	184	93	76
Expected benefits for year 2	333	83	130	74	49
Expected benefits for year 3	332	79	127	79	72
Expected benefits for year 4	334	100	144	82	76
Expected benefits for year 5 and above	5,507	7,731	5,946	7,090	7,140

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.65 years - 11.59 years (December 31, 2017: 9.49 – 16.84 year; March 31, 2018: 10.92 – 15.92 years; March 31, 2017: 12.92 - 19.53 years; March 31, 2016: 11.86 - 13.80 years).

B. Defined contribution plans:

During the period/year, the Group has recognised the following amounts in the restated statement of profit and loss:

₹ Mn

Particulars	**For the period ended December 31, 2018**	**For the period ended December 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Employers' contribution to provident and pension fund	620	444	562	573	521
Employers' contribution to superannuation fund	76	77	135	118	78

C. The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016, the contributions towards the plans have been invested in Insurer Managed Funds and bank balance.

56. Income Tax Expense

(a) Major components of tax expense

₹ Mn

Particulars	**For the period ended December 31, 2018**	**For the period ended December 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Current Tax					
Current Tax on profits for the year / period	169	920	1,234	990	8,922
Total Current Tax Expense (A)	**169**	**920**	**1,234**	**990**	**8,922**
Deferred Tax					
Relating to addition & reversal of temporary differences	(30,238)	(18,471)	(24,592)	(4,570)	6,298
Relating to effect of previously unrecognised tax credits, now recorded	-	-	-	(1,053)	-
Relating to change in tax rate	-	-	48	(2)	-
Relating to derecognition of tax credits	13,123	-	-	-	-
Total Deferred Tax Expense (B)	**(17,115)**	**(18,471)**	**(24,544)**	**(5,625)**	**6,298**
Total Tax Expense (A+B)	**(16,946)**	**(17,551)**	**(23,310)**	**(4,635)**	**15,220**
Income tax effect of re-measurement (gains) / losses on defined benefit plans taken to other comprehensive income/(loss)	**(143)**	**16**	**(152)**	**20**	**69**

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

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit / (Loss) before income tax expense (₹ Mn)	(114,165)	(49,611)	(64,992)	(8,632)	42,501
Applicable Tax Rate	34.94%	34.61%	34.61%	34.61%	34.61%
Increase / reduction in taxes on account of:					
Effect of share of profits in Joint Ventures / Associate	0.43%	1.80%	1.72%	16.91%	(3.43%)
Effect of de-recognition/recognition of tax credits	(11.49%)	-	-	12.20%	0.00%
Effects of expenses / income that are not deductible/considered in determining the taxable profits (net)	(1.33%)	(0.08%)	0.36%	(2.20%)	2.82%
Effect of different tax rate	-	0.37%	0.05%	(0.07%)	0.01%
Effect of items for which no deferred tax is recognised	(7.36%)	(0.09%)	-	(2.33%)	0.17%
Effect of undistributed retained earnings of Joint Venture	(0.30%)	(0.87%)	(0.95%)	(6.00%)	1.69%
Effect of changes in tax rate	-	-	(0.06%)	-	-
Other Items	(0.05%)	(0.38%)	0.14%	0.57%	(0.06%)
Effective Tax Rate	**14.84%**	**35.36%**	**35.87%**	**53.69%**	**35.81%**

(c) During the period ended December 31 2018, the Group reassessed recognition of deferred tax assets on carry forward losses, unabsorbed depreciation and MAT credit. The Group recognised deferred tax assets of ₹84,581 Mn on carry forward losses and unabsorbed depreciation and de-recognised the deferred tax asset in respect of MAT credit of ₹13,123 Mn during the nine months period ended December 31, 2018. In assessing the realizability of its deferred tax assets, management considers the scheduled reversal of deferred tax liabilities and projected taxable income. The Company based on its approved business plan has used 10 year projections for assessing the realizability of its deferred tax assets and believes that the 10 year 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 ₹ 84,581 Mn carried in the books as at December 31, 2018 is realisable over a period of 9-10 years.

Out of total unrecognised deferred tax on MAT credit of ₹ 25,699 Mn, ₹2,631 Mn is expiring within 0-5 years, ₹9,734 Mn is expiring within 5-10 years and ₹13,334 Mn is expiring beyond 10 years.

(d) The Group has recognised deferred tax liabilities of ₹348 Mn (December 31, 2017 ₹433 Mn; March 31, 2018 ₹619 Mn; March 31, 2017 ₹518 Mn; March 31, 2016 ₹717 Mn) on taxable temporary differences with respect to undistributed earnings associated with one of its joint ventures 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 ₹276 Mn as of December 31, 2018 (December 31, 2017: ₹3,153 Mn; March 31, 2018: ₹3,627 Mn; March 31, 2017: ₹1,857 Mn; March 31, 2016: ₹1,237 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.

57. Movement in Deferred Tax

₹ Mn

Particulars	As at April 01, 2015	Recognised in		MAT Credit Utilisation	As at March 31, 2016	Recognised in			MAT Credit Utilisation	As at March 31, 2017
		Profit and Loss	OCI			Profit and Loss	OCI	Retained Earnings		
Liabilities										
Depreciation & Amortisation	19,013	12,107	-	-	31,120	20,828	-	-	-	51,948
Effects of re-measuring financial instruments under Ind AS	778	79	-	-	857	(766)	-	-	-	91
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term	1,725	361	-	-	2,086	(2,091)	-	-	-	(5)
Undistributed retained earnings of JV (Indus)	85	717	-	-	802	518	-	(739)	-	581
Others	210	(63)	-	-	147	(147)	-	-	-	-
Total (A)	**21,811**	**13,201**	**-**	**-**	**35,012**	**18,342**	**-**	**(739)**	**-**	**52,615**
Assets										
Tax Losses	-	-	-	-	-	22,181	-	-	-	22,181
Expenses allowable on Payment Basis	1,294	281	69	-	1,644	216	20	-	-	1,880
Provisions for doubtful debts/ advances	1,246	134	-	-	1,380	650	-	-	-	2,030
MAT credit	5,848	6,472	-	(34)	12,286	900	-	-	(63)	13,123
Others	147	16	-	-	163	21	-	-	-	183
Total (B)	**8,535**	**6,903**	**69**	**(34)**	**15,473**	**23,967**	**20**	**-**	**(63)**	**39,397**
Net Deferred Tax Liabilities/ (assets) (A-B)	**13,276**	**6,298**	**69**	**(34)**	**19,539**	**(5,625)**	**(20)**	**(739)**	**63**	**13,218**
As per Financials :										
Deferred Tax Asset	**-**				**-**					**369**
Deferred Tax Liabilities	**13,276**				**19,539**					**13,587**

Particulars	As at	Recognised in				As at	As at	Recognised in				As at
	April 1, 2017	Profit and Loss	OCI	Retained Earnings	AHFS	December 31, 2017	April 1, 2017	Profit and Loss	OCI	Other Equity	AHFS	March 31, 2018
Liabilities												
Depreciation & Amortisation	51,948	9,936	-	-	155	62,039	51,948	13,976	-	-	43	65,967
Effects of remeasuring financial instruments under Ind AS	91	379	-	-	(3)	467	91	504	-	-	(6)	589
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term	(5)	-	-	-	4	(1)	(5)	-	-	-	5	-
Undistributed retained earning of JV (Indus)	581	433	-	(541)	-	473	581	619	-	(541)	-	659
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	**52,615**	**10,748**	**-**	**(541)**	**156**	**62,978**	**52,615**	**15,099**	**-**	**(541)**	**42**	**67,215**
Assets												
Tax Losses	22,181	28,484	-	-	-	50,665	22,181	38,857	-	-	-	61,038
Expenses allowable on Payment Basis	1,880	299	16	-	(71)	2,124	1,880	168	(152)	-	(54)	1,842
Provisions for doubtful debts/ advances	2,030	426	-	-	(31)	2,425	2,030	598	-	-	(57)	2,571
MAT credit	13,123	-	-	-	-	13,123	13,123	-	-	-	-	13,123
Others	183	12	-	-	(166)	29	183	20	-	-	(169)	34
Total (B)	**39,397**	**29,221**	**16**	**-**	**(268)**	**68,366**	**39,397**	**39,643**	**(152)**	**-**	**(280)**	**78,608**
Net Deferred Tax Liabilities/ (assets) (A-B)	**13,218**	**(18,471)**	**(16)**	**(541)**	**428**	**(5,388)**	**13,218**	**(24,544)**	**152**	**(541)**	**322**	**(11,393)**
As per Financials :												
Deferred Tax Asset	**369**	**-**	**-**	**-**	**-**	**5,861**	**369**	**-**	**-**	**-**	**-**	**12,052**
Deferred Tax Liabilities	**13,587**	**-**	**-**	**-**	**-**	**473**	**13,587**	**-**	**-**	**-**	**-**	**659**

Particulars	As at March 31, 2018	Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)	Recognised in Profit and Loss	Recognised in OCI	Recognised in AHFS (refer note 44(ii))	Recognised in Other Equity	As at December 31, 2018
Liabilities							
Depreciation & Amortisation	65,967	89,425	9,253	-	(56)	-	164,589
Effects of remeasuring financial instruments under Ind AS	589	446	(523)	-	(2)	-	510
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term	-	-	-	-	-	-	-
Undistributed retained earning of JV (Indus)	659	-	348	-	-	(613)	394
Others	-	145	(37)	-	-	-	108
Total (A)	**67,215**	**90,016**	**9,041**	**-**	**(58)**	**(613)**	**165,601**
Assets							
Tax Losses	61,038	134,446	33,409	-	-	-	228,893
Expenses allowable on Payment Basis	1,842	8,442	4,826	(143)	(1)	-	14,966
Provisions for doubtful debts/ advances	2,571	2,377	506	-	(17)	-	5,437
MAT credit	13,123	-	(13,123)	-	-	-	-
Others	34	(87)	538	-	(12)	-	473
Total (B)	**78,608**	**145,178**	**26,156**	**(143)**	**(30)**	**-**	**249,769**
Net Deferred Tax Liabilities/ (assets) (A-B)	**(11,393)**	**(55,162)**	**(17,115)**	**143**	**(28)**	**(613)**	**(84,168)**
As per Financials :							
Deferred Tax Asset	**12,052**	**-**	**-**	**-**	**-**	**-**	**84,581**
Deferred Tax Liabilities	**659**	**-**	**-**	**-**	**-**	**-**	**413**

58.Basic & Diluted Earnings / (Loss) Per Share

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Nominal value of equity shares (₹)	10/-	10/-	10/-	10/-	10/-
Profit/ (Loss) after Tax# (₹ Mn)	(97,399)	(32,277)	(41,966)	(4,420)	26,711
Profit/ (Loss) attributable to equity shareholders# (₹ Mn)	(97,399)	(32,277)	(41,966)	(4,420)	26,711
Weighted average number of equity shares outstanding during the year/period	6,316,796,166	3,606,591,847	3,692,852,565	3,601,290,214	3,599,336,054
Basic Earnings / (Loss) Per Share (₹)	(15.42)	(8.95)	(11.36)	(1.23)	7.42
Dilutive effect on weighted average number of equity shares outstanding during the year/period	*	*	*	*	9,670,230
Weighted average number of diluted equity shares	6,316,796,166	3,606,591,847	3,692,852,565	3,601,290,214	3,609,006,284
Diluted Earnings / (Loss) Per Share (₹)	(15.42)	(8.95)	(11.36)	(1.23)	7.40

***As the Group has incurred loss during the respective period / year end, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.
Adjusted for Group's share of additional depreciation debited to other equity by Joint venture pursuant to scheme.

59. Related party transactions

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

The Group has transactions with the below related parties:

Relationship	Related Party
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)
	Birla TMT Holdings Private Limited
	Aditya Birla Nuvo Limited (merged with Grasim Effective from July 1, 2017)

Relationship	Related Party
	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 Investment (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 Limited (effective from August 31, 2018)
	Trans Crystal Limited (effective from August 31, 2018)
Entities having significant influence [includes Subsidiaries of the entity to which the Company is a JV]	Aditya Birla PE Advisors Private Limited (Erstwhile 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 Money Limited
	Aditya Birla Management Corporation Private Limited (refer note 60)
	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
	Birla Sun Life AMC limited
	Aditya Birla Sunlife AMC Limited (Erstwhile Birla Sun Life Asset Management Company Limited)
	Aditya Birla Sun Life Insurance Company Limited (Erstwhile 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)

Relationship	Related Party
	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 Iletişim Hizmetleri A.Ş. (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 Holdings Europe S.L.U. (effective from August 31, 2018)
	Vodafone Group Services Limited (effective from August 31, 2018)
	Vodafone Sales & Services Limited (effective from August 31, 2018)
	VM, S.A. (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 Australia Pty Limited (effective from August 31, 2018)
	Vodafone Egypt Telecommunications S.A.E. (effective from August 31, 2018)
	Vodafone Pty Limited (effective from August 31, 2018)
	Vodafone Enterprise Austria Gmbh (effective from August 31, 2018)
	Vodafone Enterprise Germany Gmbh (effective from August 31, 2018)
	Vodafone Roaming Services S.À R.L (effective from August 31, 2018)
	Vodafone Procurement Company S.A.R.L. (effective from August 31, 2018)
	Cable and Wireless UK Services Limited (effective from August 31, 2018)
	Lynx Global Europe II B.V. (effective from August 31, 2018)
	Vodacom Group Limited (effective from August 31, 2018)
Key Management Personnel (KMP)	Smt. Rajashree Birla (ceased from August 31, 2018)
	Mr. Kumar Mangalam Birla
	Mr. Akshaya Moondra
	Mrs. Alka Bharucha (effective from December 26, 2016 and ceased from March 31, 2018)
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania (became Non Executive Director from August 31, 2018)
	Mr. Pejavar Murari (ceased from August 31, 2018)
	Mr. Baldev Raj Gupta (effective from May 13, 2017 and ceased from August 31, 2018)
	Mr. Sanjeev Aga (ceased from August 31, 2018)
	Ms. Tarjani Vakil (Ceased from September 17, 2018)
	Mr. Debnarayan Bhattacharya (effective from August 31, 2018)

Relationship	Related Party
	Mr. Ravinder Takkar (effective from August 31, 2018)
	Mr. Balesh Sharma (effective from August 31, 2018)
	Mr. Thomas Reisten (effective from August 31, 2018)
	Mr. Vivek Badrinath (effective from August 31, 2018)
	Smt. Neena Gupta (effective from September 17, 2018)
	Mr. Arun Adhikari (effective from August 31, 2018)
	Mr. Uday Khanna (ceased from September 28, 2018)
	Mr. Ashwani Windlass (effective from August 31, 2018)
	Mr. Krishnan Ramachandran (effective from December 27, 2018)
	Mr. Douglas Baillie (ceased from November 14, 2018)
	Ms. Madhabi Puri Buch (ceased from April 3, 2017)
	Dr. Shridhir Sariputta Hansa Wijaysriya (Representative of Axiata and ceased from March 30, 2018)
	Mr. GP Gupta (ceased from January 21, 2016)
	Mr. Mohan Gyani (ceased from August 31, 2018)
	Mr. R.C Bhargava (ceased from October 1, 2016)
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
	Svatantra Microfin Private Limited
	Agora Advisory Private Limited (ceased from April 03, 2017)
	Bhubneshwari Coal Mining Limited
	Interglobe hotels private limited (effective from September 17, 2018)
Trust*	ICL Employee's Group Gratuity Scheme
	ICL Employee Superannuation Scheme
	Spice Communications Limited Employee Superannuation Scheme
	Hutchison Max Telecom Limited Superannuation Fund (effective from August 31, 2018)
	Idea Cellular Services Limited Employee's Superannuation Scheme
	Idea Cellular Infrastructure services Limited Employee Group Gratuity Scheme (ceased date May 31, 2018)
	Idea Mobile Commerce Services Limited Employees Group Gratuity Scheme (ceased date February 28, 2018)

*****Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 55 for information on transactions with post-employment benefit plans mentioned above.

A. Transactions with Related Parties for the 9 months period ended December 31, 2018, December 31, 2017 and years ended March 31, 2018 and March 31, 2017, March 31, 2016 (including eliminated transactions in consolidated financial statements)

₹ Mn

Particulars	Associate	Entities having significant influence	JV	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
Sale of service						
December 31, 2018	2	878	6	-*	6	3,681
December 31, 2017	-*	154	7	-*	32	6,666
March 31, 2018	1	200	8	-*	40	8,294
March 31, 2017	-*	167	10	-*	1	6,616
March 31, 2016	-	157	5	-*	1	2,884
Rent Income						
December 31, 2018	-	-	-	-	-	22
December 31, 2017	-	-	-	-	-	7
March 31, 2018	-	-	-	-	-	19
March 31, 2017	-	-	-	-	-	17
March 31, 2016	-	-	-	-	-	10
Purchase of service						
December 31, 2018[&]	-	2,667	47,295	-	55	3,681
December 31, 2017	-	44	30,320	-	173	6,666
March 31, 2018	-	67	37,653	-	252	8,294
March 31, 2017	-	171	40,615	-	24	6,616
March 31, 2016	-	70	35,830	-	-	2,884
Purchase of goods						
December 31, 2018	-	-	-	-	-	58
December 31, 2017	-	-	-	-	-	49
March 31, 2018	-	-	-	-	-	74
March 31, 2017	-	-	-	-	-	116
March 31, 2016	-	-	-	-	-	101
Sale of goods						
December 31, 2018	-	-	-	-	-	58
December 31, 2017	-	-	-	-	-	49
March 31, 2018	-	-	-	-	-	74
March 31, 2017	-	-	-	-	-	116
March 31, 2016	-	-	-	-	-	101
Remuneration**						
December 31, 2018	-	-	-	91	-	-
December 31, 2017	-	-	-	107	-	-
March 31, 2018	-	-	-	74	-	-
March 31, 2017	-	-	-	118	-	-
March 31, 2016	-	-	-	119	-	-
Rent expense						
December 31, 2018	-	-	-	-	-	22
December 31, 2017	-	-	-	-	-	7
March 31, 2018	-	-	-	-	-	19
March 31, 2017	-	-	-	-	-	17
March 31, 2016	-	-	-	-	-	10
Non-Compete Fee expense						
December 31, 2018	-	-	-	6	-	-
December 31, 2017	-	-	-	11	-	-
March 31, 2018	-	-	-	15	-	-

Particulars	Associate	Entities having significant influence	JV	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
March 31, 2017	-	-	-	15	-	-
March 31, 2016	-	-	-	15	-	-
Directors' Commission and sitting fees paid						
December 31, 2018	-	-	-	3	-	-
December 31, 2017	-	-*	-	2	-	-
March 31, 2018	-	-*	-	4	-	-
March 31, 2017	-	2	-	153	-	-
March 31, 2016	-	2	-	152	-	-
Interest expense on Inter Corporate Deposit (ICD)						
December 31, 2018	-	-	-	-	-	357
December 31, 2017	-	-	-	-	-	276
March 31, 2018	-	-	-	-	-	292
March 31, 2017	-	-	-	-	-	296
March 31, 2016	-	-	-	-	-	-
Interest expense on NCD						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	7	-	-	-	21
March 31, 2018	-	6	-	-	-	14
March 31, 2017	-	9	-	-	-	-
March 31, 2016	-	9	-	-	-	150
Expense incurred on behalf of						
December 31, 2018	-	46	-	-	-	12
December 31, 2017	-*	-*	-	-	-	41
March 31, 2018	-*	-*	-	-	-	79
March 31, 2017	-	1	-	-	-*	82
March 31, 2016	14	1	-	-*	-*	74
Expense incurred on Company's behalf by						
December 31, 2018	-	41	-	-	-	12
December 31, 2017	-	-	-	-	-	41
March 31, 2018	-	-*	-	-	-	79
March 31, 2017	-	-	-	-	-	82
March 31, 2016	-	-	-	-	-	74
Dividend paid on equity shares						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	1,339	-	1	-	-
March 31, 2016	-	1,339	-	1	-	-
ICD Taken						
December 31, 2018	-	-	-	-	-	13
December 31, 2017	-	-	-	-	-	22,220
March 31, 2018	-	-	-	-	-	38,220
March 31, 2017	-	-	-	-	-	22,880
March 31, 2016	-	-	-	-	-	1,217
ICD Repaid						

Particulars	Associate	Entities having significant influence	JV	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
December 31, 2018	-	-	-	-	-	13
December 31, 2017	-	-	-	-	-	22,220
March 31, 2018	-	-	-	-	-	38,220
March 31, 2017	-	-	-	-	-	22,880
March 31, 2016	-	-	-	-	-	1,217
Investments						
December 31, 2018	483	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	991[#]	-	-	-	-	-
March 31, 2017	174[#]	-	-	-	-	601[^]
March 31, 2016	2	-	-	-	-	200
Issue of shares						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	601
March 31, 2016	-	-	-	-	-	200
Security Deposit given						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	553
March 31, 2018	-	-	-	-	-	547
March 31, 2017	-	-	-	-	-	374
March 31, 2016	-	-	-	-	-	159
Security Deposit refunded						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	553
March 31, 2018	-	-	-	-	-	547
March 31, 2017	-	-	-	-	-	374
March 31, 2016	-	-	-	-	-	159
Insurance premium (including advance given)						
December 31, 2018	-	88	-	-	-	-
December 31, 2017	-	345	-	-	-	-
March 31, 2018	-	317	-	-	-	-
March 31, 2017	-	386	-	-	-	-
March 31, 2016	-	-*	-	-	-	-
Contribution towards Gratuity						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	200	-	-	-	-
March 31, 2016	-	-	-	-	-	-
Dividend received						
December 31, 2018	-	-	2,990	-	-	-
December 31, 2017	-	-	2,657	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-

Particulars	Associate	Entities having significant influence	JV	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
Interest Income on loan given						
December 31, 2018	-	-	-*	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
Contribution towards CSR						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	160	-
March 31, 2016	-	-	-	-	-	-
Interest Income						
December 31, 2018	-	-	-*	-	-	357
December 31, 2017	-	-	-	-	-	297
March 31, 2018	-	-	-	-	-	306
March 31, 2017	-	-	-	-	-	296
March 31, 2016	-	-	-	-	-	150
Sale of fixed assets						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	1	-	-	-	-	-
March 31, 2018	2	-	-	-	-	-
March 31, 2017	9	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-

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

**excludes charge taken towards share based payments.

[#] Includes advance given for purchase of shares and excludes shares received in lieu of shares held in IMCSL pursuant to merger of IMCSL with ABIPBL (Refer Note 44(vi)).

^The above does not include the transfer of tower infrastructure undertaking as per the business transfer arrangement.

[&] Includes ₹1,828 Mn and ₹625 Mn towards business support services availed from Vodafone Group Services Ltd. and Aditya Birla Management Corporation Private Limited, respectively.

B. Balances with Related Parties

₹ Mn

Particulars	Associate	Entities having significant influence	Joint Venture	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
Trade and other receivables						
December 31, 2018	17	1,270	4	-	-*	248
December 31, 2017	-	14	-	-	-	124
March 31, 2018	26	14	3	-	-*	343
March 31, 2017	-*	8	0	-	-*	719
March 31, 2016	14	8	-	-	-*	111
Trade and other payables						
December 31, 2018	-	1,649	24,158	-	-	248
December 31, 2017	-	19	7,754	-	18	124
March 31, 2018	-*	15	5,229	-	9	343
March 31, 2017	20	2	5,910	-	110	719
March 31, 2016	-	18	3,683	1	-*	111
Other current asset (included in Other Current Financial Assets)						
December 31, 2018	-	114	-	-	-	89
December 31, 2017	-	35	-	-	-	2
March 31, 2018	-	40	-	-	-	-*
March 31, 2017	-	40	-	-	-	-
March 31, 2016	-	8	-	-	-	-
Other current liabilities (included in Other Current Financial Liabilities)						
December 31, 2018	-	-	-	-	-	89
December 31, 2017	-	-	-	-	-	2
March 31, 2018	-	-	-	-	-	-*
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
9.45% Redeemable Non-Convertible Debentures (included in Borrowings)						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	100	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	100	-	-	-	-
March 31, 2016	-	100	-	-	-	-
Interest Receivable						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	3
Interest Accrued but not due						
December 31, 2018	-	-	1	-	-	-
December 31, 2017	-	2	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	4	-	-	-	-

Particulars	Associate	Entities having significant influence	Joint Venture	KMP	Others	Transactions with and between subsidiaries (eliminated on consolidation)
March 31, 2016	-	4	-	-	-	3
Remuneration payable						
December 31, 2018	-	-	-	17	-	-
December 31, 2017	-	-	-	74	-	-
March 31, 2018	-	-	-	8	-	-
March 31, 2017	-	-	-	45	-	-
March 31, 2016	-	-	-	51	-	-
Prepaid Expenses						
December 31, 2018	-	-	34	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
Other receivable						
December 31, 2018	-	-	1,224	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
Outstanding Loan Receivables						
December 31, 2018	-	-	9	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
ICD taken						
December 31, 2018	-	-	-	-	-	13,811
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
ICD given						
December 31, 2018	-	-	-	-	-	13,811
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-
March 31, 2017	-	-	-	-	-	-
March 31, 2016	-	-	-	-	-	-
Deposit Taken						
December 31, 2018	-	-	-	-	-	-
December 31, 2017	-	-	-	-	-	-
March 31, 2018	-	-	-	-	-	2
March 31, 2017	-	-	-	-	-	533
March 31, 2016	-	-	-	-	-	1,072
Deposit Given						
December 31, 2018	-	-	2,000	-	-	-
December 31, 2017	-	-	1,000	-	-	-
March 31, 2018	-	-	1,000	-	-	2
March 31, 2017	-	-	1,000	-	-	533
March 31, 2016	-	-	1,000	-	-	1,072

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

Above excludes any cash inflow/outflow that could possible 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 VInL shareholders. Refer note 6(C) for further details.

C. Commitments with related parties

The Group has lease commitments towards its joint venture as follows:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Lease commitment	148,191	143,102	134,185	125,969	130,660

D. Compensation of Key Management Personnel of the Company

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-term employee benefits	88	105	71	115	117
Post-employment benefits*	3	2	3	3	2
Share-based payment transactions	12	(34)#	(23)#	42	61

*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.
the charge for the period / 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 (ABMCPL), a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective head in the Statement of Profit & Loss. Further, the Company has entered into a recharge agreement with ABMCPL pursuant to the amalgamation of VInL and VMSL with the Company effective August 31, 2018.

61. Financial Instruments

a) **Financial Instruments by Category:** The following table provides categorization of all financial instruments at carrying value except non-current investments in joint venture and associates which are carried at cost.

₹ Mn

Particulars	As at December 31, 2018		As at December 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Current investments	77,025	-	15,075	-
Trade receivables	-	40,736	-	9,738
Loans to Related Parties	-	9	-	-
Loans to Employees	-	26	-	45
Cash and cash equivalents	-	10,587	-	500
Earmarked bank balance towards Dividend	-	4	-	4
Earmarked balances	-	262	-	-

Particulars	As at December 31, 2018		As at December 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Margin Money Deposits	-	1,172	-	33
Deposits with Body Corporates, Government Authorities and Others*	-	10,513	-	4,723
Interest receivable*	-	23	-	-
Derivative Financial assets*	660	-	8	-
Others*	102	1,539	84	-
Total Financial Assets	**77,787**	**64,871**	**15,167**	**15,043**
Financial Liabilities				
Fixed rate borrowings including interest accrued but not due	-	1,136,349	-	486,696
Floating rate borrowings including interest accrued but not due	-	164,477	-	115,093
Trade payables	-	130,510	-	41,425
Payables for capital expenses#	-	59,660	-	25,816
Derivative Financial liabilities#	657	-	281	-
Security Deposits from Customers and Others#	-	5,251	-	2,267
Indemnity liability#	-	83,996	-	-
Others#	4	-	21	-
Total Financial Liabilities	**661**	**1,580,243**	**302**	**671,297**

₹ Mn

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Current investments	56,304	-	48,998	-	13,305	-
Trade receivables	-	8,874	-	13,139	-	11,424
Loans to Employees	-	44	-	47	-	42
Cash and cash equivalents	-	193	-	782	-	7,630
Earmarked bank balance towards Dividend	-	4	-	4	-	-
Earmarked balances	-	-	-	-	-	61
Margin Money Deposits	-	94	-	41	-	-
Deposits with Body Corporates, Government Authorities and Others*	-	4,397	-	5,143		9,650
Interest receivable	-	1	-	-		20
Derivative Financial assets*	28	-	14	-	100	-
Others*	68	-	107	-	116	-
Total Financial Assets	**56,400**	**13,607**	**49,119**	**19,156**	**13,521**	**28,827**
Financial Liabilities						
Fixed rate borrowings including interest accrued but not due	-	493,396	-	511,241	-	394,508

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Floating rate borrowings including interest accrued but not		114,263	-	67,856	-	34,449
Trade payables	-	35,479	-	40,777	-	32,471
Payables for capital expenses#	-	29,523	-	45,986	-	20,260
CCPS Liability	-	-	-	-	28,793	-
Derivative Financial liabilities#	112	-	1,899	-	1,249	-
Security Deposits from Customers and Others #	-	2,209	-	2,681		2,496
Others#	4	-	4	-	3	-
Total Financial Liabilities	**116**	**674,870**	**1,903**	**668,541**	**30,045**	**484,184**

*included in other current / non-current financial assets

included in other current / non-current financial liabilities

b) Fair value hierarchy

The Group has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

i. Fair value hierarchy of financial assets and liabilities measured at fair value as at December 31, 2018:

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current investments	77,025	-	-	77,025
Derivative financial assets	-	660	-	660
Others		102		102
Total Financial Assets	**77,025**	**762**	**-**	**77,787**
Financial Liabilities				
Derivative financial Liabilities	-	657	-	657
Others		4	-	4
Total Financial Liabilities	**-**	**661**	**-**	**661**

ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at December 31, 2017:

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current investments	15,075	-	-	15,075
Derivative financial assets	-	8	-	8
Others	-	84	-	84
Total Financial Assets	**15,075**	**92**	**-**	**15,167**
Financial Liabilities				
Derivative financial Liabilities	-	281	-	281
Others	-	21	-	21
Total Financial Liabilities	**-**	**302**	**-**	**302**

iii. 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
Financial Assets				
Current investments	56,304	-	-	56,304
Derivative financial assets	-	28	-	28
Others	-	68	-	68
Total Financial Assets	**56,304**	**96**	**-**	**56,400**
Financial Liabilities				
Derivative financial Liabilities	-	112	-	112
Others	-	4		4
Total Financial Liabilities	**-**	**116**	**-**	**116**

iv. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2017:

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current investments	48,998	-	-	48,998
Derivative financial assets	-	14	-	14
Others	-	107	-	107
Total Financial Assets	**48,998**	**121**	**-**	**49,119**
Financial Liabilities				
Derivative financial liabilities	-	1,899	-	1,899
Others	-	4	-	4
Total Financial Liabilities	**-**	**1,903**	**-**	**1,903**

v. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2016:

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Current investments	13,305	-	-	13,305
Derivative financial assets	-	100	-	100
Others	-	116	-	116
Total Financial Assets	**13,305**	**216**	**-**	**13,521**
Financial Liabilities				
CCPS liability	-	-	28,793	28,793
Derivative financial liabilities	-	1,249	-	1,249
Others	-	3	-	3
Total Financial Liabilities	**-**	**1,252**	**28,793**	**30,045**

vi. 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 to Related Parties
- Loans to Employees
- Cash and Cash equivalents
- Earmarked Bank Balance towards dividend
- Earmarked Balance
- Margin Money Deposits
- Deposit with Body Corporates, Government Authorities and Others
- Interest Receivable
- Others

b) Financial Liabilities
- Trade payables
- Floating Rate Borrowings including Interest accrued but not due
- Payable for capital expenditure
- Security Deposits from Customers and Others
- Indemnity liability
- Others

vii. Fair value hierarchy of financial liabilities measured at amortised cost is below:

₹ Mn

Particulars	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Fixed rate borrowings including interest accrued but note due*:					
As at December 31, 2018	1,136,349	-	1,186,514	-	1,186,514
As at December 31, 2017	486,696	-	507,837	-	507,837
As at March 31, 2018	493,396	-	531,474	-	531,474
As at March 31, 2017	511,241	-	529,377	-	529,377
As at March 31, 2016	394,508		413,498		413,498

*includes Deferred Payment Liability, NCD and other.

viii. Assets for which fair value is disclosed:

The fair values and carrying values of the Group's Investment Property held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

₹ Mn

Particulars	Fair Value	Carrying Value
	As at December 31, 2018	As at December 31, 2018
Investment Property (refer note 8)	988	675
Total	**988**	**675**

There were no changes made during the period 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. The Group generally gets investment property fair valued at the end of every year.

a) 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.

The liability towards CCPS is the only financial instrument with a level 3 fair value hierarchy. The fair value for CCPS has been calculated using the dividend discount model by taking the present value of the estimated future dividend based on the risk adjusted discount rates.

b) Quantitative information about the significant unobservable input used in level 3 fair value measurement as at March 31, 2016:

Particulars	Fair value	Significant unobservable inputs	Ranges for sensitivity	Sensitivity
CCPS (refer note 44(x))	28,792.96	Dividend growth rate	3.50%-4.50%	Increased dividend growth rate (+50 bps) and decrease in risk adjusted discount rate (-100 bps) would increase fair value by ₹7,928 Mn. Decrease in dividend growth rate (-50 bps) and increase in risk adjusted discount rate (+100 bps) would decrease fair value by ₹4,720 Mn.
		Risk adjusted discount rate	8.83%-10.83%	

c) Movement in financial assets and liabilities categorized as level 3 in the fair value hierarchy:

₹ Mn

Particulars	**CCPS (FVTPL)**
As at April 1, 2015	25,619
Gain / (Loss) recognised in statement of profit and loss	3,174
As at March 31, 2016	28,793
Gain / (Loss) recognised in statement of profit and loss	290
Settled by issue of equity shared (refer note 44(x))	(29,083)
As at March 31, 2017	-
Unrealised gains / (losses) recognised in statement of profit and loss related to assets and liabilities held at the end of the reporting period	
March 31, 2017	-
March 31, 2016	3,174

62. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and 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 December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016.

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 December 31, 2018, after taking into account the effect of interest rate swaps, approximately 86.79% of the Group's borrowings are at a fixed rate of interest (December 31, 2017: 80.40%; March 31, 2018: 80.70%; March 31, 2017: 88.06%; March 31, 2016: 92.62%).

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

₹ Mn

Particulars	Increase/decrease in basis points	Effect on profit/(loss) before tax
December 31, 2018		
INR – Borrowings	+100	(1,352)
	- 100	1,352
USD- Borrowings	+100	(289)
	- 100	289
December 31, 2017		
INR – Borrowings	+100	(801)
	- 100	801
USD- Borrowings	+100	(315)
	- 100	315
March 31, 2018		
INR – Borrowings	+100	(800)
	- 100	800
USD- Borrowings	+100	(318)
	- 100	318
March 31, 2017		
INR – Borrowings	+100	(480)
	- 100	480
USD- Borrowings	+100	(174)
	- 100	174
March 31, 2016		
INR – Borrowings	+100	(100)
	- 100	100
USD- Borrowings	+100	(185)
	- 100	185

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 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.

At December 31, 2018, the Group hedged 66.08% (December 31, 2017: 32.73%; March 31, 2018: 27.26%; March 31, 2017: 53.83%; March 31, 2016: 50.82%) of its foreign currency trade payables and 11.51% (December 31, 2017: 10.75%; March 31, 2018: 10.05%; March 31, 2017: 21.14%; March 31, 2016: 34.91%) of its foreign currency loan. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps.

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.

₹ Mn

Currency exposure	Change in currency exchange rate	Effect on profit / (loss) before tax
December 31, 2018		
USD	+5%	(1,947)
	- 5%	1,947
December 31, 2017		
USD	+5%	(1,998)
	- 5%	1,998
March 31, 2018		
USD	+5%	(2,058)
	- 5%	2,058
March 31, 2017		
USD	+5%	(1,951)
	- 5%	1,951
March 31, 2016		
USD	+5%	(1,738)
	- 5%	1,738

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 tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

d) Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

- **Trade receivables**

Customer credit risk is managed in accordance with the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days credit terms. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90/120 days from date of billing and b) for receivables on account of roaming, Interconnection Usage Charges (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 Consolidated Balance sheet date.

- **Other financial assets / instruments 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 on its carrying amounts as disclosed in notes 12, 17,18 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 6.51% of the Group's debt will mature in less than one year as at December 31, 2018 (December 31, 2017: 1.47%; March 31, 2018: 1.80%; March 31, 2017: 6.21%; March 31, 2016: 11.44%) 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 and available sources from raising funds will satisfy its cash flow requirement associated with repayment of borrowings due and its operation, through at least the next twelve months (refer note 2).

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
As at December 31, 2018					
Borrowings and Interest thereon*	1,300,826	195,613	765,951	1,239,806	2,201,370
Trade and other payables#	190,170	187,411	2,759	-	190,170
Other financial liabilities*#	89,251	5,229	84,022	-	89,251
Subtotal (A)	**1,580,247**	**388,253**	**852,732**	**1,239,806**	**2,480,791**
Derivatives liabilities	657	657	**-**	**-**	657
Derivative assets^	(660)	(327)	(333)	**-**	(660)
Subtotal (B)	**(3)**	**330**	**(333)**	**-**	**(3)**
Total	**1,580,244**	**388,583**	**852,399**	**1,239,806**	**2,480,788**

₹ Mn

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at December 31, 2017					
Borrowings and Interest thereon*	601,789	21,641	460,602	433,343	915,586
Trade and other payables#	67,241	67,241	-	-	67,241
Other financial liabilities*#	2,288	2,256	32	-	2,288
Subtotal (A)	**671,318**	**91,138**	**460,634**	**433,343**	**985,115**
Derivatives liabilities	281	281	-	-	281
Derivative assets^	(8)	(8)	-	-	(8)
Subtotal (B)	**273**	**273**		**-**	**273**
Total	**671,591**	**91,411**	**460,634**	**433,343**	**985,388**

₹ Mn

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at March 31, 2018					
Borrowings and Interest thereon*	607,659	31,702	469,626	577,508	1,078,836
Trade and other payables#	65,002	65,002	-	-	65,002
Other financial liabilities*#	2,213	2,190	23	-	2,213
Subtotal (A)	**674,874**	**98,894**	**469,649**	**577,508**	**1,146,051**
Derivatives liabilities	112	112	-	-	112
Derivative assets^	(28)	(28)	-	-	(28)
Subtotal (B)	**84**	**84**			**84**
Total	**674,958**	**98,978**	**469,649**	**577,508**	**1,146,135**

₹ Mn

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at March 31, 2017					
Borrowings and interest thereon*	579,097	63,032	377,908	470,531	911,471
Trade and other payables#	86,763	86,720	43	-	86,763
Other financial liabilities*#	2,686	2,302	384	-	2,686
Subtotal (A)	**668,546**	**152,054**	**378,335**	**470,531**	**1,000,920**
Derivative liabilities	1,899	1,899	-	-	1,899
Derivative assets^	(14)	-	(14)		(14)
Subtotal (B)	**1,885**	**1,899**	**(14)**	**-**	**1,885**
Total	**670,431**	**153,953**	**378,321**	**470,531**	**1,002,805**

₹ Mn

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
As at March 31, 2016					
Borrowings and interest thereon*	428,957	49,248	249,120	394,380	692,748
Trade and other payables#	52,732	52,724	8		52,732
Other financial liabilities*#	2,499	2,130	369		2,499
Payable for CCPS	28,793	28,793			28,793
Subtotal (A)	**512,981**	**132,895**	**249,497**	**394,380**	**776,772**
Derivative liabilities	1,249	498	751	-	1,249
Derivative assets^	(100)	-	(1)	(99)	(100)
Subtotal (B)	**1,149**	**498**	**750**	**(99)**	**1,149**
Total	**514,130**	**133,393**	**250,247**	**394,281**	**777,921**

*****Interest accrued but not due of ₹64,188 Mn (December 31, 2017: ₹28,359 Mn; March 31, 2018: ₹27,808 Mn; March 31, 2017: ₹28,552 Mn; March 31, 2016: ₹23,544 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon

#Payable for capex expenditure of ₹59,660 Mn (December 31, 2017: ₹25,816 Mn; March 31, 2018: ₹29,523 Mn; March 31, 2017: ₹45,986 Mn; March 31, 2016: ₹20,260 Mn) has been excluded from other financial liabilities and included in trade and other payables

^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 December 31, 2018, 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 and the requirements of the financial covenants. 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, investment in liquid mutual funds.

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Borrowings	1,166,984	565,914	569,625	516,725	375,496
Current maturities of long term debts	69,654	7,516	10,226	33,820	29,917
Less: Investment in liquid mutual funds	(77,025)	(15,075)	(56,304)	(48,998)	(13,305)
Less: Cash and cash equivalents	(10,587)	(500)	(193)	(783)	(7,630)
Net Debt (A)	**1,149,026**	**557,855**	**523,354**	**500,766**	**384,478**
Equity share capital	87,354	36,075	43,593	36,053	36,005
Other Equity	558,000	178,793	229,031	211,269	199,500
Total Equity (B)	**645,354**	**214,868**	**272,624**	**247,322**	**235,505**
Debt Equity ratio (A)/(B)	**1.78**	**2.60**	**1.92**	**2.02**	**1.63**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call the consequences attached with the same. Debt covenants are tested annually at the end of the year. There is no breach in such covenants as of March 31, 2018, March 31, 2017 and March 31, 2016.

No changes were made in the objectives, policies or processes for managing capital during the period / year ended December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016.

65. Additional disclosure as per requirement of Schedule III

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income / (Loss)		Share in total comprehensive Income/(Loss)	
	As % of consolidated net assets	Amount (₹ Mn)	As % of consolidated profit or (loss)	Amount (₹ Mn)	As % of Other Comprehensive Income/(Loss)	Amount (₹ Mn)	As % of Total Comprehensive Income/(Loss)	Amount (₹ Mn)
Vodafone Idea Limited (formerly known as Idea Cellular Limited)								
31-Dec-18	105%	675,260	94%	(91,292)	(4,199)%	(12,260)	107%	(103,552)
31-Dec-17	94%	201,184	112%	(35,879)	91%	(30)	112%	(35,909)
31-Mar-18	94%	256,695	115%	(47,808)	99%	280	115%	(47,528)
31-Mar-17	96%	237,238	208%	(8,311)	73%	(32)	206%	(8,343)
31-Mar-16	105%	247,652	97%	26,463	96%	(134)	97%	26,329
Idea Telesystems Limited								
31-Dec-18	-^	197	-^	4	-	-	-^	4
31-Dec-17	-^	180	-^	(11)	-	-	-^	(11)
31-Mar-18	-^	192	-^	1	-	-	-^	1
31-Mar-17	-^	192	1%	(47)	-	-	1%	(47)
31-Mar-16	-^	239	-^	9			-^	9
Idea Cellular Services Limited								
31-Dec-18	-^	37	-^	9	1%	4	-^	13
31-Dec-17	-^	16	-^	4	(9)%	3	-^	7
31-Mar-18	-^	24	-^	8	3%	8	-^	15
31-Mar-17	-^	9	-^	7	4%	(2)	-^	5
31-Mar-16	-^	3	-^	2	(3)%	4	-^	6
Idea Cellular Infrastructure Services Limited (ceased to be subsidiary from May 31, 2018)								
31-Dec-18	-^	-	-^	236	-^	-	-^	236
31-Dec-17	4%	8,042	(4)%	1,306	12%	(4)	(4)%	1,302
31-Mar-18	3%	8,695	(4)%	1,761	-^	1	(4)%	1,762
31-Mar-17	3%	6,623	(19)%	762	5%	(2)	(19)%	760
31-Mar-16	-^	999	1%	341	-^	-	1%	341
Aditya Birla Telecom Limited (merged with VIL effective November 30, 2018)								
31-Dec-18	-	-	-	-	-	-	-	-
31-Dec-17	36%	78,281	(9)%	3,027	(35,524)%	11,723	(46)%	14,750
31-Mar-18	23%	61,888	(8)%	3,155	(1,695)%	(4,797)	4%	(1,642)
31-Mar-17	26%	63,530	(107)%	4,279	(24,130)%	10,617	(369)%	14,896

31-Mar-16	19%	43,778	(10%)	(2,785)	(5,616)%	7,806	18%	5,021
Idea Mobile Commerce Services Limited (ceased to exist from February 22,2018)								
31-Dec-18	-	-	-	-	-	-	-	-
31-Dec-17	-^	16	-^	(8)	-^	-	-^	(8)
31-Mar-18	-	-	-^	8	-	1	-^	9
31-Mar-17	-^	24	15%	(590)	2%	(1)	15%	(591)
31-Mar-16	-^	14	(1)%	(225)	-^	(0)	(1)%	(225)
Vodafone Towers Limited**								
31-Dec-18	-^	(10)	-^	(1)	-^	-	-^	(1)
Vodafone Business Services Limited**								
31-Dec-18	-^	(2,693)	-^	(26)	-^	-	-^	(26)
Mobile Commerce Solutions Limited**								
31-Dec-18	-^	2,816	-^	(3)	-^	-	-^	(3)
Vodafone Foundation**								
31-Dec-18	-^	(9)	-^	(3)	-^	-	-^	(3)
Connect (India) Mobile Technologies Private Limited**								
31-Dec-18	-^	250	-^	3	-^	-	-^	3
Vodafone m-pesa Limited**								
31-Dec-18	-^	76	-^	(211)	(1)%	(2)	-^	(213)
Vodafone Technology Solutions Limited**								
31-Dec-18	-^	(53)	-^	(7)	-^	-	-^	(7)
Vodafone India Ventures Limited**								
31-Dec-18	-^	63	-^	41	-^	-	-^	41
Vodafone India Digital Limited**								
31-Dec-18	-^	3	-^	-^	-^	-^	-^	-^
You Broadband India Limited**								
31-Dec-18	-^	(87)	-^	(90)	-^	(1)	-^	(91)
You System Integration Private Limited**								
31-Dec-18	-^	(7)	-	-	-	-	-	-
Associate:								
Aditya Birla Idea Payments Bank Limited								
31-Dec-18	-	-	1%	(580)	1%	4	1%	(576)
31-Dec-17	-	-	-^	(106)	3%	(1)	-^	(107)
31-Mar-18	-	-	1%	(234)	(2%)	(1)	1%	(235)
31-Mar-17	-	-	2%	(85)	9%	(4)	2%	(89)
31-Mar-16	-	-	-	-	-	-	-	-
Joint venture:								

Indus Towers Limited								
31-Dec-18	-	-	(2)%	1,652	(0)%	(1)	(2)%	1,651
31-Dec-17	-	-	(7)%	2,152	3%	(1)	(7)%	2,151
31-Mar-18	-	-	(7)%	2,838	(2)%	(6)	(7)%	2,832
31-Mar-17	-	-	(95)%	3,785	10%	(4)	(94)%	3,781
31-Mar-16	-	-	13%	3,500	6%	(8)	13%	3,492
Firefly Networks Limited**								
31-Dec-18	-	-	-^	(1)	-	-	-^	(1)
Consolidation adjustments								
31-Dec-18	(5)%	(30,489)	7%	(6,950)	4,297%	12,548	(6)%	5,598
31-Dec-17	(34)%	(72,851)	8%	(2,545)	35,524%	(11,723)	44%	(14,268)
31-Mar-18	(20)%	(54,870)	3%	(1,410)	1,695%	4,797	(8)%	3,387
31-Mar-17	(24)%	(60,294)	95%	(3,798)	24,127%	(10,616)	357%	(14,414)
31-Mar-16	(24)%	(57,180)	-^	(25)	5,617%	(7,807)	(29)%	(7,832)
Total								
31-Dec-18	100%	645,354	100%	(97,219)	100%	292	100%	(96,927)
31-Dec-17	100%	214,868	100%	(32,060)	100%	(33)	100%	(32,093)
31-Mar-18	100%	272,624	100%	(41,682)	100%	283	100%	(41,399)
31-Mar-17	100%	247,322	100%	(3,998)	100%	(44)	100%	(4,042)
31-Mar-16	100%	235,505	100%	27,280	100%	(139)	100%	27,141

**Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

^Numbers are under the rounding off convention adopted by the Group and accordingly not reported

66. Interest in Other Entities

(a) Interests in associate and joint venture:

The associate / joint venture which, in the opinion of the directors, are material to the group as at December 31, 2018, December 31, 2017, March 31, 2018, March 31, 2017 and March 31, 2016 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 as at December 31, 2018	% of ownership interest as at December 31, 2017	Relationship	Accounting method	Quoted fair value		Carrying amount	
						December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Indus	India	11.15%	11.15%	Joint Venture	Equity Method	*	*	12,929	13,906
ABIPBL	India	49.00%	49.00%	Associate	Equity Method	*	*	1,796	-
Firefly**	India	50.00%	-	Joint Venture	Equity Method	*	-	3	-

* Unlisted entity – No quoted price available
**Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

Name of the entity	Place of business	% of ownership interest as at March 31, 2018	% of ownership interest as at March 31, 2017	% of ownership interest as at March 31, 2016	Relationship	Accounting method	Quoted fair value			Carrying amount		
							March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2018	March 31, 2017	March 31, 2016
Indus	India	11.15%	11.15%	16.00%	Joint Venture	Equity Method	*	*	*	14,712	14,737	21,402
ABIPBL	India	49.00%	9.84%	-	Associate	Equity Method	*	*	-	1,889	48	-

* Unlisted entity – No quoted price available

(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 restated financial statements of the relevant associate and joint venture and not VIL's share of those amounts.

Summarised Restated Balance Sheet for Indus:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity					
Equity share capital	1	1	1	1	1
Other equity	115,952	124,713	131,949	132,164	133,762
Total Equity	**115,953**	**124,714**	**131,950**	**132,165**	**133,763**
Liabilities					
Long term borrowings	14,557	15,123	9,556	10,589	25,585
Other non-current financial and non-financial Liabilities	20,474	19,830	19,801	18,145	16,045
Deferred tax liability (Net)	10,729	10,309	10,498	11,225	10,881
Short term borrowings	27,325	20,812	24,016	11,535	-
Other current financial and non-financial Liabilities	52,098	44,363	40,352	42,001	38,069
Total Liabilities	**125,183**	**110,437**	**104,223**	**93,495**	**90,580**
Assets					
Property, Plant and Equipment and Intangible (including CWIP)	178,902	185,580	185,372	191,656	192,490
Other non-current financial and non-financial assets	11,264	10,685	10,820	9,626	14,950
Income Tax Assets	6,130	5,150	5,179	5,868	-
Current investments	1,800	8,166	-	-	2,703
Cash and Cash equivalents	2,858	517	1,063	1,121	752
Other current financial and non-financial assets	40,182	25,053	33,739	17,389	13,448
Total assets	**241,136**	**235,151**	**236,173**	**225,660**	**224,343**

Summarised Restated Balance Sheet for ABIPBL:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017
Equity				
Equity share capital	5,510	1,451	4,523	1,366
Other equity	(3,725)	(1,236)	(2,549)	(268)
Total Equity	**1,785**	**215**	**1,974**	**1,098**
Liabilities				
Other non-current financial and non-financial Liabilities	131	234	172	224
Short term borrowings	-	528	-	-
Other current financial and non-financial Liabilities	703	321	626	336
Total Liabilities	**834**	**1,083**	**798**	**560**
Assets				
Property, Plant and Equipment and Intangible (including CWIP)	900	991	1,039	709
Other non-current financial and non-financial assets	73	70	69	60
Income Tax Assets	4	-	5	-*
Current investments	356	46	236	771
Cash and Cash equivalents	426	6	1,121	6
Other current financial and non-financial assets	860	185	302	113
Total assets	**2,619**	**1,298**	**2,772**	**1,659**

***** Numbers are under the rounding off convention adopted by the Group and accordingly not reported

Summarised Restated Balance Sheet for Firefly*:

₹ Mn

Particulars	As at December 31, 2018
Equity	
Equity share capital	20
Other equity	(13)
Total Equity	**7**
Liabilities	
Short term borrowings	16
Other current financial and non-financial Liabilities	41
Total Liabilities	**57**
Assets	
Other non-current financial and non-financial assets	1
Cash and Cash equivalents	21
Other current financial and non-financial assets	42
Total assets	**64**

*Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

Summarised Restated Statement of Profit and Loss of Indus:

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenues from operations	139,222	140,473	187,865	175,279	161,694
Other income	1,915	2,561	3,818	1,683	1,773
Operating Expenses	87,660	82,463	110,687	101,683	91,766
Profit before Finance cost, Depreciation, Amortisation, Exceptional items and Taxes	53,477	60,571	80,996	75,279	71,701
Finance costs	4,434	3,945	5,053	5,440	6,226
Depreciation & amortisation expenses*	20,547	21,106	27,766	26,115	25,442
Profit / (loss) before exceptional items and tax	28,496	35,520	48,177	43,724	40,033
- Exceptional item	850	-	572	-	(549)
- Taxes	9,710	12,334	16,593	15,273	14,227
Profit / (loss) after tax	17,936	23,186	31,012	28,451	26,355
Other Comprehensive Income / (loss)	(8)	(12)	3	(22)	(52)
Total Comprehensive Income / (loss)	**17,928**	**23,174**	**31,015**	**28,429**	**26,303**

*Net of adjustment of ₹1,601 Mn (March 31, 2018: ₹2,545 Mn; December 31, 2017: ₹1,940 Mn; March 31, 2017: ₹ 2,777 Mn; March 31 2016: ₹3,557 Mn.) with respect to additional depreciation on fair valued asset pursuant to scheme of merger.

The Group has received a dividend of ₹2,990 Mn (March 31, 2018: ₹2,657 Mn; December 31, 2017: ₹2,657 Mn; March 31, 2017:₹ 3,623 Mn; March 31, 2016: ₹Nil.) from Indus.

Summarised Restated Statement of Profit and Loss of ABIPBL:

₹ Mn

Particulars	For the period ended December 31, 2018	For the period ended December 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenues from operations	135	-	14	-
Other income	10	16	28	28
Operating Expenses	1,111	849	1,156	368
Profit before Finance cost, Depreciation, Amortisation, Exceptional items and Taxes	(966)	(833)	(1,114)	(340)
Finance costs	12	21	27	6
Depreciation & amortisation expenses	207	20	51	6
Profit / (loss) before tax	(1,185)	(874)	(1,192)	(352)
Exceptional item	-	-	-	-
Taxes	-	-	-	-
Profit / (loss) after tax	(1,185)	(874)	(1,192)	(352)
Other Comprehensive Income / (loss)	8	(9)	12	(1)
Total Comprehensive Income / (loss)	(1,177)	(883)	(1,180)	(353)

Summarised Restated Statement of Profit and Loss of Firefly:**

₹ Mn

Particulars	For the period ended December 31, 2018
Revenues from operations	29
Other income	3
Operating Expenses	28
Profit before Finance cost, Depreciation, Amortisation, Exceptional items and Taxes	4
Finance costs	1
Depreciation & amortisation expenses	-
Profit / (loss) before tax	3
Exceptional item	-
Taxes	-
Profit / (loss) after tax	3
Other Comprehensive Income / (loss)	-
Total Comprehensive Income / (loss)	3

**Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

The contingent liabilities and capital commitment of the above joint ventures and associates are given below:

Contingent liability and capital commitment for Indus:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Contingent liability	49,654	38,159	43,925	36,787	31,044
Capital commitment	3,265	5,085	4,443	7,077	3,864

Contingent liability and capital commitment for ABIPBL:

₹ Mn

Particulars	As at December 31, 2018	As at December 31, 2017	As at March 31, 2018	As at March 31, 2017
Contingent Liability	3	3	-	-
Capital Commitment	-	105	63	674

There is no contingent liability and capital commitment for Firefly as at December 31, 2018.

(c) Reconciliation to carrying amounts:

The table below provides reconciliation to carrying amounts for the joint ventures and associates material to the Group.

Reconciliation to carrying amounts for Indus:

₹ Mn

Particulars	December 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017	March 31, 2016
Opening net assets	131,950	132,165	132,165	133,763	111,023
Profit / (Loss) for the year	17,936	23,186	31,012	28,451	26,355
Other comprehensive income/(loss)	(8)	(12)	3	(22)	(52)
Dividends paid (incl. DDT)	(32,324)	(28,685)	(28,685)	(27,251)	-
Other Equity Movement	(1,601)	(1,940)	(2,545)	(2,776)	(3,563)
Closing net assets	115,953	124,714	131,950	132,165	133,763
Group's share in %	11.15%	11.15%	11.15%	11.15%	16%
Group's share in ₹	12,929	13,906	14,712	14,736	21,402

*pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

Reconciliation to carrying amounts for ABIPBL:

₹ Mn

Particulars	December 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017
Opening net assets	1,975	1,098	1,098	5
Profit / (Loss) for the year	(1,185)	(874)	(1,192)	(352)
Other comprehensive income/(loss)	8	(9)	12	(1)
Other Equity Movement	987	85	3,157	1,360
Closing net assets	1,785	215	1,975	1,098
Group's share in %	49%	12.14%	49%	9.84%
Group's share in ₹	875	26	968	108

Reconciliation to carrying amounts for Firefly*:

₹ Mn

Particulars	For the period ended December 31, 2018
Opening net assets	-
Pursuant to formation of Joint Venture*	4
Profit / (Loss) for the year	3
Other Equity Movement	-
Closing net assets	7
Group's share in %	50%
Group's share in ₹	3

***** Pursuant to amalgamation of VMSL and VInL with the Company (refer note 6)

67. First Time Adoption of Ind AS

The principal adjustments made by the Group in restating its Previous GAAP consolidated financial statements as at and for the Financial year ended March 31, 2016 and the balance sheet as at April 1, 2015 are as mentioned below:

A. Exemptions applied

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

I. Ind AS 103 on Business Combinations has not been applied to acquisitions of businesses that occurred before April 1, 2015. Use of this exemption means that assets and liabilities acquired under a business combination and eligible for recognition under Ind AS will be the Previous GAAP carrying values on the acquisition date. Ind AS 101 requires recognition of all assets acquired and liabilities assumed in a past business combination except:

   i. Certain financial assets and liabilities that were derecognised and that fall under the de recognition exception, and;

   ii. Assets and liabilities that weres not recognised in the acquirer's balance sheet under its Previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree.

   Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the Ind AS opening balance sheet. The Group has not recognised or excluded any previously recognised amounts as a result of Ind AS recognition requirements.

II. There is no change in the functional currency of the Group and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognised in its Previous GAAP consolidated financial statements as the deemed cost at the transition date subject to the adjustments for decommissioning liabilities. As per the exemption under Ind AS 101, decommissioning liability was measured in accordance with Ind AS 37 at the date of transition to Ind AS. To the extent the liability was within the scope of Appendix-A of Ind AS 16, estimated liability that would have been included in the cost of related asset when the liability first arose by discounting the liability to that date using best estimate of the historical risk adjusted discount rate over the intervening period. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the Group in accordance with Ind AS.

III. Ind AS 102 on Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to Ind AS.

IV. Appendix C to Ind AS 17 requires the Group to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all relevant arrangements for classification of leases based on facts and circumstances existing at the date of transition to Ind AS.

V. The Group has decided to continue with its policy of capitalising exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding in the consolidated financial statements as on March 31, 2016 as per AS 11of the Previous GAAP.

VI. In accordance with the exemption given in Ind AS 101, the Group has recorded investment in subsidiaries at deemed cost i.e. Previous GAAP carrying amount.

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition duly adjusted for Ind AS transition effects. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

B. Exceptions applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind ASs for first-time adopters. Following exception is applicable to the Group:

Use of Estimates

The estimates at April 1, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on Expected Credit Loss (ECL) model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

C. Effect of Ind AS Adoption on the Consolidated Balance Sheet

		As at March 31, 2016			As at April 1, 2015		
Particulars	**Exp. Note No.**	**Ind AS**	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**	**Previous GAAP**	**Effect of transition to Ind AS**
Assets							
Non-current assets							
Property, plant and equipment	v,x	211,761	242,914	(31,153)	180,530	213,130	(32,600)
Capital work-in-progress		6,623	7,167	(544)	8,491	9,072	(581)
Goodwill on Consolidation		61	61	-	61	61	-
Intangible assets		440,079	440,004	75	142,165	142,206	(41)
Intangible assets under development		53,775	53,819	(44)	42,313	42,333	(20)
Financial assets							
(i)Investments accounted for using equity method		21,404	2	21,402	17,764	-	17,764
(ii) Long term loans		25	25	-	25	195	(170)

		As at March 31, 2016			As at April 1, 2015		
Particulars	**Exp. Note No.**	**Ind AS**	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**	**Previous GAAP**	**Effect of transition to Ind AS**
(iii) Other non-current financial assets	iv,v	8,965	9,206	(241)	6,618	8,769	(2,151)
Other non-current assets	ii,iv, vii,xiii	13,593	26,992	(13,399)	29,104	34,246	(5,142)
Total non-current assets (A)		**756,286**	**780,190**	**(23,904)**	**427,071**	**450,012**	**(22,941)**
Current assets							
Inventories		1,065	1,065	-	710	710	-
Financial assets							
(i) Current investments	vi	13,305	13,728	(423)	115,362	115,267	95
(ii) Trade receivables		11,424	11,776	(352)	9,440	9,789	(349)
(iii) Cash and cash equivalents		7,630	7,750	(120)	15,393	15,478	(85)
(iv) Bank balance other than cash and cash equivalents		61	68	(7)	53	59	(6)
(v) Current Portion of loans to employees		17	17	-	17	17	-
(vi) Other current financial assets	iv, v	921	891	30	4,341	1,740	2,601
Current Tax Assets (Net)		56	56	-	3,182	3,182	-
Other current assets	ii,iv, vii,xiii	10,335	10,959	(624)	7,556	8,412	(856)
Non - current assets classified as held for sale		155	-	155	22	-	22
Total current assets (B)		**44,969**	**46,310**	**(1,341)**	**156,076**	**154,654**	**1,422**
Total assets (A+B)		**801,255**	**826,500**	**(25,245)**	**583,147**	**604,666**	**(21,519)**

Particulars	Exp. Note No.	As at March 31, 2016			As at April 1, 2015		
		Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS
Equity and liabilities							
Equity							
Equity share capital		36,005	36,005	-	35,978	35,978	-
Other equity		199,500	221,670	(22,170)	174,764	194,314	(19,550)
Total equity (A)		**235,505**	**257,675**	**(22,170)**	**210,743**	**230,292**	**(19,550)**
Non-current liabilities:							
Financial liabilities							
(i) Long Term borrowings	v, vii	359,040	365,685	(6,645)	157,991	166,032	(8,041)
(ii) Other non-current financial liabilities	v, xiv	23,722	25,374	(1,652)	2,346	3,482	(1,136)
Long term provisions	x	3,454	6,475	(3,021)	2,843	5,735	(2,892)
Deferred tax liabilities (net)	xii, xiii	19,539	30,714	(11,175)	13,276	19,015	(5,739)
Other non-current liabilities	I	4,108	7,366	(3,258)	3,661	6,152	(2,491)
Total non-current liabilities (B)		**409,863**	**435,614**	**(25,751)**	**180,117**	**200,416**	**(20,299)**
Current liabilities:							
Financial liabilities							
(i) Short term borrowings		16,456	16,456	-	1,514	2,073	(559)
(ii) Trade payable	V	32,471	33,109	(638)	29,617	30,711	(1,093)
(iii) Other current financial liabilities	iii,v,vii	82,540	55,393	27,147	139,402	116,122	23,280
Other current liabilities	I	23,494	23,978	(484)	21,359	22,032	(673)
Short term provisions	x, xi	926	4,275	(3,349)	396	3,020	(2,624)
Total current liabilities (C)		**155,887**	**133,212**	**22,676**	**192,288**	**173,958**	**18,330**
Total equity and liabilities (A+B+C)		**801,255**	**826,501**	**(25,245)**	**583,147**	**604,668**	**(21,519)**

A. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ Mn

Particulars	Exp. Note No.	As at March 31, 2016	As at April 1, 2015
Total Equity (shareholders' funds) under Previous GAAP		**257,675**	**230,292**
Effects of inflation linked escalation on rental income / expense not requiring equalisation over the lease term, hence reversed	i,ii	5,811	4,987
Effects of measuring financial instruments under Ind AS	iii,iv, v,vi	(25,888)	(22,932)
Dividends (including dividend distribution tax) not recognised as liability until declared under Ind AS	Xi	2,600	2,598
Others	v,vii, x	(91)	408
Deferred Tax impact on transitional adjustments due to Ind AS	xii	(2,984)	(2,797)
Effects on Group's share of Indus Equity on transition to Ind AS	xv	(1,555)	(1,730)
Deferred tax on undistributed earnings of Joint Venture (net of reversal of dividend distribution tax on payment of dividend)	xii	(63)	(84)
Total Equity under Ind AS		**235,505**	**210,743**

B. Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended March 31, 2016:

₹ Mn

Particulars	Exp. Note No.	Ind AS (Restated)	Previous GAAP	Difference
INCOME				
Service revenue	ii	358,834	359,023	(189)
Sale of Trading Goods		330	330	-
Other Operating Income		330	457	(127)
Revenue from operations		**359,494**	**359,810**	**(316)**
Other income	vi	2,131	2,271	(140)
Total income		**361,625**	**362,081**	**(456)**
OPERATING EXPENDITURE				
Cost of Trading Goods		289	289	-
Employee benefit expenses	viii,ix	16,119	16,600	(480)
Network expenses and IT outsourcing cost	I	88,143	77,072	11,071
License fees and spectrum usage charges		41,508	41,508	-
Roaming and access charges	iv	46,653	46,436	217
Subscriber acquisition and servicing expenditure		28,668	28,668	-
Advertisement, Business Promotion Expenditure and Content cost		9,499	9,499	-
Other expenses	V	8,551	9,050	(499)
		239,430	**229,122**	**10,308**
Profit before finance charges, depreciation, amortisation and taxes		**122,195**	**132,959**	**(10,764)**
Fair Value (gain) / loss on CCPS	iii	3,174	-	3,174

Finance costs	v,vii,x	18,176	19,204	(1,028)
Depreciation	v,x	48,045	51,959	(3,914)
Amortisation		14,516	14,549	(33)
Profit/(Loss) before tax and share of Joint Venture and Associate		**38,284**	**47,247**	**(8,963)**
Add: Share in Profits of Joint Venture		4,217	-	4,217
Profit/(Loss) before tax		**42,501**	**47,247**	**(4,746)**
Tax expense:				
- Current tax		8,922	11,220	(2,298)
- Deferred tax	xii,xiii	6,298	11,698	(5,400)
- MAT credit entitlement / utilised	xiii	-	(6,471)	6,471
Profit/(Loss) after tax		**27,281**	**30,800**	**(3,519)**
Other comprehensive income / (loss)				
Items not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains/ (losses) on defined benefit plans	ix	(200)	-	(200)
Income tax effect	xii	69	-	69
Group's share in other comprehensive income of joint venture and associate		(8)	**-**	(8)
Other comprehensive income / (loss) for the year, net of tax		**(139)**	**-**	**(139)**
Total comprehensive income / (loss) for the year		**27,142**	**30,800**	**(3,658)**

C. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ Mn

Particulars	**Exp. Note No.**	**For the year ended March 31, 2016**
Total Comprehensive Income (TCI) under Previous GAAP		**30,800**
Effects of inflation linked escalation on rental income / expense not requiring equalisation over the lease term, hence reversed	i,ii	824
Effects of measuring financial instruments under Ind AS	iii,iv,v,vi	(2,956)
Effects of measuring ESOP charge at Fair value	Viii	(297)
Others	v,vii,ix,x,xv	(116)
Deferred Tax impact on transitional adjustments due to Ind AS	xii	(257)
Deferred tax on undistributed earnings of Joint Venture	xv	(717)
Profit after tax under Ind AS		**27,281**
Other comprehensive income - Re-measurement gains/ (losses) on defined benefit plans (net of tax)	ix,xii	(139)
Total Comprehensive Income under Ind AS		**27,142**

D. Effect of Ind AS adoption on the Statement of Consolidated Cash Flows for the year ended March 31, 2016

₹ Mn

Particulars	Ind AS (Restated)	Previous GAAP	Difference
Net cash flows from Operating activities	109,874	118,535	(8,661)
Net cash flows from Investing activities	(23,890)	(129,928)	106,038
Net cash flows from Financing activities	(93,689)	(97,874)	4,185
Net increase (decrease) in cash and cash equivalents	**(7,705)**	**(109,267)**	**101,562**
Cash and cash equivalents at the beginning of period	13,879	130,745	(116,866)
Cash and cash equivalents at the end of period	**6,174**	**21,478**	**(15,304)**

E. Reconciliation of cash and cash equivalents for the purpose of Statement of Consolidated Cash Flows

₹ Mn

Particulars	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents under Previous GAAP	21,478	130,745
Bank overdrafts which form an integral part of cash management	(1,456)	(1,514)
Investments in units of liquid mutual funds	(13,728)	(115,267)
Share of Indus in cash and cash equivalents	(120)	(85)
Cash and cash equivalents under Ind AS	**6,174**	**13,879**

Explanatory Notes

i) Lease Equalisation Reserve (LER)

Under Previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence, LER pertaining to operating lease agreements has been reversed and credited to Equity as on transition date. This has resulted to an increase in equity on the transition date by ₹5,076 Mn. and on March 31, 2016 by ₹6,089 Mn. The profit before tax for the year ended March 31, 2016 has increased by ₹1,013 Mn.

ii) Revenue Equalisation Reserve (RER)

Under Previous GAAP, the lease payments receivable under operating leases where the Group was a lessor were recognised as income on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. Hence, RER pertaining to such agreements has been reversed and debited to Equity as on transition date. This has resulted to a decrease in equity on the transition date by ₹89 Mn. and on March 31, 2016 by ₹278 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹189 Mn.

iii) CCPS

Under previous GAAP, preference shares were recorded as Share Capital. Such shares issued by a subsidiary were disclosed as a separate line item below the shareholders' fund and above liabilities. Under Ind AS, such financial instruments need to be assessed as to whether the same is a liability or equity in accordance with the provisions of Ind AS 109. Accordingly, CCPS issued by ABTL, a 100% subsidiary of Idea, has been classified as a liability to be recognised at FVTPL. This has resulted to a decrease in equity on the transition date by ₹25,619 Mn. and on March 31, 2016 by ₹28,793 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹3,174 Mn.

iv) Financial Assets - Deposits

Under Previous GAAP, the Group accounted for deposits at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with the difference between transaction value and fair value being treated as prepaid expenses. The deposits are subsequently measured at amortised cost and deferred rent is amortised over contract period on a straight line basis. This has resulted to an increase in equity on the transition date by ₹217 Mn. and on March 31, 2016 by ₹Nil. The profit before tax for the year ended March 31, 2016 has decreased by ₹217 Mn.

v) Derivative instruments

The fair value of foreign exchange forward contracts and interest rate swap contracts is recognised under Ind AS, which was not recognised under Previous GAAP. Consequently, the unamortised forward premium recognised under Previous GAAP has been derecognised. The corresponding adjustment has been credited to Equity as on the transition date. This has resulted to an increase in equity on the transition date by ₹1,741 Mn. and on March 31, 2016 by ₹2,261 Mn. The profit before tax for the year ended March 31, 2016 has increased by ₹521 Mn.

Hedged foreign currency borrowings have been restated at the spot rate on the transition date. This has resulted to an increase in equity on the transition date by ₹634 Mn. and on March 31, 2016 by ₹634 Mn. Further, as the Group has decided to continue capitalisation of exchange differences arising from translation of long term foreign currency monetary liabilities outstanding as on March 31, 2016, an additional amount of ₹1,743 Mn. has been capitalised in FY 2015-16.The additional depreciation charged due to additional capitalisation has led to a decrease in profit before tax by ₹ 279 Mn. for the year ended March 31, 2016.

vi) Investments in Mutual Funds

Under Previous GAAP, the Group accounted for investments in mutual funds as financial instruments measured at lower of cost or fair value. Under Ind AS, the Group has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and Previous GAAP carrying amount has been adjusted in equity as on the transition date. This has resulted to an increase in equity on the transition date by ₹ 95 Mn. and on March 31, 2016 by ₹ 9 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 86 Mn.

vii) Borrowings

Under Previous GAAP, transaction costs incurred in connection with borrowings were disclosed as prepaid expenses and charged to profit and loss on a systematic basis. Under Ind AS, borrowings are recorded initially at fair value less transaction costs and are subsequently measured at amortised cost as per the Effective Interest Rate (EIR) method. This has resulted to an increase in equity on the transition date by ₹ 412 Mn. and on March 31, 2016 by ₹ 206 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 206 Mn.

viii) Share-based payments

Under Previous GAAP, the cost of equity-settled employee share based payments was recognised based on intrinsic value of the options as at the grant date over the appropriate vesting period. Ind AS requires expense on such share based payments to be recognised based on fair value as at grant date using an appropriate pricing model over the appropriate vesting period. The change does not affect total equity, but there is a decrease in retained earnings on the transition date by ₹ 344 Mn. and on March 31, 2016 by ₹ 641 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 297 Mn.

ix) Employee Benefits

In Previous GAAP, actuarial gains and losses were recognised in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability/asset which is recognised in other comprehensive income in the respective periods. The change does not affect total equity but there is an increase in profit before tax for the year ended March 31, 2016 by ₹ 200 Mn.

x) Asset Retirement Obligation (ARO)

Under Previous GAAP, provision for ARO was measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date without considering the effect of discounting. Under Ind AS, provision for ARO is measured at present value of the expenditure expected to be incurred to settle the obligation. The difference between the present value of ARO provision and Previous GAAP carrying amount of ARO, net of depreciation effect has been adjusted to retained earnings as on the transition date. This has resulted to decrease in equity on the transition date by ₹ 3 Mn. and on March 31, 2016 by ₹ 18 Mn. The profit before tax for the year ended March 31, 2016 has decreased by ₹ 15 Mn.

xi) Dividend including dividend distribution tax

Under Previous GAAP, dividend payable including dividend distribution taxes was recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Hence, proposed dividend recognised under Previous GAAP as at the transition date is reversed and credited to Equity. This has resulted to an increase in equity on the transition date by ₹2,598 Mn. and on March 31, 2016 by ₹2,600 Mn.

xii) Deferred tax

Various transitional adjustments led to temporary differences as on the transition date. The net impact on deferred tax liabilities on the transitional adjustments is debited to Equity. This has resulted to a decrease in equity on the transition date by ₹2,797 Mn. and on March 31, 2016 by ₹2,984 Mn. The profit after tax for the year ended March 31, 2016 has decreased by ₹187 Mn.

In addition, Ind AS requires recognition of deferred tax liabilities for all taxable temporary differences (including undistributed profits) associated with investments with subsidiaries, joint ventures and associates except in cases where entity is able to control the timing of reversal of such temporary differences and the same is not probable in the foreseeable future. Accordingly, deferred tax liabilities have been created on the undistributed profits of the joint venture. This has resulted in a decrease in equity on the transition date by ₹84 Mn. and on March 31, 2016 by ₹63 Mn.

xiii) MAT Credit

Under Previous GAAP, MAT credit was disclosed under non-current/current assets. In accordance with Ind AS 12, deferred tax assets shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax assets. This has resulted to a decrease in Current assets on the transition date by ₹7 Mn, March 31, 2016 by ₹ Nil, Non-current assets ₹ 5,841 Mn and on March 31, 2016 by ₹ 12,286 Mn. and deferred tax liabilities on the transition date by ₹5,848 Mn. and on March 31, 2016 by ₹12,286 Mn. The MAT credit entitlement of ₹6,471 Mn. for the year ended March 31, 2016 has been presented with deferred tax.

xiv) Deposits from Customers

Under Previous GAAP, there was no specific Accounting Standard on Presentation of Financial Statements. The Institute of Chartered Accountants of India had issued FAQ on Schedule VI of the Companies Act, 1956 which prescribes general instructions for preparation of financial statements. In accordance with the FAQ, certain Deposits from Customers were classified as non-current based on the commercial practice in the industry. Ind AS 1 on Presentation of Financial Statements does not have any such option and therefore, the deposits from customers have been classified as current since these deposits are repayable on demand. This has resulted to a regrouping change from non-current financial liabilities to current financial liabilities as on the transition date by ₹2,014 Mn. and on March 31, 2016 by ₹2,126 Mn.

xv) Joint venture

Under Previous GAAP, Indus Towers Limited, a joint venture was accounted for using the proportionate consolidation method. Under Ind AS, investment in joint ventures is accounted using the equity method.

For the purposes of applying the equity method, the investment in Indus Towers Limited of ₹17,764 Mn. at the date of transition has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated duly adjusted for Ind AS transition effects. An impairment assessment has been performed as at April 1, 2015 and no impairment provision is considered necessary.

a) The Group's proportionate share (16%) of the assets and liabilities of Indus Towers Limited under Previous GAAP are as follows:

₹ Mn

Particulars	As at March 31, 2016	As at April 1, 2015
Non-current assets		
Property, plant and equipment	31,617	31,809
Other non-current assets	6,314	6,796
Total non-current assets	**37,931**	**38,605**
Current Assets		
Current Investment	432	-
Other current assets	2,927	3,381
Total current assets	**3,359**	**3,381**
Total assets	**41,290**	**41,986**
Non-current liabilities		
Borrowings	4,102	5,967
Other Non-Current Liabilities	5,455	5,163
Deferred Tax Liability	2,674	2,772
Total non-current liabilities	**12,231**	**13,902**
Current liabilities		
Borrowings	-	559
Other Current Liabilities	10,462	8,031
Total current liabilities	**10,462**	**8,590**
Total liabilities	**22,693**	**22,492**

b) The following items of income and expenditure were previously proportionately consolidated under Previous GAAP:

₹ Mn

Particulars	For the year ended March 31, 2016
Revenue from operations	25,737
Other Income	54
Expenses	
Operating Costs	14,536
Finance Costs	835
Depreciation and amortisation expense	4,187
Provision for Taxation	2,201
Profit after tax	**4,032**

c) Impact on account of equity accounting of the joint venture under Ind AS:

₹ Mn

Particulars	**For the year ended March 31, 2016**
Share of profits of joint venture recognised as per equity method	**4,217**
Share of other comprehensive income/ (loss) (re-measurements) of joint venture recognised as per equity method	**(8)**

d) Summarised Statement of Cash Flows of Indus Towers Limited as per Previous GAAP for the year ended March 31, 2016 not considered under Ind AS in the Statement of Consolidated Cash Flows:

₹ Mn

Particulars	**For the year ended March 31, 2016**
Cash flow from operating activities	8,941
Cash flow from investing activities	(4,419)
Cash flow from financing activities	(4,487)

68. During the year ended March 31, 2017, the Company had paid / accrued remuneration amounting to ₹100 Mn to its Managing Director, Mr. Himanshu Kapania which was in excess of the limits specified in section 197 of Companies Act, 2013 (‘the Act’) read with Schedule V thereto as the Company did not have profits. Subsequently, during the year ended March 31, 2018, the Company has obtained approval from central government / shareholders for the excess remuneration paid.

69. Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board
Vodafone Idea Limited

Prashant Singhal
Partner
Membership No: 93283

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Place: Mumbai
Date: March 15, 2019

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

PROFORMA CONSOLIDATED FINANCIAL INFORMATION

The Pro Forma Financial Information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such Pro Forma Financial Information should be limited. In addition, the rules and regulations related to the preparation of Pro Forma Financial Information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these Pro Forma Financial Information.

INDEPENDENT PRACTITIONER'S REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE LETTER OF OFFER

The Board of Directors
Vodafone Idea Limited
(formerly known as Idea Cellular Limited)
Birla Centurion,
10th Floor, Century Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 030

Report on the Compilation of Pro Forma Financial Information Included in the Letter of Offer

We have completed our assurance engagement to report on the compilation of Pro Forma Financial Information of Vodafone Idea Limited (formerly known as Idea Cellular Limited) (the "Company") by the Management of the Company. The Pro Forma Financial Information consists of the pro forma statement of profit and loss for the year ended March 31, 2018 and for the nine month period ended December 31, 2018, and related notes to the Pro Forma Financial Information. The applicable criteria on the basis of which the Management has compiled the Pro Forma Financial Information are in accordance with the basis of preparation described in Note 2 to the Pro Forma Financial Information.

The Pro Forma Financial Information has been compiled by the Management to illustrate the impact of the transaction set out in note 2 of the Pro Forma Financial Information on the Company's financial performance for the year ended March 31, 2018 and for the nine month period ended December 31, 2018 as if the transaction had taken place at April 1, 2017 and April 1, 2018, respectively, for the above two periods. As part of this process, information about the Company's financial performance has been extracted by the Management from the Company's audited restated consolidated financial information for the year ended March 31, 2018 and for the nine month period ended December 31, 2018 and audited consolidated financial statement of Vodafone India Limited ('VInL') for the year ended March 31, 2018 and for the period April 1, 2018 to August 30, 2018.

Managements' Responsibility for the Pro Forma Financial Information

The Management is responsible for compiling the Pro Forma Financial Information on the basis as discussed in Note 2 of the Pro Forma Financial Information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro Forma Financial Information as discussed in Note 2 of the Pro Forma Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Financial Information.

Auditors' Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Financial Information has been compiled, in all material respects, by Management on the basis as discussed in Note 2 of the Pro Forma Financial Information. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to "Report on the Compilation of Pro Forma Financial Information included in a Prospectus", issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro Forma Financial Information on the basis of Note 2 to the Pro Forma Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information. For this engagement, we have placed reliance on the following:

(i) the audited consolidated financial statements of Vodafone India Limited as at and for the year ended March 31, 2018 prepared in accordance with the accounting principles generally accepted in India including ('Ind AS') notified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules 2015, as amended, which have been approved by the Board of Directors at their meeting held on April 28, 2018 and Auditor's report thereon on even date;

(ii) the audited consolidated financial statements of Vodafone India Limited as at August 30, 2018 and for the period April 1, 2018 to August 30, 2018 prepared in accordance with the Ind AS specified under section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India ('ICAI') including Auditor's report dated February 25, 2019.

The purpose of Pro Forma Financial Information included in a letter of offer is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at August 31, 2018 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly, should not be relied upon as if it has been carried out in accordance with those standards and practices.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the proforma financial information of the Company for the year ended March 31, 2018 and for nine month ended December 31, 2018, read with respective notes thereto, has been compiled, in all material respects, in accordance with the basis of preparation given in Note 2 of the Pro Forma Financial Information.

Restriction of use

This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update this report for events and circumstances occurring after the date of the report.

Our report is intended solely for use of the Management for inclusion in the letter of offer to be filed with SEBI, National Stock Exchange of India Limited, BSE Limited, and Registrar of Companies in connection with the proposed rights issue of the Company and is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place: Mumbai
Date: March, 15, 2019

Vodafone Idea Limited (formerly Idea Cellular Limited)
Pro Forma statement of profit and loss account for the period April 1, 2018 to December 31, 2018

(Amounts in ₹ million, unless otherwise stated)

Particulars	Consolidated Vodafone Idea Limited for nine months ended December 31, 2018[1]	Consolidated Vodafone India Limited for the period April 1, 2018 to August 30, 2018 (refer note A)	Pro forma adjustments			Proforma Combined Vodafone Idea Limited for nine months ended December 31, 2018
			Elimination adjustments (refer note B)	Accounting policy, estimates, judgements adjustments (refer note C)	Tower operations (refer note D)	
Income						
Service revenue	252,481	124,795	(11,134)	-	(627)	365,515
Sale of trading goods	169	60	-	-	-	229
Other operating income	525	674	-	-	-	1,199
Revenue from operations	**253,175**	**125,529**	**(11,134)**	**-**	**(627)**	**366,943**
Other income	5,745	549	-	-	(48)	6,246
Total income	**258,920**	**126,078**	**(11,134)**	**-**	**(675)**	**373,189**
Expenses						
Cost of trading goods	200	125	-	-	-	325
Employee benefit expenses	15,652	7,142	-	(306)	(50)	22,438
Network expenses and IT outsourcing cost	119,062	49,000	(452)	124	(82)	167,652
License fees and spectrum usage charges	26,716	11,993	-	(430)	-	38,279
Roaming and access charges	29,194	19,128	(10,586)	-	-	37,736
Subscriber acquisition and servicing expenditure	20,559	10,893	-	-	-	31,452
Advertisement, business promotion expenditure and content cost	6,567	5,814	-	(1,310)	-	11,071
Other expenses	12,648	8,981	62	-	(54)	21,637
Total Expenses	**230,598**	**113,076**	**(10,976)**	**(1,922)**	**(186)**	**330,590**
Profit before finance costs, depreciation, amortisation, share of profits/(loss) of Joint ventures and associate, exceptional items and tax	**28,322**	**13,002**	**(158)**	**1,922**	**(489)**	**42,600**
Finance costs	65,168	26,652	-	(2,113)	(7)	89,700
Depreciation	53,859	25,059	18	(4,121)	-	74,815
Amortisation	44,858	18,018	(193)	225	-	62,908
Loss before share of profit/(loss) of joint venture and associate, exceptional items and tax	**(135,563)**	**(56,727)**	**17**	**7,931**	**(482)**	**(184,824)**
Add: Share in profits of joint ventures (Net)	1,999	(1)	-	-	-	1,998
Add: Share in loss of associate	(580)	-	-	-	-	(580)
Loss before exceptional items and tax	**(134,144)**	**(56,728)**	**17**	**7,931**	**(482)**	**(183,406)**
Exceptional items	19,979	-	-	(7,533)	(33,473)	(21,027)
Loss before Tax	**(114,165)**	**(56,728)**	**17**	**398**	**(33,955)**	**(204,433)**
Tax expense:						
- Current tax	169	11	-	-	(155)	25
- Deferred tax	(17,115)	(15,643)	-	139	(13,248)	(45,867)
Loss after tax from continuing operations	**(97,219)**	**(41,096)**	**17**	**259**	**(20,552)**	**(158,591)**
Discontinued Operations						
Profit from discontinued operation before tax	-	9,687	-	-	(9,687)	-
Tax (credit) / expense of discontinued operations	-	-	-	-	-	-
Profit from discontinued operations	**-**	**9,687**	**-**	**-**	**(9,687)**	**-**
Loss after tax	**(97,219)**	**(31,409)**	**17**	**259**	**(30,239)**	**(158,591)**
Other comprehensive income/(loss)						
Items not to be reclassified to profit or loss in subsequent periods:						
Re-measurement gains/(losses) of defined benefit plans	432	179	-	-	-	611
Income tax effect	(143)	(62)	-	-	-	(205)
Group's share in other comprehensive income of joint ventures and associate (net of taxes)	3	-	-	-	-	3
Other comprehensive income/(loss) for the year/period, net of tax	**292**	**117**	**-**	**-**	**-**	**409**
Total comprehensive income/(loss) for the year/period	**(96,927)**	**(31,292)**	**17**	**259**	**(30,239)**	**(158,182)**
Earnings per equity share of ₹ 10 each:						
Basic and Diluted (₹) (refer note E)	(15.42)					(18.18)

This statement should be read together with the Notes to Pro Forma Financial Information

[1]Extracted from audited restated consolidated financial information of Vodafone Idea Limited for the nine months period ended December 31, 2018

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Prashant Singhal
Partner
Membership No.: 93283

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Place : Mumbai
Date : March 15, 2019

Vodafone Idea Limited (formerly Idea Cellular Limited)
Pro Forma statement of profit and loss account for the year ended March 31, 2018

(Amounts in ₹ million, unless otherwise stated)

Particulars	Consolidated Idea Cellular Limited Audited for year ended March 31, 2018[1]	Consolidated Vodafone India Limited Audited for year ended March 31, 2018 (refer note A)	Pro forma adjustments			Proforma Combined Idea Cellular Limited for year ended March 31, 2018
			Elimination adjustments (refer note B)	Accounting policy, estimates, judgements adjustments (refer note C)	Tower operations (refer note D)	
Income						
Service revenue	281,677	349,715	(27,031)	-	(4,311)	600,050
Sale of trading goods	51	214	-	-	-	265
Other operating income	318	1,219	-	-	(10)	1,527
Revenue from operations	**282,046**	**351,148**	**(27,031)**	**-**	**(4,321)**	**601,842**
Other income	3,529	4,833	-	-	(102)	8,260
Total income	**285,575**	**355,981**	**(27,031)**	**-**	**(4,423)**	**610,102**
Operating expenditure						
Cost of trading goods	73	434	-	-	-	507
Employee benefit expenses	15,430	17,567	-	(110)	(306)	32,581
Network expenses and IT outsourcing cost	97,334	111,637	(501)	144	2,486	211,100
License fees and spectrum usage charges	28,667	36,083	-	(270)	-	64,480
Roaming and access charges	35,358	46,928	(26,238)	-	-	56,048
Subscriber acquisition and servicing expenditure	27,199	25,959	(67)	8,119	-	61,210
Advertisement, business promotion expenditure and content cost	8,147	16,991	-	(6,146)	-	18,992
Other expenses	9,362	29,870	119	(48)	(103)	39,200
	221,570	**285,469**	**(26,687)**	**1,689**	**2,077**	**484,118**
Profit before finance costs, depreciation, amortisation, share of profits/(loss) of Joint ventures and associate and tax	**64,005**	**70,512**	**(344)**	**(1,689)**	**(6,500)**	**125,984**
Finance costs	48,130	59,258	-	(1,557)	(27)	105,804
Depreciation	50,630	58,955	41	(10,513)	(941)	98,172
Amortisation	33,461	39,265	(454)	1,578	(1)	73,849
Loss before share of profit/(loss) of joint venture and associate and tax	**(68,216)**	**(86,966)**	**69**	**8,803**	**(5,531)**	**(151,841)**
Add: Share in profits of joint ventures (Net)	3,458	3	-	-	-	3,461
Add: Share in loss of associate	(234)	-	-	-	-	(234)
Loss before tax	**(64,992)**	**(86,963)**	**69**	**8,803**	**(5,531)**	**(148,614)**
Tax expense:						-
- Current tax	1,234	(1,741)	-	-	(1,056)	(1,563)
- Deferred tax	(24,544)	(4,400)	-	3,076	(12,136)	(38,004)
Loss after tax from continuing operations	**(41,682)**	**(80,822)**	**69**	**5,727**	**7,661**	**(109,047)**
Discontinued Operations						-
Profit from discontinued operation before tax	-	41,342	-	-	(41,342)	-
Tax (credit) / expense of discontinued operations	-	-	-	-	-	-
Profit from discontinued operations	**-**	**41,342**	**-**	**-**	**(41,342)**	**-**
Loss after tax	**(41,682)**	**(39,480)**	**69**	**5,727**	**(33,681)**	**(109,047)**
Other comprehensive income/(loss)						
Items not to be reclassified to profit or loss in subsequent periods:						
Re-measurement gains/(losses) of defined benefit plans	442	(22)	-	-	-	420
Income tax effect	(152)	7	-	-	-	(145)
Group's share in other comprehensive income of joint ventures and associate (net of taxes)	(7)	-	-	-	-	(7)
Other comprehensive income/(loss) for the year/period, net of tax	**283**	**(15)**	**-**	**-**	**-**	**268**
Total comprehensive income/(loss) for the year/period	**(41,399)**	**(39,495)**	**69**	**5,727**	**(33,681)**	**(108,779)**
Earnings per equity share of ₹ 10 each:						
Basic and Diluted (₹) (refer note E)	(11.36)					(13.55)

This statement should be read together with the Notes to Pro Forma Financial Information

[1]Extracted from audited restated consolidated financial information of Idea Cellular Limited for the year ended March 31, 2018

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 : March 15, 2019

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

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

1. Background

Vodafone Idea Limited (formerly known as Idea Cellular Limited), 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') have merged into Idea Cellular Limited ('ICL') on August 31, 2018 (the "Effective Date"). This has resulted in the formation of a Joint Venture between the promoter groups of Aditya Birla and Vodafone. Pursuant to the merger Idea Cellular Limited was renamed as Vodafone Idea Limited ('the Company' or 'VIL'). The Company has adopted 'pooling of interest' method to account for the merger ('the merger').

2. Basis of Preparation

The Pro Forma Financial Information has been prepared by the Management of the Company on the basis of the restated consolidated financial statements of the Company and the historical audited consolidated financial statements of VInL as adjusted to give effect of the impact of the merger on the results of operations that would have resulted had the Effective Date of the transaction been April 1, 2017 and April 1, 2018 for the year ended March 31, 2018 and for the nine-month period ended December 31, 2018, respectively.

The Pro Forma Financial Information of the Company comprises of the Pro Forma statement of profit and loss for the year ended March 31, 2018 and for the nine-month period ended December 31, 2018, read with the notes to the Pro Forma Financial Information. Because of their nature, the Pro Forma Financial Information addresses a hypothetical situation and therefore, do not represent the Company's actual consolidated statement of profit and loss. Accordingly, the Pro Forma Financial Information does not necessarily reflect what the Company's results of operations would have been had the Effective Date of the transaction occurred on April 1, 2017 and April 1, 2018 and is also not intended to be indicative of expected results of operations in future periods.

The historical consolidated financial statements have been adjusted in the Pro Forma Financial Information to give effect to the pro forma events that are (1) directly attributable to the Merger, (2) factually supportable and (3) with respect to the Pro Forma statement of profit and loss, expected to have a continuing impact of the combined results following the merger.

The assumptions and estimates underlying the adjustments to the Pro Forma statement of profit and loss are described in the accompanying notes, which should be read together with the Pro Forma statement of profit and loss. The Pro Forma Financial Information should be read together with the restated consolidated financial statements of the Company and the historical consolidated financial statements of VInL.

The pro forma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such Pro Forma Financial Information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such Pro Forma Financial Information should be limited. In addition, the rules and regulations related to the preparation of Pro Forma Financial Information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these Pro Forma Financial Information.

The Pro Forma Financial Information has been prepared by the management of the Company considering the 'pooling of interest' method to account for the merger involving line by line addition.

The Pro Forma Financial Information is based on:

a) the restated consolidated Ind AS statement of profit and loss for the year ended March 31, 2018 and for the nine month period ended December 31, 2018 of the Company; and
b) the audited consolidated Ind AS statement of profit and loss for the year ended March 31, 2018 and for the period April 1, 2018 to August 30, 2018 of VInL that have been reclassified to match the presentation of consolidated statement of profit and loss of the Company.

3. Pro forma adjustments

The restated consolidated financial information of the Company and the audited consolidated financial statements of VInL have been prepared as per Ind AS and adjusted to comply with the consolidated accounting policies, estimates, assumptions and judgements of Vodafone Idea Limited (collectively referred to as "Group accounting policies" as appearing in restated consolidated financial information) in all material aspects. Such financial information has been prepared in accordance with the generally accepted accounting principles in India under the historical cost basis, except for certain financial instruments that have been measured at fair value. Thus, the following adjustments have been made to the restated consolidated financial information of the Company and audited consolidated financial statements VInL (as mentioned above) to present the information consistently with the post merger VIL group structure.

The following adjustments have been made to present the Pro Forma Financial Information:

Note A: Reclassification adjustments

For preparation of the Pro Forma Financial Information, the audited consolidated statement of profit and loss for the year ended March 31, 2018 and audited consolidated statement of profit and loss for the period April 1, 2018 to August 30, 2018 of VIL have been reclassified to match the presentation of the restated consolidated statement of profit and loss of the Company. Refer Annexure 1(A) and Annexure 1(B)

Note B: Elimination adjustments

Elimination of inter-company (i.e. between consolidated balances of VIL and VInL) transactions between the restated consolidated statement of profit and loss of the Company and audited consolidated statement of profit and loss of VInL are as below:

₹ in Mn

Account caption	Nine month period ended December 31, 2018		Year ended March 31, 2018	
	Revenue	**Expenses**	**Revenue**	**Expenses**
Roaming and access charges	10,586	(10,586)	26,238	(26,238)
Network expenses and IT outsourcing cost	452	(452)	501	(501)
Subscriber acquisition and servicing expenditure	-	-	67	(67)
Other expenses	-	62	-	119
Depreciation	-	18	-	41
Amortisation	96	(193)	225	(454)
Total (1)	**11,134**	**(11,151)**	**27,031**	**(27,100)**
Net Impact (2)		**(17)**		**(69)**

[(1)] This represents elimination of transaction between the Company and VInL and VMSL related to roaming and access services, leaseline / bandwidth services, sharing of active / passive infrastructure, sale of E-KYC devices.

[(2)] This represents the timing difference on recognition of revenue / expense by the Company and VInL and VMSL which has a corresponding impact on reserves.

Note C: Alignment of accounting policies, estimates, assumptions and judgements:

As a part of the merger, VInL alongwith its subsidiaries and the Company have aligned its accounting policies, estimates and judgements. The impact of these alignment has been adjusted as of April 1, 2017 and April 1, 2018 as against August 31, 2018 (being the Effective Date of merger) for the purpose of preparing the Pro Forma Financial Information for the year ended March 31, 2018 and for the period ended December 31, 2018.

₹ in Mn

Account caption	Debit/(Credit)	
	Nine Month Period ended December 31, 2018	For the Year ended March 31, 2018
Employee benefit expenses	(306)	(110)
Network expenses and IT outsourcing cost	124	144
License fees and spectrum usage charges	(430)	(270)
Subscriber acquisition and servicing expenditure	-	8,119
Advertisement, business promotion expenditure and content cost	(1,310)	(6,146)
Other expenses	-	(48)
Finance costs	(2,113)	(1,557)
Depreciation	(4,121)	(10,513)
Amortisation	225	1,578
Exceptional items (Net)	7,533	-
Total [A][(1)]	**(398)**	**(8,803)**
Tax effect on the above [B] [(2)]	(139)	(3,076)
Net Impact [A-B]	**(259)**	**(5,727)**

Notes:

[(1)] Adjustments relating to accounting policies, estimates, assumptions and judgments changes primarily pertain to alignment of useful lives of tangible and intangible fixed assets of VInL and its subsidiaries with the Company, alignment on the accrual of provisions relating to regulatory matters and adjustments related to brand arrangements with Vodafone Group entities and adjustments related to accounting of ESOP and IT service contract.

[(2)] Tax effect on above adjustments are computed by applying applicable tax rate i.e. 34.944%.

Note D: Tower operations

VInL, VMSL and the Company had entered into passive infrastructure business transfer agreement for sale of tower business/undertaking of VInL, VMSL and the Company to ATC Telecom Infrastructure Private Limited on March 31, 2018 and May 31, 2018 for a consideration of ₹38,500 Mn and ₹40,000 Mn, respectively. This transfer has been adjusted in Pro Forma Financial Information assuming the operations were discontinued effective April 1, 2017 and April 1, 2018 including the related tax adjustments.

Further, it also includes adjustment related to transfer of 42% stake in Indus Towers Limited by VInL to its Group Company disclosed as discontinued operations in VInL consolidated financial statements for the period/year ended December 31, 2018 and March 31, 2018.

₹ in Mn

Particulars	Debit / (Credit)	
	Nine Month Period ended December 31, 2018	**For the Year ended March 31, 2018**
Adjustment related to profit on sale of tower business:		
Idea Cellular Limited	33,473	-
VInL	-	31,019
Tax Impact on above	(13,235)	(10,679)
Total [A]	**20,238**	**20,340**
Adjustment related to operating income from tower business:		
Idea Cellular Limited	482	2,733
VInL	-	4,510
Tax impact on above	(168)	(2,512)
Total [B]	**314**	**4,731**
Adjustment related to dividend from Indus Tower:		
VInL	9,687	8,610
Tax Impact on above	-	-
Total [C]	**9,687**	**8,610**
Impact on Loss after tax [A+B+C]	**30,239**	**33,681**

Note E: Earnings Per Share ('EPS')

EPS calculation for the year ended March 31, 2018 and nine month period ended December 31, 2018 has been based on pro forma statement of profit and loss of respective year/period on the assumption that the equity shares issued as part of the transaction were in issue for the whole year/period for which Pro Forma Financial Information have been presented.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

For and on behalf of the Board
Vodafone Idea Limited

Prashant Singhal
Partner
Membership No: 93283

Himanshu Kapania
DIN No. 03387441

D. Bhattacharya
DIN No. 00033553

Place: Mumbai
Date: March 15, 2019

Balesh Sharma
Chief Executive Officer

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Annexure 1 (A)

VODAFONE INDIA LIMITED AUDITED CONSOLIDATED STATEMENT OF PROFT & LOSS FROM APRIL 1, 2018 TO AUGUST 30, 2018

(Amounts in ₹ million, unless otherwise stated)

Particulars	Consolidated Vodafone India Limited for the period April 1, 2018 to August 30, 2018 (A)	Adjustment to conform to the Company grouping (B)	Consolidated Vodafone India Limited for the period April 1, 2018 to August 30, 2018 Adjusted (C) = (A) +(B)
Revenue from operations	124,177	(124,177)	-
Service Revenue	-	124,795	124,795
Sale of trading goods	-	60	60
Other operating income	-	674	674
Other non operating income	1,471	(1,471)	-
Other Income	-	549	549
Total income	**125,648**	**430**	**126,078**
Expenses			
SIM cards consumed	513	(513)	-
Cost of trading goods sold	125	-	125
Access charges	19,130	(19,130)	-
Roaming and access charges	-	19,128	19,128
License and regulatory fees	12,168	(12,168)	-
License fees and spectrum usage charges	-	11,993	11,993
Employee benefit expenses	7,023	119	7,142
Rental	23,987	(23,987)	-
Power and fuel	15,780	(15,780)	-
Network expenses and IT outsourcing cost	-	49,000	49,000
Other expenses	34,162	(25,181)	8,981
Subscriber acquisition and servicing expenditure	-	10,893	10,893
Advertisement, business promotion expenditure and content cost	-	5,814	5,814
Total expenditure	**112,888**	**188**	**113,076**
Profit before finance costs, depreciation, amortisation, taxes and share of Joint Venture and Associate	**12,760**	**242**	**13,002**
Finance costs	26,058	594	26,652
Depreciation and amortisation expense	43,077	(43,077)	-
Depreciation	-	25,059	25,059
Amortisation	-	18,018	18,018
Other (gains)/losses (net)	352	(352)	-
Profit /(Loss) before share of Joint Venture and Associate & tax	**(56,727)**	**-**	**(56,727)**
Add: Share of net loss of joint venture accounted for using the equity method	(1)	-	(1)
Loss before tax from continuing operations	**(56,728)**	**-**	**(56,728)**
Income Tax expenses :			
- Current tax	11	-	11
- Deferred tax	(15,643)	-	(15,643)
Total tax expense	**(15,632)**	**-**	**(15,632)**
Loss after tax from continuing operations	**(41,096)**	**-**	**(41,096)**
Discontinued Operations			
Profit from discontinued operation before tax	9,687	-	9,687
Tax (credit) / expense of discontinued operations	-	-	-
Profit from discontinued operations	**9,687**	**-**	**9,687**
Loss after tax for the period	**(31,409)**	**-**	**(31,409)**
Other comprehensive income/(loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) of defined benefit plans	179	-	179
Income tax effect	(62)	-	(62)
Group's share in other comprehensive income of joint ventures and associate (net of taxes)	-	-	-
Other comprehensive income/(loss) for the period, net of tax	**117**	**-**	**117**
Total comprehensive income/(loss) for the period	**(31,292)**	**-**	**(31,292)**

Annexure 1 (B)

VODAFONE INDIA LIMITED AUDITED CONSOLIDATED STATEMENT OF PROFT & LOSS FOR YEAR ENDED MARCH 31, 2018

(Amounts in ₹ million, unless otherwise stated)

Particulars	Vodafone India Limited Audited Consolidated for year ended March 31, 2018 Historical (A)	Adjustment to conform to the Company grouping (B)	Vodafone India Limited Consolidated for year ended March 31, 2018 Adjusted Historical (C) = (A) +(B)
Revenue from operations	347,573	(347,573)	-
Service Revenue	-	349,715	349,715
Sale of trading goods	-	214	214
Other operating income	-	1,219	1,219
Other non operating income	3,699	(3,699)	-
Other Income	-	4,833	4,833
Total income	**351,272**	**4,709**	**355,981**
Expenses			
SIM cards consumed	2,385	(2,385)	-
Cost of trading goods sold	434	-	434
Access charges	46,921	(46,921)	-
Roaming and access charges	-	46,928	46,928
License and regulatory fees	35,822	(35,822)	-
License fees and spectrum usage charges	-	36,083	36,083
Employee benefit expenses	17,233	334	17,567
Rental	55,194	(55,194)	-
Power and fuel	36,303	(36,303)	-
Network expenses and IT outsourcing cost	-	111,637	111,637
Other expenses	90,385	(60,515)	29,870
Subscriber acquisition and servicing expenditure	-	25,959	25,959
Advertisement, business promotion expenditure and content cost	-	16,991	16,991
Total expenditure	**284,677**	**792**	**285,469**
Profit before finance costs, depreciation, amortisation, taxes and share of Joint Venture and Associate	**66,595**	**3,917**	**70,512**
Finance costs	56,343	2,915	59,258
Depreciation and amortisation expense	98,220	(98,220)	-
Depreciation	-	58,955	58,955
Amortisation	-	39,265	39,265
Other (gains)/losses (net)	(1,002)	1,002	-
Loss before share of Joint Venture and Associate & tax	**(86,966)**	**-**	**(86,966)**
Add: Share of net profits of joint venture accounted for using the equity method	3	-	3
Loss before tax from continuing operations	**(86,963)**	**-**	**(86,963)**
Income Tax expenses :			
- Current tax	(1,741)	-	(1,741)
- Deferred tax	(4,400)	-	(4,400)
Total tax expense	**(6,141)**	**-**	**(6,141)**
Loss after tax from continuing operations	**(80,822)**	**-**	**(80,822)**
Discontinued Operations			
Profit from discontinued operation before tax	41,342	-	41,342
Tax (credit) / expense of discontinued operations	-	-	-
Profit from discontinued operations	**41,342**	**-**	**41,342**
Profit/(Loss) after tax for the period	**(39,480)**	**-**	**(39,480)**
Other comprehensive income/(loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) of defined benefit plans	(22)	-	(22)
Income tax effect	7	-	7
Group's share in other comprehensive income of joint ventures and associate (net of taxes)	-	-	-
Other comprehensive income/(loss) for the year, net of tax	**(15)**	**-**	**(15)**
Total comprehensive income/(loss) for the year	**(39,495)**	**-**	**(39,495)**

VODAFONE INDIA FINANCIAL STATEMENTS

[This page has been intentionally left blank]

VODAFONE INDIA LIMITED

Special Purpose Consolidated Financial Statements

For the period April 1, 2018 to August 30, 2018

The Board of Directors
M/s. Vodafone Idea Limited
The Birla Centurion,
Worli, Mumbai – 400 030

Report on Special Purpose Consolidated Financial Statements

1. This report is issued in accordance with the terms of our agreement dated February 4, 2019.

2. We have audited the accompanying Special Purpose Consolidated Financial Statements of the Vodafone India Limited (the "Transferor Company" , "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity (refer Note [1] to the attached consolidated financial statements), comprise the Consolidated Balance Sheet as at August 30, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the period April 1, 2018 to August 30, 2018 and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as the "Special Purpose Consolidated Financial Statements") prepared by the management (the Management) of Vodafone Idea Limited (the "Transferee Company") for the purpose of inclusion in the Offer Documents for Proposed Rights Issue of the equity shares of Transferee Company, which we have signed under reference to this report. These Offer documents will be submitted / filed with the Securities Exchange Board of India (SEBI), BSE Limited ('BSE'), National Stock Exchange of India Limited ('NSE') and the Registrar of Companies (the 'ROC') in Mumbai, as applicable.

Management's Responsibility for the Special Purpose Consolidated Financial Statements

3. Management is responsible for the preparation of these Special Purpose Consolidated Financial Statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the Indian Accounting Standards, specified under Section 133 of the Companies Act, 2013 ('Ind AS') and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Special Purpose Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these Special Purpose Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Holding Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence obtained by us, other than the unaudited financial statements as certified by the management and referred to in paragraph-8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Consolidated Financial Statements, together with the notes thereon and attached thereto, give the information required by the Act in the manner so required and give a true and fair view, in all material respects, in accordance with Indian Accounting Standards, specified under Section 133 of the Companies Act, 2013, of the state of affairs of the Group and its jointly controlled entity as at August 30, 2018, and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the period April 1, 2018 to August 30, 2018.

Other Matter

8. We did not audit the financial statements of joint venture (Firefly Networks Limited) whose financial statements reflect total assets of Rs 55 million and net assets of Rs 4 million as at August 30, 2018, total revenue of Rs. 40 million, net loss of Rs 1 million and net cash flows amounting to Rs 11 million for the period April 1, 2018 to August 30, 2018, as considered in the Special Purpose Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the Special Purpose Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of this joint venture and our report insofar as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion is not qualified in respect of this matter.

Restriction on Use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have had as auditors of the Transferor Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have had in our capacity as auditors of any financial statements of the Transferor Company.

10. This report is addressed to the Board of Directors of the Transferee Company and has been prepared for and only for the purposes set out in paragraph 2 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Lovelock & Lewes neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership No. 043229

Place: Mumbai
Date: February 25, 2019

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at August 30, 2018	As at March 31, 2018
ASSETS			
Non current assets			
Property, Plant and Equipment	6	275,140	281,751
Capital work-in-progress	6	15,271	7,255
Investment property	7	679	684
Goodwill	8	73,825	73,825
Other intangible assets	9	645,849	630,442
Intangible assets under development	9	100,941	103,665
Investments accounted for using the equity method	11	2	3
Financial assets			
i. Loans	12	7,005	6,755
ii. Other financial assets	13	442	341
Deferred tax assets (net)	14	56,396	40,798
Income tax recoverable (net)		98,332	100,939
Other non current assets	15	34,886	35,481
Total non current assets		**1,308,768**	**1,281,939**
Current assets			
Inventories	16	36	19
Financial assets			
i. Trade receivables	17	21,451	19,451
ii. Cash and cash equivalents	18	63,822	58,141
iii. Bank balances other than (ii) above	19	1,703	1,283
iv. Loans	20	140	147
v. Other financial assets	21	10,758	9,792
Current tax assets (net)		-	2,148
Other current assets	22	49,015	37,917
Assets classified as held for distribution to owners and held for sale	51	-	49,526
Total current assets		**146,925**	**178,424**
Total Assets		**1,455,693**	**1,460,363**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at August 30, 2018	As at March 31, 2018
EQUITY AND LIABILITIES			
Equity			
Equity share capital	23	19,304	28,133
Other equity			
Reserve and Surplus		589,204	550,549
Total Equity		**608,508**	**578,682**
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	25	506,681	538,138
Provisions	26	58,201	53,562
Employee benefit obligations	27	1,078	1,134
Deferred tax liabilities (net)	14	17	-
Other non current liabilities	28	849	945
Total non current liabilities		**566,826**	**593,779**
Current liabilities			
Financial liabilities			
i. Borrowings	29	71,246	85,258
ii. Trade payables	30		
Total outstanding dues of micro and small enterprises		139	268
Total outstanding dues of creditors other than micro and small enterprises		55,409	68,242
iii. Other financial liabilities	31	134,206	110,764
Provisions	26	1,017	1,017
Employee benefit obligations	27	605	648
Current tax liabilities (net)		1,463	1,462
Other current liabilities	32	16,274	20,243
Total current liabilities		**280,359**	**287,902**
Total Liabilities		**847,185**	**881,681**
Total Equity and Liabilities		**1,455,693**	**1,460,363**

Significant Accounting Policies 3

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated balance sheet referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: February 25, 2019

Vodafone Idea Limited
(Successor of erstwhile Vodafone India Limited)

Authorised signatory :

Ravinder Takkar

Vivek Badrinath

Place: Mumbai
Date: February 6, 2019

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

	Note	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Continuing operations			
Revenue from operations	36	124,177	347,573
Other non operating income	37	1,471	3,699
Total		**125,648**	**351,272**
Expenses			
SIM cards consumed		513	2,385
Cost of trading goods sold		125	434
Access charges	38	19,130	46,921
License and regulatory fees	39	12,168	35,822
Employee benefits expense	40	7,023	17,233
Rental	41	23,987	55,194
Power and fuel	42	15,780	36,303
Other expenses	43	34,162	90,385
Total		**112,888**	**284,677**
Profit before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) from continuing operations		**12,760**	**66,595**
Share of net (loss)/profits of joint venture accounted for using the equity method	11	(1)	3
Profit before other (gains)/losses (net), depreciation and amortisation, finance costs and tax from continuing operations		**12,759**	**66,598**
Other (gains)/losses (net)	44	352	(1,002)
Depreciation and amortisation expense	6.4	43,077	98,220
Finance costs	45	26,058	56,343
(Loss) before tax from continuing operations		**(56,728)**	**(86,963)**
Income tax expense			
Current tax		11	(1,741)
Deferred tax		(15,643)	(4,400)
Total tax expenses	14	**(15,632)**	**(6,141)**
(Loss) after tax from continuing operations		**(41,096)**	**(80,822)**
Discontinued Operations			
Profit from discontinued operation before tax	51	9,687	41,342
Profit from discontinued operations		**9,687**	**41,342**
(Loss) after tax for the period/year		**(31,409)**	**(39,480)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

		Note	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
	Other Comprehensive Income from continuing operations			
A	Items that will be reclassified to profit or loss		-	-
B	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		179	(22)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		(62)	7
	Other Comprehensive (Loss) from continuing operations (Net of tax)		**117**	**(15)**
	Other Comprehensive Income from discontinued operations			
A	Items that will be reclassified to profit or loss		-	-
B	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		-	-
	Share of other comprehensive (loss) of Joint venture accounted for using the equity method (net of tax)		-	-
	Other Comprehensive (Loss) from discontinued operations (Net of tax)		**-**	**-**
	Other Comprehensive (Loss) for the period/year (Net of tax)		**117**	**(15)**
	Total Comprehensive (Loss) from continuing operations (Comprising (loss) and Other Comprehensive (Loss) for the period/year)		**(40,979)**	**(80,837)**
	Total Comprehensive Income from discontinued operations (Comprising profit and Other Comprehensive (Loss) for the period/year)		**9,687**	**41,342**
	Total Comprehensive (Loss) for the year (Comprising (Loss) and Other Comprehensive (Loss) for the period/year)		**(31,292)**	**(39,495)**
	Earning per equity share of INR 10 each	46		
	Basic and Diluted (loss) per share (INR) - Continuing operations		**(17.87)**	**(28.73)**
	Basic and Diluted profit per share (INR) - Discontinued operations		**4.21**	**14.70**
	Basic and Diluted (loss) per share (INR) - Continuing and discontinued operations		**(13.66)**	**(14.03)**

Significant Accounting Policies 3

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: February 25, 2019

Vodafone Idea Limited
(Successor of erstwhile Vodafone India Limited)

Authorised signatory :

Ravinder Takkar

Vivek Badrinath

Place: Mumbai
Date: February 6, 2019

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Changes in Equity

Equity Share Capital and Other Equity		Attributable to owners of Vodafone India Limited							
		Reserves and Surplus							
Particulars	Equity Share Capital	Capital Reserve [1]	Capital Reduction Reserve [2]	Securities Premium [3]	General Reserve [4]	Retained earnings/ (accumulated deficit) [5]	Capital contribution/ (distribution to parent) [6]	Share based payment reserve [7]	Total Reserve and Surplus
Balance as at April 1, 2017	**28,133**	**2,070**	**-**	**587,177**	**37,182**	**(37,872)**	**10**	**1,018**	**589,585**
Loss for the year	-	-	-	-	-	(39,480)	-	-	(39,480)
Other comprehensive loss	-	-	-	-	-	(15)	-	-	(15)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(39,495)**	**-**	**-**	**(39,495)**
Capital contribution by Ultimate Holding Company for employee share based payments (Refer Note 24)	-	-	-	-	-	-	145	-	145
Share based payments (Refer Note 24)	-	-	-	-	-	-	-	314	314
Balance as at March 31, 2018	**28,133**	**2,070**	**-**	**587,177**	**37,182**	**(77,367)**	**155**	**1,332**	**550,549**
Balance as at April 1, 2018	**28,133**	**2,070**	**-**	**587,177**	**37,182**	**(77,367)**	**155**	**1,332**	**550,549**
Loss for the period April 1, 2018 to August 30, 2018	-	-	-	-	-	(31,409)	-	-	(31,409)
Other comprehensive loss	-	-	-	-	-	117	-	-	117
Total comprehensive loss for the period April 1, 2018 to August 30, 2018	**-**	-	-	-	-	**(31,292)**	**-**	-	**(31,292)**
Capital Reduction (Refer Note 51B)	(13,121)	-	277,787	(273,859)	-	9,192	-	-	13,120
Distribution of non current assets to owners (Refer Note 51B)	-	-	-	-	-	(49,525)	-	-	(49,525)
Capital contribution by Ultimate Holding Company for employee share based payments (Refer Note 24)	-	-	-	-	-	-	261	-	261
Share based payments (Refer Note 24)	-	-	-	-	-	-	-	(251)	(251)
Issue of equity shares during the period (Refer Note 23.1)	4,292	-	-	106,453	-	-	-	-	106,453
Share issue expenses	-	-	-	(111)	-	-	-	-	(111)
Balance as at August 30, 2018	**19,304**	**2,070**	**277,787**	**419,660**	**37,182**	**(148,992)**	**416**	**1,081**	**589,204**

(1) Capital reserve of INR 165 comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of Vodafone India Limited in earlier years and INR 1,905 is propotionate share of capital reserve of Joint Venture. The said capital reserve is not available for distribution as dividend.

(2) Capital reduction reserve arised on distribution of non current assets to owner. The said capital reduction reserve is not available for distribution as dividend.

(3) The amounts received in excess of the par value of equity shares issued have been classified as securities premium. In accordance with the provisions of Section 52 of the Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares and offsetting direct issue costs and discount allowed for the issue of shares.

(4) General reserve comprises of proportionate share of general reserve of Joint Venture.

(5) Retained earnings / (accumulated deficit) represents the Group's cumulative earnings and losses respectively.

(6) Capital Contribution/ (distribution to parent) represents the excess/shortage of provision on settlement of reserve for the equity settled plan for the employees of the Group.

(7) Share based payment reserve represents Vodafone Group Plc's equity settled plan for the employees of the Group .

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: February 25, 2019

Vodafone Idea Limited
(Successor of erstwhile Vodafone India Limited)

Authorised signatory :

Ravinder Takkar

Vivek Badrinath

Place:Mumbai
Date:February 6, 2019

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Cash flow from operating activities			
Loss before tax from continuing operations		(56,728)	(86,963)
Profit before tax from discontinued operations		9,687	41,342
Loss before tax including discontinued operations		**(47,041)**	**(45,621)**
Adjustments for:			
Depreciation and amortisation expense	6.4	43,077	98,637
Written back and provision for doubtful debts and advances	43	2,016	2,594
Net loss on disposal of property, plant and equipment	44	65	414
Share of net loss/(profits) of joint venture accounted for using the equity method	11	1	(3)
Dividend income from discontinued operations	51B	(11,261)	(10,009)
Profit from discontinued operations	51A	-	(31,019)
Finance costs	45	26,058	56,343
Net foreign exchange loss		2,631	844
Interest income from fixed deposits	44	(471)	(836)
Interest income from Inter corporate loan-Joint venture	44	-	(1)
Interest income from taxation	44	-	(3,899)
Employee share based payments	40	358	802
Operating profit before working capital changes		**15,433**	**68,246**
Adjustments for changes in working capital			
(Increase)/Decrease in others non current financial assets		(250)	511
(Increase)/Decrease in other non current assets		(95)	4,568
(Increase)/Decrease in inventories		(17)	57
(Increase) in trade receivables		(2,758)	(5,150)
(Increase) in other bank balances		(420)	(20)
Decrease in others current financial assets		1,008	2,700
(Increase) in other current assets		(11,106)	(12,975)
(Decrease) in others non current financial liabilities		-	(182)
Increase/(Decrease) in long term provisions		2,107	(5,661)
Increase in non current liabilities- employee benefit obligations		123	56
(Decrease)/Increase in other non current liabilities		(96)	93
(Decrease)/Increase in trade payables		(13,749)	10,759
Increase in others current financial liabilities		1,751	158
(Decrease)/Increase in other current liabilities		(3,992)	1,201
(Decrease) in short term provisions		-	(696)
(Decrease)/Increase in current liabilities- employee benefit obligations		(43)	27
(Decrease)/Increase in derivatives financial assets and liabilities		(2,335)	1,343
Cash generated from operations		**(14,439)**	**65,035**
Income tax paid (net)		4,251	(1,465)
Net cash inflow from operating activities		**(10,188)**	**63,570**
Cash flow from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	52	-	(2,830)
Payment for property, plant and equipment and intangible assets		(56,296)	(69,860)
Proceeds from sale of property, plant and equipment		331	910
Proceeds from sale of passive infrastructure business	51A	-	38,205
Loans given during the period/year		-	(3)
Interest received		397	924
Dividend received from discontinued operation-Indus Tower Limited	51B	11,261	10,009
Net cash (outflow) from investing activities		**(44,307)**	**(22,645)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Cash flow from financing activities			
Proceeds from issue of shares	23.1	110,745	-
Share issue expenses		(111)	-
Proceeds from borrowings		78,219	113,372
Repayment of borrowings		(96,995)	(87,981)
Interest and other borrowing cost paid		(37,652)	(40,421)
Net cash (outflow)/inflow from financing activities		**54,206**	**(15,030)**
Net increase in cash and cash equivalents		**(289)**	**25,895**
Cash and cash equivalents as at the beginning of the period/year	18	58,141	32,203
Effects of exchange rate changes on cash and cash equivalents		(20)	43
Cash and cash equivalents as at the end of the period/year	**18**	**57,832**	**58,141**

Reconciliation of cash and cash equivalents as per the consolidated statement cash flows

		As at August 30, 2018	As at March 31, 2018
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	18	63,822	58,141
Bank overdraft	29	(5,990)	-
Balance as per consolidated statement of cash flows		57,832	58,141

1. The above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows' notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
This is the consolidated statement of cash flows referred to in our report on even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: February 25, 2019

Vodafone Idea Limited
(Successor of erstwhile Vodafone India Limited)

Authorised signatory :

Ravinder Takkar

Vivek Badrinath

Place: Mumbai
Date: February 6, 2019

Note 1
General information

Vodafone India Limited ("VIL" or "the Company") was incorporated in 1992 in India under the provisions of the Companies Act,1956, as a company with limited liability. The Company is domiciled in India with its registered office address being Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, India.

VIL and its subsidiaries (herein after referred to as "the Group" refer Note 10) and its Joint Ventures, 42% of Indus Tower Limited (upto June 21, 2018) and 50% of Firefly Networks Limited, have principal activities of providing mobile communications services and telecom passive infrastructure across India.

Note 2
Basis of preparation

(i) Purpose and Structure

The special purpose consolidated financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The special purpose consolidated financial statements of Vodafone India Limited for the period April 1, 2018 to August 30th 2018 (i.e. the effective date of merger with Idea Cellular Limited) have been prepared for the purpose of filing with various regulatory authorities as a part of the merged Company's efforts to raise money in the capital markets (including a right's issue) and drawing up of the pro-forma financial statements of the combined entity Vodafone Idea Limited for the period April 1, 2018 to December 31, 2018.

The special purpose consolidated financial statements contains a complete set of financial as described in Ind AS 1 – 'Presentation of Financial Statement' and Schedule III. The special purpose consolidated financial statements have the consolidated balance sheet as at March 31, 2018 being end of immediately preceding financial year and consolidated statement of profit and loss, consolidated statement of change in equity ('SOCIE') and consolidated statement of cash flows for the year ended March 31, 2018 as immediately preceding period.

The figures of period April 1, 2018 to August 30, 2018 for consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows are not comparable with figures of previous year due to difference of period covered in these financial statements.

(ii) Historical Cost Convention

These special purpose consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, employee benefits plan and share based payments which have been measured at fair value.

(iii) Going Concern

These special purpose consolidated financial statements have been prepared on going concern basis as the Company has merged with Idea Cellular Limited on going concern basis as per the scheme of amalgamation on August 31, 2018 (Refer Note 50).

(iv) New and amended standards adopted by the Group

Ind AS-115, "Revenue from Contracts with Customers"

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.

The Group has adopted the new revenue recognition standard based on the modified retrospective approach w.e.f. April 1, 2018. Adoption of Ind AS 115 has an insignificant impact on the timing and measurement of revenue and incremental cost in acquiring customer a customer.

Ind AS 12, "Income tax"

The amendments clarify accounting for deferred taxes where an asset is measured at fair value and the fair value is below assets tax base. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. The amendment does not have impact on the financial statements on April 1, 2018.

Ind AS 21, "Foreign currency transactions and advance consideration"

The amendments clarify the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity received or paid advance consideration in a foreign currency. The amendment does not have impact on the financial statements on April 1, 2018.

Ind AS 40, "Investment Property"

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. The amendment does not have impact on the financial statements on April 1, 2018.

(v) Current/Non current classification

The Group presents assets and liabilities in consolidated balance sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Note 3
Significant accounting policies
This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been applied to all the periods presented, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities, it controls, both unilaterally and jointly. Control is achieved when the Company directly or indirectly is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company reassess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the conditions mentioned above.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Company directly or indirectly has control. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses and other comprehensive income (OCI). All material intra-group transactions and balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

The subsidiary is deconsolidated from the date control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) recognises the fair value of the consideration received.

(iii) recognises the fair value of any investment retained.

(iv) recognises any surplus or deficit in profit or loss.

(v) reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

(b) Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. 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.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using equity method of accounting, except when the investment, or portion thereof, is classified as held for sale or held for distribution to owners in which case it is accounted for as per Ind AS 105- 'Non-current assets held for sale and discontinued operations'. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. Dividend received or receivable from joint ventures are recognised as a reduction in carrying amount of the investment.

When the Group entities transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

When the Group ceases to consolidate on equity account for an investment, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets and liabilities. This may mean that amount previously recognised in other comprehensive income are classified to profit and loss.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 3.12 (a).

(c) Business Combination

The acquisition method of accounting is used to account for all business combinations except common control transactions. The consideration transferred for the acquisition of a subsidiary comprises the:

(i) fair values of the assets transferred;

(ii) liabilities incurred by the Group to the former owners of the acquired business;

(iii) equity interests issued by the Group; and

(iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. The entity recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition.

Acquisition -related costs are expenses as incurred.

The excess of the

(i) consideration transferred
(ii) amount of any non-controlling interest in the acquired entity, and
(iii) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

In the case of bargain purchase, the resultant gain is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities may be recognised, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognised at that date, had they been known. The measurement period does not exceed twelve months from the date of acquisition.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, assets and liabilities of combining entities are reflected at carrying amounts and no adjustments are made to reflect fair values, or recongnise any new assets or liabilities. The only adjustments are made to harmonise accounting policies. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The difference between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from capital reserve.

3.2 Foreign currencies

(a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. Functional currency of all the Group entities is Indian Rupees.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss.

Foreign exchange difference regarded as an adjustment to borrowing cost are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other (gains)/losses (net).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.3 Revenue recognition

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 approach with effect from April 1, 2018. Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these financial statements.

Revenue recognition accounting policy

Revenue is measured at 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. The Group recognises revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, data and connectivity services, connecting users of other fixed line and mobile networks to the Group's network.

The Group has two major types of revenue – retail/subscriber revenue from services that is postpaid and prepaid, and wholesale operator revenues that is interconnect, roaming and long distance services.

Revenue recognition for voice, data, messaging and VAS is over the period when these services are provided to the customers.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group does not consider collectability when determining the transaction price. When determining the transaction price, the Group considers the effects of all of the following.

a. Variable Consideration
The Group currently does not have significant variable considerations in its services.

b. Significant financing component
The Group currently does not have significant financing component in its services.

c. Non- cash consideration
The Group currently does not have non-cash consideration in transaction price.

d. Consideration payable to the customer
The Group currently does not have any significant consideration payable to the customer.

Costs to acquire and costs to fulfill a contract
Prior to the adoption of Ind AS 115, contract costs related to commission (cost to acquire) were expensed, as they did not qualify for recognition as an asset under any of the other accounting standards. However, under Ind AS 115, these costs relate directly to the contract, require resources used in satisfying the contract and are expected to be recovered. Under Ind AS 115, these have to be capitalised as contract costs. Capitalised contract costs are amortised over customer relationship period. Currently, the relationship period is not significant. Accordingly, the adoption of new standard Ind AS 115 does not have a significant impact on these financial statements.

Gross versus Net presentation
When revenue is recognised in respect of goods or services provided by third parties it is considered whether the Group acts as a principal or an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on the analysis of both from a legal and substance perspective of the underlying agreement between the parties.

M-pesa Services
Mainly comprises of commission income on transactions carried out by M-pesa subscribers (i.e. online bill payments, money transfers, etc). The revenue is recognised net of service tax and discounts.

Sale of devices
Revenue for device sales is recognised when the device is delivered to the end customer or distributor and the significant risks and rewards of ownership have transferred. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer or the distributor or the expiry of any right of return.

Multiple element contracts
In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

a) the deliverable has value to the customer on a stand-alone basis; and
b) there is evidence of the fair value of the item.

The arrangement consideration allocated to each separate unit of accounting based on its fair value.

CellSite Sharing Revenue
Service income from passive infrastructure is recognised from the date on which the sites are ready for active installation. Rental revenues are recognised on a monthly basis as per the contractual terms under agreements entered with customers. The Group has ascertained that the lease payments received are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases and therefore are not straight-lined.

Accrued Billing Revenue
Accrued billing revenue represent revenue recognised in respect of services provided from last bill date to the end of the reporting period.

Unearned Billing Revenue
Unearned billing revenue represents billing done to subscribers for which services have not been rendered up to the period end date.

3.4 Income Tax

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using Indian tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit not taxable profit (tax loss).

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax basis of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in Joint Ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax is charged or credited to the consolidated statement of profit and loss, except when it relates to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognised in other comprehensive income/(loss) or in equity.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.5 Leasing

As lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss. Payments made under operating leases (net of any incentives received or receivable from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

As lessor

The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income is recognised as income on a straight-line basis over the period of lease, which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Dark optic fibre cable (OFC) capacity given to other operators on long term non-cancellable lease is treated as a deletion of the asset from the block. The income (net) of net book value of OFC is recognised as profit on sale of assets in the year of sale.

3.6 License fees-revenue share

License fee (revenue share) and spectrum fees is computed at prescribed rates as per the license agreement entered in to by the Group with the Department of Telecommunication ('DoT') and charged to the consolidated statement of profit and loss in the period in which the related revenue is recognised.

3.7 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their historical cost, less depreciation and any impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's 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 of the item can be measured reliably. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

The assets acquired under the composite IT outsourcing agreement are accounted for based on fair value. Fixed assets are accounted for as own assets /finance lease as applicable under the contract. These assets are depreciated over their respective useful lives as in the case of Company's other own assets.

Asset retirement obligation ('ARO') is capitalised 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 recognised as a part of the cost of the assets and is measured based on present value of expected cost to settle the obligation.

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets. The useful lives have been determined based on technical evaluation which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets.

Following are the estimated useful life of various category of assets used:

Assets	**Life of assets**
Leasehold land	Over the period of lease
Building	50 years
Leasehold Improvements	Over the lease period or 5 years whichever is shorter
Plant and Machinery	
Batteries	4 years
Towers	15-18 years
Telecom Shelters	15 years
Other plant and machinery	8 years
Dark and Optic Fibre	15 years
Computer hardware	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 years

Depreciation is not provided on freehold land. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

3.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

3.9 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

(a) Goodwill

Goodwill arising on business combination, as explained in Note 3.1(c), is initially recognised as an asset at cost and is subsequently measured at cost less and accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment annually along with the Cash Generating Unit ('CGU') to which it is allocated. On disposal of a subsidiary or a jointly controlled entity, attributable amount of goodwill is included in the determination of the profit or loss recognised in the consolidated statement of profit and loss on disposal.

(b) Finite lived intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The residual value, amortisation period and method is reviewed at least annually. Changes in the residual value, expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Licenses and right to use spectrum

Amount paid by the Group to acquire licenses and spectrum rights from the Department of Telecommunication (DOT) are initially recognised at cost. Subsequently, license and spectrum rights are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation periods for the spectrum rights are determined primarily by reference to the unexpired period of the spectrum rights. Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the commencement of related network services for spectrum rights.

Amortisation period of the licenses are 20 years from the date of its receipt. Amortisation is charged on straight line basis over the useful file.

Brand

Brand acquired by the Group is shown at historical cost. Brand on acquisition of subsidiary is recorded at fair value on the date of acquisition. Subsequently brands are carried at cost less accumulated amortisation and impairment losses. The Group amortises brand using the straight line method over the estimated useful life.

Computer software

Computer software comprises computer software purchased from third parties. Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Direct costs include software development employee costs and directly attributable overheads. Software integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Computer software acquired under composite IT outsourcing agreement are accounted for based on fair value. These are accounted as owned assets / finance lease as applicable under the contract. These are amortised over their expected life on the same basis as owned assets or where shorter, over the term of the lease.

Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the date the software is available for use.

Bandwidth

Payment for Bandwidth capacities are classified as pre-payments in service agreements or under certain conditions as on acquisition of a right. In the later case, it is accounted as an intangible asset and the cost is amortised over the period of the agreements.

The estimated useful lives of finite lived intangible assets are as follows:

Assets	Useful Life
Licenses and spectrum	Over the remaining period of license and spectrum after being put to use
Brand	3-15 years
Computer software	3-5 years
Bandwidth	15 years

Disposal of Intangibles

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying value of the asset and are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

3.10 Non-current assets held for sale or held for distribution to owners and discontinued operations

Non-current assets are classified as held for sale or held for distribution to owners, if its carrying amount will be recovered principally through a sale transaction or through distribution to shareholders rather than through continuing use. For this to be the case, the asset must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distributions of such assets and its sale or distribution must be highly probable and sale or distribution is expected to be completed within one year from date of classification.

Non-current assets held for sale or held for distribution to owners are presented separately in the current section of the consolidated balance sheet. Non-current assets classified as held for sale or held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale or held for distribution to owners.

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

3.11 Impairment of assets

(a) Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as a Cash Generating Unit ('CGU') or a group of CGUs. Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversed in a subsequent period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(b) Property, plant and equipment, investment properties and finite lived intangible assets

At each reporting date, the Group determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where 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.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

3.12 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial Assets

(I) Classification

The Group classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss); and

b) those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows as mentioned below.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income ('OCI'). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

(II) Measurement

At initial recognition, the Group measures a financial asset on the trade date which is the date the Group becomes a party to the contractual terms, at its fair value plus the transaction costs that are directly attributable to the acquisition of the financial asset. In case of financial assets carried at fair value through profit or loss ('FVTPL'), transaction costs are expensed in consolidated statement of profit and loss as incurred.

Debt Instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

(i) Amortised Cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

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 in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss in other expenses.

(ii) Fair value through other comprehensive income ('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 consolidated 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 consolidated 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.

(iii) Financial assets at fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss ('FVTPL').

Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in fair value presented as other (gains)/losses (net) in consolidated statement of profit and loss. Interest income from these financial assets at fair value through profit or loss are included separately in other income.

Equity Investment

If Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments shall continue to be recognised in consolidated statement of profit and loss as other income when the Groups' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the consolidated statement of profit and loss as applicable.

(III) Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are measured at amortised cost and FVOCI.

Expected credit losses is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in consolidated statement of profit and loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. 'Past historical data of expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Group measures expected credit losses for Trade receivables using a provision matrix based on collection history. Accordingly, for trade receivables, the Group has followed simplified approach.

Expected credit loss for loans, security deposit and investments are measured at 12 months expected credit losses for cases where credit risk has not increased significantly since initial recognition.

The Group uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Assets are written off when there is no reasonable expectation of recovery based on management assessment. When recoveries are made, these are recognised in the consolidated statement of profit and loss.

(IV) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(V) Income Recognition

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised in consolidated statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(VI) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdraft shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of group's cash management.

(b) Financial Liabilities

The Group determines the classification of its financial liabilities according to the substance of the contractual arrangements entered into and the definition of the financial liability.

(I) Classification

The Group classifies its financial liabilities in the following measurement categories:

a) Those to be measured as financial liabilities at fair value through profit or loss,

b) Those to be measured at amortised cost

(II) Measurement

Financial liabilities are recognised initially on the trade date, which is the date the Group becomes the party to the contractual terms. Upon initial recognition, all financial liabilities are recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives liabilities, shall be subsequently measured at fair value.

The Group's financial liabilities include trade payables, borrowings including bank overdrafts and derivative financial instruments. The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired 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.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, 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. This category generally applies to borrowings.

(III) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

3.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

3.14 Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Changes in values of all derivatives are included within Other (gains)/losses (net) in the consolidated statement of profit and loss. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

3.15 Equity instruments

Equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Cost is determined on the basis of first in first out (FIFO) basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

3.17 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as employee benefits payable under other current financial liability in the consolidated balance sheet.

Benefit plan

The Group employee benefits include defined benefit plans and defined contribution plans. The Group also provides other benefits in the form of compensated absences.

The Group provided for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity act, 1972. Under the defined benefit retirement plan, the Group provides for the retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to vested employees at retirement or termination of employment based on respective employee salary and years of experience in the Group. The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Present value of Defined Benefit Obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

You Broadband India Limited ('YBIL) and certain employees of Vodafone Mobile Services Limited ('VMSL'), the Gratuity contributions are made to a trust administered by these companies. The Group's liability for these employees is actuarially determined (using the Projected Unit Credit method) at the end of the period/year.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability. Scheme liabilities are assessed using the projected unit credit method and applying the principal actuarial assumptions at the reporting date. Plan assets are valued at fair value.

Actuarial gains and losses are taken to the Statement of Other Comprehensive Income as incurred. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements in the net surplus or deficit are recognised in the consolidated statement of profit and loss, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the consolidated statement of profit and loss. The amount charged to the consolidated statement of profit and loss in respect of these plans is included within operating costs.

Contribution plan

The Group's contributions to defined contribution plans in the nature of Provident Fund and Superannuation are charged to the consolidated statement of profit and loss as they fall due. For superannuation scheme, the Group has established trusts and trusts have entered into a scheme of insurance with Life Insurance Corporation of India.

The Group has no further obligations under these plans beyond its periodic contributions.

Contribution towards provident fund for all employees is made to the regulatory authorities, where the Group has no further obligations.

Long term benefit obligations

The employees of the Group are entitled to compensate absences based on the unavailed leave balance. The Group records liability for compensated absences based on actuarial valuation computed under the projected unit credit method.

Accumulated compensated absences, which are expected to be availed or encashed are treated as employment benefits under current liabilities since the Group does not have an unconditional right to defer settlement at least twelve months after the reporting period. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the consolidated statement of profit and loss in the year in which they arise.

Share-based payments

The Group provides its employees with a share based payment plan as run by its ultimate holding company Vodafone Group Plc. ('VF Group Plc.). VF Group Plc. issues equity-settled share-based payments linked to its equity shares to certain employees of the Group in lieu of the services provided by them to the Group. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to Share based payment reserve, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The total expense (adjusted for estimated forfeitures) is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to Share based payment reserve in the year of change.

VF Group Plc. recharges to the Group certain cost for the share based payments made/ to be made by them to Group employees. Any excess / shortage of recharge as compared to the overall share based payment reserve balance is treated as either dividend paid to VF Group Plc. or capital contribution by VF Group Plc. respectively.

3.18 Provisions and Contingent Liabilities

a) Asset retirement obligations

Asset retirement obligations ('ARO') is provided for those assets or operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises to a condition similar to condition at the inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects current market assessment of time value of money and 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.

b) Other provisions

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.
Provisions are measured at the Group's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

c) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.19 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. It includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

Other borrowing cost includes interest paid to various regulatory authorities for delayed payment.

3.20 Profit before share of net profits of joint ventures accounted for using equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA)

The Group measures performance of business based on EBITDA, EBITDA is measured as total income less expense but excludes share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax from continuing operations.

3.21 Earnings per share

The Group's earnings per share ('EPS') is determined based on the net profit/(loss) attributable to the shareholders' of the Group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events, that have changed the number of ordinary shares outstanding, without a corresponding change in resources.

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.23 New accounting pronouncements to be adopted on or after August 31, 2018

There are no standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

3.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 4
Critical judgements and sources of estimation uncertainty

The Group prepares its consolidated financial statements in accordance with Ind AS as issued by the Ministry of Corporate Affairs ('MCA'), the application of which often requires judgments to be made by management when formulating the Group's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in Note 3 to the consolidated financial statements, 'Significant accounting policies'.

a. Impairment reviews

Management reviews the business performance at operating segment level i.e. passive infrastructure and mobile telecommunication services. These two segments have been identified as separate Cash Generating Unit (CGU). Passive infrastructure segment had two units; an investment in Indus Towers Limited which has been distributed to owners on June 22, 2018 and own towers which been disposed off as of March 31, 2018, accordingly there is no passive CGU as at August 30, 2018.

Management test indicators of impairment at least annually or at each balance sheet date and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. As at August 30, 2018 the management has updated their analysis performed as at March 31, 2018 based on latest approved business projections and macroeconomic assumptions. The recoverable amount is assessed based on an estimate of value in use (VIU) calculated using the discounted cash flow method. The VIU calculation is made using pre-tax budgeted cash flow projections based on management forecast for the next five years and the terminal value at the end of fifth year (after considering the relevant long-term growth rate).

As at August 30, 2018, the VIU is INR 1,123,185.

The table below shows the key assumptions used in the value- in- use calculations:

Particulars	As at August 30, 2018	As at March 31, 2018
Discount rate (in %)	11.3%	11.3%
Long term growth rate (in %)	5.0%	5.0%
Average Budgeted capital expenditure as % of revenue	11.5%	11.5%
Average EBITDA Margin (in %)	25.5%	25.2%
Revenue Growth Rate (CAGR %)	11.1%	9.5%

Assumptions	How determined
EBITDA Margins	EBITDA margins has been based on past experience adjusted for the following: • voice and messaging revenue continue to be impacted due to, the introduction of new services and unlimited calling plans by competition; • data revenue expected to grow as the penetration of 4G enabled devices and smartphones rise along with higher data bundle attachment rates as new products and services are introduced. However, the revenues are expected to be under severe pressure due to intense competition in the near future. • the margins are expected to be impacted by negative factors such as the cost of acquiring and retaining customers in increasingly competitive markets and saving accruing from exits of low used sites and leveraging on active sharing infrastructure.
Budgeted capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the on-going capital expenditure required to roll out networks, to maintain voice and data services and to meet the population coverage requirements. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and intangible assets.

Long-term growth rate	Long–term growth rate used for the purpose of calculation of terminal value has been determined as the lower of: • The nominal GDP rates for India; and • The long-term compound annual growth rate in EBITDA.
Discount rate	The discount rate applied to the cash flows is generally based on the risk free rate for ten year bonds issued by the government in India, these rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of VIL. In making this adjustment, inputs required are the equity market risk premium (that is the required increased return, over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific operating company relative to the market as a whole.
Revenue growth rate	This is based on the estimated growth rate for the industry and the Company's expected gain from the same.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

A change of ±3% of the discount rate has an impact of ±~6.2% (March 31, 2018: ±~6.4%) on the value in use, a change of ±3% of the long term growth rate has an impact of ±~2.2% (March 31, 2018: ±~2.4%) on the value in use and a change of ±3% of EBITDA margin/revenue growth rate has an impact of ±~5.6% (March 31, 2018: ±~6.2%)on the value in use.

b. Estimate of current and deferred tax

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the consolidated statement of profit and loss and tax payments. (Refer Note 14)

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. (Refer Note 14)

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. For the relative size of the Group's property, plant and equipment and intangible assets, refer Notes 6 and 9 respectively.

d. Provision for trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. The carrying amount of provision for trade receivables is INR 5,747 and INR 4,819 as at August 30, 2018 and March 31, 2018 respectively. Individual trade receivables are written off when management deems them not to be collectible. (Refer Note 17)

e. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. (Refer Notes 26 and 48)

f. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Group uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 34.

g. Non-current assets held for sale or held for distribution to owners and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale or held for distribution to owners and represents a separate major line of business or geographical area of operations.

Non-current assets are classified as held for sale or held for distribution to owners, if their carrying value will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell or distribute. One of the conditions that must be satisfied for a non-current asset to be classified as held for sale or held for distribution to owners is that such sale or distribution shall be highly probable within one year. The execution of transaction requires approval from the regulatory authority which is beyond the Group's control. However, the management remains committed to its plan.

Thus, the determination of whether such non-current assets should be classified as held for sale or held for distribution to owners, discontinued operations and fair value less cost to sell require significant management judgment considering all facts and circumstances relating to the transaction as they tend to be uncertain. (Refer Note 51)

Note 5
Segment Analysis

Information reported to the Chief Executive Officer and Chief Financial Officer who are chief operating decision makers ('CODM') for the purposes of resources allocation and assessment of segment performance focuses on the types of services provided.

The directors of the Company have chosen to organise the Group around the different services being provided. Operating segments have been aggregated based on similar risk and reward and on fulfilment of other aggregation criteria. The details analysed are based on Mobile telecommunication services business, passive infrastructure business and other business and a description of each segment is given below.

The Groups reportable segments in accordance with Ind AS 108 are as follows:

i) Mobile Telecommunication:
Providing mobile and fixed line data related mobile telecommunication services.

ii) Passive Infrastructure:
Passive Infrastructure segment, represents establishing, operating and maintaining wireless communication towers, providing network development services and providing towers on lease.

The Group has been classifying tower business as part of Passive Infrastructure Segment. During the year ended March 31, 2018, as explained in note 51, the Group has classified the tower business as Discontinued Operations. Since the Group continues to engage in the business of providing Passive Infrastructure Services and its results were regularly reviewed by the CODM, the same continues to be disclosed as a separate reportable segment in current period.

iii) Others:
Others include mainly mobile wallet business and sale of products which do not qualify as reportable segments.

Services rendered between segments are carried out at similar to arm's length terms. The revenue from external parties reported to the Chief operating decision makers is measured in a manner consistent with that in the consolidated statement of profit and loss.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information for the period April 1, 2018 to August 30, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure-Held for distribution to owners*	Others	Eliminations / Adjustments	Total
Segment Revenue					
External Revenue	123,779	-	398	-	124,177
Inter Segment Revenue	-	-	102	(102)	-
Total Revenue	**123,779**	**-**	**500**	**(102)**	**124,177**
Segment Results					
Segment EBITDA[(1)]	13,073	(1,574)	(313)	1,574	12,760
Depreciation and amortisation	(43,036)	-	(41)	-	(43,077)
Unallocated items:					
Share of net profits of joint venture accounted for using the equity method					(1)
Other gains/(losses)					(352)
Finance costs					(26,058)
(Loss) before tax from continuing operations					**(56,728)**
Income tax expenses					15,632
(Loss) after tax from continuing operations					**(41,096)**
Profit from discontinued operation before tax	-	9,687	-	-	9,687
Tax expenses of discontinued operations	-	-	-	-	-
Profit from discontinued operations					**9,687**
(Loss) after tax for the period					**(31,409)**
Other Comprehensive (Loss) for the period (Net of tax)					**117**
Total Comprehensive (Loss) for the period (Comprising (Loss) and Other Comprehensive (Loss) for the period)					**(31,292)**
Other Information					
Capital expenditure	57,478	-	(41)	-	57,437
Operating free cash flow#	(40,544)	(1,574)	(272)	1,574	(40,816)

* Refer Note 51B

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information as at August 30, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure- Assets held for distribution to owners*	Others	Eliminations / Adjustments	Total
Segment assets	1,292,645	-	3,851	-	1,296,496
Assets classified as held for sale or held for distribution to owners	-	-	-	-	-
Unallocated assets					159,197
Total assets					**1,455,693**
Segment liabilities	181,289	-	1,164	-	182,453
Liabilities directly associated with asset classified as held for sale	-	-		-	-
Unallocated liabilities					664,732
Total liabilities					**847,185**

* Refer Note 51B

Summary of the segmental information for the year ended March 31, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure		Others	Eliminations / Adjustments	Total
		Discontinued operation*	Held for distribution to owners**			
Segment Revenue						
External Revenue	346,394	2,130	-	1,179	(2,130)	347,573
Inter Segment Revenue	-	-	-	331	(331)	-
Total Revenue	**346,394**	**2,130**	**-**	**1,510**	**(2,461)**	**347,573**
Segment Results						
Segment EBITDA[(1)]	67,391	2,130	(1,399)	(796)	(731)	66,595
Depreciation and amortisation	(98,100)	(417)	-	(120)	417	(98,220)
Unallocated items:						
Share of net profits of joint venture accounted for using the equity method						3
Other gains/(losses)						1,002
Finance costs						(56,343)
(Loss) before tax from continuing operations						**(86,963)**
Income tax expenses						6,141
(Loss) after tax from continuing operations						**(80,822)**
Profit from discontinued operation before tax***	-	32,732	8,610	-	-	41,342
Tax expenses of discontinued operations	-	-	-	-	-	-
Profit from discontinued operations						**41,342**
(Loss) after tax for the year						**(39,480)**
Other Comprehensive (Loss) for the year (Net of tax)						**(15)**
Total Comprehensive (Loss) for the year (Comprising (Loss) and Other Comprehensive (Loss) for the year)						**(39,495)**
Other Information						
Capital expenditure	82,623	233	-	78	-	82,934
Operating free cash flow#	(9,063)	1,897	(1,399)	(874)	1,399	(8,040)

* As explained in Note in 51A, the expenses incurred for passive infrastructure segment are clubbed with Mobile Telecommunication as the CODM reviews the same as part of the Mobile Telecommunication segment.

** Refer Note 51B

***Discontinued operation includes INR 31,019 profit on sale of the passive undertaking on slump sale basis and held for distribution to owners represents dividend from Joint venture.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information as at March 31, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure Assets held for distribution to owners*	Others	Eliminations / Adjustments	Total
Segment assets	1,260,486	-	4,056	-	1,264,542
Assets classified as held for sale or held for distribution to owners	-	49,526	-	-	49,526
Unallocated assets					146,295
Total assets					**1,460,363**
Segment liabilities	192,572	-	1,456	-	194,028
Unallocated liabilities					687,653
Total liabilities					**881,681**

* Refer Note 51B

(1) Segment EBITDA represents segment earnings before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) earned by the segment. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of performance. Segment's performance is evaluated based on EBITDA and hence, EBITDA is the measure of Segment result.

Income earned from passive assets used for own operation in the previous year as well as leasing out have been disclosed in Passive Infrastructure segment. Property, plant and equipments have been grouped under Passive Infrastructure segment.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Segment assets and liabilities are measured in the same way as in the financial statements. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

#Operating free cash flows ('OFCF') represents segment EBITDA less capital expenditure other than licenses and spectrum included within intangible assets. OFCF have been calculated and presented even though this measure is not recognised within Ind AS. The Company believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties. OFCF allows the Company and external parties to evaluate liquidity.

Share of profit in Firefly joint venture is INR 1(Loss) (March 31, 2018: INR 3) included in Mobile Telecommunication services.

Assets other than classified as held for sale or held for distribution to owners are those which the Group continue to use in it's operation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 above.

Geography wise disclosures
The Group is domiciled in India. Geography-wise revenue from external customers is as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
India*	116,474	330,662
Rest of World	7,703	16,911
Total	**124,177**	**347,573**

*After reclassifying discontinued operation revenue of INR Nil (March 31, 2018: INR 2,130)
Service-wise revenue from external customers (Refer Note 36)

Entire non-current assets (other than financial instruments) and deferred tax assets are located in India. There are no major customers contributing 10% or more of the Group's revenue.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 6

Property, Plant and Equipment - As at August 30, 2018

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at August 30, 2018	As at April 1, 2018	Charge for the period	Deductions/ Adjustments	As at August 30, 2018	As at August 30, 2018	As at March 31, 2018
Freehold Land	66	-	-	66	-	-	-	-	66	66
Leasehold Land	597	-	2	595	25	3	2	26	569	572
Buildings	3,995	200	-	4,195	182	34	-	216	3,979	3,813
Leasehold improvements	1,376	31	42	1,365	906	100	39	967	398	470
Plant and machinery (Refer Notes 6.1 and 6.3)	419,286	17,364	1,332	435,318	148,746	23,528	951	171,323	263,995	270,540
Computer hardware	7,388	1,152	10	8,530	3,757	686	8	4,435	4,095	3,631
Office equipments	1,404	71	30	1,445	857	109	25	941	504	547
Furniture and fixtures	1,009	15	14	1,010	696	69	14	751	259	313
Vehicles	25	-	-	25	7	3	-	10	15	18
Sub-Total	435,146	18,833	1,430	452,549	155,176	24,532	1,039	178,669	273,880	279,970
Leased assets (1)										
Plant and machinery (2)	-	-	-	-	-	-	-	-	-	-
Computer hardware	9,326	1	-	9,327	7,545	522	-	8,067	1,260	1,781
Sub-Total	9,326	1	-	9,327	7,545	522	-	8,067	1,260	1,781
Total	**444,472**	**18,834**	**1,430**	**461,876**	**162,721**	**25,054**	**1,039**	**186,736**	**275,140**	**281,751**
Capital work-in-progress (Refer Note 6.2)	7,255	26,850	18,834	15,271					15,271	7,255

(1) Assets taken on finance lease.

(2) Assets fully depreciated but still in use

(All amounts are in INR millions, except per share data and unless stated otherwise)

Property, Plant and Equipment - As at March 31, 2018

	Gross Block (At Cost)						Accumulated Depreciation					Net Block	
	As at April 1, 2017	Pursuant to acquisition of subsidiary[3]	Additions/ Adjustments	Assets declassified as held for sale[4]	Deductions/ Adjustments[5]	As at March 31, 2018	As at April 1, 2017	Charge for the year	Assets declassified as held for sale[4]	Deductions/ Adjustments[5]	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	66	-	-	-	-	66	-	-	-	-	-	66	66
Leasehold Land	597	-	-	-	-	597	17	8	-	-	25	572	580
Buildings	3,697	-	72	226	-	3,995	78	95	9	-	182	3,813	3,619
Leasehold improvements	1,374	-	29	-	27	1,376	658	269	-	21	906	470	716
Plant and machinery (Refer Notes 6.1 and 6.3)	353,702	1,619	79,079	1,317	16,431	419,286	100,959	55,051	361	7,625	148,746	270,540	252,743
Computer hardware	5,070	4	2,345	-	31	7,388	2,480	1,307	-	30	3,757	3,631	2,590
Office equipments	1,297	6	137	-	36	1,404	606	280	-	29	857	547	691
Furniture and fixtures	994	1	47	-	33	1,009	525	200	-	29	696	313	469
Vehicles	5	1	20	-	1	25	2	6	-	1	7	18	3
Sub-Total	366,802	1,631	81,729	1,543	16,559	435,146	105,325	57,216	370	7,735	155,176	279,970	261,477
Leased assets [1]													
Plant and machinery [2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer hardware	9,326	-	-	-	-	9,326	5,401	2,144	-	-	7,545	1,781	3,925
Sub-Total	9,326	-	-	-	-	9,326	5,401	2,144	-	-	7,545	1,781	3,925
Total	**376,128**	**1,631**	**81,729**	**1,543**	**16,559**	**444,472**	**110,726**	**59,360**	**370**	**7,735**	**162,721**	**281,751**	**265,402**
Capital work-in-progress (Refer Note 6.2)	20,759	205	67,939	81	81,729	7,255						7,255	20,759

[1] Assets taken on finance lease.

[2] Assets fully depreciated but still in use

[3] Refer Note 52

[4] Refer Note 51C

[5] Refer Note 51A

(All amounts are in INR millions, except per share data and unless stated otherwise)

6.1 Additions to Plant and Machinery includes INR Nil (March 31, 2018: INR 6) for Site Restoration cost.

6.2 Capital work in progress as at August 30, 2018 includes goods in transit of INR 1,919 (March 31, 2018: INR 826).

6.3 Employee benefit cost capitalised INR 74 (March 31, 2018: INR 214) and Network operation and maintenance cost capitalised INR 252 (March 31, 2018: INR 1,127) and IT cost capitalised INR Nil (March 31, 2017: INR 89) included in Plant and Machinery.

6.4 Depreciation and Amortisation for the period/year:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Depreciation	25,054	59,360
Amortisation (Refer Note 9)	18,018	39,265
Depreciation on Investment Property (Refer Note 7)	5	12
Total	**43,077**	**98,637**
Depreciation		
from continuing operations	43,077	98,220
from discontinuing operations (Refer Note 51A)	-	417

Note 7
Investment Property

Particulars	As at August 30, 2018	As at March 31, 2018
Land		
Gross block		
Opening balance	720	720
Additions/ Adjustments	-	-
Closing balance	720	720
Accumulated depreciation		
Opening Balance	36	24
Additions/ Adjustments	5	12
Closing balance	41	36
Net block	**679**	**684**

Investment property comprises of leasehold land for which the title deed is in the name of the erstwhile legal entity i.e. Vodafone Shared Services Limited, the Group is initiating the process of getting the same transferred/mutated in the name of new legal entity i.e. Vodafone Business Services Limited.

Investment property of Vodafone Business Services Limited comprises a lease hold land. The land has been taken on lease from State Industrial Development Corporation. The remaining lease term for Leasehold land is 55.6 years (March 31, 2018: 56 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 INR 967 (INR 967 as on March 31, 2018).

Refer Note 34 Financial Instruments by Category for fair value disclosures of Investment Property.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 8
Goodwill

Particulars	As at August 30, 2018	As at March 31, 2018
Opening balance	73,825	71,681
Addition during the period/year*	-	2,144
Closing balance	**73,825**	**73,825**

* Refer Note 52 for addition in goodwill during the period/year.

The breakdown of goodwill balance is as under:

Particulars	As at August 30, 2018	As at March 31, 2018
Goodwill on consolidation	73,658	73,658
Goodwill on business acquisition	167	167
Total	**73,825**	**73,825**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 9
Other intangible assets - As at August 30, 2018

	Gross Block (At Cost)				Accumulated Amortisation				Net Block	
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at August 30, 2018	As at April 1, 2018	Charge for the period	Deductions/ Adjustments	As at August 30, 2018	As at August 30, 2018	As at March 31, 2018
License fees (Refer Note 9.1)	2,631	3	-	2,634	1,100	251	-	1,351	1,283	1,531
Right to use Spectrum (Refer Notes 9.1 and 9.2)	703,258	3,812	-	707,070	88,317	15,937	-	104,254	602,816	614,941
Brand	277	25,945	-	26,222	74	237	-	311	25,911	203
Computer software	9,628	2,216	7	11,837	5,782	965	2	6,745	5,092	3,846
Sub-Total	715,794	31,976	7	747,763	95,273	17,390	2	112,661	635,102	620,521
Leased Assets (1)										
Computer software	1,648	-	-	1,648	1,502	76	-	1,578	70	146
Bandwidth	12,353	1,454	-	13,807	2,578	552	-	3,130	10,677	9,775
Sub-Total	14,001	1,454	-	15,455	4,080	628	-	4,708	10,747	9,921
Total	**729,795**	**33,430**	**7**	**763,218**	**99,353**	**18,018**	**2**	**117,369**	**645,849**	**630,442**
Intangible assets under development (Refer Notes 9.2 and 9.3)	103,665	30,706	33,430	100,941					100,941	103,665

(1) Assets taken on finance lease

(All amounts are in INR millions, except per share data and unless stated otherwise)

Other intangible assets - As at March 31, 2018

	Gross Block (At Cost)						Accumulated Amortisation					Net Block	
	As at April 1, 2017	Pursuant to acquisition of subsidiary(2)	Additions/ Adjustments	Assets declassified as held for sale(3)	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Assets declassified as held for sale(3)	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
License fees (Refer Note 9.1)	2,631	-	-	-	-	2,631	736	364	-	-	1,100	1,531	1,895
Right to use Spectrum (Refer Notes 9.1 and 9.2)	629,196	-	74,062	-	-	703,258	53,179	35,138	-	-	88,317	614,941	576,017
Brand	-	277	-	-	-	277	-	74	-	-	74	203	-
Computer software	6,784	-	2,942	2	100	9,628	3,593	2,289	-	100	5,782	3,846	3,191
Sub-Total	638,611	277	77,004	2	100	715,794	57,508	37,865	-	100	95,273	620,521	581,103
Leased Assets (1)													
Computer software	1,647	-	1	-	-	1,648	1,104	398	-	-	1,502	146	543
Bandwidth	11,262	3	1,158	168	238	12,353	1,778	1,002	36	238	2,578	9,775	9,484
Sub-Total	12,909	3	1,159	168	238	14,001	2,882	1,400	36	238	4,080	9,921	10,027
Total	**651,520**	**280**	**78,163**	**170**	**338**	**729,795**	**60,390**	**39,265**	**36**	**338**	**99,353**	**630,442**	**591,130**
Intangible assets under development (Refer Notes 9.2 and 9.3)	168,881	-	12,947	-	78,163	103,665						103,665	168,881

(1) Assets taken on finance lease

(2) Refer Note 52

(3) Refer Note 51C

(All amounts are in INR millions, except per share data and unless stated otherwise)

9.1 The remaining amortisation period for intangible assets as at August 30, 2018 is:
a) License fee 3.1 to 17.4 years (March 31, 2018: 3.5 to 17.8 years)
b) Right to Use Spectrum is between 12.1 to18.1 years (March 31, 2018: 12.5 to 18.5 years)

9.2 Borrowing cost capitalised for the period April 1, 2018 to August 30, 2018 is INR Nil (year ended March 31, 2018: INR 1,755) included in Right to use spectrum and borrowing cost for the period April 1, 2018 to August 30, 2018 of INR 1,952 (year ended March 31, 2018: INR 4,558) is included in Intangible asset under development.

9.3 Intangible assets under development includes consideration paid and payable for the spectrum acquired in the auctions conducted by the Department of Telecommunication (DoT), along with the related interest cost upto the date of asset put to use.

Note 10
Principal Subsidiaries

The Company has the following principal subsidiaries carrying on businesses:

Name of the entity	Proportion of ownership interest held		Principal activities
	As at August 30, 2018	As at March 31, 2018	
Vodafone Mobile Services Limited ('VMSL')	100%	100%	Mobile Telecommunication Services
Vodafone Towers Limited ('VTL')	100%	100%	Passive Infrastructure Services
Vodafone Business Services Limited ('VBSL')	100%	100%	Backend IT support, data centre operations and hosting services
Mobile Commerce Solutions Limited ('MCSL')	100%	100%	Trading of handsets, data cards and related accessories.
Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013)	100%	100%	Promote and implement the Corporate Social Responsibility
Connect (India) Mobile Technologies Private Limited ('CIMTPL')	100%	100%	Trading in handsets, data cards and related accessories
Vodafone m-pesa Limited ('VMPL')	100%	100%	Mobile wallet business
Vodafone Technology Solutions Limited ('VTSL')	100%	100%	VAS application services
Vodafone India Ventures Limited ('VIVL')	100%	100%	Finance and IT shared services for the Group in India
Vodafone India Digital Limited ('VIDL')	100%	100%	Information Technology (IT) and related software and other related services
You Broadband India Limited(1) ('YBIL')	100%	100%	High speed broadband and internet services
You System Integration Private Limited(1) ('YSIPL')	100%	100%	Business of providing system integration, enterprise and home solution.

All the subsidiaries mentioned above are incorporated in India and are wholly owned subsidiaries of VIL directly or indirectly.

(1)Acquired on June 14, 2017 (Refer Note 52)

Note 11
Investment in Joint Ventures

A. Firefly Networks Limited
Firefly Networks Limited ('Firefly'), incorporated in India on February 4, 2014, is a joint venture between the Group and Bharti Airtel Limited. The Group has 50% (March 31, 2018: 50%) voting rights in the joint venture. The company was incorporated under the Companies Act, 1956 with an objective to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotpots to enable telecommunication and internet service providers, to offer Wi-Fi access across India.

The Group has joint control over this arrangement by virtue of the contractual agreements that require unanimous consent from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a Joint Venture.

(All amounts are in INR millions, except per share data and unless stated otherwise)

There are no significant restrictions on the ability of Firefly to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Firefly has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Summarised financial information of Firefly
The tables below provide summarised financial information for Firefly Networks Limited. The information disclosed reflects the amounts presented in Firefly's financial statements (at 100%) and not the Group's share (50%) of those amounts. There are no fair value adjustments and modifications for differences in accounting policy and hence the amounts used by Group when using the equity method are the same as disclosed in Firefly's financial statements.

i) Information relating to Statement of Profit and Loss

Particulars	**For the period April 1, 2018 to August 30, 2018**	**For the year ended March 31, 2018**
Revenue	40	78
Profit from operations after tax	(1)	5
Other comprehensive Income	*	*
Total Comprehensive Income	**(1)**	**5**
The following expenses were considered in determining the above loss:		
Depreciation and amortisation	*	*
Interest income	-	*
Interest expense	1	1
Income tax expense	-	*

ii) Information relating to Balance Sheet

Particulars	**As at August 30, 2018**	**As at March 31, 2018**
Non-current assets	**1**	**14**
Current assets	**54**	**41**
Included in the above Current assets are:		
Cash and cash equivalents	3	14
Non-current liabilities	**-**	**2**
Included in the above non-current liabilities are:		
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Current liabilities	**51**	**48**
Included in the above current liabilities are:		
Current financial liabilities (excluding trade and other payables and provisions)	10	24
Net Assets	**4**	**5**

iii) Reconciliation of share of net income/loss to carrying amount of its interest in the joint venture

Particulars	**For the period April 1, 2018 to August 30, 2018**	**For the year ended March 31, 2018**
Net profit as per financial information	**(1)**	**5**
Share in net profit @ 50%	(1)	3
Adjustments (VIL's share):		
Unrecognised losses (before adjusting investment)	8	8
Share of losses/(profit) in Firefly Joint Venture not recognised(after adjusting investment)	**-**	**-**
Share of Total comprehensive losses/ (income) in Firefly Joint Venture not recognised(after adjusting investment)	**-**	**-**

(All amounts are in INR millions, except per share data and unless stated otherwise)

iv) Reconciliation of share of net assets to carrying amount

Particulars	As at August 30, 2018	As at March 31, 2018
Net assets as per financial information:	**4**	**5**
Share in net assets @ 50%	2	3
Cumulative share of investment in Firefly Joint Venture	**2**	**3**

v) Movement of investment in Joint venture

Particulars	As at August 30, 2018	As at March 31, 2018
Balance at beginning of the period/year	**3**	**-**
Movement in investment during the period/year	-	-
Share of profits of Firefly Joint Venture (after adjustment of unrecognised losses of earlier periods)	(1)	3
Balance at end of the period/year	**2**	**3**

Since Firefly is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of group's investment in Firefly is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

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

B. Indus Towers Limited
Indus Towers Limited ('Indus') was incorporated in India on November 20, 2007 as Indus Infratel Limited. A fresh certificate of incorporation consequent to the change in name to Indus Towers Limited was issued by the Registrar of Companies, Delhi on March 28, 2008 under Section 23(1) of the Companies Act, 1956. The Company, Bharti Infratel Limited and Aditya Birla Telecom Limited hold voting rights of 42%, 42% and 11.15% respectively as on March 31, 2018. The Group was liable only to the extent of its investments in Indus Towers Limited. The principal activities of Indus are to provide and maintain passive infrastructure for telecom operators in India, including the Group.

The Group had joint control over this arrangement as under the contractual agreements, unanimous consent was required from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement was structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement was classified as a Joint Venture.

There were no significant restrictions on the ability of Indus to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Indus has share capital consisting solely of ordinary shares, which were held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Following the planned composite scheme of amalgamation and arrangement between Vodafone India Limited, Vodafone Mobile Services Limited and Idea Cellular Limited which was announced on March 20, 2017, since the investment in Indus Towers Limited does not fall with the scope of the merger and was to be suitably disposed to the shareholders of Vodafone India Limited, prior to the merger completion, the results of Indus were reported as discontinued operations in the consolidated statement of profit and loss and consolidated statement of cash flows. The results of the Joint Venture were not equity accounted w.e.f. March 20, 2017 in line with the treatment under Ind AS 105. Assets classified as held for distribution to owners were reported in the consolidated balance sheet from the date of announcement and as on March 31, 2018. The Group has completed the distribution to owners as on June 22, 2018 (Refer Note 51B). Accordingly, the investment in Indus Towers Limited was distributed to the owners of VIL in the proportion of their shareholding.

Summarised financial information of Indus
The tables below provide summarised financial information for Indus. The information disclosed reflects the amounts presented in Indus' financial statements (at 100%) and not the Group's share (42%) of those amounts. The amounts have been amended to reflect adjustments made by Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(All amounts are in INR millions, except per share data and unless stated otherwise)

i) Information relating to Statement of Profit and Loss

Particulars	For the period from April 1, 2018 to June 21, 2018*	For the year ended March 31, 2018
Revenue	47,731	191,683
Profit from operations before tax	10,886	47,605
Profit from operations after tax	7,062	31,012
Other comprehensive Income	1	3
Total Comprehensive Income	**7,063**	**31,015**
The following items were considered in determining the above income:		
Interest income	37	705
Depreciation and amortisation	6,242	27,766
Interest expense	1,472	5,053
Income tax expense	3,824	16,593

*Refer Note 51B

ii) Information relating to Balance Sheet

Particulars	As at June 21, 2018*	As at March 31, 2018
Non-current assets	**200,375**	**201,371**
Current assets	**40,601**	**34,802**
Included in the above Current assets are:		
Cash and cash equivalents	945	1,063
Non-current liabilities	**51,297**	**39,855**
Included in the above non-current liabilities are:		
Non-current financial liabilities (excluding trade and other payables and provisions)	27,325	15,786
Current liabilities	**83,515**	**64,368**
Included in the above current liabilities are:		
Current financial liabilities (excluding trade and other payables and provisions)	57,811	41,698
Net Assets	**106,164**	**131,950**

*Refer Note 51B

iii) Reconciliation of share of net income to carrying amount of its interest in the joint venture**

Particulars	For the year ended March 31, 2017
Net profit as per financial information (net of tax)	28,451
Accounting policy alignments	446
Net profit	**28,897**
Share in net Profit @ 42%	12,137
Share of other comprehensive income of Joint Venture (net of tax)	(9)
Share of Total comprehensive income in Indus Joint Venture recognised @42%	**12,128**

iv) Reconciliation of share of net assets to carrying amount**

Particulars	As at March 31, 2017
Net assets as per financial information	132,165
Accounting policy alignments	14,246
Net assets	**117,919**
Share in net assets @ 42%	49,526
Share of investment in Indus Joint Venture	**49,526**

** Amounts as at March 31, 2017 presented as the group has not equity accounted for its investment in the Joint Venture upon the investment being classified as held for distribution to owners w.e.f. March 20, 2017.

(All amounts are in INR millions, except per share data and unless stated otherwise)

v) Movement of investment in Joint venture

Particulars	As at March 31, 2017
Balance at beginning of the year	**49,519**
Movement in investment during the year	
Share of Profits of JV	12,137
Share of other comprehensive income (net of tax)	(9)
Dividend Income	(9,509)
Dividend distribution tax	(1,936)
General Reserve - Additional depreciation on fair valued assets pursuant to scheme of merger[(1)]	(676)
Assets classified as held for distribution to owners (Refer Notes 50 and 51B)	(49,526)
Balance at end of the year	**-**

[(1)] This adjustment is related to the court approved Scheme of Arrangement between Vodafone Infrastructure Limited (Vinfl), Idea Cellular Towers Infrastructure Limited (ICTIL), Bharti Infratel Ventures Limited (BIVL) and Indus Towers Limited (Indus), under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities of Vinfl , ICTIL and BIVL to Indus which became effective from June 11, 2013 upon filing of certified copy of the order of Honourable High Court with the Registrar of Companies, Delhi with an appointed date of April,1 2009. The Group has followed upto March 19, 2017, the accounting treatment adopted by Indus pursuant to said scheme of arrangement prescribed by the Honourable High Court under Ind AS which is in line which previous GAAP.

Since Indus is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of Group's investment in Indus is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

Notes:
1. For Group's share in capital commitments and lease commitments of Indus refer Note 47.
2. For Group's share in contingent liabilities of Indus refer Note 48.
3. For unrecognised Group's share of profits in Indus refer Note 51B

Note 12
Non Current Financial Assets-Loans
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
Loans to related parties (Refer Note 49)		
Loans to Joint venture - Indus Towers Limited	1,224	1,224
Security deposits[(1)]		
To related parties (Refer Note 49)	1,000	1,000
To others[(2)]	5,011	4,761
Total	**7,235**	**6,985**
Less: Provisions for amounts considered doubtful		
Security deposits to others	230	230
Total	**7,005**	**6,755**

[(1)] Security deposits primarily include security deposits given towards rented premises, cell sites, interconnect ports and electricity deposits.

[(2)] Refer Note 51A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 13
Non Current Financial Assets-Others
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
Long term deposits with banks with maturity period more than 12 months	-	1
Derivative financial assets (Refer Note 33)	431	330
Margin money [(1)]	11	10
Total	**442**	**341**

[(1)] Held as lien with banks in favour of local body authorities and Government authorities.

Note 14
Taxation

i. Income Tax expense

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Income tax expenses in respect of:		
Current period/year	12	3
Adjustment for current tax of prior periods	(1)	(1,744)
Total current tax	**11**	**(1,741)**
Origination and reversal of temporary differences	(15,643)	(4,400)
Total deferred tax benefit	**(15,643)**	**(4,400)**
Total income tax (income)	**(15,632)**	**(6,141)**
Income tax expense/(income) attributable to:		
from continuing operations	(15,632)	(6,141)
from discontinued operations	-	-

ii. Tax charge recognised directly to Other Comprehensive Income for continuing operations

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Deferred tax benefit	62	(7)
Total tax credit recognised directly to other comprehensive income	**62**	**(7)**

iii. Factors affecting tax expense for the period/year

The table below explains the differences between the expected tax expense, at the Indian statutory tax rate of 34.944% (March 31, 2018: 34.608%) payable by corporate entities in India on taxable profits under tax laws in India, and the Group's total tax expense for the period/year.

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
(Loss) before tax as per consolidated statement of profit and loss from continuing operations	(56,728)	(86,963)
Profit before tax as per consolidated statement of profit and loss from discontinued operations	9,687	41,342
Total Loss before tax	**(47,041)**	**(45,621)**
Expected income tax expense at statutory tax rate	(16,438)	(15,789)
Tax effects of:		
Tax expenses not deductible/income not subject to tax	(4,324)	6,039
Deferred tax asset not recognised on losses and other temporary differences in absence of reasonable certainty	4,416	6,030
Adjustments for tax of prior periods	(1)	(1,744)
Impact of change in effective tax rate	715	(677)
Income tax expense	**(15,632)**	**(6,141)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

iv. Deferred tax

Analysis of movements in the net deferred tax balance during the period/year

Particulars	As at August 30, 2018	As at March 31, 2018
As at the beginning of the period/year	**40,798**	**36,391**
Credited to consolidated statement of profit and loss		
Continuing operations	15,643	4,400
Discontinued operations	-	-
(Charged)/Credited directly to other comprehensive income	(62)	7
Net deferred tax assets as at the end of the period/year	**56,379**	**40,798**

Deferred tax assets and liabilities as at August 30, 2018:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	15,511	155,631	-	37,270	118,361
Depreciation and amortisation	(2,946)	67	(90,378)	67	(90,378)
Trade receivable and other financial assets	534	2,439	-	61	2,378
Employee benefit payable	295	295	-	-	295
Retirement benefits	(34)	586	-	17	569
Trade payables and provisions	2,861	25,781	-	36	25,745
Derivative financial assets/(liabilities) and borrowings	(640)	-	(591)	-	(591)
Amount charged through OCI	62	-	-	-	-
As at August 30, 2018	**15,643**	**184,799**	**(90,969)**	**37,451**	**56,379**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	56,396
Deferred tax liability	17

Deferred tax assets and liabilities as at March 31, 2018:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	33,836	135,704	-	32,854	102,850
Depreciation and amortisation	(16,801)	62	(87,432)	62	(87,432)
Trade receivable and other financial assets	18	1,913	-	69	1,844
Retirement benefits	38	623	-	20	603
Trade payables and provisions	(12,439)	22,912	-	28	22,884
Derivative financial assets/(liabilities) and borrowings	(245)	49	-	-	49
Amount charged through OCI	(7)	-	-	-	-
As at March 31, 2018	**4,400**	**161,263**	**(87,432)**	**33,033**	**40,798**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	40,798
Deferred tax liability	-

(All amounts are in INR millions, except per share data and unless stated otherwise)

v. Factors affecting the tax charge in future years
Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open tax disputes, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Group is routinely subject to audit by tax authorities in India. These are usually resolved through the Indian legal system. The Group considers each issue on its merits and, where appropriate, holds provisions in respect of the potential tax liability that may arise. However, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Group's overall profitability and cash flows in future periods.

Carried Forward Losses

The gross amount and expiry dates of losses available for carry forward are as follows:

Particulars	Expiring within 5 years	Expiring within 6-8 years	Unlimited	Total
Losses for which a deferred tax asset is recognised	304	-	338,542	338,846
Losses for which no deferred tax is recognised	29,778	9,182	76,596	115,556
As at August 30, 2018	**30,082**	**9,182**	**415,138**	**454,402**
Losses for which a deferred tax asset is recognised	304	-	294,022	294,326
Losses for which no deferred tax is recognised	28,481	3,511	68,958	100,950
As at March 31, 2018	**28,785**	**3,511**	**362,980**	**395,276**

Notes:
(i) The above losses denote business losses that are available for set-off against future taxable income.

(ii) Unabsorbed depreciation is allowed to be carried forward for an unlimited period as per the provisions of Income Tax Act, the year-wise unutilised amounts of which has been disclosed above as 'Unlimited'.

(iii) Deferred income tax assets are recognised for carried-forward income tax losses, to the extent of realisation of the related tax benefit through future taxable profits is probable.

(iv) Statutory income tax rate for calculation of deferred tax is 34.944% (March 31, 2018: 34.944%).

The Group has INR 13,600 (March 31, 2018: INR 13,600) as carry forward MAT credit entitlement which has not been recognised in absence of future taxable book profits before expiry of these entitlements.

The Group has INR 37,270 (March 31, 2018: 32,854) as deferred tax assets on carry forward losses which has not been recognised in the absence of future taxable profits before expiry of these entitlements.

Note 15
Other non current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
Capital advances	131	258
GST/CENVAT and Service tax credit	60	57
Prepaid expenses	1,218	1,312
Amount deposited under protest with Government authorities[1]	34,264	34,078
Total	**35,673**	**35,705**
Less: Provisions for amounts considered doubtful		
Capital advances	4	5
GST/CENVAT and Service tax credit	60	57
Amount deposited under protest with Government authorities	723	162
Total	**34,886**	**35,481**

[1] Advances under protest represents payments made to various Government authorities under protest.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 16
Inventories

Particulars	As at August 30, 2018	As at March 31, 2018
Stock-in-trade (acquired for trading) [Net of provision of INR 3 (March 31, 2018: INR 21)]	36	19
Total	**36**	**19**

Note 17
Current Financial Assets-Trade receivables (Refer Note 49 for related parties balances)

Particulars	As at August 30, 2018	As at March 31, 2018
Trade receivables		
Secured considered good	608	639
Unsecured considered good[1]	20,843	18,812
Unsecured considered doubtful	5,747	4,819
Total	**27,198**	**24,270**
Less : Provision for doubtful debts	(5,747)	(4,819)
Total	**21,451**	**19,451**

[1] Refer Note 51A

The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are predominantly non-interest bearing. Trade receivables are shown net of provisions for bad or doubtful debts.

Note 18
Current Financial Assets-Cash and cash equivalents

Particulars	As at August 30, 2018	As at March 31, 2018
Bank balances		
In current accounts	5,504	6,955
Demand deposits (less than 3 months maturity)	57,877	50,436
Cheques on hand	349	648
Cash on hand	92	102
Total	**63,822**	**58,141**

Bank balances and demand deposits with banks comprise cash held by the Group on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents as at reporting date approximates fair value.

Note 19
Current Financial Assets-Other bank balances

Particulars	As at August 30, 2018	As at March 31, 2018
Held in escrow account [1]	15	330
Demand deposits liened with Escrow account [1]	473	573
Margin money [2]	1,062	158
Bank deposits with maturity from 3-12 months	2	5
Earmarked balances[3]	151	217
Total	**1,703**	**1,283**

[1] Other bank balance maintained in escrow account 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.

[2] Held as lien with banks in favour of local body authorities and Government authorities.

[3] Balances related to restricted grants received in Vodafone Foundation.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 20
Current Financial Assets-Loans
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
Loans to related parties (Refer Note 49)		
Loans to Joint venture - Firefly Networks Limited	8	8
Security deposits[(1)]	132	139
Total	**140**	**147**

[(1)] Refer Note 51A

Note 21
Current Financial Assets-Others
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
Receivable from related parties (Refer Note 49)	137	124
Interest accrued on deposit with banks and others	106	32
Accrued billing revenue[(1)]	8,428	9,444
Derivative financial assets (Refer Note 33)	2,022	129
Others	65	63
Total	**10,758**	**9,792**

[(1)] Refer Note 51A

Note 22
Other current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at August 30, 2018	As at March 31, 2018
GST/CENVAT and Service tax credit	42,641	32,428
Advance to suppliers[(1)]	761	1,542
Advances to related parties (Refer Note 49)	1,999	1,146
Prepaid expenses[(1)]	3,705	2,733
Employee advances	2	2
Others	-	151
Total	**49,108**	**38,002**
Less: Provisions for amounts considered doubtful		
Advance to suppliers	93	85
Total	**49,015**	**37,917**

[(1)] Refer Note 51A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 23
Equity Share Capital

Particulars	As at August 30, 2018	As at March 31, 2018
[a] Authorised share capital		
5,000,000,000 (March 31, 2018: 5,000,000,000) equity shares of the par value of INR 10 each	50,000	50,000
	50,000	**50,000**
[b] Issued		
1,930,419,662 (March 31, 2018: 2,813,295,823) equity shares of INR 10 each	19,304	28,133
	19,304	**28,133**
[c] Subscribed and paid up		
1,930,419,662 (March 31, 2018: 2,813,295,823) equity shares of INR10 each fully paid up	19,304	28,133
	19,304	**28,133**

[d] Reconciliation of number of shares outstanding at the beginning and end of the period/year:

	As at August 30, 2018		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity :				
Outstanding at the beginning of the period/year	2,813,295,823	28,133	2,813,295,823	28,133
Less: Distribution of non current assets-Capital Reduction (Refer Note 51B)	1,312,121,171	13,121	-	-
Add: Issued during the period/year (Refer Note 23.1)	429,245,010	4,292	-	-
Outstanding at the end of the period/year	**1,930,419,662**	**19,304**	**2,813,295,823**	**28,133**

[e] Rights, preferences and restrictions attached to equity shares:
The Group has issued a single class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

[f] Shares held by the Holding Company or the Ultimate Holding Company including shares held by their subsidiaries or associates and nominees, in aggregate:

Name of the shareholder	As at August 30, 2018	As at March 31, 2018
Equity :		
Vodafone Group Plc., the Ultimate Holding Company and its subsidiaries	1,930,419,662	2,813,295,823

[g] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at August 30, 2018		As at March 31, 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Euro Pacific Securities Limited	534,923,771	27.71%	758,986,306	26.98%
Prime Metals Limited	293,145,649	15.19%	415,986,399	14.79%
Mobilvest	224,801,932	11.65%	318,870,690	11.33%
Vodafone Telecommunications (India) Limited	217,896,536	11.29%	309,165,696	10.99%
Trans Crystal Limited	195,983,845	10.15%	278,020,841	9.88%
Asian Telecommunications Investments (Mauritius) Limited	131,510,888	6.81%	186,562,701	6.63%
Telecom Investments India Private Limited	85,922,226	4.45%	160,975,557	5.72%
Al-Amin Investments Limited	109,013,763	5.65%	154,582,753	5.49%

[h] Equity shares issued for consideration other than cash:
Pursuant to approval of the Board and approval of shareholders in the financial year 2016-17, the Company issued and allotted bonus shares to its shareholders who were shareholders (members) as on July 15, 2016 being the record date fixed for ascertaining the entitlement of bonus shares. 1,118,502,436 fully paid up equity shares of INR 10 each were issued as bonus shares by utilising the Securities Premium Account amounting to INR 11,185. The bonus shares were issued and allotted in the ratio of 2:1 i.e. 2 shares for 1 share held by the shareholder as on the record date. Pursuant to the issue of bonus shares the paid up equity share capital of the Company increased by INR 16,778 comprising 1,677,753,654 equity shares of INR 10 each fully paid up.

Note 23.1
During the period ended August 30, 2018 the Company offered 515,891,473 equity shares of INR 10 fully paid up for cash at a premium of INR 248 each, on a Rights basis aggregating to INR 133,100 as per Rights Letter of Offer. Eight of the twelve shareholders applied for rights shares of 429,245,010 shares and were allotted on July 31, 2018 to them. Unsubscribed shares aggregating to 86,646,463 were cancelled.

Note 24
Share Based Payments
VF Group Plc. the Ultimate holding company has following share based payment plans in respect of services received from the employees of the Group:

The details of the schemes are as follows:

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 Company and its subsidiaries. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and VF Group Plc. The plans are administered by VF 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 1.6 years to 3 years after the grant date provided the employees remain in the continued employment of Vodafone 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 VF 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Following table summarises information of the schemes active as at period/year end:

Particulars	26-Jun-15	26-Jun-15	13-Nov-15	30-Jun-16	30-Jun-16	18-Nov-16	17-Feb-17	26-Jun-17	04-Aug-17	04-Aug-17	17-Nov-17	16-Feb-18	26-Jun-18
Number of options granted	2,327,629	748,678	364,616	3,169,025	826,535	25,900	187,591	6,767,788	486,496	389,197	157,002	439,353	5,077,305
Vesting period	3 years	3 years	1.6 to 3 Years	3 years/ 2 years	3 years	3 years	3 years/ 2 years	3 years/ 2 years	3 years	3 years	1.6 Years	2 to 2.4 Years	3 years/ 2 years
Vesting conditions	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	1.6 years to 3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	3 years continuous employment for GLTR	3 years continuous employment for GLTR	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	1.6 years continuous employment for GLTR	2 years to 2.4 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI
Estimated Fair Value as at grant date	£2.3912 (equivalent to INR 239)	£1.7958 (equivalent to INR 180)	£2.2142 (equivalent to INR 223)	£2.1670 (equivalent to INR 196)	£1.6729 (equivalent to INR 151)	£2.0532 (equivalent to INR 173)	£1.9829 (equivalent to INR 166)	£2.2358 (equivalent to INR 183)	£1.0813 (equivalent to INR 91)	£2.2386 (equivalent to INR 188)	£2.2352 (equivalent to INR 192)	£1.9961 (equivalent to INR 179)	£1.8381 (equivalent to INR 166)
Share price on Grant Date of per share award	£2.3935 (equivalent to INR 240)	£2.3935 (equivalent to INR 240)	£2.2160 (equivalent to INR 223)	£2.1679 (equivalent to INR 196)	£2.1679 (equivalent to INR 196)	£2.0535 (equivalent to INR 173)	£1.9830 (equivalent to INR 166)	£2.2330 (equivalent to INR 183)	£2.2400 (equivalent to INR 189)	£2.2400 (equivalent to INR 189)	£2.2845 (equivalent to INR 197)	£1.9986 (equivalent to INR 179)	£1.8418 (equivalent to INR 166)
Expected Dividends	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.
Free cash flow (applicable for GLTI/VGIP only)	Free cash flow of the Company and VF Group Plc. over 3 years	Free cash flow of the Company and VF Group Plc. over 3 years	Free cash flow of the Company and VF Group Plc. over 1.6 to 3 years	Free cash flow of the Company and VF Group Plc. over 2 to 3 years	Free cash flow of the Company and VF Group Plc. over 3 years	NA	NA	Free cash flow of the Company and VF Group Plc. over 2 to 3 years	Free cash flow of the Company and VF Group Plc. over 3 years	Free cash flow of the Company and VF Group Plc. over 3 years	NA	Free cash flow of the Company and VF Group Plc. over 2 to 2.4 years	Free cash flow of the Company and VF Group Plc. over 2 to 3 years

Pricing Model: Fair value 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

I. Movement in non-vested shares is as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Outstanding at beginning of the period/year	13,213,139	9,192,945
Granted during the period/year	5,516,658	7,800,483
Forfeited during the period/year	1,250,433	1,971,463
Vested during the period/year	1,909,112	1,808,826
Outstanding at end of the period/year	**15,570,252**	**13,213,139**
Weighted average fair value of share (INR per share)	174	198

II. Movement of Employee Share Based Payment:

Particulars	As at August 30, 2018	As at March 31, 2018
At the beginning of the period/year	1,332	1,018
Charged to consolidated statement of profit and loss for employee share based payments	358	802
(Capital contribution) by Ultimate holding company for employee share based payments	(261)	(145)
Payout for employee share based payments	(348)	(343)
At the end of the period/year	1,081	1,332

III. Share options outstanding at the end of the period/year have the following expiry date and exercise prices:

Sr. No.	Grant date	Expiry date	Exercise price	Share options outstanding	
				As at August 30, 2018	As at March 31, 2018
1	June 26, 2015	June 26, 2018	Nil	-	2,365,103
2	November 13, 2015	June 26, 2018	Nil	-	193,923
3	November 13, 2015	November 13, 2018	Nil	126,297	65,485
4	June 30, 2016	June 30, 2019	Nil	3,074,598	3,267,231
5	June 30, 2016	June 30, 2018	Nil	-	2,916
6	November 18, 2016	November 18, 2019	Nil	11,511	11,511
7	February 17, 2017	February 17, 2020	Nil	83,647	83,647
8	February 17, 2017	February 17, 2019	Nil	103,944	103,944
9	June 26, 2017	June 26, 2020	Nil	3,056,059	3,267,625
10	June 26, 2017	June 26, 2019	Nil	2,620,049	2,819,059
11	August 4, 2017	August 4, 2020	Nil	875,693	875,693
12	November 17, 2017	June 26, 2019	Nil	157,002	157,002
13	February 16, 2018	February 16, 2020	Nil	155,984	-
14	February 16, 2018	June 26, 2020	Nil	283,369	-
15	June 26, 2018	June 26, 2020	Nil	1,445,206	-
16	June 26, 2018	June 26, 2021	Nil	3,576,893	-
	Total			**15,570,252**	**13,213,139**
Weighted average remaining contractual life of the options outstanding at the end of the period/year (in months)				20	16

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 25
Non-Current Financial Liability-Borrowings

Particulars	As at August 30, 2018	As at March 31, 2018
Unsecured		
Unlisted, Unsecured, and Redeemable Non-Convertible Debenture [Refer Note 25.1 (a)]	54,710	65,265
Term loans		
From Banks [Refer Note 25.1 (a)]	12,037	2,884
From Others [Refer Notes 25.1 (a) and 25.1 (b)]	7,110	6,345
Deferred payment liability [Refer Note 25.1 (c)]	506,896	516,505
Finance Lease Obligation* [Refer Notes 25.1 (a) and 25.3]	2,817	2,990
Total Non-current borrowing including interest	**583,570**	**593,989**
Less:-Current maturities of unsecured long term debt	30,400	12,684
Less:-Current maturities of finance lease obligation	1,547	1,443
Less:-Current interest accrued on borrowings	44,942	41,724
Total	**506,681**	**538,138**

*Finance lease obligation includes obligation towards lease assets like computer hardware, computer software and dark fibre.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Terms of Repayment for Unsecured Term loans

25.1 (a)Terms of Repayment

Lender	As at August 30, 2018	As at March 31, 2018	Rate of interest As at August 30, 2018	Rate of interest As at March 31, 2018	Repayment terms
From Banks:					
Rupee Loans	10,708	1,665	9.60% to 9.64%	9.60%	INR 845 : Repayable in quarterly installments from August 2016 to February 2019. INR 9,862 : Repayable in quarterly installments from October 2022 to July 2023.
Foreign Currency Loans (USD)	1,329	1,219	3.98% to 5.17%	3.98% to 5.17%	Repayable in half yearly installments from March 2012 to March 2021.
Debenture	54,710	65,265	8.15% to 8.25%	8.05% to 8.25%	For loans aggregating to INR 25,444: Repayable on July 10, 2019. For loans aggregating to INR 29,264: Repayable on July10, 2020.
From Others:					
Rupee Loans	7,110	6,345	4.00% to 8.85%	4.00% to 8.85%	Repayable in quarterly installments from May 2014 to October 2020.
Finance lease obligation	2,817	2,990	8.00% to 9.30%	8.00% to 9.30%	Repayable in quarterly/yearly installments from April 2005 to June 2021.
	76,674	**77,484**			

	As at August 30, 2018	As at March 31, 2018
Disclosed as Unsecured:		
Long term borrowing	43,584	59,281
Current Maturity of long term borrowings [Includes Finance lease INR 1,547 (March 31, 2018 :INR 1,443)]	31,947	14,127
Current interest accrued on borrowings	1,143	4,076
	76,674	**77,484**

(All amounts are in INR millions, except per share data and unless stated otherwise)

25.1 (b) Unsecured loan from others are from financial institutions and vendors.

25.1 (c) Deferred payment liabilities

Deferred payment liabilities are in relation to spectrum acquisition made during the year ended March 31, 2014, March 31, 2015 and March 31, 2017.

Lender	As at August 30, 2018	As at March 31, 2018	Rate of interest As at August 30, 2018	Rate of interest As at March 31, 2018	Repayment terms
Department of Telecommunications (DoT)	506,896	516,505	9.30% to 10.00%	9.30% to 10.00%	Repayable in 14, 15 and 16 annual instalments starting from March 2017, April 2018 and October 2019 respectively[(1) & (2)]
	506,896	**516,505**			

	As at August 30, 2018	As at March 31, 2018
Disclosed as :		
Long term borrowing	463,097	478,857
Current interest accrued on borrowings	43,799	37,648
	506,896	**516,505**

[(1)] Annual instalments are first utilised towards interest and remaining for principal amount due.

[(2)] On March 19, 2018, the department of telecommunications has increased the number of years over which the repayment will be made from 10 to 14-16 years. The same has no impact on the fair value of assets or the carrying value of the liabilities, as the effective interest rate for each outstanding loan has not been changed by the department.

Note 25.2

Interest rate split and currency split of the Group's borrowings

Currency	Floating rate borrowings	Fixed rate borrowings	Total Borrowings
US Dollar	1,329	16,632	17,961
INR	28,075	609,176	637,251
As at August 30, 2018	**29,404**	**625,808**	**655,212**
US Dollar	3,314	11,366	14,680
INR	12,671	652,031	664,702
As at March 31, 2018	**15,985**	**663,397**	**679,382**

	As at August 30, 2018	As at March 31, 2018
Disclosed as:		
Non-Current Financial Liability-Borrowings	506,681	538,138
Current Financial Liability-Borrowings (Refer Note 29)	71,246	85,258
Current maturities of long term debt and finance lease obligation (Refer Note 31)	31,947	14,127
Current interest accrued on borrowings (Refer Note 31)	45,338	41,859
	655,212	**679,382**

The fair value of long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the under-lying credit risk of the respective Group entity. [Refer Note 35(II)(a)(ii)]

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 25.3
Finance lease obligations

The Group has taken certain assets on finance lease. The reconciliation between the total of minimum lease payments at consolidated balance sheet and their present value is as below:

Particulars	As at August 30, 2018	As at March 31, 2018
Minimum lease payments		
Within one year	1,745	1683
In one to five years	1,347	1690
In more than five years	7	9
Total	**3,099**	**3382**
Less: Future finance charges	(282)	(392)
Present Value of finance lease liabilities	**2,817**	**2,990**

The present value of finance lease liabilities is as follows:

Particulars	As at August 30, 2018	As at March 31, 2018
Within one year	1,547	1443
In one to five years	1,264	1538
In more than five years	6	9
Total	**2,817**	**2990**

There are no finance lease commitments of the Joint Ventures.

Note 25.4
Analysis of net debt and the movements in net debt

Net debt reconciliation

	As at August 30, 2018	As at March 31, 2018
Cash and cash equivalents	57,832	58,141
Bank balances other than cash and cash equivalents as above	1,703	1,283
Borrowings – repayable within one year	(142,541)	(141,244)
Borrowings – repayable after one year	(506,681)	(538,138)
Net debt	**(589,687)**	**(619,958)**
Cash and cash equivalents and other bank balances	59,535	59,424
Gross debt – fixed interest rates	(619,818)	(663,397)
Gross debt – variable interest rates	(29,404)	(15,985)
Net debt	**(589,687)**	**(619,958)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Liabilities from financing activities				Total
			Finance leases due within 1 year	Finance leases due after 1 year	Borrowing due within 1 year	Borrowing due after 1 year	
Net debt as at April 1, 2017	**32,203**	**1,102**	**1,276**	**2,664**	**77,688**	**554,111**	**(602,434)**
Addition due to acquisitions of subsidiary	-	-	-	-	453	-	(453)
Cash flows	25,895	181	(950)	-	27,090	(749)	685
Foreign exchange adjustments	43	-	-	-	(1,614)	7	1,650
Interest expenses	-	-	332	-	10,887	48,608	(59,827)
Interest paid	-	-	(332)	-	(40,089)	-	40,421
Other non-cash movements	-	-	1,117	(1,117)	65,386	(65,386)	-
Net debt as at March 31, 2018	**58,141**	**1,283**	**1,443**	**1,547**	**139,801**	**536,591**	**(619,958)**
Addition due to acquisitions of subsidiary	-	-	-	-	-	-	-
Cash flows	(289)	420	(173)	-	(30,645)	12,042	18,907
Foreign exchange adjustments	(20)	-	-	-	854	61	(935)
Interest expenses	-	-	113	-	5,482	19,758	(25,353)
Interest paid	-	-	(113)	-	(37,319)	(220)	37,652
Other non-cash movements	-	-	277	(277)	62,821	(62,821)	-
Net debt as at August 30, 2018	**57,832**	**1,703**	**1,547**	**1,270**	**140,994**	**505,411**	**(589,687)**

Note 26
Provisions

Particulars	As at August 30, 2018	As at March 31, 2018
Non-Current Liability - Provisions		
Asset retirement obligation[(1)]	48	55
Regulatory and other provisions	58,153	53,507
(A)	**58,201**	**53,562**
Current Liability - Provisions		
Regulatory and other provisions	1,017	1,017
(B)	**1,017**	**1,017**
Total (A)+(B)	**59,218**	**54,579**

*Refer Note 51A

Asset retirement obligations:
In the course of the Group's activities a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are substantially expected to occur at the dates of exit of the assets to which they relate, which are long-term in nature.

The Group uses various premises on lease to install the equipment. The Group recognises a provision for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements.

Legal and regulatory:
The Group is involved in a number of legal and other disputes, including notifications of possible claims. The management of the Group, after taking legal advice, have established provisions after taking into account the facts of each case. There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The following table provides details of gross provisions:

Particulars	Asset Retirement Obligations	Legal and regulatory	Total
As at April 1, 2017	**833**	**55,256**	**56,089**
Addition due to acquisition of subsidiary	-	32	32
Additions/adjustments during the year	6	12,044	12,050
Unwinding of discount	39	-	39
Reversals/utilisations during the year	(823)*	(12808)**	(13,631)
As at March 31, 2018	**55**	**54,524**	**54,579**
Additions/adjustments during the period	-	4,739	4,739
Unwinding of discount	1	-	1
Reversals/utilisations during the period	(8)	(93)	(101)
As at August 30, 2018	**48**	**59,170**	**59,218**

*Refer Note 51A

**During the year ended March 31, 2018, based on favorable rulings at various forums and external counsel opinion, the Group has reversed the provision as the outflow of resources is now considered remote. However, where demands have been received and litigation is in progress, the amounts have been disclosed as contingent liability.

Note 27
Employee Benefits Obligations

Particulars	As at August 30, 2018	As at March 31, 2018
Non-Current Liability - Provisions		
Employee benefits		
Gratuity	1,078	1,134
(A)	**1,078**	**1,134**
Current Liability - Provisions		
Employee benefits		
Gratuity	189	258
Compensated Absences	416	390
(B)	**605**	**648**
Total (A)+(B)	**1,683**	**1,782**

Defined Contribution Plan
The Group makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner.

Under this scheme, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. The Group has recognised INR 275 for Provident Fund and Pension Fund contributions in the consolidated statement of profit and loss for the period April 1, 2018 to August 30, 2018 (March 31, 2018: INR 670). The contributions payable by the Group are in accordance with rules framed by the Government of India from time to time.

The Group makes quarterly contributions to the superannuation trusts at a specified percentage of the covered persons' salaries. Trusts fund are managed by entering into a scheme of insurance with Life Insurance Corporation of India. Covered persons' pensions are paid by trust at the time of retirement. The Group has recognised INR 6 for Superannuation Fund contribution in the consolidated statement of profit and loss for the period April 1, 2018 to August 30, 2018 (March 31, 2018: INR 15).

Defined Benefit Plan - Gratuity
The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service. The plan is funded for some eligible employees in case of subsidiary VMSL and all employees in case of subsidiary YBIL. For VIL and all other subsidiaries it is unfunded. Gratuity contributions are made to trust administered by the VMSL and YBIL.

(All amounts are in INR millions, except per share data and unless stated otherwise)

An analysis of net (deficit)/assets is provided below for the Group's principal defined benefit gratuity scheme.

Particulars	As at August 30, 2018	As at March 31, 2018
Analysis of net deficit/ (assets):		
Present value of funded scheme liabilities	154	155
Fair value of plan assets	(98)	(95)
Net deficit for funded schemes	**56**	**60**
Present value of unfunded obligations	1,211	1,332
Net deficit / (assets)	**1,267**	**1,392**

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the consolidated balance sheet arising from the Group's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2017
Movement in defined benefit obligations:		
At the beginning of the period/year	1,487	1,352
Addition due to acquisition of subsidiary	-	14
Current service cost	85	201
Past service cost	-	2
Interest cost	42	87
Remeasurements :		
Actuarial (gain)/loss arising from change in financial assumptions	(41)	(31)
Actuarial (gain)/loss arising from change in demographic assumptions	-	(15)
Actuarial loss arising on account of experience changes	(138)	72
Benefits paid	(70)	(195)
At the end of the period/year	**1,365**	**1,487**
Movement in fair value of plan assets:		
At the beginning of the period/year	95	74
Addition due to acquisition of subsidiary	-	8
Employer contributions	3	11
Interest income	3	6
Remeasurements :		
Return on plan assets, excluding amount included in interest expense/(income)	-	4
Benefits paid	(3)	(8)
At the end of the period/year	**98**	**95**

The components of defined benefit plan cost are as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Recognised in Consolidated statement of profit and loss		
Current service cost	85	201
Past service cost	-	2
Interest cost (net)	39	81
Total	**124**	**284**
Recognised in Other Comprehensive Income		
Post employment loss recognised	(179)	22

(All amounts are in INR millions, except per share data and unless stated otherwise)

Actual return on plan assets

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Actual return on plan value of assets	3	10

Analysis of plan assets is as follows:

Particulars	As at August 30, 2018	As at March 31, 2018
Insurer managed funds (%)	91%	92%
Others (%)	9%	8%
Total	**100%**	**100%**

The schemes have no direct investments in the Group's equity securities or in property currently used by the Group.

The principal actuarial assumptions used for estimating the Group's benefit obligations are set out below:

Particulars	August 30, 2018	March 31, 2018
Mortality table	*	*
Discount rate	8.00%	7.50%
Expected average remaining working lives of employees (years)	23.71	24.19
Rate of escalation in salary	7%	9% for 1st year & 7% thereafter
Expected rate of return on plan assets	8.00%	7.50%
Attrition rates	30 years & below - 35% 31-40 years - 20% 41-50 years - 15% 51 years & above - 15%	30 years & below - 35% 31-40 years - 20% 41-50 years - 15% 51 years & above - 15%

* Published rates under the Indian Assured lives Mortality (2006-08) ULT table.

Notes:

1. Discount rate

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity of the defined benefit obligation:

A change of ±0.5% (March 31, 2018: ±0.5%) of the discount rate for defined benefit obligation has an impact of ±~35 (March 31, 2018: ±~36) on the consolidated statement of profit and loss. A change of ±0.5% (March 31, 2018: ±0.5%) of the rate increase in salary for defined benefit obligation has an impact of ±~32 (March 31, 2018: ±~36) on the consolidated statement of profit and loss. These are the only significant risk for the same.

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The weighted average duration of the defined benefit obligation is 5 years.

Expected contribution to post employment benefit plans for next one year as at March 31, 2018 is INR 3 (March 31, 2018: INR 4)

(All amounts are in INR millions, except per share data and unless stated otherwise)

Expected maturity analysis of undiscounted gratuity benefit is as follows:

August 30, 2018	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	189	225	550	1,272	2,236
Total	**189**	**225**	**550**	**1,272**	**2,236**
March 31, 2018					
Defined benefit obligations (Gratuity)	258	219	577	1,253	2,307
Total	**258**	**219**	**577**	**1,253**	**2,307**

Note 28
Other non current liabilities

Particulars	As at August 30, 2018	As at March 31, 2018
Unearned billing revenue	849	945
Total	**849**	**945**

Note 29
Current Financial Liability-Borrowings

Particulars	As at August 30, 2018	As at March 31, 2018
Unsecured loans (Refer Note 29.1)		
From banks	53,230	62,570
Bank overdraft	5,990	-
From others	920	442
Commercial paper [Maximum amount outstanding at any time during the period/year INR 26,800 (March 31, 2018: INR 27,000)]	11,502	22,381
Total	**71,642**	**85,393**
Less:-Current interest accrued on borrowings	396	135
Total	**71,246**	**85,258**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 29.1
Terms of repayment for unsecured loans

Lender	As at August 30, 2018	As at March 31, 2018	Rate of interest As at August 30, 2018	Rate of interest As at March 31, 2018	Repayment terms
Unsecured loans					
From Banks:					
Rupee Loans	36,598	49,109	6.99% to 9.60%	7.25% to 8.75%	INR 33075 : Repayable in full on various maturity dates between September 2018 to June 2019. INR 3523 : Repayable in installments on January 2019, March 2019, April 2019, May 2019.
Bank overdraft	5,990	-	8.05% to 8.50%	-	Repayable on demand
Buyers Credit	8,235	9,846	2.02% to 4.32%	1.89% to 2.54%	Repayable in full on various maturity dates between September 2018 to August 2019.
Foreign Currency Loans(USD)	8,397	3,615	4.08% to 4.39%	3.11% to 3.40%	Repayable in bullet payment on November 2018 and December 2018.
From others	920	442	7.90% to 8.25%	7.90%	Repayble in 3 equal installment due in April 2018 to March 2019.
Commercial Paper	11,502	22,381	7.50% to 8.90%	7.20% to 7.60%	Repayable in bullet payment on September 2018 to March 2019.
Total	**71,642**	**85,393**			

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 30

Current Financial Liability-Trade payables (Refer Note 49 for related parties balances)

Particulars	As at August 30, 2018	As at March 31, 2018
Trade payables[(1)]		
Total outstanding dues of micro and small enterprises	139	268
Total outstanding dues of creditors other than micro and small enterprises	55,409	68,242
Total	**55,548**	**68,510**

[(1)] Refer Note 51A

The carrying amount of trade payables as at reporting date approximates fair value.

Note 30.1 Disclosure for Micro, Small and Medium Enterprises

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act have been determined on the basis of information available with the Group, are as follows:

	As at August 30, 2018	As at March 31, 2018
(a)(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting period/year	68	202
(ii) Interest due thereon	2	3
(b)(i) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	487	1,026
(ii) Interest paid to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	-	-
(c) Interest due and payable for the year ,where the principal has been paid but interest under the MSMED Act, 2006 not paid	4	12
(d) Interest accrued and remaining unpaid at the end of accounting period/year	71	66
(e) Further interest due andpayable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note 31

Current Financial Liability-Others

Particulars	As at August 30, 2018	As at March 31, 2018
Current maturities of unsecured long term debt	30,400	12,684
Current maturities of finance lease obligation (Refer Note 25.3)	1,547	1,443
Interest accrued on borrowings (Refer Note 31.1)	45,338	41,859
Security deposits	3,057	3,265
Employee benefits payable	1,220	3,219
Capital creditors [Includes Acceptance of INR 18,859 (March 31, 2018: INR 19,779)][(1)]	47,499	46,768
Derivative financial liabilities (Refer Note 33)	-	341
Monies received from merchant establishments and customers	672	822
Regulatory liabilities	4,249	76
Others	224	287
Total	**134,206**	**110,764**

[(1)] Refer Note 51A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 31.1
Break up of Interest accrued on borrowings

	As at August 30, 2018	As at March 31, 2018
Interest accrued on Buyers credit	101	119
Interest accrued on Rupee loans	415	63
Interest accrued on Foreign currency loan	57	5
Interest accrued on Deferred Spectrum	43,799	37,648
Interest accrued on Debentures	966	4,024
Total	**45,338**	**41,859**

Note 32
Other current liabilities

Particulars	As at August 30, 2018	As at March 31, 2018
Advance from customers	12,416	14,820
Unearned billing revenue[(1)]	1,491	2,252
Statutory dues including provident fund and tax deducted at source	2,367	3,171
Total	**16,274**	**20,243**

[(1)] Refer Note 51A

Note 33
Derivative financial assets
The Group uses foreign exchange forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated into any hedge accounting relationship and are entered into for periods consistent with currency and interest exposures.

The details of fair values of the derivative financial instruments are as under:

Particulars	As at August 30, 2018		As at March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange forward contracts, currency and interest rate swaps	2,453	-	459	341
Total derivatives	**2,453**	**-**	**459**	**341**
Current portion	2,022	-	129	341
Non Current portion	431	-	330	-

The notional principal amounts of the outstanding forward foreign exchange contracts at August 30, 2018 is INR 45,957 (March 31, 2018: INR 42,885)

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 34
Financial Instruments by Category

Particulars	As at August 30, 2018	As at March 31, 2018
Financial Assets		
Financial assets carried at fair value through profit or loss (Level 2)		
Derivative financial assets (Note 33)	2,453	459
Total (A)	**2,453**	**459**
Financial assets measured at amortised cost (Level 3)		
Cash and cash equivalents (Note 18)	63,822	58,141
Trade receivables (Note 17)	21,451	19,451
Security deposits (Notes 12 and 20)	5,913	5,670
Loans to related parties (Notes 12 and 20)	1,232	1,232
Accrued billing revenue (Note 21)	8,428	9,444
Other bank balances (Note 19)	641	1,125
Margin money (Notes 13 and 19)	1,073	168
Interest accrued on deposit with banks and others (Note 21)	106	32
Receivable from related parties (Note 21)	137	124
Other financial assets (Notes 13 and 21)	65	64
Total (B)	**102,868**	**95,451**
Total Financial Assets (A+B)	**105,321**	**95,910**
Financial Liabilities		
Financial liabilities carried at fair value through profit or loss (Level 2)		
Derivative financial liabilities (Note 33)	-	341
Total (A)	**-**	**341**
Financial liabilities measured at amortised cost (Level 3)		
Borrowings (Notes 25,29 and 31)	609,874	637,523
Trade payables (Note 30)	55,548	68,510
Security deposits (Notes 31)	3,057	3,265
Capital creditors (Note 31)	47,499	46,768
Current interest accrued on borrowings (Note 31)	45,338	41,859
Employee benefits payable (Note 31)	1,220	3,219
Monies received from merchant establishments and customers (Note 31)	672	822
Regulatory liabilities (Note 31)	4,249	76
Other financial liabilities (Note 31)	224	287
Total (B)	**767,681**	**802,329**
Total Financial Liabilities (A+B)	**767,681**	**802,670**

Fair Value Estimation

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the consolidated balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).

Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Observable inputs that reflect quoted prices (un-adjusted) for identical assets or liabilities in active markets.

Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Un-observable inputs reflecting the Group's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The table below sets out the allocation of financial instruments of the Group held at fair value at each reporting date:

Particulars	As at August 30, 2018	As at March 31, 2018
Financial assets		
Financial assets at fair value through profit or loss (level 2):		
Derivative financial instruments:		
Foreign exchange forward contracts, currency and interest rate swaps	2,453	459
Total assets	**2,453**	**459**
Financial liabilities		
Financial liabilities at fair value through profit or loss (level 2):		
Derivative financial instruments:		
Foreign exchange forward contracts, currency and interest rate swaps	-	341
Total liabilities	**-**	**341**

There were no changes made during the period 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 assets or liability.

Liabilities for which fair value is disclosed

The fair values and carrying values of the Group's financial liabilities held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

Particulars	Fair Value		Carrying Value	
	As at August 30, 2018	As at March 31, 2018	As at August 30, 2018	As at March 31, 2018
Financial Liabilities (Level 2)				
Borrowings - Current	103,193	99,385	103,193	99,385
Borrowings - Non current				
Fixed rate borrowings	528,516	567,899	496,052	535,840
Other borrowings	10,629	2,298	10,629	2,298
Total	**642,338**	**669,582**	**609,874**	**637,523**

The fair value of derivative financial instrument is determined based on quoted prices for similar assets and liabilities in active market or inputs that are directly or indirectly observable in the marketplace. None of the financial assets or financial liabilities is measured at fair value in Level 1 or Level 3.

Trade receivables, security deposits, loans to related parties, accrued billing revenue, other bank balances, margin money, Interest accrued on deposit with banks and others, receivable from related parties, trade payables, security deposits from customer and others, capital creditors, Interest accrued on borrowings, employee benefits payable, monies received from merchant establishments and customers, and regulatory liabilities are not shown in above table as their carrying value is approximate their fair values. Cash and cash equivalents are held on a short term basis with all having a maturity three months or less.

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 3).

Particulars	Fair Value		Carrying Value	
	As at August 30, 2018	As at March 31, 2018	As at August 30, 2018	As at March 31, 2018
Financial Assets (Level 3)				
Investment Property (Refer Note 7)	967	967	679	684
Total	**967**	**967**	**679**	**684**

There were no changes made during the period to valuation methods or the processes to determine classification of level. Level 3 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the Investment Property. The Group generally gets investment property fair valued at the end of every year.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 35
Capital and financial risk management

I. Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal capital structure so as to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it based on the current economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities, including money market borrowings and other instruments permitted under its treasury policy, to meet anticipated funding requirements.

The Group is subject to certain capital monitoring requirements of lending banks due to line of credit (fund and non-fund based) taken from them. The said financial covenants are based on net debt/ EBITDA coverage and interest coverage ratio, other undertakings are in the nature of prohibition/consent/prior notice for alteration/change in shareholding, buy-back/redemption of shares, significant disposal of assets etc. or restriction on change of control of the borrowing entity or sale / liquidation / merger / de-merger of its subsidiaries, change in nature of business, etc. There are no significant external capital restrictions imposed on any of the Group entities, by any of the lenders or under any of the relevant laws and regulations. For the year ended March 31, 2018, the Group had obtained lender consents for waiver of covenants upto March 31, 2018 and one lender had given waiver of covenants upto June 30, 2018. The Group has complied the debt covenant during the period ended August 30, 2018.

The Group monitors capital structure on the basis of Net Debt/EBITDA coverage and interest coverage ratio. Net Debt/ EBITDA coverage is calculated as Net debt divided by EBITDA. Net debt is calculated as total borrowings less Cash and cash equivalents, subordinated loans from ultimate holding Company. EBITDA is taken before profit/ (loss) from joint ventures. The Group's strategy is to maintain the Net Debt / EBITDA coverage within the range of 2-5 times.

Interest coverage ratio is calculated as EBITDA divided by Interest cost. Interest cost includes interest capitalised. Interest cost excludes interest cost of subordinate loans including debentures and interest income. Further for compliance with debt covenant, any capital infusion post project completion dates are added to EBITDA for a period of twelve months from the date of infusion. During the period ended August 30, 2018, the Group's strategy, which was same as March 31, 2018 is to maintain the interest coverage as 1.5-4 times of total interest cost.

The debt-service coverage ratios and interest coverage multiple were as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
EBITDA	123,135	64,831
Net-debt	512,345	532,250
Interest cost	27,992	59,891
Net Debt / EBITDA coverage multiple	3.65	8.21
Interest coverage multiple (times)	4.40	1.08

II. Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (that is foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department ("Group Treasury") under a formal written treasury policy approved by the board of directors of the Group. Group treasury identifies, evaluates and hedges financial risks. The treasury policy covers the areas of overall risk management, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The Group uses derivative financial instruments for managing the foreign exchange risk and interest rate risk and are transacted by specialist treasury personnel specified in a written Treasury Dealing Mandate which is approved by the board of directors. The Group treasury personnel do not perform any accounting functions, as a measure of segregation of duties. A separate treasury back-office team reporting to the financial controller manages the control functions relating to treasury, including independent confirmation of deals entered into by corporate treasury personnel. The Group has internal assurance department who is independent from Group treasury regularly reviews various internal control. The Group's internal auditor also reviews the internal control environment periodically.

a) Market Risk
(i) Foreign exchange risk
Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Group is exposed to foreign exchange risk mainly arising from foreign currency borrowings, trade receivable and trade payables primarily denominated in United States Dollar ('USD'), European Union Currency ('EURO') or Great Britain Pound ('GBP') currencies. The Group conducts itself according to the treasury policy for management of foreign exchange risk.

Long term foreign currency borrowings are denominated in USD. The Group has entered into cross currency swaps (CCS) /forward contracts to hedge all the foreign exchange risk on the principal and interest amount payable on borrowings.

The currency profile of financial assets and financial liabilities are as below:

Financial Assets	INR	USD	GBP	Others	Total
As at August 30, 2018					
Cash and cash equivalents	63,454	368	-	-	63,822
Trade receivables	12,099	7,091	241	2,020	21,451
Security deposits	5,912	1	-	-	5,913
Loans to related parties	1,232	-	-	-	1,232
Accrued billing revenue	8,428	-	-	-	8,428
Other bank balances	641	-	-	-	641
Margin money	1,073	-	-	-	1,073
Interest accrued on deposit with banks and others	106	-	-	-	106
Receivable from related parties	137	-	-	-	137
Other financial assets	65	-	-	-	65
Total	**93,147**	**7,460**	**241**	**2,020**	**102,868**

Financial Assets	INR	USD	GBP	Others	Total
As at March 31, 2018					
Cash and cash equivalents	57,873	268	-	-	58,141
Trade receivables	12,662	5,258	462	1,069	19,451
Security deposits	5,670	-	-	-	5,670
Loans to related parties	1,232	-	-	-	1,232
Accrued billing revenue	9,444	-	-	-	9,444
Other bank balances	1,125	-	-	-	1,125
Margin money	168	-	-	-	168
Interest accrued on deposit with banks and others	32	-	-	-	32
Receivable from related parties	124	-	-	-	124
Other financial assets	64	-	-	-	64
Total	**88,394**	**5,526**	**462**	**1,069**	**95,451**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Financial Liabilities	INR	USD	EURO	GBP	Others	Total
As at August 30, 2018						
Borrowings	592,071	17,803	-	-	-	609,874
Trade payables	48,508	5,646	1,319	7	68	55,548
Security deposits	3,057	-	-	-	-	3,057
Capital creditors	18,566	28,894	12	27	-	47,499
Interest accrued on borrowings	45,180	158	-	-	-	45,338
Employee benefits payable	1,220	-	-	-	-	1,220
Monies received from merchant establishments and customers	672	-	-	-	-	672
Regulatory liabilities	4,249	-	-	-	-	4,249
Other financial liabilities	224	-	-	-	-	224
	713,747	**52,501**	**1,331**	**34**	**68**	**767,681**
Less: CCS/Forward contract						
Borrowings	-	17,803	-	-	-	17,803
Trade payables	-	1,048	-	-	-	1,048
Capital creditors	-	26,948	-	-	-	26,948
Interest accrued on borrowings	-	158	-	-	-	158
Total	**713,747**	**6,544**	**1,331**	**34**	**68**	**721,724**

Financial Liabilities:	INR	USD	EURO	GBP	Others	Total
As at March 31, 2018						
Borrowings	622,969	14,554	-	-	-	637,523
Trade payables	61,606	3,104	2,727	1,007	66	68,510
Security deposits	3,265	-	-	-	-	3,265
Capital creditors	20,055	26,713	-	-	-	46,768
Interest accrued on borrowings	41,733	126	-	-	-	41,859
Employee benefits payable	3,219	-	-	-	-	3,219
Monies received from merchant establishments and customers	822	-	-	-	-	822
Regulatory liabilities	76	-	-	-	-	76
Other financial liabilities	287	-	-	-	-	287
	754,032	**44,497**	**2,727**	**1,007**	**66**	**802,329**
Less: CCS/Forward contract						
Borrowings	-	14,554	-	-	-	14,554
Trade payables	-	1,259	2,039	-	-	3,298
Capital creditors	-	24,964	-	-	-	24,964
Interest accrued on borrowings	-	126	-	-	-	126
Total	**754,032**	**3,594**	**688**	**1,007**	**66**	**759,387**

The impact of foreign exchange sensitivity on financial assets and liabilities on consolidated statement of profit and loss is given below:

A change of ±3% (March 31, 2018: ±2%) in exchange rate of USD has an impact of ±~INR 27 (March 31, 2018: ±~INR 31) on the Group's profit and loss and a change of ±1% (March 31, 2018: ±1%) in exchange rate of GBP has an impact of ±~ INR 2 (March 31, 2018: ±~INR 5) on the Group's profit and loss and a change of ±1% (March 31, 2018: ±1%) in exchange rate of EURO has an impact of ±~ INR 7 (March 31, 2018: ±~INR 4) on the Group's profit and loss.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the INR computed from historical data and assuming all other information to be constant.

Below are the Group's other foreign exchange exposure which are not financial instruments.

Particulars	Currency	As at August 30, 2018	As at March 31, 2018
Advance to suppliers	USD	54	151
Advance from customers	USD	41	123
Capital advances	USD	1	49

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

The Group manages its interest rate risk by entering into financing arrangements on a fixed rate basis unless fixed rates for the periods are not available, are relatively expensive or prepayment of debt is anticipated. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives (foreign exchange forward contracts) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect the consolidated statement of profit and loss.

In respect to borrowing on floating rates the Group negotiates exit options without break-costs on interest reset dates wherever possible. The interest rate risk on long term foreign currency borrowings contracted at floating rates are managed by fixing the interest rates by entering into interest rate swaps.

Below is the Group's sensitivity to interest rates on floating rate borrowings on consolidated statement of profit and loss:

A change of ±100 (March 31, 2018: ±100) basis points in interest rate has an impact of ±~INR 281 (March 31, 2018: ±~INR 127) the Group's finance cost for the period April 1, 2018 to August 30, 2018.

The profile of Group's borrowings as at August 30, 2018 and March 31, 2018 is provided in Notes 25 and 29.

b) Credit Risk

Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from cash and cash equivalents excluding cash on hand, other bank balances, trade receivables, deposits with banks and others, accrued billing revenue and other receivables mainly linked to the credit exposures of customers.

Credit risk in relation to banks and financial institutions arising out of cash and deposits held, MTM gains on derivatives are managed under counter party risk management framework set out under the Treasury Policy based on the credit rating of the counter parties. This is done in close co-ordination with the global treasury team of VF Group Plc. and considers the global exposure of Vodafone entities to the banks and financial institutions.

Trade receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers, and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group perform ongoing credit evaluations of its customers' financial condition and monitor the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Group has no concentration of credit risk as the customer base is geographically distributed in India.

The Group maintains its Cash and cash equivalents, Bank deposits and Derivative financial instruments with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

A default on a financial asset is when the counterparty fails to make contractual payments within the contract period when they fall due. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

The carrying amount of financial assets represents the maximum credit exposure including trade receivables net of provision for impairment. The maximum exposure to credit risk was INR 105,229 as on March 31, 2018 (March 31, 2018 - INR 95,808) being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(i) Financial assets which are not past due or past due / impaired

The following table presents ageing of receivables that are not past due or past due and provision for doubtful receivables that have been established.

Particulars	As at August 30, 2018			As at March 31, 2018		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Amount not past due	8,201	(11)	8,190	7,201	(14)	7,187
Upto 90 days	9,249	(224)	9,025	9,480	(210)	9,270
Between 91-120 days	851	(184)	667	1,286	(277)	1,009
Between 121-180 days	1,812	(685)	1,127	1,031	(509)	522
Greater than 180 days	7,085	(4,643)	2,442	5,272	(3,809)	1,463
Total	**27,198**	**(5,747)**	**21,451**	**24,270**	**(4,819)**	**19,451**

The Group's credit period generally ranges from 15-90 days. The above receivables which are past due but not impaired are assessed on individual case to case basis and relates to a number of independent third party customers from whom there is no recent history of default. There are no other classes of financial assets that are past due but not impaired except for trade receivables as at August 30, 2018 and March 31, 2018.

(ii) Expected credit loss security deposits

The below table describes particulars for loss allowance measured at 12 month expected credit losses i.e. Financial assets for which credit risk has not increased significantly since initial recognition.

Particulars	As at August 30, 2018			As at March 31, 2018		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Security deposits	6,143	(230)	5,913	5,900	(230)	5,670
Total	**6,143**	**(230)**	**5,913**	**5,900**	**(230)**	**5,670**

(iii) Reconciliation of doubtful provisions

Particulars	As at August 30, 2018	As at March 31, 2018
Opening balance	5,049	5,117
Add: Provision for trade receivables and security deposits	928	2,474
Add: Trade receivables and security deposits written off (Net of recovery)	-	(2,542)
Total	**5,977**	**5,049**

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, commercial paper and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintains varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimising refinancing risk. Long-term borrowings generally mature between 1 to 19 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast. The Group has necessary support from VF Group Plc. to meet liquidity requirements if arises anytime.

The majority of Group's trade receivables are due for maturity within 18 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 90 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

The Group has net current liabilities as at August 30, 2018, aggregating to INR 133,434 (March 31, 2018 – INR 109,478). The Group is confident of obtaining support from its ultimate holding company to meet its financial obligation in case necessary.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The below table analyses the Group's non-derivative financial liabilities into relevant maturity based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows.

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at August 30, 2018					
Borrowings including interest accrued*	655,212	158,469	312,423	652,196	1,123,088
Trade payables	55,548	55,548	-	-	55,548
Security deposits	3,057	3,057	-	-	3,057
Capital creditors	47,499	47,499	-	-	47,499
Employee benefits payable	1,220	1,220	-	-	1,220
Monies received from merchant establishments and customers	672	672	-	-	672
Regulatory liabilities	4,249	4,249	-	-	4,249
Other financial liabilities	224	224	-	-	224
Total	**767,681**	**270,938**	**312,423**	**652,196**	**1,235,557**

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at March 31, 2018					
Borrowings including interest accrued*	679,382	155,988	321,918	681,567	1,159,473
Trade payables	68,510	68,510	-	-	68,510
Security deposits	3,265	3,265	-	-	3,265
Capital creditors	46,768	46,768	-	-	46,768
Employee benefits payable	3,219	3,219	-	-	3,219
Monies received from merchant establishments and customers	822	822	-	-	822
Regulatory liabilities	76	76	-	-	76
Other financial liabilities	287	287	-	-	287
Total	**802,329**	**278,935**	**321,918**	**681,567**	**1,282,420**

*Borrowing, other than carrying amount, includes future contractual interest payment over the tenure of the borrowings. In case of floating-interest borrowings, it is based on interest rate prevailing as at the reporting date, whereas in case of fixed-interest borrowings, it is based on the fixed-interest rate as stipulated contractually as at the reporting date.

The table below analyses the Group's derivative financial instruments into relevant maturity groupings based on the remaining period as at respective period/year end to the contractual maturity date:

Particulars	Upto 1 year	1-5 years	After 5 years	Total
Derivative Liabilities				
As at August 30, 2018	-	-	-	**-**
As at March 31, 2018	341	-	-	**341**

The Group has the following undrawn committed bank borrowing facilities:

Particulars	As at August 30, 2018	As at March 31, 2018
Available for future draw down	15	12,199
Total	**15**	**12,199**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 36
Revenue from operations

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Telecommunication Services		
Mobile	118,732	336,349
Fixed line data	5,002	9,983
Trading sales	60	214
Other Revenues	383	1,027
Total	**124,177**	**347,573**

Note 37
Other non-operating income

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Others [1]	1,471	3,699
Total	**1,471**	**3,699**

[1] Others include recovery of late payment, cheque bounce charges and written back of advances.

Note 38
Access charges

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Access charges	13,491	37,324
Roaming cost	5,639	9,597
Total	**19,130**	**46,921**

Note 39
Licence and regulatory fees

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Licence fees	8,399	24,043
Other regulatory fees	3,769	11,779
Total	**12,168**	**35,822**

Note 40
Employee benefits expense

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Salaries and allowances [1]	5,923	14,573
Contribution to provident and other funds (Refer Note 27)	281	685
Leave compensation expenses	52	151
Gratuity expense (Refer Note 27)	124	284
Employee share based payments (Refer Note 24)	358	802
Staff welfare expenses	359	952
Total	**7,097**	**17,447**
Less: Payroll cost capitalised	74	214
Total	**7,023**	**17,233**

[1] Net of recovery for notice pay of INR 15 (Year ended March 31, 2018: INR 32)

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 41
Rental

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Network site rentals/leases (Refer Notes 41.1 and 51A)	22,992	52,757
Others	995	2,437
Total	**23,987**	**55,194**
Note 41.1- Net of recovery for sharing of infrastructure	2	19

Note 42
Power and fuel

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Network (Refer Notes 42.1 and 51A)	15,253	35,018
Others	527	1,285
Total	**15,780**	**36,303**
Note 42.1- Net of recovery for sharing of infrastructure	13	1,163

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 43
Other expenses

Particulars		For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Network related:			
Transmission cost		1,980	3,100
Network operation and maintenance (Refer Note 43.1)		7,565	16,837
Insurance		150	617
	(A)	**9,695**	**20,554**
Marketing related:			
Advertisement and publicity [Includes Brand Royalty of INR 1,310 (March 31, 2018: INR 6,146]		3,636	10,868
Business and sales promotion		293	1,326
Sales commission and incentives		6,303	11,856
Other selling and distribution expenses		1,250	4,152
	(B)	**11,482**	**28,202**
Administration and Other Expenses			
Content cost		1,958	5,174
Repairs to buildings		16	47
Repairs and Maintenance - others		1,280	2,900
Insurance		11	24
Rates and taxes		240	1,848
Traveling and conveyance		543	1,334
Legal and professional fees		154	1,713
Commission expenses - others		681	1,905
Payment to Auditors [Excluding GST/service tax of INR 11 (March 31, 2018: INR 32)]			
Audit Fees		50	128
Tax audit Fees		5	11
Other Fees		7	39
Provision for doubtful debts and advances		2,016	2,594
Bad debt written off		-	2,563
Provision for bad and doubtful debts written back		-	(2,563)
IT and other business process outsourcing cost		3,322	11,053
CSR Expenses (Refer Note 53.1)		22	20
Inter Company service charges		1,700	10,082
Miscellaneous expenses		980	2,846
	(C)	**12,985**	**41,718**
Total (A +B + C)		**34,162**	**90,474**
Less: IT cost capitalised		-	89
Total		**34,162**	**90,385**
Note 43.1 - Net of recovery for sharing of infrastructure		-	28

Note 44
Other (gains)/losses (net)

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Interest income from fixed deposits	(471)	(836)
Interest income from taxation	-	(3,899)
Interest income from Inter corporate loan (Refer Note 49)	-	(1)
Net loss on disposal of property, plant and equipment	65	414
Derivatives - Foreign exchange forward contracts and cross currency Interest rate swaps - Net (gain)/loss	(2,303)	1,599
Net foreign exchange loss	3,061	1,721
Total	**352**	**(1,002)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 45
Finance costs

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Interest on borrowings	24,804	57,676
Interest Expenses-Others	2,674	4,056
Other borrowing costs	436	1,819
Finance charges on finance lease	113	332
Exchange differences regarded as an adjustment to borrowing costs	(17)	(1,226)
	28,010	**62,657**
Less: Finance costs capitalised	1,952	6,314
Total	**26,058**	**56,343**

Note: The capitalisation rate used to determine the amount of borrowing costs eligible was 9.3% p.a. for the period from April 1, 2018 to August 30, 2018 (March 31, 2018: 9.3% p.a.).

Note 46
Earnings Per Share
Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the period/year.

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
(Loss) for basic and diluted earnings per share from continuing operations	(41,096)	(80,822)
Profit for basic and diluted earnings per share from discontinued operations	9,687	41,342
Weighted average number of equity shares	2,299,396,865	2,813,295,823
Basic and diluted (loss) per share (INR) from continuing operations	(17.87)	(28.73)
Basic and diluted earnings per share (INR) from discontinued operations	4.21	14.70
Basic and diluted (loss) per share (INR) from continuing and discontinued operations	(13.66)	(14.03)
Annualised Earnings per share		
Basic and diluted (loss) per share (INR) from continuing operations	(42.91)	(28.73)
Basic and diluted earnings per share (INR) from discontinued operations	10.11	14.70
Basic and diluted (loss) per share (INR) from continuing and discontinued operations	(32.80)	(14.03)

Reconciliation of weighted average number of equity shares:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Shares in issue for full period/year	1,501,174,652	2,813,295,823
Weighted average shares of right issue	90,367,371	-
Weighted average shares of capital reduction	707,854,842	-
Total weighted average number of shares	**2,299,396,865**	**2,813,295,823**

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 47
(A) Capital Commitments and other purchase commitments

Particulars	As at August 30, 2018	As at March 31, 2018
Contracts for future capital expenditure not provided for (net of advances) in the financial statements:[1]		
Company and subsidiaries	15,019	13,714
Group's share in Indus	-	1,866
Other Long term purchase commitments:		
Company and subsidiaries	13,690	15,224

[1]Commitment includes contracts placed for PPE and intangibles.

(B) Commitments - Leases
Operating lease commitments
(a) Group as lessee
The Group has significant leasing arrangements in respect of cell sites, towers, residential and office premises (including furniture and fittings therein, as applicable) taken on lease and license basis. Licenses for cell-sites and towers range for periods between 3-15 years, leases for office premises range for the periods between 1-10 years and leases for accommodation for employees are for a period between 1-2 years. Terms of the license/lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease payments under non-cancellable operating leases comprise:

(i) The Group's operating lease commitments towards other parties (other than Indus) as a lessee

Particulars	As at August 30, 2018	As at March 31, 2018
Due not later than one year	11,783	12,572
Due later than one year but not later than five years	29,970	31,886
Later than five years	10,456	12,978
Total	**52,209**	**57,436**

(ii) The Group's operating lease commitments towards Indus as a lessee

Particulars	As at August 30, 2018	As at March 31, 2018
Due not later than one year	5,574	5,885
Due later than one year but not later than five years	6,953	8,176
Later than five years	-	-
Total	**12,527**	**14,061**

Group's share in Indus-Joint Venture's share

Particulars	As at August 30, 2018	As at March 31, 2018
Due not later than one year	-	8,019
Due later than one year but not later than five years	-	26,308
Later than five years	-	27,791
Total	**-**	**62,118**

(b) Group as lessor
Cell site receivable
The Group has significant leasing arrangements in respect of passive infrastructure cell sites and towers given on operating lease basis. Lease for cell sites and towers ranges between 3-15 years. The assets are being used by the Group and multiple operators.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Future minimum lease payments under non-cancellable operating leases comprise of cell sites and towers:

Particulars	As at August 30, 2018	As at March 31, 2018
Group' s share in Indus		
Due not later than one year	-	47,800
Due later than one year but not later than five years	-	167,840
Later than five years	-	49,700
Total	**-**	**265,340**

*Refer Note 51A for passive infrastructure business sale to ATC in year ended March 31, 2018.

Finance Lease
(a) Group as lessee
(i) IT Outsourcing Contract:
The Group has entered in to a composite IT outsourcing agreement, whereby the vendor supplies fixed asset and related IT services to the Group. Based on the risk and rewards incidental to ownership, the fixed assets acquired were accounted for as assets taken on finance lease upto June 30, 2016 and post it as own assets. At inception the assets and liability are recorded at fair value, both in the case of leased assets and own assets. Leased assets were depreciated over their respective useful lives as in the case of Group's own assets or where shorter, the term of the relevant lease.

Since the entire amount payable to the vendor for supply of assets is settled in the short term. The disclosure in relation to finance leases are not applicable and accordingly, not made.

(ii) Indefeasible Right of use:
The Group has entered into various non-cancellable long term arrangements to take dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are paid upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

(b) Group as lessor
Indefeasible Right of use
The Group has entered into various non-cancellable long term arrangements to provide dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are received upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

Note 48
Contingent Liabilities

(i) Licensing and Regulatory Disputes

a} One time Spectrum Charges beyond 4.4 MHz /6.2 MHz
In January 2013, Department of Telecommunications ('DoT') issued demands towards One Time Spectrum Charges ('OTSC') for spectrum held by Telecom service providers ('TSP') beyond 4.4 MHz /6.2 MHz amounting to INR 34,299 (March 31, 2018 - INR 34,299). The Group has challenged the matter in Telecom Dispute Settlement Appellate Tribunal (TDSAT) and obtained a stay against the said demand, basis an ad-interim order that no coercive action will be taken by the DoT. The pleading on this matter have got concluded. The demands were revised pursuant to the revised orders received in response to the legal entities merger application made to DoT, however there is no change in the amount of demands. Further, in August 2016, DoT has issued letter towards OTSC on spectrum liberalisation in Rest of Bengal circle amounting to INR 698 (March 31, 2018 – INR 698) and Bank Guarantee was provided pursuant to a TDSAT order.

The management is of the view that DoT cannot levy these additional charges when the spectrum was acquired as per the policies as at the time of such allotment and accordingly, the same has been disclosed as contingent liability.

b} One time Spectrum Charges less than 4.4 MHz
The Group has received additional demands in earlier years towards spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses due to merger of the Group with Idea Cellular Limited of INR 55,174 (March 31, 2018 - INR 55,174). The management of the Company is of the view that DOT cannot levy these charges since the merger guidelines are not applicable, considering the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Group and hence challenged the demand at TDSAT. The management of the Company, based on internal assessment believes that these amounts are not payable and hence disclosed as contingent liability. The pleading on this matter have got concluded.

Consequent to the Scheme of Amalgamation and Arrangement between VIL, VMSL and Idea Cellular Limited (Refer Note 50). Vodafone Idea Limited (erstwhile 'Idea Cellular Limited') ('Transferee Company') has made payment amounting to INR 39,263 for demand raised by DoT towards the differential between the entry fee paid and the market determined price of 4.4 MHz spectrum assigned to Vodafone Mobile Services Limited against entry fee paid in respective Licensed service area's from the date of approval of the Scheme by the Honorable National Company Law Tribunal (NCLT) (i.e. 19 January 2018) on a pro rata basis for the remaining period of validity of the licenses Spectrum Charges for less than 4.4 Mhz.

c} DoT Demand against extension of License period for Rest of Tamil Nadu Circle
The Group received a demand of INR 13,941 (March 31, 2018 - INR 13,941) from DoT, towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle. The management is of the view that DoT cannot levy such demands, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under the merger guidelines and has challenged the demand at TDSAT. The Group, based on internal assessment, believes that these amounts are not payable and accordingly, the amount has been disclosed as contingent liability.

d} DoT Demands for license fee and spectrum usage charges
The Group received various demands on account of License Fees and Spectrum Usage charges from DoT for the period 2006-07 to 2016-17 amounting to INR 48,321 (March 31, 2018 - INR 33,280) and towards interest and penalty amounting to INR 159,828 (March 31, 2018 - INR 97,057). These demands include demands raised by DoT based on special audit done by DoT and Controller Auditor General (CAG). The principle matter of contention being the definition of Adjusted Gross Revenue ("AGR") which forms the basis of levy of these fees, wherein certain items of revenue were included in the calculation of the License Fees and Spectrum Usage Charge by DoT. The Group contested the demand before TDSAT claiming that the same were not in accordance with the terms and conditions of the License agreements and accordingly these demands are not payable. In April 2015, TDSAT issued a judgment covering various aspects of items to be considered in calculation of AGR and directed DoT to consider the judgment and issue updated demands on the Group as applicable.

The Group and DoT has also challenged the TDSAT Judgment in the Supreme Court for various aspects. In February 2016, the Supreme Court allowed DoT to raise demands as per DoT's understanding, however, these demands cannot be enforced till the final decision is reached by the Supreme Court on this matter. The matter is currently being heard at the Supreme Court.

Based on a legal counsel's opinion, the management continues to believe that AGR for the purpose of payment of license fees should be restricted to revenues resulting from the provision of licensed activities in respect of the licensed service area and therefore accounts for license fees accordingly. Hearing on the matter is under progress in Supreme Court.

e} Demands for Electro-magnetic field (EMF) exposure norms and Customer Application Form (CAF) matters
DoT had issued notices on non-compliance with respect to EMF exposure norms, non-furnishing of self-certification in case of site up gradation, absence of signage's etc. of INR 264 (March 31, 2018 - INR 228). As per Management, these are administrative defaults and the higher penalties applied are not payable and had accordingly challenged the same in TDSAT.

Demands in relation to CAF
The Group has received demands notice of penalty in respect of CAF audit of INR 715 (March 31, 2018 - INR 637) conducted based on the subscriber forms maintained by the Group. The Group believes appropriate verification has been carried out of the CAF and no such penalty can be levied. These amounts are accordingly disclosed as contingent liability.

f} Microwave access and Backbone spectrum charges
In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction.

Basis the interim guidelines, DoT has instructed the Group to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Group has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA and has challenged the DoT guidelines in TDSAT. Based on management's assessment, any outflow of resources on account of the same is presently not determinable.

g} Financial penalty under DoT regulations
The Group has received demand notice from DoT for imposing penalty towards violation of terms and conditions of license agreements amounting to INR 500 (March 31, 2017 - INR 500). The Group in the past has replied to DoT that there was no violation of the license agreement and has obtained stay from TDSAT against the demand. The same has been disclosed as contingent liability.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(ii) Taxation and other matters

Sr. No.	Particulars	As at August 30, 2018	As at March 31, 2018
i	Income Tax matters (Including Tax Deducted at source) (Refer Note a below)	73,930	63,981
ii	Service Tax matters including CENVAT credit on towers, shelters (Refer Notes b(i) and b(ii) below)	14,101	13,002
iii	Custom Duty (Refer Note c below)	3,550	3,586
iv	Sales Tax/Value Added Tax (Refer Note d below)	1,092	1,016
v	Entry Tax on capital goods (Refer Note e below)	509	474
vi	Vendor claims - Port Charge, IUC connectivity Charges (Refer Note f below)	3,642	3,504
vii	Consumer and Civil cases (Refer Note g below)	1,320	1,284

Based on the Group's evaluation and legal advice, it believes that it is not probable that the claims as at August 30, 2018 will materialise and therefore, no provisions have been recognised.

a} Income Tax matters (including Tax Deducted at source)
Income tax demands as at August 31, 2018 and March 31, 2018 include matters like disputes relating to non-deduction of Tax at source from discount offered to pre-paid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc. being contested by the Group at various appellate authorities against the tax authorities. During the year based on certain favourable recent ruling at the tribunal / High Courts and external counsel opinion, the company has reversed the provision with respect to withholding tax on upfront discounts, however considering the matter is under litigation (highest level being Supreme Court), the same is disclosed as Contingent Liabilities as at August 30, 2018. In the month of September 2018, the Assessing officer had passed draft order for FY 11-12 and 12-13. The company has challenged the said order.

b} Service Tax matters including CENVAT credit on towers, shelters

i) Cenvat credit on towers and shelters
The Group had availed credit in respect of excise duty paid on towers, shelters, pre-fabricated buildings purchased by them in the earlier years. Such credit was adjusted against payment of service tax on output services. The service tax authorities have disallowed such credit based on their contention that these items are immovable in nature and therefore cannot be claimed under the CENVAT credit scheme. In September 2015, the High Court of Mumbai ruled against the Group. Management has challenged the judgment at the Supreme Court and based on external senior counsel opinion, believes that based on the arguments and evidences, the Group has a good arguable case and accordingly, the amounts have been disclosed as contingent liability.

ii) Other matters
There are other service tax demands pertaining to CENVAT credit disallowed on Sim Cards, service tax on SMS termination charges, reversal of input credit on various matters including on removal of passive infrastructure and non-payment of service tax on inbound roaming. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

c} Custom Duty matters
The Group had received demands on additional customs duty amounting to pertaining to its various imports including on Optical Fiber Cable and Telecom Software account of rate difference due to classification issue. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the same has been disclosed as contingent liability.

In October 2017, the Group received demand of INR 3,333 by customs for imposing anti-dumping duty on import of certain telecom equipment's. The management has filed appeal against the order and based on technical assessment believes the amounts are not payable and accordingly, the same has been disclosed as contingent liability.

d} Sales Tax/Value Added Tax matters
The Group had received demands for non-production of F and C forms for interstate sales, VAT on transfer of passive infrastructure and VAT on IRU arrangements. The Group has challenged these demands which are pending at various forums.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

e} Entry Tax
In November 2016 and subsequently in October 2017, the Supreme Court upheld the constitutional validity of Entry tax and levy of the same on imported goods. The management has assessed the impact on account of these ruling and appropriately considered the same in the financial statements.

f} Vendor claims - Port Charge, IUC connectivity Charges
The Group has received demands from BSNL (Telecom Operator) with regards to the Port charges payable which are determined by Telecom Regulatory Authority of India (TRAI). The management believes the new TRAI regulation 2012 has been finalised considering the views of BSNL. The Group continues to follow the TRAI regulations. The same is included in Contingent liability pending the decision of the High court.

The Group also received demands from BSNL, with regards to carriage charges and IUC connectivity Charges. The matter is currently at Supreme Court and the management is of the view that such charges are not payable based on its internal assessment and accordingly disclosed as contingent liability.

The Group received demands from BSNL for usage of signaling charges. The Group is of the view that the demand from BSNL is not justifiable and accordingly the matter is being challenged in TDSAT and the same is included in contingent liability.

g} Consumer and Civil cases
There are various consumer / civil cases filed against the Group by the subscribers / former dealers / former distributors at various forums. Based on the Group's evaluation and available documentation before the concerned consumer forums, the claims made therein, it believes that it is not probable that the claim will materialise thereof, no provisions has been recognised and amount has been disclosed as contingent liability.

h} Foreign Investment Promotion Board ('FIPB') approval
In response to the intimation made to Foreign Investment Promotion Board (FIPB) pursuant to merger of certain subsidiaries, the Group received letters intimating that the said schemes require an approval from FIPB and also advised to file compounding application to Reserve Bank of India (RBI). On compounding with RBI, RBI after consulting Department of Economic affairs (DEA), Ministry of Finance advised that the issuance of shares of VMSL to VIL may be treated as a contravention of downstream investment by an Indian Company Regulation of Foreign Exchange Management Act, 1999 (FEMA).

Management believes downstream investment by an Indian Company Regulation of FEMA will not be applicable in case merger of certain subsidiaries and hence, probability of any payments is remote in nature and accordingly not disclosed as contingent liability.

Group's share in contingent liabilities of Indus Towers Limited (Joint Venture)

Sr. No.	Particulars	As at August 30, 2018	As at March 31, 2018
i	Claims against the Company not acknowledged as debts representing amounts levied by various local authorities. The Company has challenged these levies in the court of law. In the event these levies are confirmed by law, the Company would recover these amounts from its customers in accordance with the Master Service Agreements with them	-	1,057
ii	Claims against the Company on account of tax demands and disputes under direct and indirect tax laws, not acknowledged as debts	-	17,171
iii	Other Claims against the Company not acknowledged as debts	-	221

The above mentioned contingent liabilities, including disputes with various government authorities, are pending at various forums/ authorities. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised for the above.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 49
Related party transactions

The Group's related parties are its holding companies, fellow subsidiaries, joint ventures and its KMP's. Group's related parties and transactions with those related parties are as follows:

Name of related party	Nature of relationship
Vodafone Group Plc.[1]	Ultimate holding company
Vodafone International Holdings B.V. [1]	Intermediate holding company
CGP India Investments Limited	Immediate holding company

Transactions with fellow subsidiaries and joint ventures:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
(a) Transactions with fellow subsidiaries:		
Purchase of Services	2,884	17,693
Sale of Services	1,090	2,199
Reimbursement of expenses from	112	664
Reimbursement of expenses to	48	286
Payments received on behalf of	-	15
Payments made on behalf of	8	9
Purchases of property, plant and equipment and intangible assets	25,945	866
Donations received	-	38
Subscription to Share Capital	110,745	-
(b) Transactions with Joint Venture of ultimate holding company (Refer Note 51B):		
Purchase of Services	7,224	-
(c) Transactions with Joint Ventures (Refer Note 51B):		
Purchase of Services	13,836	52,960
Reimbursement of expenses from	-	16
Loan given during the period/year	-	3
Interest income	-	1
Dividend income	11,261	10,009
(d) Transactions with other related parties		
Contribution to Hutchison Essar Telecom Limited Employees Group Gratuity Scheme (Trust for Vodafone Mobile Services Limited's employees)	-	7
Contribution to Usha Martin Telekom Limited Employees Gratuity Fund (Trust for Vodafone East Limited's employees)	-	-

Period/Year end balances

Particulars	As at August 30, 2018	As at March 31, 2018
(a)Fellow subsidiaries:		
Trade receivables	607	920
Trade payables	1,235	5,063
(b)Joint venture of ultimate holding company:		
Trade payables	8,375	-
Outstanding loan receivable	1,224	-
Advances to related parties	1,999	-
Receivable from related parties	137	-
Security deposits	1,000	-
(c)Joint ventures:		
Trade payables	-	13,237
Outstanding loan receivable	8	1,232
Advances to related parties	-	1,146
Receivable from related parties	-	124
Security deposits	-	1,000

[1] Vodafone Group Plc. holds investments in Vodafone India Limited through a chain of intermediary parent companies.

Note: INR 2 (March 31, 2018: Nil) recoverable from Whole Time Director on account of excess remuneration paid for the period April 1, 2018 to August 30, 2018

(All amounts are in INR millions, except per share data and unless stated otherwise)

Entities other than disclosed above have not been disclosed as they do not exercise control although they hold more than 51% share capital (indirectly).

Operating lease commitments as Lessee: - Refer Note 47 for operating lease commitments towards Joint Venture (Indus Towers Limited). (Refer Note 51B)

Terms and Conditions
(a) The receivables from related parties arise mainly from sale of services including billing for roaming charges and access charges which are made at arm's length prices. The receivables are unsecured in nature and bear no interest.

(b) The payables to related parties arise mainly from Purchase of services includes Access charges, roaming cost, IT and Business process outsourcing cost, Transmission cost, Intercompany service charges, Rentals, Power and Fuel, Operation and maintenance and generally fall due within two months from the date of purchase. The payables bear no interest.

(c) Loans have been given to the Joint Venture at the market rate and outstanding balances are unsecured and repayable in cash.

(d) Loans and Security deposits of Joint Venture of parent bear no interest. Outstanding balances at period/year end of Joint venture of parent are unsecured and repayable in cash.

Key Management Personnel ('KMP')
Key Management includes directors (executive and non-executive) and Chief Financial Officer. The compensation paid or payable to executive director and Chief Financial Officer is as follows:

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Short term Employee Benefit	90	132
Post employment Benefit	3	7
Share based payment	62	37
Total KMP Remuneration	**155**	**176**

Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to KMPs are not included in the above table.

Sitting fees paid or payable to non-executive Directors

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Director fees	5	20

Note 50
Scheme of Amalgamation and Arrangement between Vodafone India Limited, Vodafone Mobile Services Limited and Idea Cellular Limited

On March 19, 2017, the Board of Directors of VIL and VMSL approved the draft composite Scheme of Amalgamation and Arrangement between Vodafone India Limited ('VIL'), Vodafone Mobile Services Limited ('VMSL') ('transferor companies') and Idea Cellular Limited ('ICL') ('transferee Company'), subject to such approvals, consents and permissions as may be necessary and required.

The Scheme provides for merger of the telecommunications businesses of VIL and VMSL (excluding VIL's 42% equity interest in Indus Towers Limited) with ICL on going concern basis. Upon the scheme becoming effective, the transferor companies were to stand dissolved without being wound up. The shareholders of VIL would hold minimum of 45.1% equity shares in the merged company. All subsidiaries, associate and Joint ventures of VIL and VMSL shall become subsidiaries, associate and Joint ventures of ICL.

VIL and VMSL received unconditional approval from Competition Commission of India (CCI), ICL received conditional no-objection from the BSE Limited and National Stock Exchange India Limited. National Company Law Tribunal (NCLT) approved the Scheme in case of ICL (NCLT Ahmedabad) on January 11, 2018 and in case of VIL & VMSL (NCLT Mumbai) on December 21, 2017 vide order pronounced on January 19, 2018. The Reserve Bank of India vide letter dated June 13, 2018 granted approval to the shareholders of VIL to hold 5% or more shareholding in ICL pursuant to the Scheme.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The Department of Telecommunications (DoT) vide letter dated 9 July 2018 granted approval to take on record the merger of VIL and VMSL with ICL subject to fulfilment of conditions as stipulated in the said letter. On fulfilment of the conditions stipulated in the letter of July 9, 2018, DoT vide its letter dated July 26, 2018 granted final approval for transfer of all assets and liabilities associated with the telecom licenses of VIL and VMSL to be transferred to the respective licenses and authorizations under Unified License held by ICL.

As per the terms of the implementation agreement dated March 20, 2017 entered, between VIL, VMSL, ICL and their respective promoters, Vodafone Group Plc injected incremental equity into VIL on right issue basis prior to the merger being effective. Accordingly, the Company offered 515,891,473 equity shares of INR 10 fully paid up for cash at a premium of INR 248 each aggregating to INR 133,100, of the 12 shareholders of the Company, eight applied for the rights issue of 429,245,010 shares and shares were allotted on July 31, 2018. Unsubscribed shares aggregating to 86,646,463 were cancelled. (Refer Note 23.1)

NCLT Mumbai, post fulfilment of the conditions precedents stated in the Scheme on August 30, 2018 approved the merger with the appointed date of August 31, 2018. Accordingly, on August 31, 2018 the Scheme was given effect with the requisite filings with the Registrar of Companies resulting in VIL and VMSL standing dissolved on that day.

Further, with effect from August 31, 2018, the name of ICL has changed from 'Idea Cellular Limited' to 'Vodafone Idea Limited'.

Note 51

(A) Discontinued operations and assets and liabilities of disposal group classified as held for sale

On November 13, 2017 the Group entered into passive infrastructure business transfer agreement for sale of tower business of VIL and VMSL to ATC Telecom Infrastructure Private Limited ('ATC'). On March 31, 2018 formalities in relation to this business transfer agreement was completed and the Group received the consideration.

Finance performance and cash flow information

Particulars	For the year ended March 31, 2018
Profit / (loss) from discontinued operations	
Revenue from operations [Refer Note (i) below]	2,130
Rental [Refer Note (ii) below]	(1,112)
Power and fuel (Net of recovery) [Refer Note (ii) below]	(2,337)
Depreciation and amortisation	(417)
(Loss) before income tax from discontinued operations	**(1,736)**
Excluded [Refer Note (iii) below]	**3,449**
Tax expense/(credit) of discontinued operations	-
Current tax	-
Deferred tax	-
Profit from discontinued operations after tax	**1,713**
Gain on sale of discontinued operations (Net of tax)	31,019
Other Comprehensive Income (Net of tax)	-
Profit from discontinued operations after tax including profit on sale of business (Refer Note (i) below)	**32,732**
Other Comprehensive Income from discontinued operations (Net of tax)	
Cash flow information	
Net cash inflow /(outflow) from operating activities	2,130
Net cash inflow /(outflow) from investing activities	38,205
Net cash inflow /(outflow) from financing activities	-
Net increase / (decrease) in cash generated / (used) from discontinued operations	**40,335**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Carrying value of net assets derecognised:

Particulars	As at March 31, 2018
Assets classified as held for sale	
Property, Plant and Equipment	7,500
Capital work-in-progress	63
Security deposits - others	285
Trade receivables	951
Accrued billing revenue	48
Advance to suppliers	22
Prepaid Expenses	54
Total assets	**8,923**
Liabilities directly associated with assets classified as held for sale	
Security deposit from customers and others	128
Asset retirement obligation	761
Trade payables	692
Capital creditors	61
Unearned billing revenue	181
Total liabilities	**1,823**
Net assets	**7,100**
Expenses incurred on disposal of discontinued operation	86

(i) Rental income received from third parties for passive infrastructure towers. These towers were also used by the Group for the purpose of providing Telecommunication Services (continued business).

(ii) Direct expenditure in relation to rent and power and fuel incurred on these assets.

(iii) Pursuant to the Master Service Agreement (MSA) entered effective April 1, 2018, for use of passive infrastructure towers for the purpose of providing the Telecommunication Services (continued business), the Group will continue to incur rent and power and fuel expenses. Accordingly, these expenses continue to be included as part of continuing operations (in the consolidated statement of profit and loss).

The consideration received in cash was INR 38,205 for assets held for sale and resulted gain is INR 31,019 for discontinued operation and assets held for sale. There is no current and deferred tax on disposal of assets held for sale.

(B) Capital Reduction and Discontinued operations- held for distribution to owners

As per the terms of the Implementation Agreement of the merger scheme with ICL, VIL's shareholding in Indus Towers Limited is outside the purview of the proposed merger and VIL has retained the entitlement to dispose of the equity interest in Indus Towers Limited in such manner as it deems fit. VIL proposed to reduce its share capital and distribute equity shares of Indus Towers Limited to its shareholders on a pro rata basis, prior to amalgamation of VIL in to ICL, in consideration for a reduction of share capital of VIL, under section 66 of the Companies Act, 2013. Therefore, investment in Indus Towers Limited was reported as discontinued operations - held for distribution to owners.

In the month of May 2018, the Company received approval from DOT and NCLT Mumbai bench which was filled to Registrar of Companies ('ROC") on June 22, 2018 and the scheme became effective from filling date, resulting in distribution of shares of Indus Towers Limited to its shareholders. The Company has reduced 1,312,121,171 shares of INR 13,121 and reduced securities premium of INR 273,859 and increased retained earnings of INR 9,192 and created capital reduction reserve of INR 277,787 and in consideration distributed 500,504 shares of Indus Tower Limited to shareholders on pro rata basis –Capital reduction reserve of INR 277,787 on distribution of non-current assets to owner is not available for distribution as dividend to shareholder. (Refer SOCIE). The ratio of reduction in equity shares is computed based on the independent valuation report, filled by the Company as part of the NCLT approved scheme.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Finance performance and cash flow information

Particulars	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
Share of net profits of joint venture accounted for using the equity method	-	-
Dividend income	11,261	10,009
Other expenses	(1,574)	(1,399)
Profit from discontinued operations before tax	**9,687**	**8,610**
Tax expense of discontinued operations	-	-
Current tax	-	-
Deferred tax	-	-
Profit from discontinued operations after tax	**9,687**	**8,610**
Other Comprehensive Income (Net of tax)	-	-
Cash flow information		
Net cash inflow from operating activities	-	-
Net cash inflow from investing activities	11,261	10,009
Net cash inflow from financing activities	-	-
Net increase in cash generated from discontinued operations	**11,261**	**10,009**

The carrying amounts of assets are as follows:

Particulars	As at August 30, 2018	As at March 31, 2018
Assets classified as held for distribution to owners		
Carrying value of investments	-	49,526

Fair value of discontinued operations was higher than its carrying value as on March 31, 2018.

The Group's share of profits of INR 13,212 were not recognised during year ended March 31, 2018 as a result of the discontinuance of equity accounting. Dividend income of INR 10,009 received from Indus during year ended March 31, 2018 was recognised as income from discontinued operation- assets held for distribution to owners.

(C) Assets classified as held for sale and declassification of assets held for sale

i) Assets classified as held for sale
The management of the Group approved on March 19, 2017 that certain assets carrying value would be recovered principally through a sale transaction rather than through the continuing use. Therefore, these assets were classified as assets held for sale on March 19, 2017. (Refer Note 50)

Particulars	As at March 31, 2017	As at March 19, 2017
Assets classified as held for sale		
Property, Plant and Equipment	1,173	1,173
Intangible assets	134	134
Capital work-in-progress	81	81
	1,388	**1,388**

Fair value of above assets was higher than its carrying value as on March 19, 2017 and March 31, 2017.

ii) Declassification of assets held for sale
The management of the Group on March 26, 2018 have changed their plan and now decided to realise the value from continued use in business. Had above assets would have not been declassified as held for sale, the loss for the year ended March 31, 2018 would have been lower by INR 151.

Note 52
Business combinations

(a) Summary of acquisition
On June 14, 2017, the Company has acquired 100% of the issued share capital of You Broadband India Limited ('YBIL'), which provides infrastructure support to licensed telecommunication service providers, internet service providers by providing dark fibre, fixed links and duct space, high speed data and voice through the Internet. This acquisition will enable the Group to expand broadband services to customers rapidly at competitive prices. The business of YBIL is part of Mobile

(All amounts are in INR millions, except per share data and unless stated otherwise)

Telecommunication segment.

Details of the purchase consideration is as follows:

Particulars	Amount
Cash paid	2,752
Total	**2,752**

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount Fair value
Property, Plant and Equipment	1,836
Intangible assets	280
Non Current Financial Assets-Others	64
Other non current assets	39
Inventories	1
Trade receivables	43
Cash and cash equivalents	10
Other bank balances	161
Current Financial Assets-Others	22
Other current assets	95
Bank overdraft	(88)
Trade payables	(294)
Current Financial Liability-Others	(1,041)
Employee benefit obligations	(11)
Provisions	(32)
Other current liabilities	(477)
Total	**608**

Calculation of goodwill is as follows:

Particulars	Amount
Consideration paid	2,752
Less: Net identifiable assets acquired	(608)
Total	**2,144**

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for the tax purpose.

The acquired business contributed revenues of INR 1,485 and loss of INR 172 to the Group for the year ended March 31, 2018. If the acquisition had occurred on April 1, 2017 the consolidated pro-forma revenue and loss for the year ended March 31, 2018 would have been up by INR 358 and INR 85 respectively.

(b) Purchase consideration- cash outflow

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	2,752
Less: Balance acquired	
Cash	(10)
Bank overdraft	88
Net outflow of cash- investing activities	**2,830**

Note 53
Other Matters

53.1 CSR Expenses

Break up of CSR expenditure in alignment with prescribed activities enlisted in Schedule VII of Companies Act 2013:

a. Gross amount which was required to be spent by the Group during the period: Nil (March 31, 2018: Nil).

(All amounts are in INR millions, except per share data and unless stated otherwise)

b. Details of amount spent during the period/year:

Sr. No.	Sectors in which project is covered	For the period April 1, 2018 to August 30, 2018	For the year ended March 31, 2018
1	Health, Education and Women Empowerment	22	20
	Total	**22**	**20**

53.2 VIL is contesting a claim from the Income Tax Department that it should have withheld, as an agent of Vodafone International B.V. (VIHBV), capital gains tax under section 201(1) of the Income tax Act, 1961 on the consideration paid by VIHBV to Hutchison Telecommunications International Limited for acquisition of a controlling stake in the VIL. VIL filed a writ petition at The Honorable High Court of Bombay requesting for examining the legal validity of the notice issued on 6th August, 2007 by the Income tax authorities and for withdrawal the notice. Interim relief was granted and the hearing was then adjourned from time to time. Meanwhile, the tax authority also issued a show cause notice to VIHBV alleging the failure to withhold due taxes, which was also challenged by the filing of a writ petition.

Both VlHBV and VIL have been advised that the impugned transaction should not attract taxes in India, that VIHBV had consequently no obligation to withhold taxes on the payment of the transaction and that in any event, India tax law cannot allow for VIL to be deemed as an agent of VIHBV.

The Honorable Supreme Court has upheld the contention of VIHBV and set aside the notice against VIHBV. Pursuant to this, there was an amendment in law by Finance Act 2012, where by the Act was amended with retrospective effect to make the withholding of tax mandatory for such transactions.

VIL continues to believe that in view of the above, the possibility of that tax demand materialising on VIL is remote.

53.3 In 2007, a petition (public interest litigation) was filed by a third party with the Delhi High Court, alleging inter alia, that by virtue of Hutchison Telecommunications International Limited's arrangements with certain Indian shareholders of the Company, the foreign shareholding in the Company was in breach of the FDI Regulations and that the Company's telecommunications license be cancelled. The court adjourned the hearing of the Petition indefinitely, noting that the issues raised in the petition were already being considered by the competent Indian government authorities. In 2007 itself the Foreign Investment Promotion Board, after having conducted a comprehensive examination of all aspects of the transactions, including the allegations included in the petition, determined that there was no such violation and consequently gave its approval to Vodafone International Holdings B.V. to acquire the entire interest held in the Company by Hutchison Telecommunications International Limited. Since then, the petitioner has applied for revival of its Petition and has amended its Petition to challenge the legality of the FIPB decision as well as impleaded certain other indirect shareholders of the Company.

The Honorable Supreme Court in its ruling on a matter involving VIHBV and the Indian Tax Authorities, noted in 53.2 above, has averred that the offshore transaction is a bonafide structured FDI investment in India.

Note 54
Previous year figures have been regrouped/reclassified wherever considered necessary to conform to current period classification.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: February 25, 2019

Vodafone Idea Limited
(Successor of erstwhile Vodafone India Limited)

Authorised signatory :

Ravinder Takkar

Vivek Badrinath

Place: Mumbai

Date:February 6, 2019

VODAFONE INDIA LIMITED
Consolidated Financial Statements
For the year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VODAFONE INDIA LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Vodafone India Limited** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures; (refer Note 1 to the attached Consolidated Ind AS financial statements), incorporated in India, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance, Consolidated Cash Flows and Consolidated Changes in Equity of the Group and its joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 8 and 9 of the 'Other Matters' below, are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by 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 and its joint ventures as at March 31, 2018, and their Consolidated Total Comprehensive Income (comprising of consolidated loss and consolidated other comprehensive income), their Consolidated Cash Flows and Consolidated Changes in Equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of two joint ventures whose financial statements reflect total assets of Rs. 236,228 million and net assets of Rs. 131,955 million as at March 31, 2018, total revenue of Rs. 191,761 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 31,020 million and net cash flows amounting to Rs. 500 million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 3 million for the year ended March 31, 2018 and Group's share of reduction in General Reserve of Rs. Nil and Group' share of net assets of Rs. 55,512 million as considered in the Consolidated Ind AS Financial Statements, in respect of two joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements insofar as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.

9. Our opinion 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 auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion, proper books of account as required by law maintained by the Group and joint ventures including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Group and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Group and its joint ventures including relevant records relating to the preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and subsidiaries and statutory auditors of joint ventures, none of the directors of the Group companies and its joint ventures is disqualified as on March 31, 2018 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 Group and its joint ventures and the operating effectiveness of such controls, refer to our separate Report in Annexure;

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and Group's share with respect to its joint ventures– Refer Note 49 to the Consolidated Ind AS Financial Statements;

ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2018 – Refer Note 27 and 32 to the

Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group and Group's share in respect of its joint ventures;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint ventures for the year ended March 31, 2018.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place : Mumbai
Date : May 30, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Vodafone India Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

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

1. In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Vodafone India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "Group") and its joint ventures, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to two subsidiaries namely Connect (India) Mobile Technologies Private Limited and You System Integration Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, are responsible for establishing and maintaining internal financial controls based on 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

5. 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 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

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Vodafone India Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

Opinion

8. In our opinion, the Group and its two joint ventures have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group and its two joint ventures considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two joint ventures is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place : Mumbai
Date : May 30, 2018

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non current assets			
Property, Plant and Equipment	6	281,751	265,402
Capital work-in-progress	6	7,255	20,759
Investment property	7	684	696
Goodwill	8	73,825	71,681
Other intangible assets	9	630,442	591,130
Intangible assets under development	9	103,665	168,881
Investments accounted for using the equity method	11	3	-
Financial assets			
i. Loans	12	6,755	7,633
ii. Other financial assets	13	341	484
Deferred tax assets (net)	14	40,798	36,391
Income tax recoverable (net)		100,939	97,422
Other non current assets	15	35,481	40,143
Total non current assets		**1,281,939**	**1,300,622**
Current assets			
Inventories	16	19	75
Financial assets			
i. Trade receivables	17	19,451	17,430
ii. Cash and cash equivalents	18	58,141	32,203
iii. Bank balances other than (ii) above	19	1,283	1,102
iv. Loans	20	147	128
v. Other financial assets	21	9,792	15,175
Current tax assets (net)		2,148	-
Other current assets	22	37,917	24,988
Assets classified as held for distribution to owners and held for sale	52	49,526	50,914
Total current assets		**178,424**	**142,015**
Total Assets		**1,460,363**	**1,442,637**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	23	28,133	28,133
Other equity			
Reserve and Surplus		550,549	589,585
Total Equity		**578,682**	**617,718**
Liabilities			
Non current liabilities			
Financial liabilities			
i. Borrowings	25	538,138	556,775
ii. Other financial liabilities	26	-	310
Provisions	27	53,562	54,376
Employee benefit obligations	28	1,134	1,045
Other non current liabilities	29	945	852
Total non current liabilities		**593,779**	**613,358**
Current liabilities			
Financial liabilities			
i. Borrowings	30	85,258	37,932
ii. Trade payables	31	68,510	57,396
iii. Other financial liabilities	32	110,764	92,537
Provisions	27	1,017	1,713
Employee benefit obligations	28	648	621
Current tax liabilities (net)		1,462	2,626
Other current liabilities	33	20,243	18,736
Total current liabilities		**287,902**	**211,561**
Total Liabilities		**881,681**	**824,919**
Total Equity and Liabilities		**1,460,363**	**1,442,637**

Significant Accounting Policies 3
The above consolidated balance sheet should be read in conjunction with the accompanying notes.
This is the consolidated balance sheet referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

For and on behalf of the Board of Directors

Sharmila A. Karve
Partner
Membership Number: 043229

Sunil Sood
Managing Director
(DIN:03132202)

Director

Manish Dawar
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date:May 30, 2018

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Revenue from operations	37	347,573	428,428
Other non operating income	38	3,699	2,941
Total		**351,272**	**431,369**
Expenses			
SIM cards consumed		2,385	2,166
Cost of trading goods sold		434	893
Access charges	39	46,921	53,519
License and regulatory fees	40	35,822	48,419
Employee benefits expense	41	17,233	16,775
Rental	42	55,194	56,486
Power and fuel	43	36,303	38,045
Other expenses	44	90,385	111,117
Total		**284,677**	**327,420**
Profit before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) from continuing operations		**66,595**	**103,949**
Share of net profits of joint venture accounted for using the equity method	11	3	-
Profit before other (gains)/losses (net), depreciation and amortisation, finance costs and tax from continuing operations		**66,598**	**103,949**
Other (gains)/losses (net)	45	(1,002)	6,617
Depreciation and amortisation expense	6.5	98,220	94,270
Finance costs	46	56,343	60,496
(Loss) before tax from continuing operations		**(86,963)**	**(57,434)**
Income tax expense			
Current tax		(1,741)	148
Deferred tax		(4,400)	(14,446)
Total tax expenses	14	**(6,141)**	**(14,298)**
(Loss) after tax from continuing operations		**(80,822)**	**(43,136)**
Discontinued Operations			
Profit from discontinued operation before tax	52	41,342	11,900
Tax expenses of discontinued operations	52	-	(6,440)
Profit from discontinued operations		**41,342**	**18,340**
(Loss) after tax for the year		**(39,480)**	**(24,796)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

		Note	For the year ended March 31, 2018	For the year ended March 31, 2017
	Other Comprehensive Income from continuing operations			
A	Items that will be reclassified to profit or loss		-	-
B	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		(22)	(95)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		7	33
	Other Comprehensive (Loss) from continuing operations (Net of tax)		**(15)**	**(62)**
	Other Comprehensive Income from discontinued operations			
A	Items that will be reclassified to profit or loss		-	-
B	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		-	-
	Share of other comprehensive (loss) of Joint venture accounted for using the equity method (net of tax)		-	(9)
	Other Comprehensive (Loss) from discontinued operations (Net of tax)		**-**	**(9)**
	Other Comprehensive (Loss) for the year (Net of tax)		**(15)**	**(71)**
	Total Comprehensive (Loss) from continuing operations (Comprising (loss) and Other Comprehensive (Loss) for the year)		**(80,837)**	**(43,198)**
	Total Comprehensive Income from discontinued operations (Comprising profit and Other Comprehensive (Loss) for the year)		**41,342**	**18,331**
	Total Comprehensive (Loss) for the year (Comprising (Loss) and Other Comprehensive (Loss) for the year)		**(39,495)**	**(24,867)**
	Earning per equity share of INR 10 each	47		
	Basic and Diluted (loss) per share (INR) - Continuing operations		**(28.73)**	**(19.64)**
	Basic and Diluted profit per share (INR) - Discontinued operations		**14.70**	**8.22**
	Basic and Diluted (loss) per share (INR) - Continuing and discontinued operations		**(14.03)**	**(11.42)**

Significant Accounting Policies 3

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Mumbai
Date: May 30, 2018

For and on behalf of the Board of Directors

Sunil Sood
Managing Director
(DIN:03132202)

Director

Manish Dawar
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: May 30, 2018

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Changes in Equity

Equity Share Capital and Other Equity		Attributable to owners of Vodafone India Limited						
		Reserves and Surplus						
Particulars	Equity Share Capital	Capital Reserve (1)	Securities Premium (2)	General Reserve (3)	Retained earnings/ (accumulated deficit) (4)	Capital contribution/ (distribution to parent)(5)	Share based payment reserve(6)	Total Reserve and Surplus
Balance as at April 1, 2016	**4,534**	**2,070**	**134,264**	**37,858**	**(13,005)**	**(34)**	**899**	**162,052**
Loss for the year	-	-	-	-	(24,796)	-	-	(24,796)
Other comprehensive loss	-	-	-	-	(71)	-	-	(71)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(24,867)**	**-**	**-**	**(24,867)**
Capital contribution by Ultimate Holding Company for employee share based payments (Refer Note 24)	-	-	-	-	-	44	-	44
Share based payments (Refer Note 24)	-	-	-	-	-	-	119	119
Issue of equity shares during the year (Refer Notes 23.1 and 23.2)	12,414	-	464,586	-	-	-	-	464,586
Issuance of bonus shares {Refer Note 23[h]}	11,185	-	(11,185)	-	-	-	-	(11,185)
Share issue expenses	-	-	(488)	-	-	-	-	(488)
Additional depreciation on fair valued assets pursuant to scheme of merger of Indus Towers Limited	-	-	-	(676)	-	-	-	(676)
Balance as at March 31, 2017	**28,133**	**2,070**	**587,177**	**37,182**	**(37,872)**	**10**	**1,018**	**589,585**
Balance as at April 1, 2017	**28,133**	**2,070**	**587,177**	**37,182**	**(37,872)**	**10**	**1,018**	**589,585**
Loss for the year	-	-	-	-	(39,480)	-	-	(39,480)
Other comprehensive loss	-	-	-	-	(15)	-	-	(15)
Total comprehensive loss for the year	**-**	-	-	-	**(39,495)**	**-**	-	**(39,495)**
Capital contribution by Ultimate Holding Company for employee share based payments (Refer Note 24)	-	-	-	-	-	145	-	145
Share based payments (Refer Note 24)	-	-	-	-	-	-	314	314
Balance as at March 31, 2018	**28,133**	**2,070**	**587,177**	**37,182**	**(77,367)**	**155**	**1,332**	**550,549**

(1) Capital reserve of INR 165 comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of Vodafone India Limited in earlier years and INR 1,905 is proportionate share of capital reserve of Joint Venture.

(2) The amounts received in excess of the par value of equity shares issued have been classified as securities premium. In accordance with the provisions of Section 52 of the Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares and offsetting direct issue costs and discount allowed for the issue of shares.

(3) General reserve comprises of proportionate share of general reserve of Joint Venture. Utilisation of general reserve for additional depreciation is as per scheme of merger of joint venture .

(4) Retained earnings / (accumulated deficit) represents the Group's cumulative earnings and losses respectively, including joint ventures.

(5) Capital Contribution/ (distribution to parent) represents the excess/shortage of provision on settlement of reserve for the equity settled plan for the employees of the Group.

(6) Share based payment reserve represents Vodafone Group Plc's equity settled plan for the employees of the Group .

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

For and on behalf of the Board of Directors

Sunil Sood
Managing Director
(DIN:03132202)

Director

Manish Dawar
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date:May 30, 2018

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities			
Loss before tax from continuing operations		(86,963)	(57,434)
Profit before tax from discontinued operations		41,342	11,900
Loss before tax including discontinued operations		**(45,621)**	**(45,534)**
Adjustments for:			
Depreciation and amortisation expense	6.5	98,637	95,035
Written back and provision for doubtful debts and advances	44	2,594	2,338
Net loss/(gain) on disposal of property, plant and equipment	45	414	(393)
Share of net profits of joint venture accounted for using the equity method	11	(3)	-
Dividend income from discontinued operations	52B	(10,009)	-
Profit from discontinued operations	52A	(31,019)	-
Profit from discontinued operation of joint venture	11 and 52B	-	(12,137)
Finance costs	46	56,343	60,496
Net foreign exchange (gain)/ loss		844	676
Interest income from fixed deposits	45	(836)	(2,148)
Interest income from Inter corporate loan-Joint venture	45	(1)	-
Interest income from taxation	45	(3,899)	(4)
Employee share based payments	41	802	608
Operating profit before working capital changes		**68,246**	**98,937**
Adjustments for changes in working capital			
Decrease/(Increase) in others non current financial assets		511	(199)
Decrease/(Increase) in other non current assets		4,568	(5,713)
Decrease/(Increase) in inventories		57	(21)
(Increase) in trade receivables		(5,150)	(659)
(Increase) in other bank balances		(20)	(389)
Decrease/(Increase) in others current financial assets		2,700	(1,079)
(Increase) in other current assets		(12,975)	(9,564)
(Decrease) in others non current financial liabilities		(182)	(2,329)
(Decrease)/Increase in long term provisions		(5,661)	3,938
Increase in non current liabilities- employee benefit obligations		56	31
Increase/(Decrease) in other non current liabilities		93	(2,204)
Increase/(Decrease) in trade payables		10,759	(101)
Increase/(Decrease) in others current financial liabilities		158	(354)
Increase/(Decrease) in other current liabilities		1,201	(3,382)
(Decrease) in short term provisions		(696)	(715)
Increase in current liabilities- employee benefit obligations		27	23
Increase in derivatives financial assets and liabilities		1,343	3,415
Cash generated from operations		**65,035**	**79,635**
Income tax paid (net)		(1,465)	(9,316)
Net cash inflow from operating activities		**63,570**	**70,319**
Cash flow from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	53	(2,830)	-
Payment for property, plant and equipment and intangible assets		(69,860)	(175,575)
Proceeds from sale of property, plant and equipment		910	1,071
Proceeds from sale of passive infrastructure business	52A	38,205	-
Loans given during the year		(3)	-
Interest received		924	2,060
Dividend received from discontinued operation-Indus Tower Limited		10,009	9,509
Net cash (outflow) from investing activities		**(22,645)**	**(162,935)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from financing activities			
Proceeds from issue of shares	23.1 and 23.2	-	477,000
Share issue expenses		-	(488)
Proceeds from borrowings		113,372	98,443
Repayment of borrowings		(87,981)	(392,741)
Interest and other borrowing cost paid		(40,421)	(72,155)
Net cash (outflow)/inflow from financing activities		**(15,030)**	**110,059**
Net increase in cash and cash equivalents		**25,895**	**17,443**
Cash and cash equivalents as at the beginning of the year	18	32,203	14,761
Effects of exchange rate changes on cash and cash equivalents		43	(1)
Cash and cash equivalents as at the end of the year	**18**	**58,141**	**32,203**

Reconciliation of cash and cash equivalents as per the consolidated statement cash flows

		As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	18	58,141	32,203
Balance as per consolidated statement of cash flows		58,141	32,203

1. The above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows' notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flows referred to in our report on even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place:Mumbai
Date:May 30, 2018

For and on behalf of the Board of Directors

Sunil Sood
Managing Director
(DIN:03132202)

Director

Manish Dawar
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: May 30, 2018

Note 1
General information

Vodafone India Limited ("VIL" or "the Company") was incorporated in 1992 in India under the provisions of the Companies Act,1956, as a company with limited liability. The Company is domiciled in India with its registered office address being Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, India.

VIL and its subsidiaries (herein after referred to as "the Group") and Joint Ventures, 42% of Indus Tower Limited and 50% of Firefly Networks Limited, have principal activities of providing mobile communications services and telecom passive infrastructure across India.

The consolidated financial statements were approved for issue by the Board of Directors of the Company on May 30, 2018.

Note 2
Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, employee benefits plan and share based payments which have been measured at fair value.

(iii) Going Concern

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

(iv) New and amended standards adopted by the Group

Amendment to Ind AS 102, "Share-based Payment"
Effective April 1, 2017, the Group adopted amendment to Ind AS 102, which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of amendment did not have any effect on these consolidated financial statements.

Amendment to Ind AS 7, "Statement of Cash Flows"
Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, by inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

(v) Current/Non current classification

The Group presents assets and liabilities in consolidated balance sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Note 3
Significant accounting policies
This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been applied to all the periods presented, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities, it controls, both unilaterally and jointly. Control is achieved when the Company directly or indirectly is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company reassess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the conditions mentioned above.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Company directly or indirectly has control. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses and other comprehensive income (OCI). All material intra-group transactions and balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

The subsidiary is deconsolidated from the date control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) recognises the fair value of the consideration received.

(iii) recognises the fair value of any investment retained.

(iv) recognises any surplus or deficit in profit or loss.

(v) reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

(b) Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. 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.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using equity method of accounting, except when the investment, or portion thereof, is classified as held for sale or held for distribution to owners in which case it is accounted for as per Ind AS 105- 'Non-current assets held for sale and discontinued operations'. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. Dividend received or receivable from joint ventures are recognised as a reduction in carrying amount of the investment.

When the Group entities transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

When the Group ceases to consolidate on equity account for an investment, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets and liabilities. This may mean that amount previously recognised in other comprehensive income are classified to profit and loss.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 3.12 (a).

(c) Business Combination

The acquisition method of accounting is used to account for all business combinations except common control transactions. The consideration transferred for the acquisition of a subsidiary comprises the:

(i) fair values of the assets transferred;

(ii) liabilities incurred by the Group to the former owners of the acquired business;

(iii) equity interests issued by the Group; and

(iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. The entity recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition.

Acquisition -related costs are expenses as incurred.

The excess of the

(i) consideration transferred
(ii) amount of any non-controlling interest in the acquired entity, and
(iii) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

In the case of bargain purchase, the resultant gain is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities may be recognised, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognised at that date, had they been known. The measurement period does not exceed twelve months from the date of acquisition.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, assets and liabilities of combining entities are reflected at carrying amounts and no adjustments are made to reflect fair values, or recongnise any new assets or liabilities. The only adjustments are made to harmonise accounting policies. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The difference between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from capital reserve.

3.2 Foreign currencies

(a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. Functional currency of all the Group entities is Indian Rupees.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss.

Foreign exchange difference regarded as an adjustment to borrowing cost are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other (gains)/losses (net).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.3 Revenue recognition

Revenue is recognised to the extent the Group has rendered services/delivered goods under an agreement, the amounts of revenue can be measured reliably and it is probable that the economic benefits with the transactions will flow to the Group and collection is reasonably certain. Revenue is measured at the fair value of consideration received or receivable.

Postpaid Revenue
Revenue from access charges, airtime usage, messaging and rentals (net of discount, rebates, waivers and taxes) from contract customers are recognised during the period the services are rendered.

Prepaid Revenue
Usage based revenue from services is recognised only on usage by subscribers or till the credit period expires.
Processing fee is recognised over the validity of the product.

Interconnect Services
Revenue is recognised at the time the services are rendered.

Roaming Services
Roaming revenue on account of subscribers of other operators using the Group's network is recognised based on services rendered.

Long Distance services
Service Revenue is recognised on completion of provision of service. Service Revenue includes access charges passed on to other operators. Revenue on account of enterprise services is recognised on time proportion basis in accordance with related contracts.

Fixed Line Data
Revenue on account of fixed line data services is recognised on time proportion basis (net of discount, rebates, waivers and indirect taxes) in accordance with related contracts.

M-pesa Services
Mainly comprises of commission income on transactions carried out by M-pesa subscribers (i.e. online bill payments, money transfers, etc). The revenue is recognised net of service tax and discounts.

Trading sales
Revenue for device sales is recognised when the device is delivered to the end customer or distributor and the significant risks and rewards of ownership have transferred. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer or the distributor or the expiry of any right of return.

Multiple element contracts
In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

a) the deliverable has value to the customer on a stand-alone basis; and
b) there is evidence of the fair value of the item.

The arrangement consideration allocated to each separate unit of accounting based on its relative fair value.

CellSite Sharing Revenue
Service income from passive infrastructure is recognised from the date on which the sites are ready for active installation. Rental revenues are recognised on a monthly basis as per the contractual terms under agreements entered with customers. The Group has ascertained that the lease payments received are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases and therefore are not straight-lined.

Accrued Billing Revenue
Accrued billing revenue represents revenue recognised in respect of services provided from last bill date to the end of the reporting period.

Unearned Billing Revenue
Unearned billing revenue represents billing done to subscribers for which services have not been rendered up to the period end date.

3.4 Income Tax

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group’s liability for current tax is calculated using Indian tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit not taxable profit (tax loss).

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax basis of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in Joint Ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax is charged or credited to the consolidated statement of profit and loss, except when it relates to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognised in other comprehensive income/(loss) or in equity.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.5 Leasing

As lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss. Payments made under operating leases (net of any incentives received or receivable from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

As lessor

The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income is recognised as income on a straight-line basis over the period of lease, which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Dark optic fibre cable (OFC) capacity given to other operators on long term non-cancellable lease is treated as a deletion of the asset from the block. The income (net) of net book value of OFC is recognised as profit on sale of assets in the year of sale.

3.6 License fees-revenue share

License fee (revenue share) and spectrum fees is computed at prescribed rates as per the license agreement entered in to by the Group with the Department of Telecommunication ('DoT') and charged to the consolidated statement of profit and loss in the period in which the related revenue is recognised.

3.7 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their historical cost, less depreciation and any impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's 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 of the item can be measured reliably. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

The assets acquired under the composite IT outsourcing agreement are accounted for based on fair value. Fixed assets are accounted for as own assets /finance lease as applicable under the contract. These assets are depreciated over their respective useful lives as in the case of Company's other own assets.

Asset retirement obligation ('ARO') is capitalised 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 recognised as a part of the cost of the assets and is measured based on present value of expected cost to settle the obligation.

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets. The useful lives have been determined based on technical evaluation which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets.

Following are the estimated useful life of various category of assets used:

Assets	Life of assets
Leasehold land	Over the period of lease
Building	50 years
Leasehold Improvements	Over the lease period or 5 years whichever is shorter
Plant and Machinery	
Batteries	4 years
Towers	15-18 years
Telecom Shelters	15 years
Other plant and machinery	8 years
Dark and Optic Fibre	15 years
Computer hardware	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 years

Depreciation is not provided on freehold land. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

3.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

3.9 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

(a) Goodwill

Goodwill arising on business combination, as explained in Note 3.1(c), is initially recognised as an asset at cost and is subsequently measured at cost less and accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment annually along with the Cash Generating Unit ('CGU') to which it is allocated. On disposal of a subsidiary or a jointly controlled entity, attributable amount of goodwill is included in the determination of the profit or loss recognised in the consolidated statement of profit and loss on disposal.

(b) Finite lived intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The residual value, amortisation period and method is reviewed at least annually. Changes in the residual value, expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Licenses and right to use spectrum

Amount paid by the Group to acquire licenses and spectrum rights from the Department of Telecommunication (DOT) are initially recognised at cost. Subsequently, license and spectrum rights are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation periods for the spectrum rights are determined primarily by reference to the unexpired period of the spectrum rights. Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the commencement of related network services for spectrum rights.

Amortisation period of the licenses are 20 years from the date of its receipt. Amortisation is charged on straight line basis over the useful file.

Brand

Brand is recorded on fair value at the date of acquisition of subsidiary. Amortisation is charged to the consolidated statement of profit and loss over the 3 years on straight line basis.

Computer software

Computer software comprises computer software purchased from third parties. Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Direct costs include software development employee costs and directly attributable overheads. Software integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Computer software acquired under composite IT outsourcing agreement are accounted for based on fair value. These are accounted as owned assets / finance lease as applicable under the contract. These are amortised over their expected life on the same basis as owned assets or where shorter, over the term of the lease.

Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the date the software is available for use.

Bandwidth

Payment for Bandwidth capacities are classified as pre-payments in service agreements or under certain conditions as on acquisition of a right. In the later case, it is accounted as an intangible asset and the cost is amortised over the period of the agreements.

The estimated useful lives of finite lived intangible assets are as follows:

Assets	Useful Life
Licenses and spectrum	Over the remaining period of license and spectrum after being put to use
Brand	3 years
Computer software	3-5 years
Bandwidth	15 years

Disposal of Intangibles

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying value of the asset and are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

3.10 Non-current assets held for sale or held for distribution to owners and discontinued operations

Non-current assets are classified as held for sale or held for distribution to owners, if its carrying amount will be recovered principally through a sale transaction or through distribution to shareholders rather than through continuing use. For this to be the case, the asset must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distributions of such assets and its sale or distribution must be highly probable and sale or distribution is expected to be completed within one year from date of classification.

Non-current assets held for sale or held for distribution to owners are presented separately in the current section of the consolidated balance sheet. Non-current assets classified as held for sale or held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale or held for distribution to owners.

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

3.11 Impairment of assets

(a) Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as a Cash Generating Unit ('CGU') or a group of CGUs. Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversed in a subsequent period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(b) Property, plant and equipment, investment properties and finite lived intangible assets

At each reporting date, the Group determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where 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.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

3.12 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial Assets

(I) Classification

The Group classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss); and

b) those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows as mentioned below.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income ('OCI'). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

(II) Measurement

At initial recognition, the Group measures a financial asset on the trade date which is the date the Group becomes a party to the contractual terms, at its fair value plus the transaction costs that are directly attributable to the acquisition of the financial asset. In case of financial assets carried at fair value through profit or loss ('FVTPL'), transaction costs are expensed in consolidated statement of profit and loss as incurred.

Debt Instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

(i) Amortised Cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

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 in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss in other expenses.

(ii) Fair value through other comprehensive income ('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 consolidated 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 consolidated 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.

(iii) Financial assets at fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss ('FVTPL').

Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in fair value presented as other (gains)/losses (net) in consolidated statement of profit and loss. Interest income from these financial assets at fair value through profit or loss are included separately in other income.

Equity Investment

If Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments shall continue to be recognised in consolidated statement of profit and loss as other income when the Groups' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the consolidated statement of profit and loss as applicable.

(III) Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are measured at amortised cost and FVOCI.

Expected credit losses is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in consolidated statement of profit and loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. 'Past historical data of expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Group measures expected credit losses for Trade receivables using a provision matrix based on collection history. Accordingly, for trade receivables, the Group has followed simplified approach.

Expected credit loss for loans, security deposit and investments are measured at 12 months expected credit losses for cases where credit risk has not increased significantly since initial recognition.

The Group uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Assets are written off when there is no reasonable expectation of recovery based on management assessment. When recoveries are made, these are recognised in the consolidated statement of profit and loss.

(IV) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(V) Income Recognition

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised in consolidated statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(VI) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdraft shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of group's cash management.

(b) Financial Liabilities

The Group determines the classification of its financial liabilities according to the substance of the contractual arrangements entered into and the definition of the financial liability.

(I) Classification

The Group classifies its financial liabilities in the following measurement categories:

a) Those to be measured as financial liabilities at fair value through profit or loss,

b) Those to be measured at amortised cost

(II) Measurement

Financial liabilities are recognised initially on the trade date, which is the date the Group becomes the party to the contractual terms. Upon initial recognition, all financial liabilities are recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives liabilities, shall be subsequently measured at fair value.

The Group's financial liabilities include trade payables, borrowings including bank overdrafts and derivative financial instruments. The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired 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.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, 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. This category generally applies to borrowings.

(III) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

3.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

3.14 Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Changes in values of all derivatives are included within Other (gains)/losses (net) in the consolidated statement of profit and loss. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

3.15 Equity instruments

Equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Cost is determined on the basis of first in first out (FIFO) basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

3.17 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as employee benefits payable under other current financial liability in the consolidated balance sheet.

Benefit plan

The Group employee benefits include defined benefit plans and defined contribution plans. The Group also provides other benefits in the form of compensated absences.

The Group provided for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity act, 1972. Under the defined benefit retirement plan, the Group provides for the retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to vested employees at retirement or termination of employment based on respective employee salary and years of experience in the Group. The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Present value of Defined Benefit Obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

You Broadband India Limited ('YBIL) and certain employees of Vodafone Mobile Services Limited ('VMSL'), the Gratuity contributions are made to a trust administered by these companies. The Group's liability for these employees is actuarially determined (using the Projected Unit Credit method) at the end of the year.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability. Scheme liabilities are assessed using the projected unit credit method and applying the principal actuarial assumptions at the reporting date. Plan assets are valued at fair value.

Actuarial gains and losses are taken to the Statement of Other Comprehensive Income as incurred. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements in the net surplus or deficit are recognised in the consolidated statement of profit and loss, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the consolidated statement of profit and loss. The amount charged to the consolidated statement of profit and loss in respect of these plans is included within operating costs.

Contribution plan

The Group's contributions to defined contribution plans in the nature of Provident Fund and Superannuation are charged to the consolidated statement of profit and loss as they fall due. For superannuation scheme, the Group has established trusts and trusts have entered into a scheme of insurance with Life Insurance Corporation of India.

The Group has no further obligations under these plans beyond its periodic contributions.

Contribution towards provident fund for all employees is made to the regulatory authorities, where the Group has no further obligations.

Long term benefit obligations

The employees of the Group are entitled to compensate absences based on the unavailed leave balance. The Group records liability for compensated absences based on actuarial valuation computed under the projected unit credit method.

Accumulated compensated absences, which are expected to be availed or encashed are treated as employment benefits under current liabilities since the Group does not have an unconditional right to defer settlement at least twelve months after the reporting period. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the consolidated statement of profit and loss in the year in which they arise.

Share-based payments

The Group provides its employees with a share based payment plan as run by its ultimate holding company Vodafone Group Plc. ('VF Group Plc.). VF Group Plc. issues equity-settled share-based payments linked to its equity shares to certain employees of the Group in lieu of the services provided by them to the Group. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to Share based payment reserve, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The total expense (adjusted for estimated forfeitures) is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to Share based payment reserve in the year of change.

VF Group Plc. recharges to the Group certain cost for the share based payments made/ to be made by them to Group employees. Any excess / shortage of recharge as compared to the overall share based payment reserve balance is treated as either dividend paid to VF Group Plc. or capital contribution by VF Group Plc. respectively.

3.18 Provisions and Contingent Liabilities

a) Asset retirement obligations

Asset retirement obligations ('ARO') is provided for those assets or operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises to a condition similar to condition at the inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects current market assessment of time value of money and 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.

b) Other provisions

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.

Provisions are measured at the Group's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

c) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.19 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. It includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

Other borrowing cost includes interest paid to various regulatory authorities for delayed payment.

3.20 Profit before share of net profits of joint ventures accounted for using equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA)

The Group measures performance of business based on EBITDA, EBITDA is measured as total income less expense but excludes share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax from continuing operations.

3.21 Earnings per share

The Group's earnings per share ('EPS') is determined based on the net profit/(loss) attributable to the shareholders' of the Group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events, that have changed the number of ordinary shares outstanding, without a corresponding change in resources.

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.23 New accounting pronouncements to be adopted on or after April 1, 2018

Following are the pronouncements which have been issued by the Ministry of Corporate Affairs ('MCA') that are effective from annual periods beginning on or after April 1, 2018:

Ind AS-115, "Revenue from Contracts with Customers"
The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the Group's contracts with customers. It 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. Adoption of Ind AS 115 is not expected to have a significant impact on the timing and measurement of revenue. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when services are provided or goods are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115. The Group currently expenses set-up costs related to customer, as they did not qualify for recognition as an asset under any of the other accounting standards. However, these costs relate to the contract, generate resources used in satisfying the contract and are expected to be recovered. Accordingly, these costs will be eligible for capitalisation under Ind AS 115 and recognised as a contract asset as of 1 April 2018. Consequently, contract asset and deferred tax liability will be recognised with a net impact on retained earnings. The Group is in the process of assessing the detailed impact of Ind AS 115.

Ind AS-21, "Foreign currency transactions and advance consideration"
The amendments clarify the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is in process of evaluating the effect of this on the financial statements and does not expect any material impact from the change.

Ind AS-40, "Investment Property"
The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. The amendment will come into force from April 1, 2018. The Group is in process of evaluating the effect of this on the financial statements and does not expect any material impact from the change.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Ind AS-12, "Income tax regarding recognition of deferred tax assets on unrealised loss"
Where accounting for deferred taxes where an asset is measured at fair value and the fair value is below assets tax base. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. The amendment will come into force from April 1, 2018. The Group is in process of evaluating the effect of this on the financial statements and does not expect any material impact from the change.

There are no other standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Note 4
Critical judgements and sources of estimation uncertainty

The Group prepares its consolidated financial statements in accordance with Ind AS as issued by the Ministry of Corporate Affairs ('MCA'), the application of which often requires judgments to be made by management when formulating the Group's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in Note 3 to the consolidated financial statements, 'Significant accounting policies'.

a. Impairment reviews

Management reviews the business performance at operating segment level i.e. passive infrastructure and mobile telecommunication services. These two segments have been identified as separate Cash Generating Unit (CGU). Passive infrastructure segment is profit making segment and there are no indicators of impairment for the CGU. Accordingly, for the passive infrastructure CGU, no impairment testing was carried out. Passive infrastructure segment has two units; an investment in Indus Towers Limited which is held for distribution to owners and own towers which been disposed off as of March 31, 2018. (Refer Note 52A)

Management test indicators of impairment at least annually or at each balance sheet date and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. As part of the review as at March 31, 2018, management identified intense competition as a trigger for impairment testing. The recoverable amount is assessed based on an estimate of Value-In-Use (VIU) calculation using the discounted cash flow method. The VIU calculation is made using pre-tax budgeted cash flow projections based on management forecasts for the next five years and the terminal value at the end of the fifth year (after considering the relevant long-term growth rate).

As at March 31, 2018, the VIU is INR 1,051,747.

The table below shows the key assumptions used in the value- in- use calculations:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate (in %)	11.3%	12.6%
Long term growth rate (in %)	5.0%	4.9%
Average Budgeted capital expenditure as % of revenue	11.5%	12.5%
Average EBITDA Margin (in %)	25.2%	29.2%
Revenue Growth Rate (CAGR %)	9.5%	6.5%

(All amounts are in INR millions, except per share data and unless stated otherwise)

Assumptions	How determined
EBITDA Margins	EBITDA margins has been based on past experience adjusted for the following: • voice and messaging revenue continue to be impacted due to, the introduction of new services and unlimited calling plans by competition; • data revenue expected to grow as the penetration of 4G enabled devices and smartphones rise along with higher data bundle attachment rates as new products and services are introduced. However, the revenues are expected to be under severe pressure due to intense competition in the near future. • the margins are expected to be impacted by negative factors such as the cost of acquiring and retaining customers in increasingly competitive markets and saving accruing from exits of low used sites and leveraging on active sharing infrastructure.
Budgeted capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the on-going capital expenditure required to roll out networks, to maintain voice and data services and to meet the population coverage requirements. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and intangible assets.
Long-term growth rate	Long–term growth rate used for the purpose of calculation of terminal value has been determined as the lower of: • The nominal GDP rates for India; and • The long-term compound annual growth rate in EBITDA.
Discount rate	The discount rate applied to the cash flows is generally based on the risk free rate for ten year bonds issued by the government in India, these rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of VIL. In making this adjustment, inputs required are the equity market risk premium (that is the required increased return, over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific operating company relative to the market as a whole.
Revenue growth rate	This is based on the estimated growth rate for the industry and the Company's expected gain from the same.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

A change of ±3% of the discount rate has an impact of ±~6.4% (March 31, 2017: ±~5.6%) on the value in use, a change of ±3% of the long term growth rate has an impact of ±~2.4% (March 31, 2017: ±~1.6%) on the value in use and a change of ±3% of EBITDA margin/revenue growth rate has an impact of ±~6.2% (March 31, 2017: ±~5.6%)on the value in use.

b. Estimate of current and deferred tax

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the consolidated statement of profit and loss and tax payments. (Refer Note 14)

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. (Refer Note 14)

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. For the relative size of the Group's property, plant and equipment and intangible assets, refer Notes 6 and 9 respectively.

d. Provision for trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. The carrying amount of provision for trade receivables is INR 4,819 and INR 5,029 as at March 31, 2018 and March 31, 2017 respectively. Individual trade receivables are written off when management deems them not to be collectible. (Refer Note 17)

e. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. (Refer Notes 27 and 49)

f. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Group uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

g. Non-current assets held for sale or held for distribution to owners and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale or held for distribution to owners and represents a separate major line of business or geographical area of operations.

Non-current assets are classified as held for sale or held for distribution to owners, if their carrying value will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell or distribute. One of the conditions that must be satisfied for a non-current asset to be classified as held for sale or held for distribution to owners is that such sale or distribution shall be highly probable within one year. The execution of transaction requires approval from the regulatory authority which is beyond the Group's control. However, the management remains committed to its plan.

Thus, the determination of whether such non-current assets should be classified as held for sale or held for distribution to owners, discontinued operations and fair value less cost to sell require significant management judgment considering all facts and circumstances relating to the transaction as they tend to be uncertain. (Refer Note 52)

Note 5
Segment Analysis
Information reported to the Chief Executive Officer and Chief Financial Officer who are chief operating decision makers ('CODM') for the purposes of resources allocation and assessment of segment performance focuses on the types of services provided.

The directors of the Company have chosen to organise the Group around the different services being provided. Operating segments have been aggregated based on similar risk and reward and on fulfilment of other aggregation criteria. The details analysed are based on Mobile telecommunication services business, passive infrastructure business and other business and a description of each segment is given below.

The Groups reportable segments in accordance with Ind AS 108 are as follows:

i) Mobile Telecommunication:
Providing mobile and fixed line data related mobile telecommunication services.

ii) Passive Infrastructure:
Passive Infrastructure segment, including Indus Tower Limited represents establishing, operating and maintaining wireless communication towers, providing network development services and providing towers on lease.

The Group has been classifying tower business as part of Passive Infrastructure Segment. During the year, as explained in note 52A, the Group has classified this business as Discontinued Operations. Since the Group continues to engage in the business of providing Passive Infrastructure Services and its results were regularly reviewed by the CODM, the same continues to be disclosed as a separate reportable segment in current year.

iii) Others:
Others include mainly mobile wallet business and sale of products which do not qualify as reportable segments.

Services rendered between segments are carried out at similar to arm's length terms. The revenue from external parties reported to the Chief operating decision makers is measured in a manner consistent with that in the consolidated statement of profit and loss.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information for the year ended March 31, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure: Discontinued operation*	Passive Infrastructure: Held for distribution to owners**	Others	Eliminations / Adjustments[2]	Total
Segment Revenue						
External Revenue	346,394	2,130	-	1,179	(2,130)	347,573
Inter Segment Revenue	-	-	-	331	(331)	-
Total Revenue	**346,394**	**2,130**	**-**	**1,510**	**(2,461)**	**347,573**
Segment Results						
Segment EBITDA[1]	67,391	2,130	(1,399)	(796)	(731)	66,595
Depreciation and amortisation	(98,100)	(417)	-	(120)	417	(98,220)
Unallocated items:						
Share of net profits of joint venture accounted for using the equity method						3
Other gains/(losses)						1,002
Finance costs						(56,343)
(Loss) before tax from continuing operations						**(86,963)**
Income tax expenses						6,141
(Loss) after tax from continuing operations						**(80,822)**
Profit from discontinued operation before tax***	-	32,732	8,610	-	-	41,342
Tax expenses of discontinued operations	-	-	-	-	-	-
Profit from discontinued operations						**41,342**
(Loss) after tax for the year						**(39,480)**
Other Comprehensive (Loss) for the year (Net of tax)						**(15)**
Total Comprehensive (Loss) for the year (Comprising (Loss) and Other Comprehensive (Loss) for the year)						**(39,495)**
Other Information						
Capital expenditure	82,623	233	-	78	-	82,934
Operating free cash flow#	(9,063)	1,897	(1,399)	(874)	1,399	(8,040)

* As explained in Note in 52A, the expenses incurred for passive infrastructure segment are clubbed with Mobile Telecommunication as the CODM reviews the same as part of the Mobile Telecommunication segment.

** Refer Note 52B

***Discontinued operation includes INR 31,019 profit on sale of the passive undertaking on slump sale basis and held for distribution to owners represents dividend from Joint venture.

Summary of the segmental information as at March 31, 2018 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure: Assets held for distribution to owners*	Others	Eliminations / Adjustments[2]	Total
Segment assets	1,260,486	-	4,056	-	1,264,542
Assets classified as held for sale or held for distribution to owners	-	49,526	-	-	49,526
Unallocated assets					146,295
Total assets					**1,460,363**
Segment liabilities	192,572	-	1,456	-	194,028
Unallocated liabilities					687,653
Total liabilities					**881,681**

* Refer Note 52B

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information for the year ended March 31, 2017 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure Discontinued operation*	Passive Infrastructure Held for distribution to owners**	Others	Eliminations / Adjustments[2]	Total
Segment Revenue						
External Revenue	427,013	1,901	50,009	1,415	(51,910)	428,428
Inter Segment Revenue	-	-	23,608	400	(24,008)	-
Total Revenue	**427,013**	**1,901**	**73,617**	**1,815**	**(75,918)**	**428,428**
Segment Results						
Segment EBITDA[1]	105,478	1,901	29,702	(1,529)	(31,603)	103,949
Depreciation and amortisation	(94,139)	(765)	(10,683)	(131)	11,448	(94,270)
Unallocated items:						
Other gains/(losses)						(6,617)
Finance costs						(60,496)
(Loss) before tax from continuing operations						**(57,434)**
Income tax expenses						14,298
(Loss) after tax from continuing operations						**(43,136)**
Profit from discontinued operation before tax³	-	1,136	10,764	-	-	11,900
Tax expenses of discontinued operations	-	-	6,440	-	-	6,440
Profit from discontinued operations						**18,340**
(Loss) after tax for the year						**(24,796)**
Other Comprehensive (Loss) for the year (Net of tax)						**(71)**
Total Comprehensive (Loss) for the year (Comprising (Loss) and Other Comprehensive (Loss) for the year)						**(24,867)**
Other Information						
Capital expenditure	292,606	154	11,973	102	(11,973)	292,862
Operating free cash flow#	22,755	1,747	17,729	(1,631)	(17,729)	22,871

* Refer Note 52A

** Refer Note 52B

Summary of the segmental information as at March 31, 2017 is as follows:

Particulars	Mobile Telecommunication: Assets other than classified as held for sale or held for distribution to owners	Mobile Telecommunication: Assets classified as held for sale or held for distribution to owners*	Passive Infrastructure: Assets other than classified as held for sale or held for distribution to owners	Passive Infrastructure: Assets classified as held for sale or held for distribution to owners**	Others	Eliminations / Adjustments[2]	Total
Segment assets	1,245,640	-	3,288	84,431	3,783	(84,431)	1,252,711
Assets classified as held for sale or held for distribution to owners	-	1,388	-	49,526	-	-	50,914
Unallocated assets							139,012
Total assets							**1,442,637**
Segment liabilities	178,181	-	-	19,628	1,612	(19,628)	179,793
Unallocated liabilities							645,126
Total liabilities							**824,919**

* Refer Note 52C

** Refer Note 52B

(All amounts are in INR millions, except per share data and unless stated otherwise)

(1) Segment EBITDA represents segment earnings before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) earned by the segment. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of performance. Segment's performance is evaluated based on EBITDA and hence, EBITDA is the measure of Segment result.

(2) Passive Infrastructure segment included proportionate 42% share of Indus Joint Venture in respective line-items. The Company had followed equity method of accounting upto March 19, 2017. The Group's proportionate share of assets, liabilities and results of the Joint Venture was eliminated in adjustment column in respective line items.

Income earned from passive assets used for leasing out have been disclosed in Passive Infrastructure segment. Property, plant and equipments have been grouped under Passive Infrastructure segment.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Segment assets and liabilities are measured in the same way as in the financial statements. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

#Operating free cash flows ('OFCF') represents segment EBITDA less capital expenditure other than licenses and spectrum included within intangible assets. OFCF have been calculated and presented even though this measure is not recognised within Ind AS. The Company believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties. OFCF allows the Company and external parties to evaluate liquidity.

Refer Note11 for details of proportionate share of Joint Venture included in segment assets and segment results.

Share of profit in Indus joint venture is INR Nil (March 31, 2017: INR 12,137) in Passive Infrastructure segment and share of profit in Firefly joint venture is INR 3 (March 31, 2017: INR Nil) in Mobile Telecommunication services.

Assets other than classified as held for sale or held for distribution to owners are those which the Group continue to use in it's operation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 above.

Geography wise disclosures

The Group is domiciled in India. Geography-wise revenue from external customers is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India*	330,662	411,757
Rest of World	16,911	16,671
Total	**347,573**	**428,428**

*After reclassifying discontinued operation revenue of INR 2,130 (March 31, 2017: INR 1,901)

Service-wise revenue from external customers (Refer Note 37)

Entire non-current assets (other than financial instruments) and deferred tax assets are located in India. There are no major customers contributing 10% or more of the Group's revenue.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 6

Property, Plant and Equipment - As at March 31, 2018

	Gross Block (At Cost)						Accumulated Depreciation					Net Block	
	As at April 1, 2017	Pursuant to acquisition of subsidiary[3]	Additions/ Adjustments	Assets declassified as held for sale[4]	Deductions/ Adjustments[5]	As at March 31, 2018	As at April 1, 2017	Charge for the year	Assets declassified as held for sale[4]	Deductions/ Adjustments[5]	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land (Refer Note 6.4)	66	-	-	-	-	66	-	-	-	-	-	66	66
Leasehold Land (Refer Note 6.4)	597	-	-	-	-	597	17	8	-	-	25	572	580
Buildings (Refer Note 6.4)	3,697	-	72	226	-	3,995	78	95	9	-	182	3,813	3,619
Leasehold improvements	1,374	-	29	-	27	1,376	658	269	-	21	906	470	716
Plant and machinery (Refer Notes 6.1 and 6.3)	353,702	1,619	79,079	1,317	16,431	419,286	100,959	55,051	361	7,625	148,746	270,540	252,743
Computer hardware	5,070	4	2,345	-	31	7,388	2,480	1,307	-	30	3,757	3,631	2,590
Office Equipments	1,297	6	137	-	36	1,404	606	280	-	29	857	547	691
Furniture and fixtures	994	1	47	-	33	1,009	525	200	-	29	696	313	469
Vehicles	5	1	20	-	1	25	2	6	-	1	7	18	3
Sub-Total	366,802	1,631	81,729	1,543	16,559	435,146	105,325	57,216	370	7,735	155,176	279,970	261,477
Leased assets [1]													
Plant and machinery [2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer hardware	9,326	-	-	-	-	9,326	5,401	2,144	-	-	7,545	1,781	3,925
Sub-Total	9,326	-	-	-	-	9,326	5,401	2,144	-	-	7,545	1,781	3,925
Total	**376,128**	**1,631**	**81,729**	**1,543**	**16,559**	**444,472**	**110,726**	**59,360**	**370**	**7,735**	**162,721**	**281,751**	**265,402**
Capital work-in-progress (Refer Note 6.2)	20,759	205	67,939	81	81,729	7,255						7,255	20,759

[1] Assets taken on finance lease.

[2] Assets fully depreciated but still in use

[3] Refer Note 53

[4] Refer Note 52C

[5] Refer Note 52A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Property, Plant and Equipment - As at March 31, 2017

	Gross Block (At Cost)					Accumulated Depreciation					Net Block	
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale[3]	As at March 31, 2017	As at April 1, 2016	Charge for the year	Deductions/ Adjustments	Assets classified as held for sale[3]	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Freehold Land (Refer Note 6.4)	66	-	-	-	66	-	-	-	-	-	66	66
Leasehold Land (Refer Note 6.4)	597	-	-	-	597	6	11	-	-	17	580	591
Buildings (Refer Note 6.4)	3,339	584	-	226	3,697	14	73	-	9	78	3,619	3,325
Leasehold improvements	1,296	89	11	-	1,374	298	365	5	-	658	716	998
Plant and machinery (Refer Notes 6.1,6.3 and 6.6)	289,937	66,716	1,634	1,317	353,702	48,990	53,303	973	361	100,959	252,743	240,947
Computer hardware	3,277	1,796	3	-	5,070	1,377	1,106	3	-	2,480	2,590	1,900
Office Equipments	1,100	207	10	-	1,297	301	311	6	-	606	691	799
Furniture and fixtures	927	72	5	-	994	271	257	3	-	525	469	656
Vehicles	5	-	-	-	5	2	-	-	-	2	3	3
Sub-Total	300,544	69,464	1,663	1,543	366,802	51,259	55,426	990	370	105,325	261,477	249,285
Leased assets [1]												
Plant and machinery [2]	-	-	-	-	-	-	-	-	-	-	-	-
Computer hardware	4,934	4,392	-	-	9,326	1,622	3,779	-	-	5,401	3,925	3,312
Vehicles [2]	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	4,934	4,392	-	-	9,326	1,622	3,779	-	-	5,401	3,925	3,312
Total	**305,478**	**73,856**	**1,663**	**1,543**	**376,128**	**52,881**	**59,205**	**990**	**370**	**110,726**	**265,402**	**252,597**
Capital work-in-progress (Refer Note 6.2)	16,416	78,280	73,856	81	20,759						20,759	16,416

[1] Assets taken on finance lease.

[2] Assets fully depreciated but still in use

[3] Refer Note 52C

(All amounts are in INR millions, except per share data and unless stated otherwise)

6.1 Additions to Plant and Machinery includes INR 6 (March 31, 2017: INR 61) for Site Restoration cost.

6.2 Capital work in progress as at March 31, 2018 includes goods in transit of INR 826 (March 31, 2017: INR 1,654).

6.3 Employee benefit cost capitalised INR 214 (March 31, 2017: INR 283) and Network operation and maintenance cost capitalised INR 1,127 (March 31, 2017: INR 476) and IT cost capitalised INR 89 (March 31, 2017: INR Nil) included in Plant and Machinery.

6.4 Freehold land, Leasehold land and Building (other than self-constructed structure/buildings) includes 116, 12 and 37 (March 31, 2017: 116, 12 and 37) instances respectively for which the title deeds are in name of the erstwhile legal entities of the Group and the Group is initiating the process of getting the same transferred/mutated in the name of the respective Company. The carrying value of the above assets as at March 31, 2018 is INR 66, INR 572 and INR 466 (March 31, 2017: INR 66, INR 580, INR 479) respectively.

6.5 Depreciation and Amortisation for the year:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	59,360	59,205
Amortisation (Refer Note 9)	39,265	35,818
Depreciation on Investment Property (Refer Note 7)	12	12
Total	**98,637**	**95,035**
Depreciation and amortisation attributable to:		
from continuing operations	98,220	94,270
from discontinued operations (Refer Note 52A)	417	765

6.6 Gross block and net block of cell sites related passive infrastructure jointly used by the Group and other operators included in plant and machinery are as below:

Particulars	As at March 31, 2018	As at March 31, 2017
Gross Block	-	4,949
Accumulated Depreciation	-	(1,661)
Net Block	**-**	**3,288**

Jointly used passive infrastructure assets have been disposed off on March 31, 2018. (Refer Note 52A).

Also refer Note 48B for the details of operating lease.

Note 7
Investment Property

Particulars	As at March 31, 2018	As at March 31, 2017
Land		
Gross block		
Opening balance	720	720
Additions/ Adjustments	-	-
Closing balance	720	720
Accumulated depreciation		
Opening Balance	24	12
Additions/ Adjustments	12	12
Closing balance	36	24
Net block	**684**	**696**

Investment property comprises of leasehold land for which the title deed is in the name of the erstwhile legal entity i.e. Vodafone Shared Services Limited, the Group is initiating the process of getting the same transferred/mutated in the name of new legal entity i.e. Vodafone Business Services Limited.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Investment property of Vodafone Business Services Limited comprises a lease hold land. The land has been taken on lease from State Industrial Development Corporation. The remaining lease term for Leasehold land is 56 years (March 31, 2017: 57 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 INR 967 (INR 920 as on March 31, 2017).

Refer Note 35 Financial Instruments by Category for fair value disclosures of Investment Property.

Note 8
Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	71,681	71,681
Addition during the year*	2,144	-
Closing balance	**73,825**	**71,681**

* Refer Note 53 for addition in goodwill during the year.

The breakdown of goodwill balance is as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Goodwill on consolidation	73,658	71,514
Goodwill on business acquisition	167	167
Total	**73,825**	**71,681**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 9

Other intangible assets - As at March 31, 2018

	Gross Block (At Cost)						Accumulated Amortisation					Net Block	
	As at April 1, 2017	Pursuant to acquisition of subsidiary[2]	Additions/ Adjustments	Assets declassified as held for sale[3]	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Assets declassified as held for sale[3]	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
License fees (Refer Note 9.1)	2,631	-	-	-	-	2,631	736	364	-	-	1,100	1,531	1,895
Right to use Spectrum (Refer Notes 9.1 and 9.2)	629,196	-	74,062	-	-	703,258	53,179	35,138	-	-	88,317	614,941	576,017
Brand	-	277	-	-	-	277	-	74	-	-	74	203	-
Computer software	6,784	-	2,942	2	100	9,628	3,593	2,289	-	100	5,782	3,846	3,191
Sub-Total	638,611	277	77,004	2	100	715,794	57,508	37,865	-	100	95,273	620,521	581,103
Leased Assets [1]													
Computer software	1,647	-	1	-	-	1,648	1,104	398	-	-	1,502	146	543
Bandwidth	11,262	3	1,158	168	238	12,353	1,778	1,002	36	238	2,578	9,775	9,484
Sub-Total	12,909	3	1,159	168	238	14,001	2,882	1,400	36	238	4,080	9,921	10,027
Total	**651,520**	**280**	**78,163**	**170**	**338**	**729,795**	**60,390**	**39,265**	**36**	**338**	**99,353**	**630,442**	**591,130**
Intangible assets under development (Refer Notes 9.2 and 9.3)	168,881	-	12,947	-	78,163	103,665						103,665	168,881

[1] Assets taken on finance lease

[2] Refer Note 53

[3] Refer Note 52C

(All amounts are in INR millions, except per share data and unless stated otherwise)

Other intangible assets - As at March 31, 2017

	Gross Block (At Cost)					Accumulated Amortisation					Net Block	
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale(2)	As at March 31, 2017	As at April 1, 2016	Charge for the year	Deductions/ Adjustments	Assets classified as held for sale(2)	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
License fees (Refer Note 9.1)	2,631	-	-	-	2,631	367	369	-	-	736	1,895	2,264
Right to use Spectrum (Refer Notes 9.1 and 9.2)	578,788	50,408	-	-	629,196	21,289	31,890	-	-	53,179	576,017	557,499
Computer software	4,467	2,332	13	2	6,784	1,677	1,925	9	-	3,593	3,191	2,790
Sub-Total	585,886	52,740	13	2	638,611	23,333	34,184	9	-	57,508	581,103	562,553
Leased Assets (1)												
Computer software	853	794	-	-	1,647	395	709	-	-	1,104	543	458
Bandwidth	9,884	1,547	1	168	11,262	889	925	-	36	1,778	9,484	8,995
Sub-Total	10,737	2,341	1	168	12,909	1,284	1,634	-	36	2,882	10,027	9,453
Total	**596,623**	**55,081**	**14**	**170**	**651,520**	**24,617**	**35,818**	**9**	**36**	**60,390**	**591,130**	**572,006**
Intangible assets under development (Refer Notes 9.2 and 9.3)	9,206	214,756	55,081	-	168,881						168,881	9,206

(1) Assets taken on finance lease

(2) Refer Note 52C

(All amounts are in INR millions, except per share data and unless stated otherwise)

9.1 The remaining amortisation period for intangible assets as at March 31, 2018 is:
a) License fee 3.5 to 17.8 years (March 31, 2017: 4.5 to 18.8 years)
b) Right to Use Spectrum is between 12.5 to18.5 years (March 31, 2017: 13.5 to 19.5 years)

9.2 Borrowing cost capitalised for the year ended March 31, 2018 is INR 3,223 (year ended March 31, 2017: INR 393) included in Right to use spectrum and borrowing cost of INR 6,512 for the year ended March 31, 2018 (year ended March 31, 2017: INR 3,421) included in Intangible asset under development.

9.3 Intangible assets under development includes consideration paid and payable for the spectrum acquired in the auctions conducted by the Department of Telecommunication (DoT), along with the related interest cost upto the date of asset put to use.

Note 10
Principal Subsidiaries

The Company has the following principal subsidiaries carrying on businesses:

Name of the entity	Proportion of ownership interest held		Principal activities
	As at March 31, 2018	As at March 31, 2017	
Vodafone Mobile Services Limited ('VMSL')	100%	100%	Mobile Telecommunication Services
Vodafone Towers Limited ('VTL')	100%	100%	Passive Infrastructure Services
Vodafone Business Services Limited ('VBSL')	100%	100%	Backend IT support, data centre operations and hosting services
Mobile Commerce Solutions Limited ('MCSL')	100%	100%	Trading of handsets, data cards and related accessories.
Vodafone Foundation ('VF') (Registered under section 8 of Companies Act, 2013)	100%	100%	Promote and implement the Corporate Social Responsibility
Connect (India) Mobile Technologies Private Limited ('CIMTPL')	100%	100%	Trading in handsets, data cards and related accessories
Vodafone m-pesa Limited ('VMPL')	100%	100%	Mobile wallet business
Vodafone Technology Solutions Limited ('VTSL')	100%	100%	VAS application services
Vodafone India Ventures Limited ('VIVL')	100%	100%	Finance and IT shared services for the Group in India
Vodafone India Digital Limited ('VIDL')	100%	100%	Information Technology (IT) and related software and other related services
You Broadband India Limited(1) ('YBIL')	100%	-	High speed broadband and internet services
You System Integration Private Limited(1) ('YSIPL')	100%	-	Business of providing system integration, enterprise and home solution.

All the subsidiaries mentioned above are incorporated in India and are wholly owned subsidiaries of VIL directly or indirectly.

(1)Acquired on June 14, 2017 (Refer Note 53)

Note 11
Investment in Joint Ventures

A. Firefly Networks Limited
Firefly Networks Limited ('Firefly'), incorporated in India on February 4, 2014, is a joint venture between the Group and Bharti Airtel Limited. The Group has 50% (March 31, 2017: 50%) voting rights in the joint venture. The company was incorporated under the Companies Act, 1956 with an objective to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotpots to enable telecommunication and internet service providers, to offer Wi-Fi access across India.

The Group has joint control over this arrangement by virtue of the contractual agreements that require unanimous consent from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a Joint Venture.

(All amounts are in INR millions, except per share data and unless stated otherwise)

There are no significant restrictions on the ability of Firefly to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Firefly has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Summarised financial information of Firefly

The tables below provide summarised financial information for Firefly Networks Limited. The information disclosed reflects the amounts presented in Firefly's financial statements (at 100%) and not the Group's share (50%) of those amounts. There are no fair value adjustments and modifications for differences in accounting policy and hence the amounts used by Group when using the equity method are the same as disclosed in Firefly's financial statements.

i) Information relating to Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	78	61
Profit from operations after tax	5	4
Other comprehensive Income	*	*
Total Comprehensive Income	**5**	**4**
The following expenses were considered in determining the above loss:		
Depreciation and amortisation	*	*
Interest income	*	*
Interest expense	1	1
Income tax expense	*	*

ii) Information relating to Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current assets	**14**	**3**
Current assets	**41**	**26**
Included in the above Current assets are:		
Cash and cash equivalents	14	12
Non-current liabilities	**2**	**11**
Included in the above non-current liabilities are:		
Non-current financial liabilities (excluding trade and other payables and provisions)	-	10
Current liabilities	**48**	**19**
Included in the above current liabilities are:		
Current financial liabilities (excluding trade and other payables and provisions)	24	3
Net Assets	**5**	**(1)**

iii) Reconciliation of share of net income/loss to carrying amount of its interest in the joint venture

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit as per financial information	**5**	**4**
Share in net profit @ 50%	3	2
Adjustments (VIL's share):		
Unrecognised losses (before adjusting investment)	8	11
Share of losses/(profit) in Firefly Joint Venture not recognised(after adjusting investment)	**-**	**1**
Share of Total comprehensive losses/ (income) in Firefly Joint Venture not recognised(after adjusting investment)	**-**	**1**

(All amounts are in INR millions, except per share data and unless stated otherwise)

iv) Reconciliation of share of net assets to carrying amount

Particulars	As at March 31, 2018	As at March 31, 2017
Net assets as per financial information:	**5**	**(1)**
Share in net assets @ 50%	3	(1)
Cumulative share of investment in Firefly Joint Venture	**3**	**(1)**

v) Movement of investment in Joint venture

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	**-**	**-**
Movement in investment during the year	-	-
Share of profits of Firefly Joint Venture (after adjustment of unrecognised losses of earlier periods)	3	-
Balance at end of the year	**3**	**-**

Since Firefly is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of group's investment in Firefly is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

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

B. Indus Towers Limited
Indus Towers Limited ('Indus') was incorporated in India on November 20, 2007 as Indus Infratel Limited. A fresh certificate of incorporation consequent to the change in name to Indus Towers Limited was issued by the Registrar of Companies, Delhi on March 28 ,2008 under Section 23(1) of the Companies Act, 1956. The Company, Bharti Infratel Limited and Aditya Birla Telecom Limited hold voting rights of 42%, 42% and 11.15% respectively as on March 31, 2018 (March 31, 2017: 42%, 42% and 11.15% respectively). The Group is liable only to the extent of its investments in Indus Towers Limited. The principal activities of Indus are to provide and maintain passive infrastructure for telecom operators in India, including the Group.

The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a Joint Venture.

There are no significant restrictions on the ability of Indus to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Indus has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Following the planned composite scheme of amalgamation and arrangement between Vodafone India Limited, Vodafone Mobile Services Limited and Idea Cellular Limited which was announced on March 20, 2017, the results of Indus are reported as discontinued operations in the consolidated statement of profit and loss and consolidated statement of cash flows. Assets classified as held for distribution to owners are reported in the consolidated balance sheet as on March 31, 2017 and March 31, 2018. (Refer Note 51B)

Summarised financial information of Indus
The tables below provide summarised financial information for Indus. The information disclosed reflects the amounts presented in Indus' financial statements (at 100%) and not the Group's share (42%) of those amounts. The amounts have been amended to reflect adjustments made by Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(All amounts are in INR millions, except per share data and unless stated otherwise)

i) Information relating to Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	191,683	176,963
Profit from operations before tax	47,605	43,724
Profit from operations after tax	31,012	28,451
Other comprehensive Income	3	(22)
Total Comprehensive Income	**31,015**	**28,429**
The following items were considered in determining the above income:		
Interest income	705	315
Depreciation and amortisation	27,766	25,671
Interest expense	5,053	5,440
Income tax expense	16,593	15,273

ii) Information relating to Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current assets	**201,371**	**207,288**
Current assets	**34,802**	**18,510**
Included in the above Current assets are:		
Cash and cash equivalents	1,063	1,121
Non-current liabilities	**39,855**	**40,067**
Included in the above non-current liabilities are:		
Non-current financial liabilities (excluding trade and other payables and provisions)	15,786	16,357
Current liabilities	**64,368**	**53,566**
Included in the above current liabilities are:		
Current financial liabilities (excluding trade and other payables and provisions)	41,698	37,409
Net Assets	**131,950**	**132,165**

iii) Reconciliation of share of net income to carrying amount of its interest in the joint venture

Particulars	For the year ended March 31, 2017
Net profit as per financial information (net of tax)	28,451
Accounting policy alignments	446
Net profit	**28,897**
Share in net Profit @ 42%	12,137
Share of other comprehensive income of Joint Venture (net of tax)	(9)
Share of Total comprehensive income in Indus Joint Venture recognised @42%	**12,128**

iv) Reconciliation of share of net assets to carrying amount

Particulars	As at March 31, 2017
Net assets as per financial information	132,165
Accounting policy alignments	14,246
Net assets	**117,919**
Share in net assets @ 42%	49,526
Share of investment in Indus Joint Venture	**49,526**

(All amounts are in INR millions, except per share data and unless stated otherwise)

v) Movement of investment in Joint venture

Particulars	As at March 31, 2017
Balance at beginning of the year	**49,519**
Movement in investment during the year	
Share of Profits of JV	12,137
Share of other comprehensive income (net of tax)	(9)
Dividend Income	(9,509)
Dividend distribution tax	(1,936)
General Reserve - Additional depreciation on fair valued assets pursuant to scheme of merger(1)	(676)
Assets classified as held for distribution to owners (Refer Notes 51 and 52B)	(49,526)
Balance at end of the year	**-**

(1) This adjustment is related to the court approved Scheme of Arrangement between Vodafone Infrastructure Limited (Vinfl), Idea Cellular Towers Infrastructure Limited (ICTIL), Bharti Infratel Ventures Limited (BIVL) and Indus Towers Limited (Indus), under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities of Vinfl , ICTIL and BIVL to Indus which became effective from June 11, 2013 upon filing of certified copy of the order of Honourable High Court with the Registrar of Companies, Delhi with an appointed date of April,1 2009. The Group has followed upto March 19, 2017, the accounting treatment adopted by Indus pursuant to said scheme of arrangement prescribed by the Honourable High Court under Ind AS which is in line which previous GAAP.

Since Indus is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of Group's investment in Indus is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

Notes:

1. For Group's share in capital commitments and lease commitments of Indus refer Note 48.
2. For Group's share in contingent liabilities of Indus refer Note 49.
3. For unrecognised Group's share of profits in Indus refer Note 52B

Note 12
Non Current Financial Assets-Loans
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to related parties (Refer Note 50)		
Loans to Joint venture - Indus Towers Limited	1,224	1,224
Security deposits(1)		
To related parties (Refer Note 50)	1,000	1,000
To others(2)	4,761	5,497
Total	**6,985**	**7,721**
Less: Provisions for amounts considered doubtful		
Security deposits to others	230	88
Total	**6,755**	**7,633**

(1) Security deposits primarily include security deposits given towards rented premises, cell sites, interconnect ports and electricity deposits.

(2) Refer Note 52A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 13
Non Current Financial Assets-Others
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Long term deposits with banks with maturity period more than 12 months	1	-
Derivative financial assets (Refer Note 34)	330	477
Margin money [1]	10	7
Total	**341**	**484**

[1] Held as lien with banks in favour of local body authorities and Government authorities.

Note 14
Taxation

i. Income Tax expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax expenses in respect of:		
Current year	3	1,940
Adjustment for current tax of prior periods	(1,744)	144
Total current tax	**(1,741)**	**2,084**
Origination and reversal of temporary differences	(4,400)	(22,822)
Total deferred tax benefit	**(4,400)**	**(22,822)**
Total income tax (income)	**(6,141)**	**(20,738)**
Income tax expense/(income) attributable to:		
from continuing operations	(6,141)	(14,298)
from discontinued operations	-	(6,440)

ii. Tax charge recognised directly to Other Comprehensive Income for continuing operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred tax benefit	(7)	(33)
Total tax credit recognised directly to other comprehensive income	**(7)**	**(33)**

iii. Factors affecting tax expense for the year
The table below explains the differences between the expected tax expense, at the Indian statutory tax rate of 34.608% (March 31, 2017: 34.608%) payable by corporate entities in India on taxable profits under tax laws in India, and the Group's total tax expense for the year.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) before tax as per consolidated statement of profit and loss from continuing operations	(86,963)	(57,434)
Profit before tax as per consolidated statement of profit and loss from discontinued operations	41,342	11,900
Total Loss before tax	**(45,621)**	**(45,534)**
Expected income tax expense at statutory tax rate	(15,789)	(15,758)
Tax effects of:		
Tax expenses not deductible/income not subject to tax	6,039	(3,844)
Deferred tax asset not recognised on losses and other temporary differences in absence of reasonable certainty	6,030	5,160
Adjustments for tax of prior periods	(1,744)	144
Impact of change in effective tax rate	(677)	-
Deferred tax (reversal)/charge on discontinued operations	-	(8,376)
Dividend distribution tax on discontinued operations	-	1,936
Income tax expense	**(6,141)**	**(20,738)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

iv. Deferred tax

Analysis of movements in the net deferred tax balance during the year

Particulars	As at March 31, 2018	As at March 31, 2017
As at the beginning of the year	**36,391**	**13,536**
Credited to consolidated statement of profit and loss		
Continuing operations	4,400	14,446
Discontinued operations	-	8,376
Credited directly to other comprehensive income	7	33
Net deferred tax assets as at the end of the year	**40,798**	**36,391**

Deferred tax assets and liabilities as at March 31, 2018:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	33,836	135,704	-	32,854	102,850
Depreciation and amortisation	(16,801)	62	(87,432)	62	(87,432)
Trade receivable and other financial assets	18	1,913	-	69	1,844
Retirement benefits	38	623	-	20	603
Trade payables and provisions	(12,439)	22,912	-	28	22,884
Derivative financial assets/(liabilities) and borrowings	(245)	49	-	-	49
Amount charged through OCI	(7)	-	-	-	-
As at March 31, 2018	**4,400**	**161,263**	**(87,432)**	**33,033**	**40,798**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	40,798
Deferred tax liability	-

Deferred tax assets and liabilities as at March 31, 2017:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	37,974	93,729	-	24,715	69,014
Depreciation and amortisation	(24,828)	-	(70,631)	-	(70,631)
Trade receivable and other financial assets	8	1,875	-	49	1,826
Undistributed profit of Joint Venture	8,376	-	-	-	-
Retirement benefits	52	577	-	12	565
Trade payables and provisions	2,345	35,323	-	-	35,323
Derivative financial assets/(liabilities) and borrowings	(1,072)	294	-	-	294
Amount charged through OCI	(33)	-	-	-	-
As at March 31, 2017	**22,822**	**131,798**	**(70,631)**	**24,776**	**36,391**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	36,391
Deferred tax liability	-

(All amounts are in INR millions, except per share data and unless stated otherwise)

v. Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open tax disputes, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Group is routinely subject to audit by tax authorities in India. These are usually resolved through the Indian legal system. The Group considers each issue on its merits and, where appropriate, holds provisions in respect of the potential tax liability that may arise. However, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Group's overall profitability and cash flows in future periods.

Carried Forward Losses

The gross amount and expiry dates of losses available for carry forward are as follows:

Particulars	Expiring within 5 years	Expiring within 6-8 years	Unlimited	Total
Losses for which a deferred tax asset is recognised	304	-	294,022	294,326
Losses for which no deferred tax is recognised	28,481	3,511	68,958	100,950
As at March 31, 2018	**28,785**	**3,511**	**362,980**	**395,276**
Losses for which a deferred tax asset is recognised	304	2	199,110	199,416
Losses for which no deferred tax is recognised	22,684	4,649	51,104	78,437
As at March 31, 2017	**22,988**	**4,651**	**250,214**	**277,853**

Notes:

(i) The above losses denote business losses that are available for set-off against future taxable income.

(ii) Unabsorbed depreciation is allowed to be carried forward for an unlimited period as per the provisions of Income Tax Act, the year-wise unutilised amounts of which has been disclosed above as 'Unlimited'.

(iii) Deferred income tax assets are recognised for carried-forward income tax losses, to the extent of realisation of the related tax benefit through future taxable profits is probable.

(iv) Statutory income tax rate for calculation of deferred tax is 34.944% (March 31, 2017: 34.608%).

The Group has INR 13,600 (March 31, 2017: INR 13,600) as carry forward MAT credit entitlement which has not been recognised in absence of future taxable book profits before expiry of these entitlements.

Note 15
Other non current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances	258	409
GST/CENVAT and Service tax credit	57	5,541
Prepaid expenses	1,312	1,859
Amount deposited under protest with Government authorities[1]	34,078	32,605
Total	**35,705**	**40,414**
Less: Provisions for amounts considered doubtful		
Capital advances	5	21
GST/CENVAT and Service tax credit	57	68
Amount deposited under protest with Government authorities	162	182
Total	**35,481**	**40,143**

[1] Advances under protest represents payments made to various Government authorities under protest.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 16
Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Stock-in-trade (acquired for trading) [Net of provision of INR 21 (March 31, 2017: INR 7)]	19	75
Total	**19**	**75**

Note 17
Current Financial Assets-Trade receivables (Refer Note 50 for related parties balances)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables		
Secured considered good	639	819
Unsecured considered good[(1)]	18,812	16,611
Unsecured considered doubtful	4,819	5,029
Total	**24,270**	**22,459**
Less : Provision for doubtful debts	(4,819)	(5,029)
Total	**19,451**	**17,430**

[(1)] Refer Note 52A

The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are predominantly non-interest bearing. Trade receivables are shown net of provisions for bad or doubtful debts.

Note 18
Current Financial Assets-Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Bank balances		
In current accounts	6,955	5,555
Demand deposits (less than 3 months maturity)	50,436	25,744
Cheques on hand	648	795
Cash on hand	102	109
Total	**58,141**	**32,203**

Bank balances and demand deposits with banks comprise cash held by the Group on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents as at reporting date approximates fair value.

Note 19
Current Financial Assets-Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
Held in escrow account[(1)]	330	541
Demand deposits liened with Escrow account[(1)]	573	389
Margin money[(2)]	158	19
Bank deposits with maturity from 3-12 months	5	-
Earmarked balances[(3)]	217	153
Total	**1,283**	**1,102**

[(1)] Other bank balance maintained in escrow account 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.

[(2)] Held as lien with banks in favour of local body authorities and Government authorities.

[(3)] Balances related to restricted grants received in Vodafone Foundation.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 20
Current Financial Assets-Loans
(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Loans to related parties (Refer Note 50)		
Loans to Joint venture - Firefly Networks Limited	8	5
Security deposits[1]	139	123
Total	**147**	**128**

[1] Refer Note 52A

Note 21
Current Financial Assets-Others
(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Receivable from related parties (Refer Note 50)	124	130
Interest accrued on deposit with banks and others	32	118
Accrued billing revenue[1]	9,444	11,998
Derivative financial assets (Refer Note 34)	129	2,683
Others	63	246
Total	**9,792**	**15,175**

[1] Refer Note 52A

Note 22
Other current assets
(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
GST/CENVAT and Service tax credit	32,428	19,264
Advance to suppliers[1]	1,542	1,335
Advances to related parties (Refer Note 50)	1,146	1,429
Prepaid expenses[1]	2,733	2,980
Employee advances	2	-
Others	151	-
Total	**38,002**	**25,008**
Less: Provisions for amounts considered doubtful		
Advance to suppliers	85	20
Total	**37,917**	**24,988**

[1] Refer Note 52A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 23
Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
[a] Authorised share capital		
5,000,000,000 (March 31, 2017: 5,000,000,000) equity shares of the par value of INR 10 each	50,000	50,000
	50,000	**50,000**
[b] Issued		
2,813,295,823 (March 31, 2017: 2,813,295,823) equity shares of INR10 each	28,133	28,133
	28,133	**28,133**
[c] Subscribed and paid up		
2,813,295,823 (March 31, 2017: 2,813,295,823) equity shares of INR10 each fully paid up	28,133	28,133
	28,133	**28,133**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year:

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
Equity :				
Outstanding at the beginning of the year	2,813,295,823	28,133	453,431,113	4,534
Issued during the year {Refer Notes 23[h] and 23.1 and 23.2}	-	-	2,359,864,710	23,599
Outstanding at the end of the year	**2,813,295,823**	**28,133**	**2,813,295,823**	**28,133**

[e] Rights, preferences and restrictions attached to equity shares:

The Group has issued a single class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

[f] Shares held by the Holding Company or the Ultimate Holding Company including shares held by their subsidiaries or associates and nominees, in aggregate:

Name of the shareholder	As at March 31, 2018	As at March 31, 2017
Equity :		
Vodafone Group Plc., the Ultimate Holding Company and its subsidiaries	2,813,295,823	2,813,295,823

[g] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
Euro Pacific Securities Limited	758,986,306	26.98%	758,986,306	26.98%
Prime Metals Limited	415,986,399	14.79%	415,986,399	14.79%
Mobilvest	318,870,690	11.33%	318,870,690	11.33%
Vodafone Telecommunications (India) Limited	309,165,696	10.99%	309,165,696	10.99%
Trans Crystal Limited	278,020,841	9.88%	278,020,841	9.88%
Asian Telecommunications Investments (Mauritius) Limited	186,562,701	6.63%	186,562,701	6.63%
Telecom Investments India Private Limited	160,975,557	5.72%	160,975,557	5.72%
Al-Amin Investments Limited	154,582,753	5.49%	154,582,753	5.49%

[h] Equity shares issued for consideration other than cash:
Pursuant to approval of the Board and approval of shareholders in the financial year 2016-17, the Company issued and allotted bonus shares to its shareholders who were shareholders (members) as on July 15, 2016 being the record date fixed for ascertaining the entitlement of bonus shares. 1,118,502,436 fully paid up equity shares of INR 10 each were issued as bonus shares by utilising the Securities Premium Account amounting to INR 11,185. The bonus shares were issued and allotted in the ratio of 2:1 i.e. 2 shares for 1 share held by the shareholder as on the record date. Pursuant to the issue of bonus shares the paid up equity share capital of the Company increased by INR 16,778 comprising 1,677,753,654 equity shares of INR 10 each fully paid up.

Note 23.1
During the financial year 2016-17, the Company had offered 105,820,105 equity shares of INR 10 fully paid up for cash at a premium of INR 935 each, on a rights basis aggregating to INR 100,000.

Eight of the twelve shareholders accepted and applied for rights shares and accordingly 81,999,919 shares were allotted on May 31, 2016. Other four shareholders declined rights shares aggregating to 23,820,186 offered to them and accordingly the said declined shares were offered to the other eight shareholders who accepted the additional shares aggregating to 23,820,186 shares and same were allotted on June 10, 2016.

Note 23.2
During the financial year 2016-17, the Company offered 1,135,542,169 equity shares of INR 10 fully paid up for cash at a premium of INR 322 each, on a rights basis aggregating to INR 377,000.

Eight of the twelve shareholders accepted and applied for rights shares and accordingly 928,296,908 shares were allotted on September 16, 2016. Other four shareholders declined rights shares aggregating to 207,245,261 offered to them and accordingly the said declined shares were offered to the other eight shareholders who accepted the additional shares aggregating to 207,245,261 shares and same were allotted on September 26, 2016.

Note 24
Share Based Payments
VF Group Plc. the Ultimate holding company has following share based payment plans in respect of services received from the employees of the Group:

The details of the schemes are as follows:

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 Company and its subsidiaries. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and VF Group Plc. The plans are administered by VF 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 1.6 years to 3 years after the grant date provided the employees remain in the continued employment of Vodafone 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 VF 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Following table summarises information of the schemes active as at year end:

Particulars	26-Jun-14	14-Nov-14	26-Jun-15	26-Jun-15	13-Nov-15	30-Jun-16	30-Jun-16	18-Nov-16	17-Feb-17	26-Jun-17	04-Aug-17	04-Aug-17	17-Nov-17
Number of options granted	3,063,406	100,271	2,327,629	748,678	364,616	3,169,025	826,535	25,900	187,591	6,767,788	486,496	389,197	157,002
Vesting period	3 years/ 2 years	3 years/ 2 years	3 years	3 years	1.6 to 3 Years	3 years/ 2 years	3 years	3 years	3 years/ 2 years	3 years/ 2 years	3 years	3 years	1.6 Years
Vesting conditions	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	1.6 years to 3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	3 years continuous employment for GLTR	3 years continuous employment for GLTR	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	1.6 years continuous employment for GLTR
Estimated Fair Value as at grant date	£1.8959 (equivalent to INR 194)	£2.2552 (equivalent to INR 218)	£2.3912 (equivalent to INR 239)	£1.7958 (equivalent to INR 180)	£2.2142 (equivalent to INR 223)	£2.1670 (equivalent to INR 196)	£1.6729 (equivalent to INR 151)	£2.0532 (equivalent to INR 173)	£1.9829 (equivalent to INR 166)	£2.2358 (equivalent to INR 183)	£1.0813 (equivalent to INR 91)	£2.2386 (equivalent to INR 188)	£2.2352 (equivalent to INR 192)
Share price on Grant Date of per share award	£1.8980 (equivalent to INR 194)	£2.2570 (equivalent to INR 218)	£2.3935 (equivalent to INR 240)	£2.3935 (equivalent to INR 240)	£2.2160 (equivalent to INR 223)	£2.1679 (equivalent to INR 196)	£2.1679 (equivalent to INR 196)	£2.0535 (equivalent to INR 173)	£1.9830 (equivalent to INR 166)	£2.2330 (equivalent to INR 183)	£2.2400 (equivalent to INR 189)	£2.2400 (equivalent to INR 189)	£2.2845 (equivalent to INR 197)
Expected Dividends	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.
Free cash flow (applicable for GLTI/VGIP only)	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	NA	NA	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	NA

Pricing Model: Fair value 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

I. Movement in non-vested shares is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Outstanding at beginning of the year	9,192,945	7,930,128
Granted during the year	7,800,483	4,209,051
Forfeited during the year	1,971,463	927,076
Vested during the year	1,808,826	2,019,158
Outstanding at end of the year	**13,213,139**	**9,192,945**
Weighted average fair value of share (INR per share)	198	176

II. Movement of Employee Share Based Payment:

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	1,018	899
Charged to consolidated statement of profit and loss for employee share based payments	802	608
(Capital contribution) by Ultimate holding company for employee share based payments	(145)	(44)
Payout for employee share based payments	(343)	(445)
At the end of the year	1,332	1,018

III. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Sr. No.	Grant date	Expiry date	Exercise price	Share options outstanding As at March 31, 2018	Share options outstanding As at March 31, 2017
1	June 26, 2014	June 26, 2017	Nil	-	2,089,849
2	November 14, 2014	November 13, 2017	Nil	-	43,004
3	June 26, 2015	June 26, 2018	Nil	2,365,103	2,648,816
4	November 13, 2015	June 26, 2017	Nil	-	9,022
5	November 13, 2015	June 26, 2018	Nil	193,923	193,923
6	November 13, 2015	November 13, 2018	Nil	65,485	161,671
7	June 30, 2016	June 30, 2019	Nil	3,267,231	3,830,253
8	June 30, 2016	June 30, 2018	Nil	2,916	2,916
9	November 18, 2016	November 18, 2019	Nil	11,511	25,900
10	February 17, 2017	February 17, 2020	Nil	83,647	83,647
11	February 17, 2017	February 17, 2019	Nil	103,944	103,944
12	June 26, 2017	June 26, 2020	Nil	3,267,625	-
13	June 26, 2017	June 26, 2019	Nil	2,819,059	-
14	August 4, 2017	August 4, 2020	Nil	875,693	-
15	November 17, 2017	June 26, 2019	Nil	157,002	-
	Total			**13,213,139**	**9,192,945**
Weighted average remaining contractual life of the options outstanding at the end of the year (in months)				16	18

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 25
Non-Current Financial Liability-Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
Unlisted, Unsecured, and Redeemable Non-Convertible Debenture [Refer Note 25.1 (a)]	65,265	80,605
Term loans		
From Banks [Refer Note 25.1 (a)]	2,884	16,020
From Others [Refer Notes 25.1 (a) and 25.1 (b)]	6,345	1,578
Deferred payment liability [Refer Note 25.1 (c)]	516,505	495,585
Finance Lease Obligation* [Refer Notes 25.1 (a) and 25.3]	2,990	3,940
Total Non-current borrowing including interest	**593,989**	**597,728**
Less:-Current maturities of unsecured long term debt	12,684	13,872
Less:-Current maturities of finance lease obligation	1,443	1,276
Less:-Current interest accrued on borrowings	41,724	25,805
Total	**538,138**	**556,775**

*Finance lease obligation includes obligation towards lease assets like computer hardware, computer software and dark fibre.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Terms of Repayment for Unsecured Term loans

25.1 (a)Terms of Repayment

Lender	As at March 31, 2018	As at March 31, 2017	Rate of interest As at March 31, 2018	Rate of interest As at March 31, 2017	Repayment terms
From Banks:					
Rupee Loans	1,665	4,331	9.60%	8.90% to 9.90%	Repayable in quarterly installments from August 2016 to February 2019.
Foreign Currency Loans (USD)	1,219	11,689	3.98% to 5.17%	2.55% to 4.37%	Repayable in half yearly installments from March 2012 to March 2021.
Debenture	65,265	80,605	8.05% to 8.25%	8.05% to 8.25%	For loans aggregating to INR 7,984: Repayable on July 10, 2018. For loans aggregating to INR 26,632: Repayable on July 10, 2019. For loans aggregating to INR 30,649: Repayable on July10, 2020.
From Others:					
Rupee Loans	6,345	1,578	4.00% to 8.85%	4.00% to 9.15%	Repayable in quarterly/half yearly installments from May 2014 to October 2020.
Finance lease obligation	2,990	3,940	8.00% to 9.30%	8.00% to 9.30%	Repayable in quarterly/yearly installments from April 2005 to June 2021.
	77,484	**102,143**			

	As at March 31, 2018	As at March 31, 2017
Disclosed as Unsecured:		
Long term borrowing	59,281	81,302
Current Maturity of long term borrowings [Includes Finance lease INR 1,443 (March 31, 2017 :INR 1,276)]	14,127	15,148
Current interest accrued on borrowings	4,076	5,693
	77,484	**102,143**

(All amounts are in INR millions, except per share data and unless stated otherwise)

25.1 (b) Unsecured loan from others are from financial institutions and vendors.

25.1 (c) Deferred payment liabilities

Deferred payment liabilities are in relation to spectrum acquisition made during the year ended March 31, 2014, March 31, 2015 and March 31, 2017.

Lender	As at March 31, 2018	As at March 31, 2017	Rate of interest As at March 31, 2018	Rate of interest As at March 31, 2017	Repayment terms
Department of Telecommunications (DoT)	516,505	495,585	9.30% to 10.00%	9.30% to 10.00%	Repayable in 14, 15 and 16 annual instalments starting from March 2017, April 2018 and October 2019 respectively(1) & (2)
	516,505	**495,585**			

	As at March 31, 2018	As at March 31, 2017
Disclosed as :		
Long term borrowing	478,857	475,473
Current interest accrued on borrowings	37,648	20,112
	516,505	**495,585**

(1) Annual instalments are first utilised towards interest and remaining for principal amount due.

(2) On March 19, 2018, the department of telecommunications has increased the number of years over which the repayment will be made from 10 to 14-16 years. The same has no impact on the fair value of assets or the carrying value of the liabilities, as the effective interest rate for each outstanding loan has not been changed by the department.

Note 25.2
Interest rate split and currency split of the Group's borrowings

Currency	Floating rate borrowings	Fixed rate borrowings	Total Borrowings
US Dollar	3,314	11,366	14,680
INR	12,671	652,031	664,702
As at March 31, 2018	**15,985**	**663,397**	**679,382**
US Dollar	14,608	8,581	23,189
INR	3,331	609,219	612,550
As at March 31, 2017	**17,939**	**617,800**	**635,739**

	As at March 31, 2018	As at March 31, 2017
Disclosed as:		
Non-Current Financial Liability-Borrowings	538,138	556,775
Current Financial Liability-Borrowings (Refer Note 30)	85,258	37,932
Current maturities of long term debt and finance lease obligation (Refer Note 32)	14,127	15,148
Current interest accrued on borrowings (Refer Note 32)	41,859	25,884
	679,382	**635,739**

The fair value of long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the under-lying credit risk of the respective Group entity. [Refer Note 36(II)(a)(ii)]

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 25.3
Finance lease obligations
The Group has taken certain assets on finance lease. The reconciliation between the total of minimum lease payments at consolidated balance sheet and their present value is as below:

Particulars	As at March 31, 2018	As at March 31, 2017
Minimum lease payments		
Within one year	1,683	1610
In one to five years	1,690	3038
In more than five years	9	17
Total	**3,382**	**4665**
Less: Future finance charges	(392)	(725)
Present Value of finance lease liabilities	**2,990**	**3,940**

The present value of finance lease liabilities is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Within one year	1,443	1276
In one to five years	1,538	2649
In more than five years	9	15
Total	**2,990**	**3940**

There are no finance lease commitments of the Joint Ventures.

Note 25.4
Analysis of net debt and the movements in net debt

Net debt reconciliation

	As at March 31, 2018
Cash and cash equivalents	58,141
Bank balances other than cash and cash equivalents as above	1,283
Borrowings – repayable within one year	(141,244)
Borrowings – repayable after one year	(538,138)
Net debt	**(619,958)**
Cash and cash equivalents and other bank balances	59,424
Gross debt – fixed interest rates	(663,397)
Gross debt – variable interest rates	(15,985)
Net debt	**(619,958)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Liabilities from financing activities				Total
			Finance leases due within 1 year	Finance leases due after 1 year	Borrowing due within 1 year	Borrowing due after 1 year	
Net debt as at April 1, 2017	**32,203**	**1,102**	**1,276**	**2,664**	**77,688**	**554,111**	**(602,434)**
Addition due to acquisitions of subsidiary	-	-	-	-	453	-	(453)
Cash flows	25,895	181	(950)	-	27,090	(749)	685
Foreign exchange adjustments	43	-	-	-	(1,614)	7	1,650
Interest expenses	-	-	332	-	10,887	48,608	(59,827)
Interest paid	-	-	(332)	-	(40,089)	-	40,421
Other non-cash movements	-	-	1,117	(1,117)	65,386	(65,386)	-
Net debt as at March 31, 2018	**58,141**	**1,283**	**1,443**	**1,547**	**139,801**	**536,591**	**(619,958)**

Amendment in Ind AS 7 is effective from April 1, 2017, therefore previous year's figures, not being mandatory, have not been disclosed.

Note 26
Non-Current Financial Liability-Others

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits [(1) & (2)]	-	310
Total	**-**	**310**

[(1)] Deposits are mainly received from other telecom operators.
[(2)] Refer Note 52A

Note 27
Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Liability - Provisions		
Asset retirement obligation[(1)]	55	833
Regulatory and other provisions	53,507	53,543
(A)	**53,562**	**54,376**
Current Liability - Provisions		
Regulatory and other provisions	1,017	1,713
(B)	**1,017**	**1,713**
Total (A)+(B)	**54,579**	**56,089**

[(1)] Refer Note 52A

Asset retirement obligations:
In the course of the Group's activities a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are substantially expected to occur at the dates of exit of the assets to which they relate, which are long-term in nature.

The Group uses various premises on lease to install the equipment. The Group recognises a provision for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements.

Legal and regulatory:
The Group is involved in a number of legal and other disputes, including notifications of possible claims. The management of the Group, after taking legal advice, have established provisions after taking into account the facts of each case. There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The following table provides details of gross provisions:

Particulars	Asset Retirement Obligations	Legal and regulatory	Total
As at April 1, 2016	**731**	**48,318**	**49,049**
Additions/adjustments during the year	61	9,447	9,508
Unwinding of discount	49	-	49
Reversals/utilisations during the year	(8)	(2,509)	(2,517)
As at March 31, 2017	**833**	**55,256**	**56,089**
Addition due to acquisition of subsidiary	-	32	32
Additions/adjustments during the year	6	12,044	12,050
Unwinding of discount	39	-	39
Reversals/utilisations during the year	(823)*	(12808)**	(13,631)
As at March 31, 2018	**55**	**54,524**	**54,579**

*Refer Note 52A

**During the year based on favorable rulings at various forums and external counsel opinion, the Group has reversed the provision as the outflow of resources is now considered remote. However, where demands have been received and litigation is in progress, the amounts have been disclosed as contingent liability.

Note 28
Employee Benefits Obligations

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Liability - Provisions		
Employee benefits		
Gratuity	1,134	1,045
(A)	**1,134**	**1,045**
Current Liability - Provisions		
Employee benefits		
Gratuity	258	233
Compensated Absences	390	388
(B)	**648**	**621**
Total (A)+(B)	**1,782**	**1,666**

Defined Contribution Plan
The Group makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner.

Under this scheme, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. The Group has recognised INR 670 for Provident Fund and Pension Fund contributions in the consolidated statement of profit and loss for the year ended March 31, 2018 (March 31, 2017: INR 651). The contributions payable by the Group are in accordance with rules framed by the Government of India from time to time.

The Group makes quarterly contributions to the superannuation trusts at a specified percentage of the covered persons' salaries. Trusts fund are managed by entering into a scheme of insurance with Life Insurance Corporation of India. Covered persons' pensions are paid by trust at the time of retirement. The Group has recognised INR 15 for Superannuation Fund contribution in the consolidated statement of profit and loss for the year ended March 31, 2018 (March 31, 2017: INR 15).

Defined Benefit Plan - Gratuity
The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service. The plan is funded for some eligible employees in case of subsidiary VMSL and all employees in case of subsidiary YBIL. For VIL and all other subsidiaries it is unfunded. Gratuity contributions are made to trust administered by the VMSL and YBIL.

(All amounts are in INR millions, except per share data and unless stated otherwise)

An analysis of net (deficit)/assets is provided below for the Group's principal defined benefit gratuity scheme.

Particulars	As at March 31, 2018	As at March 31, 2017
Analysis of net deficit/ (assets):		
Present value of funded scheme liabilities	155	130
Fair value of plan assets	(95)	(74)
Net deficit for funded schemes	**60**	**56**
Present value of unfunded obligations	1,332	1,222
Net deficit / (assets)	**1,392**	**1,278**

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the consolidated balance sheet arising from the Group's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Movement in defined benefit obligations:		
At the beginning of the year	1,352	1,147
Addition due to acquisition of subsidiary	14	-
Current service cost	201	213
Past service cost	2	-
Interest cost	87	81
Remeasurements :		
Actuarial (gain)/loss arising from change in financial assumptions	(31)	75
Actuarial (gain)/loss arising from change in demographic assumptions	(15)	5
Actuarial loss arising on account of experience changes	72	16
Benefits paid	(195)	(185)
At the end of the year	**1,487**	**1,352**

Movement in fair value of plan assets:		
At the beginning of the year	74	66
Addition due to acquisition of subsidiary	8	-
Employer contributions	11	21
Interest income	6	5
Remeasurements :		
Return on plan assets, excluding amount included in interest expense/(income)	4	1
Benefits paid	(8)	(19)
At the end of the year	**95**	**74**

The components of defined benefit plan cost are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Recognised in Consolidated statement of profit and loss		
Current service cost	201	213
Past service cost	2	-
Interest cost (net)	81	76
Total	**284**	**289**
Recognised in Other Comprehensive Income		
Post employment loss recognised	22	95

Actual return on plan assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actual return on plan value of assets	10	6

(All amounts are in INR millions, except per share data and unless stated otherwise)

Analysis of plan assets is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer managed funds (%)	92%	96%
Others (%)	8%	4%
Total	**100%**	**100%**

The schemes have no direct investments in the Group's equity securities or in property currently used by the Group.

The principal actuarial assumptions used for estimating the Group's benefit obligations are set out below:

Particulars	March 31, 2018	March 31, 2017
Mortality table	*	*
Discount rate	7.50%	6.90%
Expected average remaining working lives of employees (years)	24.19	25.57
Rate of escalation in salary	9% for 1st year & 7% thereafter	10% p.a. for first 1 year & 7% p.a. thereafter
Expected rate of return on plan assets	7.50%	6.90%
Attrition rates	30 years & below - 35% 31-40 years - 20% 41-50 years - 15% 51 years & above - 15%	30 years & below - 25% 31-40 years - 17% 41-50 years - 15% 51 years & above - 12%

* Published rates under the Indian Assured lives Mortality (2006-08) ULT table.

Notes:

1. Discount rate

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity of the defined benefit obligation:

A change of ±0.5% (March 31, 2017: ±0.5%) of the discount rate for defined benefit obligation has an impact of ±˜36 (March 31, 2017: ±˜36) on the consolidated statement of profit and loss. A change of ±0.5% (March 31, 2017: ±0.5%) of the rate increase in salary for defined benefit obligation has an impact of ±˜36 (March 31, 2017: ±˜36) on the consolidated statement of profit and loss. These are the only significant risk for the same.

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The weighted average duration of the defined benefit obligation is 5 years.

Expected contribution to post employment benefit plans for next one year as at March 31, 2018 is INR 4 (March 31, 2017: INR 21)

Expected maturity analysis of undiscounted gratuity benefit is as follows:

March 31, 2018	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	258	219	577	1,253	2,307
Total	**258**	**219**	**577**	**1,253**	**2,307**
March 31, 2017					
Defined benefit obligations (Gratuity)	233	197	503	1,153	2,086
Total	**233**	**197**	**503**	**1,153**	**2,086**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 29
Other non current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Unearned billing revenue	945	852
Total	**945**	**852**

Note 30
Current Financial Liability-Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured loans (Refer Note 30.1)		
From banks	62,570	11,500
From others	442	-
Commercial paper [Maximum amount outstanding at any time during the year INR 27,000 (March 31, 2017: INR 40,000)]	22,381	26,511
Total	**85,393**	**38,011**
Less:-Current interest accrued on borrowings	135	79
Total	**85,258**	**37,932**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 30.1
Terms of repayment for unsecured loans

Lender	As at March 31, 2018	As at March 31, 2017	Rate of interest As at March 31, 2018	Rate of interest As at March 31, 2017	Repayment terms
From Banks:					
Rupee Loans	49,109	-	7.25% to 8.75%	-	Repayable in full on various maturity dates between April 2018 to February 2019.
Buyers Credit	9,846	8,581	1.89% to 2.54%	1.46% to 2.44%	Repayable in full on various maturity dates between April 2018 to December 2018.
Foreign Currency Loans(USD)	3,615	2,919	3.11% to 3.40%	2.00%	Repayable in full on various maturity dates between April 2018 to August 2018.
From others	442	-	7.90%	-	Repayable in bullet payment on October, 2018.
Commercial Paper	22,381	26,511	7.20% to 7.60%	6.45% to 6.68%	Repayable in bullet payment on April, 2018 to September 2018.
Total	**85,393**	**38,011**			

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 31

Current Financial Liability-Trade payables (Refer Note 50 for related parties balances)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables[(1)]	68,510	57,396
Total	**68,510**	**57,396**

[(1)] Refer Note 52A

The carrying amount of trade payables as at reporting date approximates fair value.

Note 32

Current Financial Liability-Others

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of unsecured long term debt	12,684	13,872
Current maturities of finance lease obligation (Refer Note 25.3)	1,443	1,276
Interest accrued on borrowings (Refer Note 32.1)	41,859	25,884
Security deposits	3,265	3,372
Employee benefits payable	3,219	2,561
Capital creditors [Includes Acceptance of INR 19,779 (March 31, 2017: INR 9,867)][(1)]	46,768	42,642
Derivative financial liabilities (Refer Note 34)	341	1,699
Monies received from merchant establishments and customers	822	928
Regulatory liabilities	76	70
Others	287	233
Total	**110,764**	**92,537**

[(1)] Refer Note 52A

Note 32.1

Break up of Interest accrued on borrowings

	As at March 31, 2018	As at March 31, 2017
Interest accrued on Buyers credit	119	79
Interest accrued on Rupee loans	63	16
Interest accrued on Foreign currency loan	5	51
Interest accrued on Deferred Spectrum	37,648	20,112
Interest accrued on Debentures	4,024	5,626
Total	**41,859**	**25,884**

Note 33

Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	14,820	13,781
Unearned billing revenue[(1)]	2,252	1,975
Statutory dues including provident fund and tax deducted at source	3,171	2,980
Total	**20,243**	**18,736**

[(1)] Refer Note 52A

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 34
Derivative financial assets

The Group uses foreign exchange forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated into any hedge accounting relationship and are entered into for periods consistent with currency and interest exposures.

The details of fair values of the derivative financial instruments are as under:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange forward contracts, currency and interest rate swaps	459	341	3,160	1,699
Total derivatives	**459**	**341**	**3,160**	**1,699**
Current portion	129	341	2,683	1,699
Non Current portion	330	-	477	-

The notional principal amounts of the outstanding forward foreign exchange contracts at March 31, 2018 is INR 42,885 (March 31, 2017: INR 42,971)

Note 35
Financial Instruments by Category

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assets		
Financial assets carried at fair value through profit or loss (Level 2)		
Derivative financial assets (Note 34)	459	3,160
Total (A)	**459**	**3,160**
Financial assets measured at amortised cost (Level 3)		
Cash and cash equivalents (Note 18)	58,141	32,203
Trade receivables (Note 17)	19,451	17,430
Security deposits (Notes 12 and 20)	5,670	6,532
Loans to related parties (Notes 12 and 20)	1,232	1,229
Accrued billing revenue (Note 21)	9,444	11,998
Other bank balances (Note 19)	1,125	1,083
Margin money (Notes 13 and 19)	168	26
Interest accrued on deposit with banks and others (Note 21)	32	118
Receivable from related parties (Note 21)	124	130
Other financial assets (Notes 13 and 21)	64	246
Total (B)	**95,451**	**70,995**
Total Financial Assets (A+B)	**95,910**	**74,155**
Financial Liabilities		
Financial liabilities carried at fair value through profit or loss (Level 2)		
Derivative financial liabilities (Note 34)	341	1,699
Total (A)	**341**	**1,699**
Financial liabilities measured at amortised cost (Level 3)		
Borrowings (Notes 25,30 and 32)	637,523	609,855
Trade payables (Note 31)	68,510	57,396
Security deposits (Notes 26 and 32)	3,265	3,682
Capital creditors (Note 32)	46,768	42,642
Current interest accrued on borrowings (Note 32)	41,859	25,884
Employee benefits payable (Note 32)	3,219	2,561
Monies received from merchant establishments and customers (Note 32)	822	928
Regulatory liabilities (Note 32)	76	70
Other financial liabilities (Note 32)	287	233
Total (B)	**802,329**	**743,251**
Total Financial Liabilities (A+B)	**802,670**	**744,950**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Fair Value Estimation
Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the consolidated balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).

Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Observable inputs that reflect quoted prices (un-adjusted) for identical assets or liabilities in active markets.

Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Un-observable inputs reflecting the Group's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The table below sets out the allocation of financial instruments of the Group held at fair value at each reporting date:

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Financial assets at fair value through profit or loss (level 2):		
Derivative financial instruments:		
Foreign exchange forward contracts, currency and interest rate swaps	459	3,160
Total assets	**459**	**3,160**
Financial liabilities		
Financial liabilities at fair value through profit or loss (level 2):		
Derivative financial instruments:		
Foreign exchange forward contracts, currency and interest rate swaps	341	1,699
Total liabilities	**341**	**1,699**

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 assets or liability.

Liabilities for which fair value is disclosed
The fair values and carrying values of the Group's financial liabilities held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

Particulars	Fair Value		Carrying Value	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial Liabilities (Level 2)				
Borrowings - Current	99,385	53,080	99,385	53,080
Borrowings - Non current				
Fixed rate borrowings	567,899	572,229	535,840	551,264
Other borrowings	2,298	5,511	2,298	5,511
Total	**669,582**	**630,820**	**637,523**	**609,855**

The fair value of derivative financial instrument is determined based on quoted prices for similar assets and liabilities in active market or inputs that are directly or indirectly observable in the marketplace. None of the financial assets or financial liabilities is measured at fair value in Level 1 or Level 3.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Trade receivables, security deposits, loans to related parties, accrued billing revenue, other bank balances, margin money, Interest accrued on deposit with banks and others, receivable from related parties, trade payables, security deposits from customer and others, capital creditors, Interest accrued on borrowings, employee benefits payable, monies received from merchant establishments and customers, and regulatory liabilities are not shown in above table as their carrying value is approximate their fair values. Cash and cash equivalents are held on a short term basis with all having a maturity three months or less.

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 3).

Particulars	Fair Value		Carrying Value	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial Assets (Level 3)				
Investment Property (Refer Note 7)	967	920	684	696
Total	**967**	**920**	**684**	**696**

As on March 19, 2017 Investment in Indus Towers Limited was classified as held for distribution to owners having the carrying value INR 49,526 and certain other assets was transferred as assets classified as held for sale having the carrying value of INR 1,388. Fair value of investment is much higher than carrying value of this investment as on March 31, 2018 and March 31, 2017. Fair value of other assets held for sale was higher than carrying value as on March 31, 2017 (These assets have been declassified as held for sale as at March 26, 2018). This investment and other assets were categorised in level 3. (Refer Notes 51, 52B and 52C)

There were no changes made during the year to valuation methods or the processes to determine classification of level. Level 3 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the Investment Property. The Group generally gets investment property fair valued at the end of every year.

Note 36
Capital and financial risk management

I. Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal capital structure so as to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it based on the current economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities, including money market borrowings and other instruments permitted under its treasury policy, to meet anticipated funding requirements.

The Group is subject to certain capital monitoring requirements of lending banks due to line of credit (fund and non-fund based) taken from them. The said financial covenants are based on net debt/ EBITDA coverage and interest coverage ratio, other undertakings are in the nature of prohibition/ consent/prior notice for alteration/change in shareholding, buy-back/redemption of shares, significant disposal of assets etc. or restriction on change of control of the borrowing entity or sale / liquidation / merger / de-merger of its subsidiaries, change in nature of business, etc. There are no significant external capital restrictions imposed on any of the Group entities, by any of the lenders or under any of the relevant laws and regulations. The Group has complied the debt covenant during the year ended March 31, 2017 and for the year ended March 31, 2018 the Group has obtained lender consents for waiver of covenants upto March 31, 2018 and one lender has given waiver of covenants upto June 30, 2018.

The Group monitors capital structure on the basis of Net Debt/EBITDA coverage and interest coverage ratio. Net Debt/ EBITDA coverage is calculated as Net debt divided by EBITDA. Net debt is calculated as total borrowings less Cash and cash equivalents, subordinated loans from ultimate holding Company. EBITDA is taken before profit/ (loss) from joint ventures. The Group's strategy is to maintain the Net Debt / EBITDA coverage within the range of 2-5 times.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Interest coverage ratio is calculated as EBITDA divided by Interest cost. Interest cost includes interest capitalised. Interest cost excludes interest cost of subordinate loans including debentures and interest income. Further for compliance with debt covenant, any capital infusion post project completion dates are added to EBITDA for a period of twelve months from the date of infusion. During the year ended March 31, 2018, the Group's strategy, which was unchanged upto March 31, 2017 is to maintain the interest coverage as 1.5-4 times of total interest cost.

The debt-service coverage ratios and interest coverage multiple were as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
EBITDA	64,831	478,454
Net-debt	532,250	532,561
Interest cost	59,891	66,936
Net Debt / EBITDA coverage multiple	8.21	1.11
Interest coverage multiple (times)	1.08	7.15

II. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (that is foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department ("Group Treasury") under a formal written treasury policy approved by the board of directors of the Group. Group treasury identifies, evaluates and hedges financial risks. The treasury policy covers the areas of overall risk management, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

The Group uses derivative financial instruments for managing the foreign exchange risk and interest rate risk and are transacted by specialist treasury personnel specified in a written Treasury Dealing Mandate which is approved by the board of directors. The Group treasury personnel do not perform any accounting functions, as a measure of segregation of duties. A separate treasury back-office team reporting to the financial controller manages the control functions relating to treasury, including independent confirmation of deals entered into by corporate treasury personnel. The Group has internal assurance department who is independent from Group treasury regularly reviews various internal control. The Group's internal auditor also reviews the internal control environment periodically.

a) Market Risk

(i) Foreign exchange risk

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Group is exposed to foreign exchange risk mainly arising from foreign currency borrowings, trade receivable and trade payables primarily denominated in United States Dollar ('USD'), European Union Currency ('EURO') or Great Britain Pound ('GBP') currencies. The Group conducts itself according to the treasury policy for management of foreign exchange risk.

Long term foreign currency borrowings are denominated in USD. The Group has entered into cross currency swaps (CCS) /forward contracts to hedge all the foreign exchange risk on the principal and interest amount payable on borrowings.

The currency profile of financial assets and financial liabilities are as below:

Financial Assets	INR	USD	GBP	Others	Total
As at March 31, 2018					
Cash and cash equivalents	57,873	268	-	-	58,141
Trade receivables	12,662	5,258	462	1,069	19,451
Security deposits	5,670	-	-	-	5,670
Loans to related parties	1,232	-	-	-	1,232
Accrued billing revenue	9,444	-	-	-	9,444
Other bank balances	1,125	-	-	-	1,125
Margin money	168	-	-	-	168
Interest accrued on deposit with banks and others	32	-	-	-	32
Receivable from related parties	124	-	-	-	124
Other financial assets	64	-	-	-	64
Total	**88,394**	**5,526**	**462**	**1,069**	**95,451**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Financial Assets	INR	USD	GBP	Others	Total
As at March 31, 2017					
Cash and cash equivalents	31,938	265	-	-	32,203
Trade receivables	14,974	1,578	841	37	17,430
Security deposits	6,532	-	-	-	6,532
Loans to related parties	1,229	-	-	-	1,229
Accrued billing revenue	11,998	-	-	-	11,998
Other bank balances	1,083	-	-	-	1,083
Margin money	26	-	-	-	26
Interest accrued on deposit with banks and others	118	-	-	-	118
Receivable from related parties	130	-	-	-	130
Other financial assets	246	-	-	-	246
Total	**68,274**	**1,843**	**841**	**37**	**70,995**

Financial Liabilities	INR	USD	EURO	GBP	Others	Total
As at March 31, 2018						
Borrowings	622,969	14,554	-	-	-	637,523
Trade payables	61,606	3,104	2,727	1,007	66	68,510
Security deposits	3,265	-	-	-	-	3,265
Capital creditors	20,055	26,713	-	-	-	46,768
Interest accrued on borrowings	41,733	126	-	-	-	41,859
Employee benefits payable	3,219	-	-	-	-	3,219
Monies received from merchant establishments and customers	822	-	-	-	-	822
Regulatory liabilities	76	-	-	-	-	76
Other financial liabilities	287	-	-	-	-	287
	754,032	**44,497**	**2,727**	**1,007**	**66**	**802,329**
Less: CCS/Forward contract						
Borrowings	-	14,554	-	-	-	14,554
Trade payables	-	1,259	2,039	-	-	3,298
Capital creditors	-	24,964	-	-	-	24,964
Interest accrued on borrowings	-	126	-	-	-	126
Total	**754,032**	**3,594**	**688**	**1,007**	**66**	**759,387**

Financial Liabilities:	INR	USD	EURO	GBP	Others	Total
As at March 31, 2017						
Borrowings	586,796	23,059	-	-	-	609,855
Trade payables	49,427	1,347	5,651	963	8	57,396
Security deposits	3,682	-	-	-	-	3,682
Capital creditors	21,731	20,911	-	-	-	42,642
Interest accrued on borrowings	25,754	130	-	-	-	25,884
Employee benefits payable	2,561	-	-	-	-	2,561
Monies received from merchant establishments and customers	928	-	-	-	-	928
Regulatory liabilities	70	-	-	-	-	70
Other financial liabilities	233	-	-	-	-	233
	691,182	**45,447**	**5,651**	**963**	**8**	**743,251**
Less: CCS/Forward contract						
Borrowings	-	23,059	-	-	-	23,059
Trade payables	-	53	2,056	-	-	2,109
Capital creditors	-	17,673	-	-	-	17,673
Interest accrued on borrowings	-	130	-	-	-	130
Total	**691,182**	**4,532**	**3,595**	**963**	**8**	**700,280**

(All amounts are in INR millions, except per share data and unless stated otherwise)

The impact of foreign exchange sensitivity on financial assets and liabilities on consolidated statement of profit and loss is given below:

A change of ±2% (March 31, 2017: ±5%) in exchange rate of USD has an impact of ±~INR 31 (March 31, 2017: ±~INR 134) on the Group's profit and loss and a change of ±1% (March 31, 2017: ±5%) in exchange rate of GBP has an impact of ±~ INR 5 (March 31, 2017: ±~INR 6) on the Group's profit and loss and a change of ±1% (March 31, 2017: ±1%) in exchange rate of EURO has an impact of ±~ INR 4 (March 31, 2017: ±~INR 36) on the Group's profit and loss.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the INR computed from historical data and assuming all other information to be constant.

Below are the Group's other foreign exchange exposure which are not financial instruments.

Particulars	Currency	As at March 31, 2018	As at March 31, 2017
Advance to suppliers	USD	151	290
	EURO	-	42
Advance from customers	USD	123	58
Capital advances	USD	49	61

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

The Group manages its interest rate risk by entering into financing arrangements on a fixed rate basis unless fixed rates for the periods are not available, are relatively expensive or prepayment of debt is anticipated. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives (foreign exchange forward contracts) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect the consolidated statement of profit and loss.

In respect to borrowing on floating rates the Group negotiates exit options without break-costs on interest reset dates wherever possible. The interest rate risk on long term foreign currency borrowings contracted at floating rates are managed by fixing the interest rates by entering into interest rate swaps.

Below is the Group's sensitivity to interest rates on floating rate borrowings on consolidated statement of profit and loss:

A change of ±100 (March 31, 2017: ±50) basis points in interest rate has an impact of ±~INR 127 (March 31, 2017: ±~INR 17) the Group's finance cost for the year ended March 31, 2018.

The profile of Group's borrowings as at March 31, 2018 and March 31, 2017 is provided in Notes 25 and 30.

b) Credit Risk

Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from cash and cash equivalents excluding cash on hand, other bank balances, trade receivables, deposits with banks and others, accrued billing revenue and other receivables mainly linked to the credit exposures of customers.

Credit risk in relation to banks and financial institutions arising out of cash and deposits held, MTM gains on derivatives are managed under counter party risk management framework set out under the Treasury Policy based on the credit rating of the counter parties. This is done in close co-ordination with the global treasury team of VF Group Plc. and considers the global exposure of Vodafone entities to the banks and financial institutions.

Trade receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers, and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group perform ongoing credit evaluations of its customers' financial condition and monitor the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Group has no concentration of credit risk as the customer base is geographically distributed in India.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The Group maintains its Cash and cash equivalents, Bank deposits and Derivative financial instruments with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

A default on a financial asset is when the counterparty fails to make contractual payments within the contract period when they fall due. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

The carrying amount of financial assets represents the maximum credit exposure including trade receivables net of provision for impairment. The maximum exposure to credit risk was INR 95,808 as on March 31, 2018 (March 31, 2017 - INR 74,046) being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

(i) Financial assets which are not past due or past due / impaired

The following table presents ageing of receivables that are not past due or past due and provision for doubtful receivables that have been established.

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Amount not past due	7,201	(14)	7,187	4,129	(13)	4,116
Upto 90 days	9,480	(210)	9,270	10,575	(530)	10,045
Between 91-120 days	1,286	(277)	1,009	955	(276)	679
Between 121-180 days	1,031	(509)	522	1,139	(550)	589
Greater than 180 days	5,272	(3,809)	1,463	5,661	(3,660)	2,001
Total	**24,270**	**(4,819)**	**19,451**	**22,459**	**(5,029)**	**17,430**

The Group's credit period generally ranges from 15-90 days. The above receivables which are past due but not impaired are assessed on individual case to case basis and relates to a number of independent third party customers from whom there is no recent history of default. There are no other classes of financial assets that are past due but not impaired except for trade receivables as at March 31, 2018 and March 31, 2017.

(ii) Expected credit loss security deposits

The below table describes particulars for loss allowance measured at 12 month expected credit losses i.e. Financial assets for which credit risk has not increased significantly since initial recognition.

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Security deposits	5,900	(230)	5,670	6,620	(88)	6,532
Total	**5,900**	**(230)**	**5,670**	**6,620**	**(88)**	**6,532**

(iii) Reconciliation of doubtful provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	5,117	4,979
Add: Provision for trade receivables and security deposits	2,474	2,494
Add: Trade receivables and security deposits written off (Net of recovery)	(2,542)	(2,356)
Total	**5,049**	**5,117**

(All amounts are in INR millions, except per share data and unless stated otherwise)

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, commercial paper and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintains varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimising refinancing risk. Long-term borrowings generally mature between 1 to 19 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast. The Group has necessary support from VF Group Plc. to meet liquidity requirements if arises anytime.

The majority of Group's trade receivables are due for maturity within 18 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 90 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

The Group has net current liabilities as at March 31, 2018, aggregating to INR 109,478 (March 31, 2017 – INR 69,546). The Group is confident of obtaining support from its ultimate holding company to meet its financial obligation in case necessary.

The below table analyses the Group's non-derivative financial liabilities into relevant maturity based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows.

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at March 31, 2018					
Borrowings including interest accrued*	679,382	155,988	321,918	681,567	1,159,473
Trade payables	68,510	68,510	-	-	68,510
Security deposits	3,265	3,265	-	-	3,265
Capital creditors	46,768	46,768	-	-	46,768
Employee benefits payable	3,219	3,219	-	-	3,219
Monies received from merchant establishments and customers	822	822	-	-	822
Regulatory liabilities	76	76	-	-	76
Other financial liabilities	287	287	-	-	287
Total	**802,329**	**278,935**	**321,918**	**681,567**	**1,282,420**

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at March 31, 2017					
Borrowings including interest accrued*	635,739	86,477	410,682	468,948	966,107
Trade payables	57,396	57,396	-	-	57,396
Security deposits	3,682	3,372	310	-	3,682
Capital creditors	42,642	42,642	-	-	42,642
Employee benefits payable	2,561	2,561	-	-	2,561
Monies received from merchant establishments and customers	928	928	-	-	928
Regulatory liabilities	70	70	-	-	70
Other financial liabilities	233	233	-	-	233
Total	**743,251**	**193,679**	**410,992**	**468,948**	**1,073,619**

*Borrowing, other than carrying amount, includes future contractual interest payment over the tenure of the borrowings. In case of floating-interest borrowings, it is based on interest rate prevailing as at the reporting date, whereas in case of fixed-interest borrowings, it is based on the fixed-interest rate as stipulated contractually as at the reporting date.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The table below analyses the Group's derivative financial instruments into relevant maturity groupings based on the remaining period as at respective year end to the contractual maturity date:

Particulars	Upto 1 year	1-5 years	After 5 years	Total
Derivative Liabilities				
As at March 31, 2018	341	-	-	**341**
As at March 31, 2017	1,699	-	-	**1,699**

The Group has the following undrawn committed bank borrowing facilities:

Particulars	As at March 31, 2018	As at March 31, 2017
Available for future draw down	12,199	5,000
Total	**12,199**	**5,000**

Note 37
Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Telecommunication Services		
Mobile	336,349	418,609
Fixed line data	9,983	8,378
Trading sales	214	669
Other Revenues	1,027	772
Total	**347,573**	**428,428**

Note 38
Other non-operating income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Others [(1)]	3,699	2,941
Total	**3,699**	**2,941**

[(1)] Others include recovery of late payment, cheque bounce charges and written back of advances.

Note 39
Access charges

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Access charges	37,324	41,649
Roaming cost	9,597	11,870
Total	**46,921**	**53,519**

Note 40
Licence and regulatory fees

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Licence fees	24,043	30,255
Other regulatory fees	11,779	18,164
Total	**35,822**	**48,419**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 41
Employee benefits expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and allowances [1]	14,573	14,276
Contribution to provident and other funds (Refer Note 28)	685	666
Leave compensation expenses	151	98
Gratuity expense (Refer Note 28)	284	289
Employee share based payments (Refer Note 24)	802	608
Staff welfare expenses	952	1,121
Total	**17,447**	**17,058**
Less: Payroll cost capitalised	214	283
Total	**17,233**	**16,775**

[1] Net of recovery for notice pay of INR 32 (Year ended March 31, 2017: INR 54)

Note 42
Rental

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Network site rentals/leases (Refer Notes 42.1 and 52A)	52,757	54,019
Others	2,437	2,467
Total	**55,194**	**56,486**
Note 42.1- Net of recovery for sharing of infrastructure	19	21

Note 43
Power and fuel

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Network (Refer Notes 43.1 and 52A)	35,018	36,781
Others	1,285	1,264
Total	**36,303**	**38,045**
Note 43.1- Net of recovery for sharing of infrastructure	1,163	1,005

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 44
Other expenses

Particulars		**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Network related:			
Transmission cost		3,100	3,283
Network operation and maintenance (Refer Note 44.1)		16,837	17,234
Insurance		617	748
	(A)	**20,554**	**21,265**
Marketing related:			
Advertisement and publicity [Includes Brand Royalty of INR 6,146 (March 31, 2017: INR 7,498]		10,868	13,748
Business and sales promotion		1,326	1,599
Sales commission and incentives		11,856	21,258
Other selling and distribution expenses		4,152	6,941
	(B)	**28,202**	**43,546**
Administration and Other Expenses			
Content cost		5,174	6,485
Repairs to buildings		47	51
Repairs and Maintenance - others		2,900	2,735
Insurance		24	39
Rates and taxes		1,848	1,509
Traveling and conveyance		1,334	1,791
Legal and professional fees		1,713	1,364
Commission expenses - others		1,905	2,175
Payment to Auditors [Excluding GST/service tax of INR 32 (March 31, 2017: INR 36)]			
Audit Fees		128	118
Tax audit Fees		11	10
Other Fees		39	110
Reimbursement of expenses		-	12
Provision for doubtful debts and advances		2,594	2,338
Bad debt written off		2,563	2,356
Provision for bad and doubtful debts written back		(2,563)	(2,356)
IT and other business process outsourcing cost		11,053	12,987
CSR Expenses (Refer Note 55.1)		20	134
Inter Company service charges		10,082	11,214
Miscellaneous expenses		2,846	3,234
	(C)	**41,718**	**46,306**
Total (A +B + C)		**90,474**	**111,117**
Less: IT cost capitalised		89	-
Total		**90,385**	**111,117**
Note 44.1 - Net of recovery for sharing of infrastructure		28	33

Note 45
Other (gains)/losses (net)

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Interest income from fixed deposits	(836)	(2,148)
Interest income from taxation	(3,899)	(4)
Interest income from Inter corporate loan (Refer Note 50)	(1)	-
Net loss/(gain) on disposal of property, plant and equipment	414	(393)
Derivatives - Foreign exchange forward contracts and cross currency Interest rate swaps - Net loss	1,599	5,548
Net foreign exchange loss	1,721	3,904
Other gains	-	(290)
Total	**(1,002)**	**6,617**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 46
Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings	57,676	61,898
Interest Expenses-Others	4,056	3,884
Other borrowing costs	1,819	504
Finance charges on finance lease	332	319
Exchange differences regarded as an adjustment to borrowing costs	(1,226)	(2,651)
	62,657	**63,954**
Less: Finance costs capitalised	6,314	3,458
Total	**56,343**	**60,496**

Note: The capitalisation rate used to determine the amount of borrowing costs eligible was 9.3% p.a. for the year ended March 31, 2018 (March 31, 2017: 9.3% p.a.).

Note 47
Earnings Per Share
Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) for basic and diluted earnings per share from continuing operations	(80,822)	(43,136)
Less: Additional depreciation on fair valued assets pursuant to scheme of merger of Indus Towers Limited	-	(676)
Adjusted Net (Loss) for the year as per the consolidated statement of profit and loss from continuing operations	(80,822)	(43,812)
Profit for basic and diluted earnings per share from discontinued operations	41,342	18,340
Weighted average number of equity shares	2,813,295,823	2,230,814,285
Basic and diluted (loss) per share (INR) from continuing operations	(28.73)	(19.64)
Basic and diluted earnings per share (INR) from discontinued operations	14.70	8.22
Basic and diluted (loss) per share (INR) from continuing and discontinued operations	(14.03)	(11.42)

Reconciliation of weighted average number of equity shares:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Shares in issue for full year	2,813,295,823	453,431,113
Weighted average shares of right issue	-	694,976,123
	2,813,295,823	**1,148,407,236**
Bonus issue on July 19, 2016 for full year (Refer Note 23[h])	-	1,082,407,049
Total weighted average number of shares	**2,813,295,823**	**2,230,814,285**

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

Note 48
(A) Capital Commitments and other purchase commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Contracts for future capital expenditure not provided for (net of advances) in the financial statements:[(1)]		
Company and subsidiaries	13,714	17,870
Group's share in Indus	1,866	2,972
Other Long term purchase commitments:		
Company and subsidiaries	15,224	19,200

[(1)]Commitment includes contracts placed for PPE and intangibles.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Acquisition Commitments

The Group entered in share purchased agreement to acquire You Broadband India Limited and You System Integration Private Limited in financial year 2015-2016. The transaction was subject to regulatory approvals by the Foreign Investment Promotion Board and Reserve Bank of India. The Group received approval from the Foreign Investment Promotion Board in the month of March 2017 and from Reserve Bank of India in month of June 2017. At as March 31, 2017 the amount related to this acquisition was included in commitment.

(B) Commitments - Leases

Operating lease commitments

(a) Group as lessee

The Group has significant leasing arrangements in respect of cell sites, towers, residential and office premises (including furniture and fittings therein, as applicable) taken on lease and license basis. Licenses for cell-sites and towers range for periods between 3-15 years, leases for office premises range for the periods between 1-10 years and leases for accommodation for employees are for a period between 1-2 years. Terms of the license/lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease payments under non-cancellable operating leases comprise:

(i) The Group's operating lease commitments towards other parties (other than Indus) as a lessee

Particulars	As at March 31, 2018	As at March 31, 2017
Due not later than one year	12,572	9,396
Due later than one year but not later than five years	31,886	20,819
Later than five years	12,978	5,008
Total	**57,436**	**35,223**

(ii) The Group's operating lease commitments towards Indus as a lessee

Particulars	As at March 31, 2018	As at March 31, 2017
Due not later than one year	5,885	6,420
Due later than one year but not later than five years	8,176	11,987
Later than five years	-	-
Total	**14,061**	**18,407**

Group's share in Indus-Joint Venture's share

Particulars	As at March 31, 2018	As at March 31, 2017
Due not later than one year	8,019	7,361
Due later than one year but not later than five years	26,308	23,721
Later than five years	27,791	26,590
Total	**62,118**	**57,672**

(b) Group as lessor

Cell site receivable

The Group has significant leasing arrangements in respect of passive infrastructure cell sites and towers given on operating lease basis. Lease for cell sites and towers ranges between 3-15 years. The assets are being used by the Group and multiple operators.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Future minimum lease payments under non-cancellable operating leases comprise of cell sites and towers:

Particulars	As at March 31, 2018	As at March 31, 2017
Due not later than one year	-	1,583
Due later than one year but not later than five years	-	2,604
Later than five years	-	11
Total	**-**	**4,198**
Group' s share in Indus		
Due not later than one year	47,800	47,968
Due later than one year but not later than five years	167,840	190,518
Later than five years	49,700	50,619
Total	**265,340**	**289,105**

*Refer Note 52A for passive infrastructure business sale to ATC in current year.

Finance Lease
(a) Group as lessee
(i) IT Outsourcing Contract:
The Group has entered in to a composite IT outsourcing agreement, whereby the vendor supplies fixed asset and related IT services to the Group. Based on the risk and rewards incidental to ownership, the fixed assets acquired were accounted for as assets taken on finance lease upto June 30, 2016 and post it as own assets. At inception the assets and liability are recorded at fair value, both in the case of leased assets and own assets. Leased assets were depreciated over their respective useful lives as in the case of Group's own assets or where shorter, the term of the relevant lease.

Since the entire amount payable to the vendor for supply of assets is settled in the short term. The disclosure in relation to finance leases are not applicable and accordingly, not made.

(ii) Indefeasible Right of use:
The Group has entered into various non-cancellable long term arrangements to take dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are paid upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

(b) Group as lessor
Indefeasible Right of use
The Group has entered into various non-cancellable long term arrangements to provide dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are received upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

Note 49
Contingent Liabilities

(i) Licensing and Regulatory Disputes

a} One time Spectrum Charges beyond 4.4 MHz /6.2 MHz
In January 2013, Department of Telecommunications ('DoT') issued demands towards One Time Spectrum Charges ('OTSC') for spectrum held by Telecom service providers ('TSP') beyond 4.4 MHz /6.2 MHz amounting to INR 34,299 (March 31, 2017 - INR 34,299). The Group has challenged the matter in Telecom Dispute Settlement Appellate Tribunal (TDSAT) and obtained a stay against the said demand, basis an ad-interim order that no coercive action will be taken by the DoT. The pleading on this matter have got concluded. The demands were revised pursuant to the revised orders received in response to the legal entities merger application made to DoT, however there is no change in the amount of demands. Further, in August 2016, DoT has issued letter towards OTSC on spectrum liberalisation in Rest of Bengal circle amounting to INR 698 (March 31, 2017 – INR 698) and Bank Guarantee was provided pursuant to a TDSAT order.

The management is of the view that DoT cannot levy these additional charges when the spectrum was acquired as per the policies as at the time of such allotment and accordingly, the same has been disclosed as contingent liability.

b) One time Spectrum Charges less than 4.4 MHz
The Group received additional demands in earlier years towards spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses pursuant to merger of certain subsidiaries of INR 55,174 (March 31, 2017 - INR 56,084). The management is of the view that DOT cannot levy these charges since the merger guidelines are not applicable, considering the said merger did not involve any intra-circle merger and did not result in increase in spectrum holding of the Group and as such challenged the demand at TDSAT. The Group, based on internal assessment believes that these amounts are not payable and has been disclosed as contingent liability. The pleading on this matter have got concluded.

c) DoT Demand against extension of License period for Rest of Tamil Nadu Circle
The Group received a demand of INR 13,941 (March 31, 2017 - INR 13,941) from DoT, towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle. The management is of the view that DoT cannot levy such demands, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under the merger guidelines and has challenged the demand at TDSAT. The Group, based on internal assessment, believes that these amounts are not payable and accordingly, the amount has been disclosed as contingent liability.

d) DoT Demands for license fee and spectrum usage charges
The Group received various demands on account of License Fees and Spectrum Usage charges from DoT for the period 2006-07 to 2016-17 amounting to INR 33,280 (March 31, 2017 - INR 23,727) and towards interest and penalty amounting to INR 97,057 (March 31, 2017 - INR 61,707). These demands include demands raised by DoT based on special audit done by DoT and Controller Auditor General (CAG). The principle matter of contention being the definition of Adjusted Gross Revenue ("AGR") which forms the basis of levy of these fees, wherein certain items of revenue were included in the calculation of the License Fees and Spectrum Usage Charge by DoT. The Group contested the demand before TDSAT claiming that the same were not in accordance with the terms and conditions of the License agreements and accordingly these demands are not payable. In April 2015, TDSAT issued a judgment covering various aspects of items to be considered in calculation of AGR and directed DoT to consider the judgment and issue updated demands on the Group as applicable.

The Group and DoT has also challenged the TDSAT Judgment in the Supreme Court for various aspects. In February 2016, the Supreme Court allowed DoT to raise demands as per DoT's understanding, however, these demands cannot be enforced till the final decision is reached by the Supreme Court on this matter. The matter is currently being heard at the Supreme Court.

Based on a legal counsel's opinion, the management continues to believe that AGR for the purpose of payment of license fees should be restricted to revenues resulting from the provision of licensed activities in respect of the licensed service area and therefore accounts for license fees accordingly. Hearing on the matter is under progress in Supreme Court.

e) Demands for Electro-magnetic field (EMF) exposure norms and Customer Application Form (CAF) matters
DoT had issued notices on non-compliance with respect to EMF exposure norms, non-furnishing of self-certification in case of site up gradation, absence of signage's etc. of INR 228 (March 31, 2017 - INR 160). As per Management, these are administrative defaults and the higher penalties applied are not payable and had accordingly challenged the same in TDSAT.

Demands in relation to CAF
The Group has received demands notice of penalty in respect of CAF audit of INR 637 (March 31, 2017 - INR 211) conducted based on the subscriber forms maintained by the Group. The Group believes appropriate verification has been carried out of the CAF and no such penalty can be levied. These amounts are accordingly disclosed as contingent liability.

f) Microwave access and Backbone spectrum charges
In October 2015, DoT issued interim guidelines, wherein Microwave Spectrum held by expired /expiring licenses was declared as being held on a provisional basis subject to final outcome of DoT's decision on recommendation by TRAI on the allocation and pricing of Microwave Spectrum. The interim guidelines issued by DoT are not in line with the understanding provided during the earlier auctions as part of Notice Inviting Application (NIA) for the spectrum auction.

Basis the interim guidelines, DoT has instructed the Group to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Group has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA and has challenged the DoT guidelines in TDSAT. Based on management's assessment, any outflow of resources on account of the same is presently not determinable.

g) Financial penalty under DoT regulations
The Group has received demand notice from DoT for imposing penalty towards violation of terms and conditions of license agreements amounting to INR 500 (March 31, 2017 - INR 500). The Group in the past has replied to DoT that there was no violation of the license agreement and has obtained stay from TDSAT against the demand. The same has been disclosed as contingent liability.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(ii) Taxation and other matters

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
i	Income Tax matters (Including Tax Deducted at source) (Refer Note a below)	63,981	59,894
ii	Service Tax matters including CENVAT credit on towers, shelters (Refer Notes b(i) and b(ii) below)	13,002	11,808
iii	Custom Duty (Refer Note c below)	3,586	197
iv	Sales Tax/Value Added Tax (Refer Note d below)	1,016	879
v	Entry Tax on capital goods (Refer Note e below)	474	1,395
vi	Vendor claims - Port Charge, IUC connectivity Charges (Refer Note f below)	3,504	2,713
vii	Consumer and Civil cases (Refer Note g below)	1,284	1,166

Based on the Group's evaluation and legal advice, it believes that it is not probable that the claims as at March 31, 2018 will materialise and therefore, no provisions have been recognised.

a} Income Tax matters (including Tax Deducted at source)
Income tax demands include matters like disputes relating to non-deduction of Tax at source from discount offered to pre-paid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc. being contested by the Group at various appellate authorities against the tax authorities. During the year based on certain favourable recent ruling at the tribunal / High Courts and external counsel opinion, the company has reversed the provision with respect to withholding tax on upfront discounts, however considering the matter is under litigation (highest level being Supreme Court), the same is disclosed as Contingent Liabilities as at March 31, 2018.

b} Service Tax matters including CENVAT credit on towers, shelters

i) Cenvat credit on towers and shelters
The Group had availed credit in respect of excise duty paid on towers, shelters, pre-fabricated buildings purchased by them in the earlier years. Such credit was adjusted against payment of service tax on output services. The service tax authorities have disallowed such credit based on their contention that these items are immovable in nature and therefore cannot be claimed under the CENVAT credit scheme. In September 2015, the High Court of Mumbai ruled against the Group. Management has challenged the judgment at the Supreme Court and based on external senior counsel opinion, believes that based on the arguments and evidences, the Group has a good arguable case and accordingly, the amounts have been disclosed as contingent liability.

ii) Other matters
There are other service tax demands pertaining to CENVAT credit disallowed on Sim Cards, service tax on SMS termination charges, reversal of input credit on various matters including on removal of passive infrastructure and non-payment of service tax on inbound roaming. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

c} Custom Duty matters
The Group had received demands on additional customs duty amounting to pertaining to its various imports including on Optical Fiber Cable and Telecom Software account of rate difference due to classification issue. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the same has been disclosed as contingent liability.

In October 2017, the Group received demand of INR 3,333 by customs for imposing anti-dumping duty on import of certain telecom equipment's. The management has filed appeal against the order and based on technical assessment believes the amounts are not payable and accordingly, the same has been disclosed as contingent liability.

(All amounts are in INR millions, except per share data and unless stated otherwise)

d} Sales Tax/Value Added Tax matters
The Group had received demands for non-production of C and F forms for interstate sales, VAT on transfer of passive infrastructure and VAT on IRU arrangements. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

e} Entry Tax
In November 2016 and subsequently in October 2017, the Supreme Court upheld the constitutional validity of Entry tax and levy of the same on imported goods. The management has assessed the impact on account of these ruling and appropriately considered the same in the financial statements.

f} Vendor claims - Port Charge, IUC connectivity Charges
The Group has received demands from BSNL (Telecom Operator) with regards to the Port charges payable which are determined by Telecom Regulatory Authority of India (TRAI). The management believes the new TRAI regulation 2012 has been finalised considering the views of BSNL. The Group continues to follow the TRAI regulations. The same is included in Contingent liability pending the decision of the High court.

The Group also received demands from BSNL, with regards to carriage charges and IUC connectivity Charges. The matter is currently at Supreme Court and the management is of the view that such charges are not justifiable based on its internal assessment and accordingly disclosed as contingent liability.

The Group received demands from BSNL for usage of signaling charges. The Group is of the view that the demand from BSNL is not justifiable and accordingly the matter is being challenged in TDSAT and the same is included in contingent liability.

g} Consumer and Civil cases
There are various consumer / civil cases filed against the Group by the subscribers / former dealers / former distributors at various forums. Based on the Group's evaluation and available documentation before the concerned consumer forums, the claims made therein, it believes that it is not probable that the claim will materialise thereof, no provisions has been recognised and amount has been disclosed as contingent liability.

h} Foreign Investment Promotion Board ('FIPB') approval
In response to the intimation made to Foreign Investment Promotion Board (FIPB) pursuant to merger of certain subsidiaries, the Group received letters intimating that the said schemes require an approval from FIPB and also advised to file compounding application to Reserve Bank of India (RBI). On compounding with RBI, RBI after consulting Department of Economic affairs (DEA), Ministry of Finance advised that the issuance of shares of VMSL to VIL may be treated as a contravention of downstream investment by an Indian Company Regulation of Foreign Exchange Management Act, 1999 (FEMA).

Management believes downstream investment by an Indian Company Regulation of FEMA will not be applicable in case merger of certain subsidiaries and hence, probability of any payments is remote in nature and accordingly not disclosed as contingent liability.

Group's share in contingent liabilities of Indus Towers Limited (Joint Venture)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
i	Claims against the Company not acknowledged as debts representing amounts levied by various local authorities. The Company has challenged these levies in the court of law. In the event these levies are confirmed by law, the Company would recover these amounts from its customers in accordance with the Master Service Agreements with them	1,057	1,188
ii	Claims against the Company on account of tax demands and disputes under direct and indirect tax laws, not acknowledged as debts	17,171	14,063
iii	Other Claims against the Company not acknowledged as debts	221	199

The above mentioned contingent liabilities, including disputes with various government authorities, are pending at various forums/ authorities. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised for the above.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 50
Related party transactions
The Group's related parties are its holding companies, fellow subsidiaries, joint ventures and its KMP's. Group's related parties and transactions with those related parties are as follows:

Name of related party	Nature of relationship
Vodafone Group Plc. [(1)]	Ultimate holding company
Vodafone International Holdings B.V. [(1)]	Intermediate holding company
CGP India Investments Limited	Immediate holding company

Transactions with fellow subsidiaries and joint ventures:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Transactions with fellow subsidiaries:		
Purchase of Services	17,693	20,337
Sale of Services	2,199	2,588
Reimbursement of expenses from	664	251
Reimbursement of expenses to	286	142
Payments received on behalf of	15	40
Payments made on behalf of	9	7
Interest on Borrowings	-	2,323
Interest on Debentures	-	1,533
Debenture repaid during the year	-	75,000
Loan repaid during the year	-	102,716
Purchases of property, plant and equipment	866	-
Donations received	38	-
Subscription to Share Capital	-	477,000
(b) Transactions with Joint Ventures:		
Purchase of Services	52,960	56,246
Reimbursement of expenses from	16	21
Loan given during the year	3	-
Interest income	1	-
Dividend income	10,009	9,509
(c) Transactions with other related parties		
Contribution to Hutchison Essar Telecom Limited Employees Group Gratuity Scheme (Trust for Vodafone Mobile Services Limited's employees)	7	18
Contribution to Usha Martin Telekom Limited Employees Gratuity Fund (Trust for Vodafone East Limited's employees)	-	3

Year end balances

Particulars	As at March 31, 2018	As at March 31, 2017
(a)Fellow subsidiaries:		
Trade receivables	920	1,100
Trade payables	5,063	6,619
(b)Joint ventures:		
Trade payables	13,237	6,601
Outstanding loan receivable	1,232	1,229
Advances to related parties	1,146	1,429
Receivable from related parties	124	130
Security deposits	1,000	1,000

[(1)] Vodafone Group Plc. holds investments in Vodafone India Limited through a chain of intermediary parent companies. Entities other than disclosed above have not been disclosed as they do not exercise control although they hold more than 51% share capital (indirectly).

Operating lease commitments as Lessee: - Refer Note 48 for operating lease commitments towards Joint Venture (Indus Towers Limited).

(All amounts are in INR millions, except per share data and unless stated otherwise)

Terms and Conditions

(a) The receivables from related parties arise mainly from sale of services including billing for roaming charges and access charges which are made at arm's length prices. The receivables are unsecured in nature and bear no interest.

(b) The payables to related parties arise mainly from Purchase of services includes Access charges, roaming cost, IT and Business process outsourcing cost, Transmission cost, Intercompany service charges, Rentals, Power and Fuel, Operation and maintenance and generally fall due within two months from the date of purchase. The payables bear no interest.

(c) Loans received from fellow subsidiaries were floating rate borrowings based on LIBOR plus margin in the relevant currencies.

(d) Loans given to the Joint Venture and Security deposits receivable bear no interest. Outstanding balances at year end pertaining to joint venture are unsecured and repayable in cash.

Key Management Personnel ('KMP')

Key Management includes directors (executive and non-executive) and Chief Financial Officer. The compensation paid or payable to executive director and Chief Financial Officer is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short term Employee Benefit	132	113
Post employment Benefit	7	4
Share based payment	37	46
Total KMP Remuneration	**176**	**163**

Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to KMPs are not included in the above table.

Sitting fees paid or payable to non-executive Directors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Director fees	20	18

Note 51

(A) Scheme of Amalgamation and Arrangement between Vodafone India Limited, Vodafone Mobile Services Limited and Idea Cellular Limited

On March 19, 2017, the Board of Directors of VIL and VMSL approved the draft composite Scheme of Amalgamation and Arrangement between Vodafone India Limited ('VIL'), Vodafone Mobile Services Limited ('VMSL') ('transferor companies') and Idea Cellular Limited ('ICL') ('transferee Company'), subject to such approvals, consents and permissions as may be necessary and required.

The Scheme provides for merger of the telecommunications businesses of VIL and VMSL (excluding VIL's 42% equity interest in Indus Towers Limited) with ICL on going concern basis. Upon the scheme becoming effective, the transferor companies shall stand dissolved without being wound up. The shareholders of VIL would hold minimum of 45.1% equity shares in the merged company. All subsidiaries, associate and Joint ventures of VIL and VMSL shall become subsidiaries, associate and Joint ventures of ICL.

VIL and VMSL have received unconditional approval from Competition Commission of India (CCI), ICL has received conditional no-objection from the BSE Limited and National Stock Exchange India Limited. National Company Law Tribunal (NCLT) has approved the Scheme in case of ICL (NCLT Ahmedabad) on January 11, 2018 and in case of VIL and VMSL (NCLT Mumbai) on December 12, 2017 vide order pronounced on January 19, 2018.

As at the year end, the merger is pending for approval from Department of Telecommunications (DoT) and Reserve Bank of India (RBI) and then to seek NCLT Mumbai approval for merger of VIL and VMSL into ICL with dissolution of VIL and VMSL without winding up.

As per the implementation agreement inter alia between VIL, VMSL, ICL and their respective promoters on March 19, 2017, Vodafone Group Plc is required to inject incremental equity into VIL on right issue basis.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(B) Indus Towers

On September 13, 2017, the Board of Directors of VIL passed a resolution to reduce its Share Capital and distribute Equity Shares of Indus to its shareholders on a pro rata basis, prior to amalgamation of VIL into ICL (Refer Note 52B), in consideration for a reduction of Share Capital of VIL, under section 66 of the Companies Act, 2013. Accordingly, the investment in Indus is continued to be disclosed as held for distribution in accordance with Ind AS 105 and operations of Indus have been classified as discontinued operations.

Subsequent to the year end, on May 10, 2018, NCLT, Mumbai bench approved the Capital Reduction Petition filed by VIL, however the detailed order is awaited. Accordingly, no impact has been given of the capital reduction.

Further, on April 25, 2018, Vodafone Group, Bharti Airtel Limited ("Bharti Airtel") and Idea Cellular Limited (ICL) announced the merger of Indus into Bharti Infratel Limited ("Bharti Infratel"), creating a combined company (Indus Towers Limited) that will own the respective businesses of Bharti Infratel and Indus. Bharti Airtel and Vodafone Group will jointly control the combined company, in accordance with the terms of a new shareholders' agreement.

Note 52

(A) Discontinued operations and assets and liabilities of disposal group classified as held for sale

On November 13, 2017 the Group entered into passive infrastructure business transfer agreement for sale of tower business of VIL and VMSL to ATC Telecom Infrastructure Private Limited ('ATC'). On March 31, 2018 formalities in relation to this business transfer agreement was completed and the Group received the consideration.

Finance performance and cash flow information

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit / (loss) from discontinued operations		
Revenue from operations [Refer Note (i) below]	2,130	1,901
Rental [Refer Note (ii) below]	(1,112)	(1,077)
Power and fuel (Net of recovery) [Refer Note (ii) below]	(2,337)	(2,648)
Depreciation and amortisation	(417)	(765)
(Loss) before income tax from discontinued operations	**(1,736)**	**(2,589)**
Excluded [Refer Note (iii) below]	**3,449**	**3,725**
Tax expense/(credit) of discontinued operations	-	-
Current tax	-	-
Deferred tax	-	-
Profit from discontinued operations after tax	**1,713**	**1,136**
Gain on sale of discontinued operations (Net of tax)	31,019	-
Other Comprehensive Income (Net of tax)	-	-
Profit from discontinued operations after tax including profit on sale of business (Refer Note (i) below)	**32,732**	**1,136**
Other Comprehensive Income from discontinued operations (Net of tax)		
Cash flow information		
Net cash inflow /(outflow) from operating activities	2,130	1,901
Net cash inflow /(outflow) from investing activities	38,205	-
Net cash inflow /(outflow) from financing activities	-	-
Net increase / (decrease) in cash generated / (used) from discontinued operations	**40,335**	**1,901**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Carrying value of net assets derecognised:

Particulars	As at March 31, 2018
Assets classified as held for sale	
Property, Plant and Equipment	7,500
Capital work-in-progress	63
Security deposits - others	285
Trade receivables	951
Accrued billing revenue	48
Advance to suppliers	22
Prepaid Expenses	54
Total assets	**8,923**
Liabilities directly associated with assets classified as held for sale	
Security deposit from customers and others	128
Asset retirement obligation	761
Trade payables	692
Capital creditors	61
Unearned billing revenue	181
Total liabilities	**1,823**
Net assets	**7,100**
Expenses incurred on disposal of discontinued operation	86

(i) Rental income received from third parties for passive infrastructure towers. These towers were also used by the Group for the purpose of providing Telecommunication Services (continued business).

(ii) Direct expenditure in relation to rent and power and fuel incurred on these assets.

(iii) Pursuant to the Master Service Agreement (MSA) entered effective April 1, 2018, for use of passive infrastructure towers for the purpose of providing the Telecommunication Services (continued business), the Group will continue to incur rent and power and fuel expenses. Accordingly, these expenses continue to be included as part of continuing operations (in the consolidated statement of profit and loss).

The consideration received or receivable in cash was INR 38,205 for assets held for sale and resulted gain is INR 31,019 for discontinued operation and assets held for sale. There is no current and deferred tax on disposal of assets held for sale.

(B) Discontinued operations- held for distribution to owners

As per the terms of the Implementation Agreement of the merger scheme with ICL, VIL's shareholding in Indus is outside the purview of the proposed merger and VIL has retained the entitlement to dispose of the equity interest in Indus in such manner as it deems fit. VIL proposes to reduce its share capital and distribute equity shares of Indus to its shareholders on a pro rata basis, prior to amalgamation of VIL in to ICL, in consideration for a reduction of share capital of VIL, under section 66 of the Companies Act, 2013. On 14th September 2017, VIL filed an application for reduction of share capital with National Company Law Tribunal, Mumbai bench (NCLT). VIL is awaiting order from NCLT. Investment in Indus Towers Limited are reported as discontinued operations since the carrying amount of the investment in Indus Towers Limited will be distributed to owners. (Refer Note 51)

(All amounts are in INR millions, except per share data and unless stated otherwise)

Finance performance and cash flow information

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Share of net profits of joint venture accounted for using the equity method	-	12,137
Dividend income	10,009	-
Other expenses	(1,399)	(1,373)
Profit from discontinued operations before tax	**8,610**	**10,764**
Tax expense of discontinued operations	-	(6,440)
Current tax	-	1,936
Deferred tax	-	(8,376)
Profit from discontinued operations after tax	**8,610**	**17,204**
Other Comprehensive Income (Net of tax)	-	(9)
Cash flow information		
Net cash inflow from operating activities	-	-
Net cash inflow from investing activities	10,009	9,509
Net cash inflow from financing activities	-	-
Net increase in cash generated from discontinued operations	**10,009**	**9,509**

The carrying amounts of assets are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Assets classified as held for distribution to owners		
Carrying value of investments	49,526	49,526

Fair value of discontinued operations was higher than its carrying value as on March 31, 2018 and March 31, 2017.

The Group's share of profits of INR 13,212 were not recognised during year ended March 31, 2018 as a result of the discontinuance of equity accounting. Dividend income of INR 10,009 received from Indus during year ended March 31, 2018 was recognised as income from discontinued operation- assets held for distribution to owners.

(C) Assets classified as held for sale and declassification of assets held for sale

i) Assets classified as held for sale

The management of the Group approved on March 19, 2017 that certain assets carrying value would be recovered principally through a sale transaction rather than through the continuing use. Therefore, these assets were classified as assets held for sale on March 19, 2017. (Refer Note 51)

Particulars	As at March 31, 2017	As at March 19, 2017
Assets classified as held for sale		
Property, Plant and Equipment	1,173	1,173
Intangible assets	134	134
Capital work-in-progress	81	81
	1,388	**1,388**

Fair value of above assets was higher than its carrying value as on March 19, 2017 and March 31, 2017.

ii) Declassification of assets held for sale

The management of the Group on March 26, 2018 have changed their plan and now decided to realise the value from continued use in business. Had above assets would have not been declassified as held for sale, the loss for the year ended March 31, 2018 would have been lower by INR 151 (March 31, 2017: INR Nil).

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 53
Business combinations

(a) Summary of acquisition

On June 14, 2017, the Company has acquired 100% of the issued share capital of You Broadband India Limited ('YBIL'), which provides infrastructure support to licensed telecommunication service providers, internet service providers by providing dark fibre, fixed links and duct space, high speed data and voice through the Internet. This acquisition will enable the Group to expand broadband services to customers rapidly at competitive prices. The business of YBIL is part of Mobile Telecommunication segment.

Details of the purchase consideration is as follows:

Particulars	Amount
Cash paid	2,752
Total	**2,752**

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount Fair value
Property, Plant and Equipment	1,836
Intangible assets	280
Non Current Financial Assets-Others	64
Other non current assets	39
Inventories	1
Trade receivables	43
Cash and cash equivalents	10
Other bank balances	161
Current Financial Assets-Others	22
Other current assets	95
Bank overdraft	(88)
Trade payables	(294)
Current Financial Liability-Others	(1,041)
Employee benefit obligations	(11)
Provisions	(32)
Other current liabilities	(477)
Total	**608**

Calculation of goodwill is as follows:

Particulars	Amount
Consideration paid	2,752
Less: Net identifiable assets acquired	(608)
Total	**2,144**

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for the tax purpose.

The acquired business contributed revenues of INR 1,485 and loss of INR 172 to the Group for the year ended March 31, 2018. If the acquisition had occurred on April 1, 2017 the consolidated pro-forma revenue and loss for the year ended March 31, 2018 would have been up by INR 358 and INR 85 respectively.

There was no acquisition in the year ending March 31, 2017.

(b) Purchase consideration- cash outflow

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	2,752
Less: Balance acquired	
Cash	(10)
Bank overdraft	88
Net outflow of cash- investing activities	**2,830**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 54
Disclosure on Specified Bank Notes
On November 8, 2016, the Government of India had vide its notification no S.O. 3407(E), declared that Specified Bank Notes (SBN) shall cease to be legal tender with effect from November 9, 2016. Subsequently, vide notification no S.O. 3544(E) dated November 24, 2016, telecom companies were allowed to accept Specified Bank Notes towards prepaid mobile top-up to a limit of INR 500 per top-up from November 25, 2016 to December 15, 2016.

Pursuant to the notification no G.S.R 308(E) dated March 30, 2017 issued by Ministry of Corporate Affairs the provisions of the Companies Act, 2013 were amended, mandating every company to provide details of Specified Bank Notes held / transacted during the period of November 8, 2016 to December 30, 2016. The disclosure in relation to SBN's as required is as detailed below:

(figures in full INR)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016 [Refer Note (i)]	83,832,000	344,062,920	427,894,920
(+) Permitted receipts [Refer Notes (i) and (ii)]	135,632,000	1,990,699,886	2,126,331,886
(-) Permitted payments	-	48,928,358	48,928,358
(-) Amount deposited in Banks [Refer Note (iii)]	219,414,000	1,579,416,767	1,798,830,767
Closing cash in hand as on December 30, 2016 [Refer Note (iv)]	50,000	706,417,681	706,467,681

(i) Represents cash collected upto close of business on November 8, 2016 at Group's owned and franchise stores. The details of the SBN's available with the Group as on November 8, 2016 is based on the deposit slips maintained by the Group for amounts handed over to the Cash Management agencies between November 9, 2016 to November 11, 2016. The Group had immediately on November 9, 2016 issued instruction to all its stores (owned and franchise) and distributors to not accept any SBN's moving forward.

(ii) Represents cash collected by the Group between the period of November 25, 2016 and December 15, 2016.

(iii) Represents the amounts deposited with the banks by the Cash management agencies. The Group has outsourced its cash management process, the Cash management agencies provide summary of the cash collected from various stores, however the deposit slips does not contain the details of denominations. Considering no prior requirement of maintaining the records of SBN's collected/deposited by the Group in all cases. The Group in spite of its efforts is unable to collate the required information from its records spread across various stores in India. Accordingly, the Group has relied on information provided by the banks for the aforesaid disclosure.

(iv) The amount was collected by the Cash management agencies on December 30, 2016 and deposited on December 31, 2016 with bank.

There are no transactions in SBN's during the year ended March 31, 2018.

Note 55
Other Matters

55.1 CSR Expenses

Break up of CSR expenditure in alignment with prescribed activities enlisted in Schedule VII of Companies Act 2013:

a. Gross amount which was required to be spent by the Group during the year Nil (March 31, 2017: Nil).
b. Details of amount spent during the year:

Sr. No.	Sectors in which project is covered	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Health, Education and Women Empowerment	20	134
	Total	**20**	**134**

55.2 VIL is contesting a claim from the Income Tax Department that it should have withheld, as an agent of Vodafone International B.V. (VIHBV), capital gains tax under section 201(1) of the Income tax Act, 1961 on the consideration paid by VIHBV to Hutchison Telecommunications International Limited for acquisition of a controlling stake in the VIL. VIL filed a writ petition at The Honorable High Court of Bombay requesting for examining the legal validity of the notice issued on 6th August, 2007 by the Income tax authorities and for withdrawal the notice. Interim relief was granted and the hearing was then adjourned from time to time. Meanwhile, the tax authority also issued a show cause notice to VIHBV alleging the failure to withhold due taxes, which was also challenged by the filing of a writ petition.

Both VlHBV and VIL have been advised that the impugned transaction should not attract taxes in India, that VIHBV had consequently no obligation to withhold taxes on the payment of the transaction and that in any event, India tax law cannot allow for VIL to be deemed as an agent of VIHBV.

The Honorable Supreme Court has upheld the contention of VIHBV and set aside the notice against VIHBV. Pursuant to this, there was an amendment in law by Finance Act 2012, where by the Act was amended with retrospective effect to make the withholding of tax mandatory for such transactions.

VIL continues to believe that in view of the above, the possibility of that tax demand materialising on VIL is remote.

55.3 In 2007, a petition (public interest litigation) was filed by a third party with the Delhi High Court, alleging inter alia, that by virtue of Hutchison Telecommunications International Limited's arrangements with certain Indian shareholders of the Company, the foreign shareholding in the Company was in breach of the FDI Regulations and that the Company's telecommunications license be cancelled. The court adjourned the hearing of the Petition indefinitely, noting that the issues raised in the petition were already being considered by the competent Indian government authorities. In 2007 itself the Foreign Investment Promotion Board, after having conducted a comprehensive examination of all aspects of the transactions, including the allegations included in the petition, determined that there was no such violation and consequently gave its approval to Vodafone International Holdings B.V. to acquire the entire interest held in the Company by Hutchison Telecommunications International Limited. Since then, the petitioner has applied for revival of its Petition and has amended its Petition to challenge the legality of the FIPB decision as well as impleaded certain other indirect shareholders of the Company.

The Honorable Supreme Court in its ruling on a matter involving VIHBV and the Indian Tax Authorities, noted in 55.2 above, has averred that the offshore transaction is a bonafide structured FDI investment in India.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 56
Additional Information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive Incor	Amount	As % of consolidated total comprehensive Incor	Amount
Holding company								
VIL								
March 31, 2018	102%	591,815	27%	(10,846)	0%	(21)	28%	(10,867)
March 31, 2017	98%	602,320	0%	(3,745)	0%	(34)	0%	(3,779)
Subsidiaries								
VMSL								
March 31, 2018	61%	350,919	79%	(31,379)	0%	1	79%	(31,378)
March 31, 2017	62%	382,205	0%	(27,900)	0%	(26)	0%	(27,926)
VBSL								
March 31, 2018	0%	(2,664)	1%	(410)	0%	-	1%	(410)
March 31, 2017	0%	(2,255)	0%	(279)	0%	-	0%	(279)
MCSL								
March 31, 2018	0%	2,841	0%	(81)	0%	-	0%	(81)
March 31, 2017	0%	2,922	0%	(53)	0%	-	0%	(53)
VMPL								
March 31, 2018	0%	58	2%	(818)	0%	4	2%	(814)
March 31, 2017	0%	368	0%	(1,491)	0%	(3)	0%	(1,494)
VTL								
March 31, 2018	0%	(9)	0%	(2)	0%	-	0%	(2)
March 31, 2017	0%	(7)	0%	(1)	0%	-	0%	(1)
VTSL								
March 31, 2018	0%	(31)	0%	(25)	0%	-	0%	(25)
March 31, 2017	0%	(6)	0%	(9)	0%	-	0%	(9)
CIMTPL								
March 31, 2018	0%	244	0%	6	0%	-	0%	6
March 31, 2017	0%	238	0%	(34)	0%	-	0%	(34)
VF								
March 31, 2018	0%	(6)	0%	-	0%	-	0%	-
March 31, 2017	0%	(6)	0%	-	0%	-	0%	-
VIVL								
March 31, 2018	0%	15	0%	(4)	0%	-	0%	(4)
March 31, 2017	0%	19	0%	(1)	0%	-	0%	(1)
VIDL								
March 31, 2018	0%	4	0%	(1)	0%	-	0%	(1)
March 31, 2017	0%	-	0%	-	0%	-	0%	-

(All amounts are in INR millions, except per share data and unless stated otherwise)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive Income	Amount	As % of consolidated total comprehensive Income	Amount
YBB								
March 31, 2018	0%	166	1%	(257)	0%	1	1%	(256)
March 31, 2017	0%	-	0%	-	0%	-	0%	-
YSIPL								
March 31, 2018	0%	(7)	0%	(1)	0%	-	0%	(1)
March 31, 2017	0%	-	0%	-	0%	-	0%	-
(less): Consolidation adjustments/ Intercompany eliminations								
March 31, 2018	-72%	(414,182)	-11%	4,335	0%	-	-11%	4,335
March 31, 2017	-68%	(417,606)	0%	(351)	0%	1	0%	(350)
Joint venture (Investment as per equity method)								
Indus								
March 31, 2018	9%	49,526	0%	-	0%	-	0%	-
March 31, 2017	8%	49,526	0%	12,137	0%	(9)	0%	12,128
Firefly								
March 31, 2018	0%	3	0%	3	0%	-	0%	3
March 31, 2017	0%	-	0%	-	0%	-	0%	-
(less): Consolidation adjustments/ Intercompany eliminations								
March 31, 2018	0%	(10)	0%	-	0%	-	0%	-
March 31, 2017	0%	-	0%	(3,069)	0%	-	0%	(3,069)
Total								
March 31, 2018	**100%**	**578,682**	**100%**	**(39,480)**	**0%**	**(15)**	**100%**	**(39,495)**
March 31, 2017	**100%**	**617,718**	**0%**	**(24,796)**	**0%**	**(71)**	**0%**	**(24,867)**

Note 57
Previous year figures have been reclassified/regrouped, where necessary, to conform to this year's classification.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

For and on behalf of the Board of Directors

Sharmila A. Karve
Partner
Membership Number: 043229

Sunil Sood
Managing Director
(DIN:03132202)

Director

Manish Dawar
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date :May 30, 2018

Place: Mumbai
Date : May 30, 2018

VODAFONE INDIA LIMITED
Consolidated Financial Statements
For the year ended March 31, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VODAFONE INDIA LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Vodafone India Limited** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "Group") and its joint ventures (refer Note 1 to the attached consolidated financial statements), incorporated in India, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance, Consolidated Cash Flows and Consolidated Changes in Equity of the Group and its joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 8 and 9 of the 'Other Matters' below, are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by 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 and its joint ventures as at March 31, 2017, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their Consolidated Cash Flows and Consolidated Changes in Equity for the year ended on that date.

Other Matter

8. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 10,192 million and the Group's share of reduction in General Reserve of Rs. 676 million for the year ended March 31, 2017 as considered in the Consolidated Ind AS Financial Statements, in respect of joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements insofar as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid joint ventures is based solely on the reports of the other auditors.

9. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Consolidated Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 31, 2016 and July 13, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us, except to the extent it relates to the Ind AS adjustments of joint ventures which is based solely on the reports of the other auditors.

Our opinion 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 auditors and the financial statements certified by the Management.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

(b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Group and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Group and its joint ventures including relevant records relating to the preparation of the Consolidated Ind AS Financial Statements.

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and subsidiaries and statutory auditors of joint ventures, none of the directors of the Group companies and its joint ventures is disqualified as on March 31, 2017 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 Group and its joint ventures and the operating effectiveness of such controls, refer to our separate Report in Annexure.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group and its joint ventures– Refer Note 49 to the Consolidated Ind AS Financial Statements.

ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures during the year ended March 31, 2017.

iv. The Group has provided requisite disclosures in the Ind AS financial statements as its holdings and dealings in in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016, which based on our audit procedures and relying on the management representations are in agreement with the books of accounts maintained by the Group and as produced to us for our verification. However disclosures of holding on November 8, 2016, permitted receipted and collection between November 9, 2016 to December 31, 2016 and deposits made thereof by the cash management agencies as detailed in Note 52 to the Consolidated Ind AS Financial Statements are only to the extent of information available with the Group from banks and not as per records maintained by the Group and have been verified accordingly. The disclosure in relation to joint ventures is as produced to us by Management and based on the reports of the other auditors.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place : Barcelona, Spain
Date : June 2, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Vodafone India Limited on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Vodafone India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "Group") and its joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiaries and joint ventures, are responsible for establishing and maintaining internal financial controls based on 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

5. 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 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

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Group and its joint ventures have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two joint ventures, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number 043229

Place : Barcelona, Spain
Date : June 2, 2017

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non current assets				
Property, Plant and Equipment	6	265,402	252,597	223,153
Capital work-in-progress	6	20,759	16,416	22,764
Investment property	7	696	708	720
Goodwill	8	71,681	71,681	71,681
Other intangible assets	9	591,130	572,006	330,059
Intangible assets under development	9	168,881	9,206	658
Investments accounted for using the equity method	11	-	49,519	39,154
Financial assets				
i. Loans	12	1,224	1,224	1,224
ii. Other financial assets	13	6,893	12,747	12,787
Deferred tax assets (net)	14	36,391	21,912	7,153
Income tax recoverable (net)		97,422	88,252	39,328
Other non current assets	15	40,143	34,504	20,780
Total non current assets		**1,300,622**	**1,130,772**	**769,461**
Current assets				
Inventories	16	75	54	65
Financial assets				
i. Trade receivables	17	17,430	19,194	15,363
ii. Cash and cash equivalents	18.1	32,356	14,761	66,220
iii. Bank balances other than (ii) above	18.2	949	713	454
iv. Loans	19	5	5	-
v. Other financial assets	20	15,298	12,946	14,903
Other current assets	21	24,988	15,436	11,822
Assets classified as held for distribution to owners and held for sale	51	50,914	-	-
Total current assets		**142,015**	**63,109**	**108,827**
Total Assets		**1,442,637**	**1,193,881**	**878,288**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Balance Sheet

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	22	28,133	4,534	4,534
Other equity				
Reserve and Surplus		589,585	162,052	129,677
Total Equity		**617,718**	**166,586**	**134,211**
Liabilities				
Non current liabilities				
Financial liabilities				
i. Borrowings	24	513,145	545,667	403,449
ii. Other financial liabilities	25	43,940	40,362	35,941
Provisions	26	54,376	46,621	29,870
Employee benefit obligations	27	1,346	1,264	1,374
Deferred tax liabilities (net)	14	-	8,376	6,622
Other non current liabilities	28	852	3,056	2,792
Total non current liabilities		**613,659**	**645,346**	**480,048**
Current liabilities				
Financial liabilities				
i. Borrowings	29	37,932	124,132	90,702
ii. Trade payables	30	57,396	57,276	50,721
iii. Other financial liabilities	31	92,537	173,116	85,679
Provisions	26	1,713	2,428	11,219
Employee benefit obligations	27	320	253	188
Current tax liabilities (net)		2,626	2,626	4,917
Other current liabilities	32	18,736	22,118	20,603
Total current liabilities		**211,260**	**381,949**	**264,029**
Total Liabilities		**824,919**	**1,027,295**	**744,077**
Total Equity and Liabilities		**1,442,637**	**1,193,881**	**878,288**

Significant Accounting Policies 3

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated balance sheet referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

For and on behalf of the Board of Directors

Sharmila A. Karve
Partner
Membership Number: 043229

Analjit Singh
Chairman
(DIN: 00029641)

Sunil Sood
Managing Director
(DIN:03132202)

Thomas Reisten
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: BARCELONA, SPAIN
Date: June 2, 2017

Place: Mumbai
Date: June 1, 2017

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

		Note	For the year ended March 31, 2017	For the year ended March 31, 2016
	Continuing operations			
I	Revenue from operations	36	430,329	433,018
II	Other non operating income	37	2,941	3,425
III	**Total Income (I + II)**		**433,270**	**436,443**
IV	**Expenses**			
	SIM cards consumed		2,166	1,474
	Cost of trading goods sold		893	576
	Access charges	38	53,519	57,327
	License and regulatory fees	39	48,419	49,524
	Employee benefits expense	40	16,775	16,327
	Rental	41	56,486	52,043
	Power and fuel	42	38,045	34,166
	Other expenses	43	111,117	102,820
	Total Expenses (IV)		**327,420**	**314,257**
V	**Profit before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) (III- IV)**		**105,850**	**122,186**
VI	Share of net profits of joint ventures accounted for using the equity method	11	-	-
VII	**Profit before other (gains)/losses (net), depreciation and amortisation, finance costs and tax (V-VI)**		**105,850**	**122,186**
	Other (gains)/losses (Net)	44	6,617	9,290
	Depreciation and amortisation expense	6.6	95,035	78,227
	Finance costs	45	60,496	62,773
VIII	**(Loss) before tax from continuing operations**		**(56,298)**	**(28,104)**
IX	**Income tax expense**			
	Current tax		148	(36,990)
	Deferred tax		(14,446)	(14,789)
	Total tax expense (IX)	14	**(14,298)**	**(51,779)**
X	**(Loss) /Profit after tax from continuing operations (VIII-IX)**		**(42,000)**	**23,675**
	Discontinued Operations			
	Profit from discontinued operation before tax	51	10,764	11,256
	Tax (credit)/expense of discontinued operations	51	(6,440)	1,754
XI	**Profit from discontinued operations**		**17,204**	**9,502**
XII	**(Loss) /Profit after tax for the year (X+XI)**		**(24,796)**	**33,177**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Profit and Loss

		Note	For the year ended March 31, 2017	For the year ended March 31, 2016
	Other Comprehensive Income from continuing operations			
A	Items that will be reclassified to profit or loss		-	-
B	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		(95)	84
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		33	(30)
XIII	**Other Comprehensive (Loss)/Income from continuing operations (Net of tax)**		**(62)**	**54**
	Other Comprehensive Income from discontinued operations			
A	Items that will be reclassified to profit or loss		-	-
B	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		-	-
	Share of other comprehensive income of Joint venture accounted for using the equity method (net of tax)		(9)	(22)
XIV	**Other Comprehensive Income from discontinued operations (Net of tax)**		**(9)**	**(22)**
XV	**Other Comprehensive Income for the year (Net of tax) (XIII+XIV)**		**(71)**	**32**
XVI	**Total Comprehensive (Loss)/Income from continuing operations (X+XIII) (Comprising Profit/(loss) and Other Comprehensive Income for the year)**		**(42,062)**	**23,729**
XVII	**Total Comprehensive Income from discontinued operations (XI+XIV) (Comprising profit/ (Loss) and Other Comprehensive Income for the year)**		**17,195**	**9,480**
XVIII	**Total Comprehensive Income for the year (XVI+XVII) (Comprising profit/ (Loss) and Other Comprehensive Income for the year)**		**(24,867)**	**33,209**
	Earning per equity share of INR 10 each			
	Basic and Diluted Profit/(loss) per share (INR) - Continuing operations	46	**(19.13)**	**16.77**
	Basic and Diluted Profit/(loss) per share (INR) - Discontinued operations	46	**7.71**	**6.99**
	Basic and Diluted Profit/(loss) per share (INR) - Continuing and discontinued operations	46	**(11.42)**	**23.75**

Significant Accounting Policies 3

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: BARCELONA, SPAIN
Date : June 2, 2017

For and on behalf of the Board of Directors

Analjit Singh
Chairman
(DIN: 00029641)

Sunil Sood
Managing Director
(DIN:03132202)

Thomas Reisten
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date:June 1, 2017

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Changes in Equity

Equity Share Capital and Other Equity		Attributable to owners of Vodafone India Limited						
		Reserves and Surplus						
Particulars	Equity Share Capital	Capital Reserve (1)	Securities Premium (2)	General Reserve (3)	Retained earnings/ (accumulated deficit) (4)	Capital contribution/ (distribution to parent) (5)	Share based payment reserve (6)	Total Reserve and Surplus
Balance as at April 1, 2015	**4,534**	**2,070**	**134,264**	**38,727**	**(46,214)**	**-**	**830**	**129,677**
Profit for the year	-	-	-	-	33,177	-	-	33,177
Other comprehensive income	-	-	-	-	32	-	-	32
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**33,209**	**-**	**-**	**33,209**
Distribution to Ultimate Holding Company for employee share based payments (Refer Note 23)	-	-	-	-	-	(34)	-	(34)
Share based payments (Refer Note 23)	-	-	-	-	-	-	69	69
Additional depreciation on fair valued assets pursuant to scheme of merger of Indus Towers Limited	-	-	-	(869)	-	-	-	(869)
Balance as at March 31, 2016	**4,534**	**2,070**	**134,264**	**37,858**	**(13,005)**	**(34)**	**899**	**162,052**
Loss for the year	-	-	-	-	(24,796)	-	-	(24,796)
Other comprehensive loss	-	-	-	-	(71)	-	-	(71)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(24,867)**	**-**	**-**	**(24,867)**
Capital contribution by Ultimate Holding Company for employee share based payments (Refer Note 23)	-	-	-	-	-	44	-	44
Share based payments (Refer Note 23)	-	-	-	-	-	-	119	119
Issue of equity shares during the year (Refer Note 22.1 and 22.2)	12,414	-	464,586	-	-	-	-	464,586
Issuance of bonus shares {Refer Note 22[h]}	11,185	-	(11,185)	-	-	-	-	(11,185)
Share issue expenses	-	-	(488)	-	-	-	-	(488)
Additional depreciation on fair valued assets pursuant to scheme of merger of Indus Towers Limited	-	-	-	(676)	-	-	-	(676)
Balance as at March 31, 2017	**28,133**	**2,070**	**587,177**	**37,182**	**(37,872)**	**10**	**1,018**	**589,585**

(1) Capital reserve of INR 165 comprises of capital receipt, received as compensation from an erstwhile Joint Venture partner for failure to subscribe in the equity shares of Vodafone India Limited in earlier years and INR 1,905 is proportionate share of capital reserve of Joint Venture. Capital reserve is not available for distribution as dividend.

(2) The amounts received in excess of the par value of equity shares issued have been classified as securities premium. In accordance with the provisions of Section 52 of the Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares and offsetting direct issue costs and discount allowed for the issue of shares.

(3) General reserve comprises of proportionate share of general reserve of Joint Venture. Utilisation of general reserve for additional depreciation is as per scheme of merger of joint venture {Refer Note 11B (v)}.

(4) Retained earnings / (accumulated deficit) represents the Group's cumulative earnings and losses respectively, including joint ventures.

(5) Capital Contribution/ (distribution to parent) represents the excess/shortage of provision on settlement of reserve for the equity settled plan for the employees of the Group.

(6) Share based payment reserve represents Vodafone Group Plc's equity settled plan for the employees of the Group .

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place: Place: BARCELONA, SPAIN
Date: June 2, 2017

For and on behalf of the Board of Directors

Analjit Singh
Chairman
(DIN: 00029641)

Sunil Sood
Managing Director
(DIN:03132202)

Thomas Reisten
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: June 1, 2017

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities			
Loss before tax from continuing operations		(56,298)	(28,104)
Profit before tax from discontinued operations		10,764	11,256
Loss before tax including discontinued operations		**(45,534)**	**(16,848)**
Adjustments for:			
Depreciation and amortisation expense	6.6	95,035	78,227
Provision for doubtful debts and advances	43	2,338	3,308
Net gain on disposal of property, plant and equipment	44	(393)	(63)
Finance costs	45	60,496	62,773
Net unrealised foreign exchange loss		676	9,418
Interest income from fixed deposits	44	(2,148)	(418)
Interest income from taxation	44	(4)	(16)
Profit from discontinued operation of joint venture	11 & 51	(12,137)	(11,256)
Employee share based payments	40	608	523
Operating profit before working capital changes		**98,937**	**125,648**
Adjustments for changes in working capital			
(Increase) in other non current financial assets		(199)	(710)
(Increase) in other non current assets		(5,713)	(24,766)
(Increase)/Decrease in inventories		(21)	11
(Increase) in trade receivables		(659)	(7,188)
(Increase) in other bank balances		(236)	(259)
(Increase)/Decrease in other current financial assets		(1,079)	257
(Increase) in other current assets		(9,564)	(3,614)
(Decrease) in other non current financial liabilities		(2,329)	(68)
Increase in long term provisions		3,938	11,468
(Decrease) in non current liabilities-employee benefit obligations		(13)	(26)
(Decrease)/Increase in other non current liabilities		(2,204)	264
(Decrease)/Increase in trade payables		(101)	6,048
(Decrease)/Increase in other current financial liabilities		(354)	201
(Decrease)/Increase in other current liabilities		(3,382)	1,515
(Decrease) in short term provisions		(715)	(8,791)
Increase in current liabilities-employee benefit obligations		67	65
Increase in derivatives financial assets and liabilities		3,415	668
Cash generated from operations		**79,788**	**100,723**
Income tax paid (net)		(9,316)	(14,209)
Net cash inflow from operating activities		**70,472**	**86,514**
Cash flow from investing activities			
Payment for property, plant and equipment and intangible assets		(175,575)	(137,532)
Proceeds from sale of property, plant and equipment		1,071	821
Loans to related parties		-	(6)
Interest received		2,060	410
Dividend received from discontinued operation of Indus Tower Limited		9,509	-
Net cash (outflow) from investing activities		**(162,935)**	**(136,307)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Consolidated Statement of Cash Flows

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from financing activities			
Proceeds from issue of shares	22.1 & 22.2	477,000	-
Share issue expenses		(488)	-
Proceeds from borrowings		98,443	281,036
Repayment of borrowings		(392,741)	(256,455)
Interest and other borrowing cost paid		(72,155)	(26,247)
Net cash inflow/(outflow) from financing activities		**110,059**	**(1,666)**
Net increase/(decrease) in cash and cash equivalents		**17,596**	**(51,459)**
Cash and cash equivalents as at the beginning of the year	18.1	14,761	66,220
Effects of exchange rate changes on cash and cash equivalents		(1)	-
Cash and cash equivalents as at the end of the year	**18.1**	**32,356**	**14,761**

Reconciliation of cash and cash equivalents as per the consolidated statement cash flows

		As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	18.1	32,356	14,761
Balance as per consolidated statement of cash flows		32,356	14,761

1. The above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows' notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flows referred to in our report on even date.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Sharmila A. Karve
Partner
Membership Number: 043229

Place:BARCELONA, SPAIN
Date:June 2, 2017

For and on behalf of the Board of Directors

Analjit Singh
Chairman
(DIN: 00029641)

Sunil Sood
Managing Director
(DIN:03132202)

Thomas Reisten
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place: Mumbai
Date: June 1, 2017

Note 1
General information

Vodafone India Limited ("VIL" or "the Company") was incorporated in 1992 in India under the provisions of the Companies Act,1956, as a company with limited liability. The Company is domiciled in India with its registered office address being Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013, India.

VIL and its subsidiaries (herein after referred to as "the Group") and Joint Ventures, 42% of Indus Tower Limited and 50% of Firefly Networks Limited, have principal activities of providing mobile communications services and telecom passive infrastructure across India.

The consolidated financial statements were approved for issue by the Board of Directors of the Company on June 1, 2017.

Note 2
Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements upto year ended March 31, 2016 and March 31, 2015 were prepared in accordance with the accounting standards notified under section 211(3C) of the Companies Act, 2013 [Companies Accounting Standard Rules, 2006 (as amended)], Accounting Standard 30 (Financial Instruments: Recognition and Measurement) issued by the Institute of Chartered Accountants of India to the extent it does not contradict with any other standard referred to in under section 211(3C) [Companies Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (previous GAAP).

These financial statements are the first statutory financial statements (consolidated financial statements) of the Group under Ind AS. Refer Note 55 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, employee benefits plan and share based payments which have been measured at fair value.

(iii) Going Concern

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

(iv) Current/Non current classification

The Group presents assets and liabilities in consolidated balance sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Note 3
Significant accounting policies
This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been applied to all the periods presented, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities, it controls, both unilaterally and jointly. Control is achieved when the Company directly or indirectly is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company reassess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the conditions mentioned above.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Company directly or indirectly has control. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses and other comprehensive income (OCI). All material intra-group transactions and balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

The subsidiary is deconsolidated from the date control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) recognises the fair value of the consideration received.

(iii) recognises the fair value of any investment retained.

(iv) recognises any surplus or deficit in profit or loss.

(v) reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

(b) Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. 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.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using equity method of accounting, except when the investment, or portion thereof, is classified as held for sale or held for distribution to owners in which case it is accounted for as per Ind AS 105- 'Non-current assets held for sale and discontinued operations'. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. Dividend received or receivable from joint ventures are recognised as a reduction in carrying amount of the investment.

When the Group entities transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

When the Group ceases to consolidate on equity account for an investment, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets and liabilities. This may mean that amount previously recognised in other comprehensive income are classified to profit and loss.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 3.11 (b).

Transition to Ind AS

On transition to Ind AS, the Group has elected to avail exemption for determining investment value as aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated under previous GAAP.

(c) Business Combination

The acquisition method of accounting is used to account for all business combinations except common control transactions. The consideration transferred for the acquisition of a subsidiary comprises the:

(i) fair values of the assets transferred;

(ii) liabilities incurred by the Group to the former owners of the acquired business;

(iii) equity interests issued by the Group; and

(iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. The entity recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition.

Acquisition -related costs are expenses as incurred.

The excess of the

(i) consideration transferred
(ii) amount of any non-controlling interest in the acquired entity, and
(iii) acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill.

In the case of bargain purchase, the resultant gain is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, assets and liabilities of combining entities are reflected at carrying amounts and no adjustments are made to reflect fair values, or recongnise any new assets or liabilities. The only adjustments are made to harmonise accounting policies. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The difference between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from capital reserve.

Transition to Ind AS

On transition to Ind AS, the Group has elected to avail exemption for all of the business combinations that occurred before April 1, 2015. The Group has not restated any of the past Business Combinations.

3.2 Foreign currencies

(a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. Functional currency of all the Group entities is Indian Rupees.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss.

Foreign exchange difference regarded as an adjustment to borrowing cost are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other (gains)/losses (net).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.3 Revenue recognition

Revenue is recognised to the extent the Group has rendered services/delivered goods under an agreement, the amounts of revenue can be measured reliably and it is probable that the economic benefits with the transactions will flow to the Group and collection is reasonably certain. Revenue is measured at the fair value of consideration received or receivable.

Postpaid Revenue
Revenue from access charges, airtime usage, messaging and rentals (net of discount, rebates, waivers and taxes) from contract customers are recognised during the period the services are rendered.

Prepaid Revenue
Usage based revenue from services is recognised only on usage by subscribers or till the credit period expires.
Processing fee is recognised over the validity of the product.

Interconnect Services
Revenue is recognised at the time the services are rendered.

Roaming Services
Roaming revenue on account of subscribers of other operators using the Group's network is recognised based on services rendered.

Long Distance services
Service Revenue is recognised on completion of provision of service. Service Revenue includes access charges passed on to other operators. Revenue on account of enterprise services is recognised on time proportion basis in accordance with related contracts.

Fixed Line Data
Revenue on account of fixed line data services is recognised on time proportion basis in accordance with related contracts.

M-pesa Services
Mainly comprises of commission income on transactions carried out by M-pesa subscribers (i.e. online bill payments, money transfers, etc). The revenue is recognised net of service tax and discounts.

Trading sales
Revenue for device sales is recognised when the device is delivered to the end customer or distributor and the significant risks and rewards of ownership have transferred. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer or the distributor or the expiry of any right of return.

Multiple element contracts
In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

a) the deliverable has value to the customer on a stand-alone basis; and
b) there is evidence of the fair value of the item.

The arrangement consideration allocated to each separate unit of accounting based on its relative fair value.

CellSite Sharing Revenue
Service income from passive infrastructure is recognised from the date on which the sites are ready for active installation. Rental revenues are recognised on a monthly basis as per the contractual terms under agreements entered with customers. The Group has ascertained that the lease payments received are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases and therefore are not straight-lined.

Accrued Billing Revenue
Accrued billing revenue represents revenue recognised in respect of services provided from last bill date to the end of the reporting period.

Unearned Billing Revenue
Unearned billing revenue represents billing done to subscribers for which services have not been rendered up to the period end date.

3.4 Income Tax

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group’s liability for current tax is calculated using Indian tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit not taxable profit (tax loss).

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax basis of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in Joint Ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the forseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax is charged or credited to the consolidated statement of profit and loss, except when it relates to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognised in other comprehensive income/(loss) or in equity.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.5 Leasing

As lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss. Payments made under operating leases (net of any incentives received or receivable from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

As lessor

The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income is recognised as income on a straight-line basis over the period of lease, which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Dark optic fibre cable (OFC) capacity given to other operators on long term non-cancellable lease is treated as a deletion of the asset from the block. The income (net) of net book value of OFC is recognised as profit on sale of assets in the year of sale.

3.6 License fees-revenue share

License fee (revenue share) and spectrum fees is computed at prescribed rates as per the license agreement entered in to by the Group with the Department of Telecommunication ('DoT') and charged to the consolidated statement of profit and loss in the period in which the related revenue is recognised.

3.7 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their historical cost, less depreciation and any impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's 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 of the item can be measured reliably. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

The assets acquired under the composite IT outsourcing agreement are accounted for based on fair value. Fixed assets are accounted for as a own assets /finance lease as applicable under the contract. These assets are depreciated over their respective useful lives as in the case of Company's other own assets.

Asset retirement obligation ('ARO') is capitalised 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 recognised as a part of the cost of the assets and is measured based on present value of expected cost to settle the obligation.

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets. The useful lives have been determined based on technical evaluation which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Following are the estimated useful life of various category of assets used:

Assets	Life of assets
Leasehold land	Over the period of lease
Building	50 years
Leasehold Improvements	Over the lease period or 5 years whichever is shorter
Plant and Machinery	
Batteries	4 years
Towers	15-18 years
Telecom Shelters	15 years
Other plant and machinery	8 years
Dark and Optic Fibre	15 years
Computer hardware	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 years

Depreciation is not provided on freehold land. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

3.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Depreciation is charged so as to write off the cost of investment properties using the straight-line method, over the leasehold period or estimated useful lives, whichever is lower.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

3.9 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

(a) Goodwill

Goodwill arising on business combination, as explained in Note 3.1(b), is initially recognised as an asset at cost and is subsequently measured at cost less and accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment annually along with the Cash Generating Unit ('CGU') to which it is allocated. On disposal of a subsidiary or a jointly controlled entity, attributable amount of goodwill is included in the determination of the profit or loss recognised in the consolidated statement of profit and loss on disposal.

(b) Finite lived intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Licenses and right to use spectrum

Amount paid by the Group to acquire licenses and spectrum rights from the Department of Telecommunication (DOT) are initially recognised at cost. Subsequently, license and spectrum rights are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation periods for the spectrum rights are determined primarily by reference to the unexpired period of the spectrum rights. Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the commencement of related network services for spectrum rights.

Amortisation period of the licenses are 20 years from the date of its receipt, Amortisation it charged on straight line basis over the useful file.

Computer software

Computer software comprises computer software purchased from third parties. Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Direct costs include software development employee costs and directly attributable overheads. Software integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Computer software acquired under composite IT outsourcing agreement are accounted for based on fair value. These are accounted as owned assets / finance lease as applicable under the contract. These are amortised over their expected life on the same basis as owned assets or where shorter, over the term of the lease.

Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the date the software is available for use.

Bandwidth

Payment for Bandwidth capacities are classified as pre-payments in service agreements or under certain conditions as on acquisition of a right. In the later case, it is accounted as an intangible asset and the cost is amortised over the period of the agreements.

The estimated useful lives of finite lived intangible assets are as follows:

Assets	Useful Life
Licenses and spectrum	Over the period of license and spectrum
Computer software	3-5 years
Bandwidth	15 years

Disposal of Intangibles

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying value of the asset and are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.10 Non-current assets held for sale or held for distribution to owners and discontinued operations

Non-current assets are classified as held for sale or held for distribution to owners, if its carrying amount will be recovered principally through a sale transaction or through distribution to shareholders rather than through continuing use. For this to be the case, the asset must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distributions of such assets and its sale or distribution must be highly probable and sale or distribution is expected to be completed within one year from date of classification.

Non-current assets held for sale or held for distribution to owners are presented separately in the current section of the consolidated balance sheet. Non-current assets classified as held for sale or held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale or held for distribution to owners.

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

3.11 Impairment of assets

(a) Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as a Cash Generating Unit ('CGU') or a group of CGUs. Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversed in a subsequent period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(b) Property, plant and equipment, investment properties and finite lived intangible assets

At each reporting date, the Group determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where 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.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

3.12 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial Assets

(I) Classification

The Group classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss); and

b) those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows as mentioned below.

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income ('OCI'). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

(II) Measurement

At initial recognition, the Group measures a financial asset on the trade date which is the date the Group becomes a party to the contractual terms, at its fair value plus the transaction costs that are directly attributable to the acquisition of the financial asset. In case of financial assets carried at fair value through profit or loss ('FVTPL'), transaction costs are expensed in consolidated statement of profit and loss as incurred.

Debt Instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

(i) Amortised Cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

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 in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss in other expenses.

(ii) Fair value through other comprehensive income ('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 consolidated 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 consolidated 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.

(iii) Financial assets at fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss ('FVTPL').

Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in fair value presented as other (gains)/losses (net) in consolidated statement of profit and loss. Interest income from these financial assets at fair value through profit or loss are included separately in other income.

Equity Investment

If Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments shall continue to be recognised in consolidated statement of profit and loss as other income when the Groups' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the consolidated statement of profit and loss as applicable.

(III) Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are measured at amortised cost and FVOCI.

Expected credit losses is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Group expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in consolidated statement of profit and loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. 'Past historical data of expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Group measures expected credit losses for Trade receivables using a provision matrix based on collection history. Accordingly, for trade receivables, the Group has followed simplified approach.

Expected credit loss for loans, security deposit and investments at 12 months expected credit losses for which credit has not increased significantly since initial recognition.

The Group uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Assets are written off when there is no reasonable expectation of recovery based on management assessment. When recoveries are made, these are recognised in the statement of profit and loss.

(IV) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(V) Income Recognition

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised in consolidated statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(VI) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdraft shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of group's cash management.

(b) Financial Liabilities

The Group determines the classification of its financial liabilities according to the substance of the contractual arrangements entered into and the definition of the financial liability.

(I) Classification

The Group classifies its financial liabilities in the following measurement categories:

a) Those to be measured as financial liabilities at fair value through profit or loss,

b) Those to be measured at amortised cost

(II) Measurement

Financial liabilities are recognised initially on the trade date, which is the date the Group becomes the party to the contractual terms. Upon initial recognition, all financial liabilities are recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives liabilities, shall be subsequently measured at fair value.

The Group's financial liabilities include trade payables, borrowings including bank overdrafts and derivative financial instruments. The subsequent measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired 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.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, 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. This category generally applies to borrowings.

(III) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

3.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

3.14 Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Changes in values of all derivatives are included within Other (gains)/losses (net) in the consolidated statement of profit and loss. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

3.15 Equity instruments

Equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Cost is determined on the basis of first in first out (FIFO) basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

3.17 Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as employee benefits payable under other current financial liability in Balance Sheet.

Benefit plan

The Group employee benefits include defined benefit plans and defined contribution plans. The Group also provides other benefits in the form of compensated absences.

The Group provided for gratuity, a defined benefit plan (the " Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity act, 1972. Under the defined benefit retirement plan, the Group provides for the retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to vested employees at retirement or termination of employment based on respective employee salary and years of experience in the Group. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Present value of Defined Benefit Obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

In respect of certain employees of a subsidiary, Vodafone Mobile Services Limited ('VMSL'), the Gratuity contributions are made to a trust administered by the Company. The Group's liability for these employees is actuarially determined (using the Projected Unit Credit method) at the end of the year.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability. Scheme liabilities are assessed using the projected unit credit method and applying the principal actuarial assumptions at the reporting date. Plan assets are valued at fair value.
Actuarial gains and losses are taken to the Statement of Other Comprehensive Income as incurred. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements in the net surplus or deficit are recognised in the consolidated statement of profit and loss, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the consolidated statement of profit and loss. The amount charged to the consolidated statement of profit and loss in respect of these plans is included within operating costs.

Contribution plan

The Group's contributions to defined contribution plans in the nature of Provident Fund and Superannuation are charged to the consolidated statement of profit and loss as they fall due. For superannuation scheme, the Group has established trusts and trusts have entered into a scheme of insurance with Life Insurance Corporation of India.
The Group has no further obligations under these plans beyond its periodic contributions.

Contribution towards provident fund for all employees is made to the regulatory authorities, where the Group has no further obligations.

Long term benefit obligations

The employees of the Group are entitled to compensate absences based on the unavailed leave balance as well as other long-term benefits. The Group records liability for compensated absences and other long-term benefits based on actuarial valuation computed under the projected unit credit method.

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the end of the year are treated as employment benefits under current liabilities. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as employment benefits under non-current liabilities. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the consolidated statement of profit and loss in the year in which they arise.

Share-based payments

The Group provides its employees with a share based payment plan as run by its ultimate holding company Vodafone Group Plc. ('VF Group Plc.) as a part of the plan. VF Group Plc. issues equity-settled share-based payments linked to its equity shares to certain employees of the Group in lieu of the services provided by them to the Group. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to Share based payment reserve, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The total expense (adjusted for estimated forfeitures) is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to Share based payment reserve in the year of change.

VF Group Plc. recharges to the Group certain cost for the share based payments made/ to be made by them to Group employees. Any excess / shortage of recharge as compared to the overall share based payment reserve balance is treated as either dividend paid to VF Group Plc. or capital contribution by VF Group Plc. respectively.

3.18 Provisions and Contingent Liabilities

a) Asset retirement obligations

Asset retirement obligations ('ARO') is provided for those assets or operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises to a condition similar to condition at the inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects current market assessment of time value of money and 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.

b) Other provisions

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.

Provisions are measured at the Group's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

c) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.19 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. It includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

Other borrowing cost includes interest paid to various regulatory authorities for delayed payment.

3.20 Profit before share of net profits of joint ventures accounted for using equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA)

The Group measures performance of business based on EBITDA, EBITDA is measured as total income less expense but excludes share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax from continuing operations.

3.21 Earnings per share

The Group's earnings per share ('EPS') is determined based on the net profit/(loss) attributable to the shareholders' of the Group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events, that have changed the number of ordinary shares outstanding, without a corresponding change in resources.

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.23 New pronouncements not yet adopted by the Group

Following are the pronouncements which have been issued by the Ministry of corporate affairs ('MCA') that are effective from annual periods beginning on or after April 1, 2017 and have not been early adopted:

Ind AS – 102, "Share-based Payment"

The amendment to Ind AS 102 clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash settled to equity settled. It also introduces an exception to the principles in Ind AS 102 that will require an award to be treated as if it was wholly equity- settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share based payment and pay that amount to the tax authority. The Group does not expect any material impact on the financial statements from the change.

Ind AS – 7, "Statement of Cash Flows"

The amendment to Ind AS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2017. The Group does not expect any material impact on the financial statements from the change.

There are no other standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 4
Critical judgements and sources of estimation uncertainty

The Group prepares its consolidated financial statements in accordance with Ind AS as issued by the Ministry of Corporate Affairs ('MCA'), the application of which often requires judgments to be made by management when formulating the Group's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in Note 3 to the consolidated financial statements, 'Significant accounting policies'.

a. Impairment reviews

Management reviews the business performance at operating segment level i.e. passive infrastructure and mobile telecommunication services. These two segments have been identified as separate Cash Generating Unit (CGU). Passive infrastructure segment is profit making segment and there are no indicators of impairment for the CGU. Accordingly, for the passive infrastructure CGU, no impairment testing was carried out.

Management test indicators of impairment at least annually or at each balance sheet date and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. As part of the review as at March 31, 2017, management has identified additional competition as a trigger for impairment testing. The recoverable amount is assessed based on an estimate of Value-In-Use (VIU) calculation using the discounted cash flow method. The VIU calculation is made using pre-tax budgeted cash flow projections based on management forecasts for the next five years and the terminal value at the end of the fifth year (after considering the relevant long-term growth rate).

As at March 31, 2017, the VIU is INR 1,078,180.

The table below shows the key assumptions used in the value- in- use calculations:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate (in %)	12.6%	14.4%	15.0%
Long term growth rate (in %)	4.9%	5.0%	5.0%
Average Budgeted capital expenditure as % of revenue	12.5%	5.6%	5.4%
Average EBITDA Margin (in %)	29.2%	32.3%	31.9%
Revenue Growth Rate (CAGR %)	6.5%	10.3%	11.8%

Assumptions	How determined
EBITDA Margins	EBITDA margins has been based on past experience adjusted for the following: • voice and messaging revenue continue to be impacted due to, the introduction of new services and unlimited calling plans by competition; • data revenue to continue to grow as the penetration of 3G/4G enabled devices and smartphones rise along with higher data bundle attachment rates as new products and services are introduced. However, the revenues are expected to be under severe pressure due to additional competition in the near future. • the margins are expected to be impacted by negative factors such as the cost of acquiring and retaining customers in increasingly competitive markets including new operator and by positive factors such as the efficiencies expected from the implementation of aadhar based verification initiatives and other cost saving measures implemented by the management.
Budgeted capital expenditure	The cash flow forecasts for capital expenditure are based on past experience and include the on-going capital expenditure required to roll out networks, to maintain voice and data services and to meet the population coverage requirements. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and intangible assets .

Long-term growth rate	Long–term growth rate used for the purpose of calculation of terminal value has been determined as the lower of: • The nominal GDP rates for India; and • The long-term compound annual growth rate in EBITDA.
Discount rate	The discount rate applied to the cash flows is generally based on the risk free rate for ten year bonds issued by the government in India, these rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of VIL. In making this adjustment, inputs required are the equity market risk premium (that is the required increased return required over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific operating company relative to the market as a whole.
Revenue growth rate	This is based on the estimated growth rate for the industry and the Company's expected gain from the same.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

A change of ±3% of the discount rate has an impact of ±~5.6% [March 31, 2016: ±~5.2% and April 1, 2015: ±~5.8%] on the value in use, a change of ±3% of the long term growth rate has an impact of ±~1.6% [March 31, 2016: ±~1.2% and April 1, 2015: ±~1.3%] on the value in use and a change of ±3% of EBITDA margin/revenue growth rate has an impact of ±~5.6% [March 31, 2016: ±~3.6% and April 1, 2015: ±~4.0%] on the value in use.

b. Estimate of current and deferred tax

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the consolidated statement of profit and loss and tax payments. (Refer Note 14)

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. (Refer Note 14)

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. For the relative size of the Group's property, plant and equipment and intangible assets, refer Notes 6 and 9 respectively.

d. Provision for trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. The carrying amount of provision for trade receivables is INR 5,029, INR 4,977, INR 3,775, as at March 31, 2017, March 31, 2016, and April 1, 2015 respectively. Individual trade receivables are written off when management deems them not to be collectible. (Refer Note 17)

e. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. (Refer Notes 26 and 48)

f. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Group uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 34.

g. Non-current assets held for sale or held for distribution to owners and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale or held for distribution to owners and represents a separate major line of business or geographical area of operations.

Non-current assets are classified as held for sale or held for distribution to owners, if their carrying value will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell or distribute. One of the conditions that must be satisfied for a non-current asset to be classified as held for sale or held for distribution to owners is that such sale or distribution shall be highly probable within one year. The execution of transaction requires approval from the regulatory authority which is beyond the Group's control. However, the management remains committed to its plan.

Thus, the determination of whether such non-current assets should be classified as held for sale or held for distribution to owners, discontinued operations and fair value less cost to sell require significant management judgment considering all facts and circumstances relating to the transaction as they tend to be uncertain. (Refer Note 51)

Note 5
Segment Analysis
Information reported to the Chief Executive Officer and Chief Financial Officer who are chief operating decision makers for the purposes of resources allocation and assessment of segment performance focuses on the types of services provided.

The directors of the Company have chosen to organise the Group around the different services being provided. Operating segments have been aggregated based on similar risk and reward and on fulfilment of other aggregation criteria. The details analysed are based on Mobile telecommunication services business, passive infrastructure business and other business and a description of each segment is given below.

The Groups reportable segments in accordance with Ind AS 108 are as follows:

i) Mobile Telecommunication:
Providing mobile and fixed line data related mobile telecommunication services.

ii) Passive Infrastructure:
Passive Infrastructure segment, including Indus Tower Limited represents establishing, operating and maintaining wireless communication towers, providing network development services and providing towers on lease.

iii) Others:
Others include mainly mobile wallet business and sale of products which do not qualify as reportable segments.

Services rendered between segments are carried out at terms similar to arm's length. The revenue from external parties reported to the Chief operating decision makers is measured in a manner consistent with that in the consolidated statement of profit and loss.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information for the year ended March 31, 2017 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure – Continuing operations	Passive Infrastructure – Discontinued operations*	Others	Eliminations / Adjustments[2]	Total
Segment Revenue						
External Revenue	427,013	1,901	50,009	1,415	(50,009)	430,329
Inter Segment Revenue	-	-	23,608	400	(24,008)	-
Total Revenue	**427,013**	**1,901**	**73,617**	**1,815**	**(74,017)**	**430,329**
Segment Results						
Segment EBITDA[1]	105,478	1,901	29,702	(1,529)	(29,702)	105,850
Depreciation and amortisation	(94,139)	(765)	(10,683)	(131)	10,683	(95,035)
Unallocated items:						
Other gains/(losses)						(6,617)
Finance costs						(60,496)
(Loss) before tax from continuing operations						**(56,298)**
Income tax expenses						(14,298)
(Loss) / Profit after tax from continuing operations						**(42,000)**
Profit from discontinued operation before tax	-	-	10,764	-	-	10,764
Tax credit (expenses) of discontinued operations	-	-	6,440	-	-	6,440
Profit from discontinued operations						**17,204**
(Loss) / Profit after tax for the year						**(24,796)**
Other Comprehensive Income for the year (Net of tax)						**(71)**
Total Comprehensive Income for the year (Comprising profit/ (Loss) and Other Comprehensive Income for the year)						**(24,867)**
Other Information						
Capital expenditure	292,606	154	11,973	102	(11,973)	292,862
Operating free cash flow	22,755	1,747	17,729	(1,631)	(17,729)	22,871

Summary of the segmental information as at March 31, 2017 is as follows:

Particulars	Telecommunication Services – Assets other than classified as held for sale or held for distribution to owners	Telecommunication Services – Assets classified as held for sale or held for distribution to owners*	Passive Infrastructure – Assets other than classified as held for sale or held for distribution to owners	Passive Infrastructure – Assets classified as held for sale or held for distribution to owners*	Others	Eliminations / Adjustments[2]	Total
Other Information							
Segment assets	1,245,640	-	3,288	84,431	3,783	(84,431)	1,252,711
Assets classified as held for sale or held for distribution to owners*		1,388		49,526			50,914
Unallocated assets							139,012
Total assets							**1,442,637**
Segment liabilities**	(178,181)	-	-	(19,628)	(1,612)	19,628	(179,793)
Unallocated liabilities							(645,126)
Total liabilities							**(824,919)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information for the year ended March 31, 2016 is as follows:

Particulars	Mobile Telecommunication	Passive Infrastructure Continuing operations	Passive Infrastructure Discontinued operations*	Others	Eliminations / Adjustments(2)	Total
Segment Revenue						
External Revenue	430,237	1,739	46,120	1,042	(46,120)	433,018
Inter Segment Revenue	-	-	21,792	159	(21,951)	-
Total Revenue	**430,237**	**1,739**	**67,912**	**1,201**	**(68,071)**	**433,018**
Segment Results						
Segment EBITDA(1)	121,859	1,739	29,775	(1,412)	(29,775)	122,186
Depreciation and amortisation	(77,202)	(896)	(10,400)	(129)	10,400	(78,227)
Unallocated items:						
Other gains/(losses)						(9,290)
Finance costs						(62,773)
(Loss) before tax from continuing operations						**(28,104)**
Income tax expenses						(51,779)
(Loss) /Profit after tax from continuing operations						**23,675**
Profit from discontinued operation before tax	-	-	11,256	-	-	11,256
Tax credit (expenses) of discontinued operations	-	-	(1,754)	-	-	(1,754)
Profit from discontinued operations						**9,502**
(Loss) /Profit after tax for the year						**33,177**
Other Comprehensive Income for the year (Net of tax)						**32**
Total Comprehensive Income for the year (Comprising profit/ (Loss) and Other Comprehensive Income for the year)						**33,209**
Other Information						
Capital expenditure	341,478	258	11,813	44	(11,813)	341,780
Operating free cash flow	42,303	1,481	17,962	(1,456)	(17,962)	42,328

Summary of the segmental information as at March 31, 2016 is as follows:

Particulars	Telecommunication Services	Passive Infrastructure	Others	Eliminations / Adjustments(2)	Total
Other Information					
Segment assets	1,016,317	86,268	4,070	(82,369)	1,024,286
Investments accounted for using the equity method					49,519
Unallocated assets					120,076
Total assets					**1,193,881**
Segment liabilities	(172,611)	(19,961)	(1,557)	16,270	(177,859)
Unallocated liabilities					(849,436)
Total liabilities					**(1,027,295)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Summary of the segmental information as at April 1, 2015 is as follows:

Particulars	Telecommunication Services	Passive Infrastructure	Others	Eliminations / Adjustments[(2)]	Total
Other Information					
Segment assets	770,670	97,288	5,805	(92,751)	781,012
Investments accounted for using the equity method					39,154
Unallocated assets					58,122
Total assets					**878,288**
Segment liabilities	(156,759)	(22,089)	(1,410)	18,398	(161,860)
Unallocated liabilities					(582,217)
Total liabilities					**(744,077)**

* Refer Note 50 and 51
** Segment liabilities excludes liabilities in relation to discontinued operation not held for distribution to owners.

(1) Segment EBITDA represents segment earnings before share of net profits of joint ventures accounted for using the equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) earned by the segment. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of performance. Segment's performance is evaluated based on EBITDA & hence, EBITDA is the measure of Segment result.

(2) Passive Infrastructure segment includes proportionate 42% share of Indus Joint Venture in respective line-items. However, the Company has followed equity method of accounting. Hence, Company's proportionate share Indus of assets, liabilities and results of the Joint Venture is eliminated in adjustment column in respective line items.

Income earned from passive assets used for own operation as well as leasing out have been disclosed in Passive Infrastructure segment. These assets have been grouped under Passive Infrastructure segment.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Segment assets and liabilities are measured in the same way as in the financial statements. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

#Operating free cash flows ('OFCF') represents segment EBITDA less capital expenditure other than licenses and spectrum included within intangible assets. OFCF have been calculated and presented even though this measure is not recognised within Ind AS. The Company believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties. OFCF allows the Company and external parties to evaluate liquidity.

Refer Note11 for details of proportionate share of Joint Venture included in segment assets and segment results.

Share of profit in Indus joint venture is INR 12,137 (March 31, 2016: INR 11,256) in Passive Infrastructure segment and share of profit in Firefly joint venture is INR Nil (March 31, 2016: INR Nil) in Mobile Telecommunication services.

Assets other than classified as held for sale or held for distribution to owners are those which the Group continue to use in it's operation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 above.

Geography wise disclosures

The Group is domiciled in India. Geography-wise revenue from external customers is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
India	413,658	416,419
Rest of World	16,671	16,599
Total	**430,329**	**433,018**

Service-wise revenue from external customers (Refer Note 36)

Entire non-current assets (other than financial instruments) and deferred tax assets are located in India. There are no major customers contributing 10% or more of the Group's revenue.

Vodafone India Limited – Consolidated Financial Statements

(All amounts are in INR millions, except per share data and unless stated otherwise)

Notes to Consolidated Financial Statements

Note-6

Property, Plant and Equipment - As at March 31, 2017

	Gross Block (At Cost)					Accumulated Depreciation					Net Block	
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale[3]	As at March 31, 2017	As at April 1, 2016	Charge for the year	Deductions/ Adjustments	Assets classified as held for sale[3]	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Freehold Land (Refer Note 6.5)	66	-	-	-	66	-	-	-	-	-	66	66
Leasehold Land (Refer Note 6.5)	597	-	-	-	597	6	11	-	-	17	580	591
Buildings (Refer Note 6.4 & 6.5)	3,339	584	-	226	3,697	14	73	-	9	78	3,619	3,325
Leasehold improvements	1,296	89	11	-	1,374	298	365	5	-	658	716	998
Plant and machinery (Refer Notes 6.1,6.3, 6.4, & 6.7)	289,937	66,716	1,634	1,317	353,702	48,990	53,303	973	361	100,959	252,743	240,947
Computer hardware (Refer Note 6.4)	3,277	1,796	3	-	5,070	1,377	1,106	3	-	2,480	2,590	1,900
Office Equipments (Refer Note 6.4)	1,100	207	10	-	1,297	301	311	6	-	606	691	799
Furniture and fixtures	927	72	5	-	994	271	257	3	-	525	469	656
Vehicles	5	-	-	-	5	2	-	-	-	2	3	3
Sub-Total	300,544	69,464	1,663	1,543	366,802	51,259	55,426	990	370	105,325	261,477	249,285
Leased assets [1]												
Plant and machinery [2]	-	-	-	-	-	-	-	-	-	-	-	-
Computer hardware	4,934	4,392	-	-	9,326	1,622	3,779	-	-	5,401	3,925	3,312
Vehicles [2]	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	4,934	4,392	-	-	9,326	1,622	3,779	-	-	5,401	3,925	3,312
Total	**305,478**	**73,856**	**1,663**	**1,543**	**376,128**	**52,881**	**59,205**	**990**	**370**	**110,726**	**265,402**	**252,597**
Capital work-in-progress (Refer Note 6.2)	16,416	78,280	73,856	81	20,759						20,759	16,416

[1] Assets taken on finance lease.

[2] Assets fully depreciated but still in use (Refer Note 6.8)

[3] Refer Note 51

(All amounts are in INR millions, except per share data and unless stated otherwise)

Property, Plant and Equipment - As at March 31, 2016

	Gross Block (At Cost)				Accumulated Depreciation			Net Block	
	Deemed cost as at April 1, 2015	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2016	Charge for the year	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Freehold Land (Refer Note 6.5)	66	-	-	66	-	-	-	66	66
Leasehold Land (Refer Note 6.5)	472	125	-	597	6	-	6	591	472
Buildings (Refer Note 6.4 & 6.5)	539	2,802	2	3,339	14	-	14	3,325	539
Leasehold improvements	871	427	2	1,296	299	1	298	998	871
Plant and machinery (Refer Notes 6.1, 6.3, 6.4, & 6.7)	214,845	76,172	1,080	289,937	49,334	344	48,990	240,947	214,845
Computer hardware (Refer Note 6.4)	1,490	1,793	6	3,277	1,378	1	1,377	1,900	1,490
Office Equipments (Refer Note 6.4)	759	344	3	1,100	302	1	301	799	759
Furniture and fixtures	717	218	8	927	272	1	271	656	717
Vehicles	-	5	-	5	2	-	2	3	-
Sub-Total	219,759	81,886	1,101	300,544	51,607	348	51,259	249,285	219,759
Leased assets [1]									
Plant and machinery [2]	-	-	-	-	-	-	-	-	-
Computer hardware	3,394	1,540	-	4,934	1,622	-	1,622	3,312	3,394
Vehicles [2]	-	-	-	-	-	-	-	-	-
Sub-Total	3,394	1,540	-	4,934	1,622	-	1,622	3,312	3,394
Total	**223,153**	**83,426**	**1,101**	**305,478**	**53,229**	**348**	**52,881**	**252,597**	**223,153**
Capital work-in-progress (Refer Note 6.2)	22,764	77,078	83,426	16,416				16,416	22,764

[1] Assets taken on finance lease.

[2] Assets fully depreciated but still in use (Refer Note 6.8)

(All amounts are in INR millions, except per share data and unless stated otherwise)

6.1 Additions to Plant & Machinery includes INR 61 (March 31, 2016: INR 32) for Site Restoration cost.

6.2 Capital work in progress as at March 31, 2017 includes goods in transit of INR 1,654 (March 31, 2016: INR 1,599 and April 1, 2015: INR 4,087).

6.3 Employee benefit cost capitalised INR 283 (March 31, 2016: INR 298) included in Plant & Machinery.

6.4 During the financial year 2015-16, the Group has capitalised the interest cost in following fixed asset categories for Data Centre project which includes accumulated interest cost amounting to INR 691 which was disclosed under capital work in progress upto April1, 2015.

Asset Category	Buildings	Plant and machinery	Computer hardware	Office equipments	Total
Interest	543	548	31	20	**1,142**

6.5 Freehold land, Leasehold land and Building (other than self-constructed structure/buildings) includes 97, 12 and 26 (March 31, 2016: 97, 12 and 26) instances respectively for which the title deeds are in name of the erstwhile legal entities of the Group and the Group is initiating the process of getting the same transferred/mutated in the name of the respective Company. The carrying value of the above assets as at March 31, 2017 is INR 66, INR 580 and INR 445 (March 31, 2016: INR 66, INR 591, INR 457) respectively.

6.6 Depreciation and Amortisation for the year:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation	59,205	53,229
Amortisation (Refer Note 9)	35,818	24,986
Add: Depreciation on Investment Property (Refer Note 7)	12	12
	95,035	**78,227**

6.7 Gross block and net block of cell sites related passive infrastructure jointly used by the Group and other operators included in plant and machinery are as below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gross Block	4,949	4,795	4,537
Accumulated Depreciation	(1,661)	(896)	-
Net Block	**3,288**	**3,899**	**4,537**

Also refer Note 47B for the details of operating lease.

6.8 Table showing information regarding gross block of assets and accumulated depreciation of Property, Plant and Equipment under previous GAAP as on April 1, 2015*. The same has been taken as deemed cost on the date of adoption of the new accounting standard "Ind AS" w. e. f. April 1, 2015.

	Gross Block (At Cost)	Accumulated Depreciation	Net Block
Freehold Land	66	-	66
Leasehold Land	502	30	472
Buildings	724	185	539
Leasehold improvements	2,991	2,120	871
Plant and machinery**	463,028	248,183	214,845
Computer hardware	12,260	10,770	1,490
Office equipments	3,445	2,686	759
Furniture and fixtures	2,281	1,564	717
Vehicles	38	38	-
Sub-Total	485,335	265,576	219,759
Leased Assets			
Plant and machinery	34	34	-
Computer hardware	6,623	3,229	3,394
Vehicles	13	13	-
Sub-Total	6,670	3,276	3,394
Total	**492,005**	**268,852**	**223,153**

*After adjustment of deconsolidation of share in joint venture earlier accounted for proportionate basis (Refer Note 11).

**After adjustment of discounting of provisions of asset retirement obligation.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 7
Investment Property

Particulars	As at March 31, 2017	As at March 31, 2016	Deemed cost as at April 1, 2015
Land			
Gross block			
Opening balance	720	720	720
Additions/ Adjustments	-	-	-
Closing balance	720	720	720
Accumulated depreciation			
Opening Balance	12	-	-
Additions/ Adjustments	12	12	-
Closing balance	24	12	-
Net block	**696**	**708**	**720**

Investment property comprises of leasehold land for which the title deed is in the name of the erstwhile legal entity i.e. Vodafone Shared Services Limited, the Group is initiating the process of getting the same transferred/mutated in the name of new legal entity i.e. Vodafone Business Services Limited.

Investment property of Vodafone Business Services Limited comprises a lease hold land. The land has been taken on lease from State Industrial Development Corporation. The remaining lease term for Leasehold land is 57 years (March 31, 2016: 58 years and April 1, 2015: 59 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 INR 920 (INR 963 as on March 31, 2016 and INR 926 as on April 1, 2015).

Refer Note 34 Financial Instruments by Category for fair value disclosures of Investment Property.

(1) The Group has availed the deemed cost exemption in relation to the investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

	Gross Block (At Cost)	Accumulated Depreciation	Net Block
Investment property	761	41	720

Note 8
Goodwill

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Goodwill on consolidation	71,514	71,514	71,514
Goodwill on business acquisition	167	167	167
Total	**71,681**	**71,681**	**71,681**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 9

Other intangible assets - As at March 31, 2017

	Gross Block (At Cost)					Accumulated Amortisation					Net Block	
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale[(2)]	As at March 31, 2017	As at April 1, 2016	Charge for the year	Deductions/ Adjustments	Assets classified as held for sale[(2)]	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
License fees (Refer Note 9.1)	2,631	-	-	-	2,631	367	369	-	-	736	1,895	2,264
Right to use Spectrum (Refer Notes 9.1 & 9.2)	578,788	50,408	-	-	629,196	21,289	31,890	-	-	53,179	576,017	557,499
Computer software	4,467	2,332	13	2	6,784	1,677	1,925	9	-	3,593	3,191	2,790
Sub-Total	585,886	52,740	13	2	638,611	23,333	34,184	9	-	57,508	581,103	562,553
Leased Assets [(1)]												
Computer software	853	794	-	-	1,647	395	709	-	-	1,104	543	458
Bandwidth	9,884	1,547	1	168	11,262	889	925	-	36	1,778	9,484	8,995
Sub-Total	10,737	2,341	1	168	12,909	1,284	1,634	-	36	2,882	10,027	9,453
Total	**596,623**	**55,081**	**14**	**170**	**651,520**	**24,617**	**35,818**	**9**	**36**	**60,390**	**591,130**	**572,006**
Intangible assets under development (Refer Note 9.2)	9,206	214,756	55,081	-	168,881						168,881	9,206

[(1)] Assets taken on finance lease

[(2)] Refer Note 51

(All amounts are in INR millions, except per share data and unless stated otherwise)

Other intangible assets - As at March 31, 2016

	Gross Block (At Cost)				Accumulated Amortisation			Net Block	
	Deemed cost as at April 1, 2015	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2016	Charge for the year	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at April 1, 2015
License fees (Refer Note 9.1)	2,940	60	369	2,631	736	369	367	2,264	2,940
Right to use Spectrum (Refer Notes 9.1 & 9.2)	315,685	263,103	-	578,788	21,289	-	21,289	557,499	315,685
Computer software	1,912	2,555	-	4,467	1,677	-	1,677	2,790	1,912
Sub-Total	320,537	265,718	369	585,886	23,702	369	23,333	562,553	320,537
Leased Assets [(1)]									
Computer software	507	346	-	853	395	-	395	458	507
Bandwidth	9,015	874	5	9,884	889	-	889	8,995	9,015
Sub-Total	9,522	1,220	5	10,737	1,284	-	1,284	9,453	9,522
Total	**330,059**	**266,938**	**374**	**596,623**	**24,986**	**369**	**24,617**	**572,006**	**330,059**
Intangible assets under development (Refer Note 9.2)	658	275,486	266,938	9,206				9,206	658

[(1)] Assets taken on finance lease.

(All amounts are in INR millions, except per share data and unless stated otherwise)

9.1 The remaining amortisation period for intangible assets as at March 31, 2017 is:
a) License fee 4.5 to 18.8 years (March 31, 2016: 5.5 to 19.8 years and April 1, 2015: 1 to 19.5 years)
b) Right to Use Spectrum is between 13.5 to19.5 years (March 31, 2016: 14.5 to 19.8 years and April 1, 2015: 15.5 to 19.5 years)

9.2 Borrowing cost capitalised for the year ended March 31, 2017 is INR 393 (year ended March 31, 2016: INR 6,219) included in Right to use spectrum and borrowing cost of INR 3,421 for the year ended March, 31, 2017 (year ended March 31, 2016: INR 356) included in Intangible asset under development.

9.3 Table showing information regarding gross block of assets and accumulated depreciation of Intangible assets under previous GAAP as on April 1, 2015*. The same has been taken as deemed cost on the date of adoption of the new accounting standard "Ind AS" w. e. f. April 1, 2015.

	Gross Block (At Cost)	Accumulated Amortisation	Net Block
License fees	23,655	20,715	2,940
Right to use Spectrum	346,992	31,307	315,685
Computer software	12,561	10,649	1,912
Sub-Total	383,208	62,671	320,537
Leased Assets			
Computer software	1,107	600	507
Bandwidth	12,969	3,954	9,015
Sub-Total	14,076	4,554	9,522
Total	**397,284**	**67,225**	**330,059**

*After adjustment of deconsolidation of share in joint venture (Refer Note 11).

9.4 Intangible assets under development includes consideration paid and payable for the spectrum acquired in the auctions conducted by the Department of Telecommunication (DoT), along with the related interest cost upto the date of asset put to use.

Note 10
Principal Subsidiaries

The Company has the following principal subsidiaries carrying on businesses:

Name of the entity	Proportion of ownership interest held – As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Principal activities
Vodafone Mobile Services Limited ('VMSL')*	100%	100%	100%	Mobile Telecommunication Services
Vodafone Towers Limited ('VTL')	100%	100%	100%	Passive Infrastructure Services
Vodafone Business Services Limited ('VBSL') (formerly known as Vodafone Shared Services Limited)	100%	100%	100%	An outsourcing hub for finance and accounts and catering to the Information Technology (IT) needs for data consolidation, back end IT supports, data center operations and hosting services for Group companies.
Mobile Commerce Solutions Limited ('MCSL')	100%	100%	100%	Trading of handsets, data cards and related accessories.
Vodafone Foundation ('VF') (formally known as Unique Intermediary Facilitators) (Registered under section 8 of Companies Act, 2013)	100%	100%	100%	Promote and implement the Corporate Social Responsibility
Connect (India) Mobile Technologies Private Limited ('CIMTPL')	100%	100%	100%	Trading in handsets, data cards and related accessories
Vodafone m-pesa Limited ('VMPL')	100%	100%	100%	Mobile wallet business
Vodafone Technology Solutions Limited ('VTSL')	100%	100%	100%	VAS application services
Vodafone India Ventures Limited[1] ('VIVL')	100%	-	-	Passive Infrastructure services
Vodafone India Digital Limited[2] ('VIDL')	100%	-	-	Information Technology (IT) and related software and other related services

All the subsidiaries mentioned above are incorporated in India and are wholly owned subsidiaries of VIL directly or indirectly.

(All amounts are in INR millions, except per share data and unless stated otherwise)

*During the financial year 2015-16, Vodafone South Limited, Vodafone Digilink Limited, Vodafone East Limited, Vodafone Cellular Limited, Vodafone Spacetel Limited and Vodafone West Limited amalgamated into Vodafone Mobile Services Limited as a part of Court approved amalgamation scheme. (Refer Note 53.4)

[1]Incorporated on October 29, 2016
[2]Incorporated on March 28, 2017

Note 11
Investment in Joint Ventures

A. Firefly Joint Venture
Firefly Networks Limited ('Firefly'), incorporated in India on February 4, 2014, is a joint venture between the Group and Bharti Airtel Limited. The Group has 50% (March 31, 2016: 50% and April 1, 2015: 50%) voting rights in the joint venture. The company was incorporated under the Companies Act, 1956 with an objective to conduct the business of site acquisition, installation, commissioning, operations and maintenance of Infrastructures at the Hotpots to enable telecommunication and internet service providers, to offer Wi-Fi access across India.

The Group has joint control over this arrangement by virtue of the contractual agreements that require unanimous consent from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a Joint Venture.

There are no significant restrictions on the ability of Firefly to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Firefly has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Initial investment of Firefly has been measured as the aggregate of the carrying amounts of the assets and liabilities that was proportionately consolidated under previous GAAP as on April 1, 2015. This was regarded as deemed cost of the investment as on April 1, 2015.

Summarised financial information of Firefly
The tables below provide summarised financial information for Firefly Networks Limited. The information disclosed reflects the amounts presented in Firefly's financial statements (at 100%) and not the Group's share (50%) of those amounts. There are no fair value adjustments and modifications for differences in accounting policy and hence the amounts used by Group when using the equity method are the same as disclosed in Firefly's financial statements.

i) Information relating to Statement of Profit and Loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue	61	55
Profit from continuing operations	4	*
Total Comprehensive Income	**4**	*
The following expenses were considered in determining the above loss:		
Depreciation and amortisation	*	*
Interest income	-	-
Interest expense	1	*
Income tax expense	*	*

(All amounts are in INR millions, except per share data and unless stated otherwise)

ii) Information relating to Balance Sheet

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	**1**	**1**	**1**
Current assets	**28**	**19**	**7**
Included in the above Current assets are:			
Cash and cash equivalents	12	11	5
Non-current liabilities	**10**	**10**	**-**
Included in the above non-current liabilities are:			
Non-current financial liabilities (excluding trade and other payables and provisions)	10	10	-
Current liabilities	**20**	**14**	**12**
Included in the above current liabilities are:			
Current financial liabilities (excluding trade and other payables and provisions)	1	-	-
Net Assets	**(1)**	**(4)**	**(4)**

iii) Reconciliation of share of net income/loss to carrying amount of its interest in the joint venture

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit as per financial information	**4**	*****
Share in net profit @ 50%	2	*
Adjustments (VIL's share):		
Unrecognised losses	11	12
Share of losses/(profit) in Firefly Joint Venture not recognised(after adjusting investment)	**1**	**2**
Share of Total comprehensive losses/ (income) in Firefly Joint Venture not recognised(after adjusting investment)	**1**	**2**

Profits and losses of the joint ventures are recognised in the Group's consolidated financial statements only to the extent of the Group's interests in the joint venture. The share of the Group's losses exceeded the amount of investment in the joint venture and hence the Group had restricted the recognition of losses to the extent of the Group's investment. The Group has not recognised an amount of INR 2 as excess losses prior to April 1, 2015.

iv) Reconciliation of share of net assets to carrying amount

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net assets as per financial information:	**(1)**	**(4)**	**(4)**
Share in net assets @ 50%	(1)	(2)	(2)
Cumulative share of investment in Firefly Joint Venture	**(1)**	**(2)**	**(2)**

v) Movement of investment in Joint venture

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at beginning of the year	**-**	**-**
Movement in investment during the year	-	-
Share of profits of Firefly Joint Venture (after adjustment of unrecognised losses of earlier periods)	-	-
Balance at end of the year	**-**	**-**

Since Firefly is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of group's investment in Firefly is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

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

(All amounts are in INR millions, except per share data and unless stated otherwise)

B. Indus Joint Venture

Indus Towers Limited ('Indus') was incorporated in India on November 20, 2007 as Indus Infratel Limited. A fresh certificate of incorporation consequent to the change in name to Indus Towers Limited was issued by the Registrar of Companies, Delhi on March 28 ,2008 under Section 23(1) of the Companies Act, 1956. The Company, Bharti Infratel Limited and Aditya Birla Telecom Limited holds voting rights of 42%, 42% and 11.15% respectively as on March 31, 2017 (March 31, 2016 and April 1, 2015: 42%, 42% and 16% respectively). The Group is liable only to the extent of its investments in Indus Towers Limited. The principal activities of Indus are to provide and maintain passive infrastructure for telecom operators in India, including the Group.

The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for approval of the business plans and overall strategy, issuing new or reducing the current level of share capital, major capital expenditure and significant asset disposals, funding decisions and nomination and removal of board members, etc. The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a Joint Venture.

There are no significant restrictions on the ability of Indus to transfer funds to the Group in the form of cash dividends or to repay the loans or any advance made by the Group.

Indus has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Initial investment of Indus has been measured as the aggregate of the carrying amounts of the assets and liabilities that was proportionately consolidated under previous GAAP as on April 1, 2015 and previous GAAP amount has been adjusted for adoption of Ind AS. This was regarded as deemed cost of the investment as on April 1, 2015.

Following the planned composite scheme of amalgamation and arrangement between Vodafone India Limited, Vodafone Mobile Services Limited and Idea Cellular Limited which was announced on March 20, 2017, the results of Indus are reported as discontinued operations in the consolidated statement of profit and loss and consolidated statement of cash flows. Assets classified as held for distribution to owners are reported in the consolidated balance sheet as on March 31, 2017.

Summarised financial information of Indus

The tables below provide summarised financial information for Indus. The information disclosed reflects the amounts presented in Indus' financial statements (at 100%) and not the Group's share (42%) of those amounts. The amounts have been amended to reflect adjustments made by Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

i) Information relating to Statement of Profit and Loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue	176,963	163,468
Profit from operations	28,451	26,355
Other comprehensive Income	(22)	(52)
Total Comprehensive Income	**28,429**	**26,303**
The following items were considered in determining the above income:		
Interest income	315	344
Depreciation and amortisation	25,671	24,997
Interest expense	5,440	6,226
Income tax expense	15,273	14,227

(All amounts are in INR millions, except per share data and unless stated otherwise)

ii) Information relating to Balance Sheet

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	**207,150**	**207,440**	**209,125**
Current assets	**18,510**	**16,903**	**18,645**
Included in the above Current assets are:			
Cash and cash equivalents	1,121	752	533
Non-current liabilities	**39,959**	**52,511**	**63,018**
Included in the above non-current liabilities are:			
Non-current financial liabilities (excluding trade and other payables and provisions)	15,993	31,167	42,166
Current liabilities	**53,536**	**38,069**	**53,730**
Included in the above current liabilities are:			
Current financial liabilities (excluding trade and other payables and provisions)	37,186	24,823	32,592
Net Assets	**132,165**	**133,763**	**111,022**

iii) Reconciliation of share of net income to carrying amount of its interest in the joint venture

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit as per financial information (net of tax)	28,451	26,355
Accounting policy alignments	446	445
Net profit	**28,897**	**26,800**
Share in net Profit @ 42%	12,137	11,256
Share of other comprehensive income of Joint Venture (net of tax)	(9)	(22)
Share of Total comprehensive income in Indus Joint Venture recognised @42%	**12,128**	**11,234**

iv) Reconciliation of share of net assets to carrying amount

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net assets as per financial information	132,165	133,763	111,022
Accounting policy alignments	14,246	15,861	17,798
Net assets	**117,919**	**117,902**	**93,224**
Share in net assets @ 42%	49,526	49,519	39,154
Share of investment in Indus Joint Venture	**49,526**	**49,519**	**39,154**

v) Movement of investment in Joint venture

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at beginning of the year	**49,519**	**39,154**
Movement in investment during the year		
Share of Profits of JV	12,137	11,256
Share of other comprehensive income (net of tax)	(9)	(22)
Dividend Income	(9,509)	-
Dividend distribution tax	(1,936)	-
General Reserve - Additional depreciation on fair valued assets pursuant to scheme of merger[1]	(676)	(869)
Assets classified as held for distribution to owners (Refer Note 50 and 51)	(49,526)	-
Balance at end of the year	**-**	**49,519**

(All amounts are in INR millions, except per share data and unless stated otherwise)

(1) This adjustment is related to the court approved Scheme of Arrangement between Vodafone Infrastructure Limited (Vinfl), Idea Cellular Towers Infrastructure Limited (ICTIL), Bharti Infratel Ventures Limited (BIVL) and Indus Towers Limited (Indus), under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities of Vinfl , ICTIL and BIVL to Indus which became effective from June 11, 2013 upon filing of certified copy of the order of Honourable High Court with the Registrar of Companies, Delhi with an appointed date of April,1 2009. The Group has continued to follow the accounting treatment adopted by Indus pursuant to said scheme of arrangement prescribed by the Honourable High Court under Ind AS which is in line which previous GAAP.

Since Indus is not publicly listed company, there is no quoted market price available for its shares. Hence fair value of Group's investment in Indus is not available to be disclosed in accordance with Para 21 of Ind AS 112 Disclosure of Interests in Other Entities.

Notes:

1. For Group's share in capital commitments and lease commitments of Indus refer Note 47.
2. For Group's share in contingent liabilities of Indus refer Note 48.

Note 12
Non Current Financial Assets-Loans
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to related parties (Refer Note 49)			
Loans to Joint venture - Indus Towers Limited	1,224	1,224	1,224
Total	**1,224**	**1,224**	**1,224**

Note 13
Non Current Financial Assets-Others
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits[1]			
To related parties (Refer Note 49)	1,000	1,000	1,000
To others	5,497	5,246	4,538
Long term deposits with banks with maturity period more than 12 months	-	-	1
Derivative financial assets (Refer Note 33)	477	6,444	7,194
Margin money [2]	7	59	57
Total	**6,981**	**12,749**	**12,790**
Less: Provisions for amounts considered doubtful			
Security deposits to others	88	2	3
Total	**6,893**	**12,747**	**12,787**

(1) Security deposits primarily include security deposits given towards rented premises, cell sites, interconnect ports and electricity deposits.

(2) Held as lien with banks in favour of local body authorities and Government authorities.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 14
Taxation

i. Income Tax expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Income tax expenses in respect of:		
Current year	1,940	6
Adjustment for current tax of prior periods	144	1
Reversal of tax of earlier years due to amalgamation [Refer Note 53.4]	-	(36,997)
Total current tax	**2,084**	**(36,990)**
Origination and reversal of temporary differences	(22,822)	(13,035)
Total deferred tax benefit	**(22,822)**	**(13,035)**
Total income tax (income)/expense	**(20,738)**	**(50,025)**
Income tax expense attributable to:		
from continuing operations	(14,298)	(51,779)
from discontinued operations	(6,440)	1,754

ii. Tax charge recognised directly to Other Comprehensive Income for continuing operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax (benefit)/expenses	(33)	30
Total tax (credit)/charge recognised directly to other comprehensive income	**(33)**	**30**

iii. Factors affecting tax expense for the year

The table below explains the differences between the expected tax expense, at the Indian statutory tax rate of 34.608% (March 31, 2016: 34.608%) payable by corporate entities in India on taxable profits under tax laws in India, and the Group's total tax expense for the year.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss before tax as per consolidated statement of profit and loss from continuing operations	(56,298)	(28,104)
Profit before tax as per consolidated statement of profit and loss from discontinued operations	10,764	11,256
Total Loss before tax	**(45,534)**	**(16,848)**
Expected income tax expense at statutory tax rate	(15,758)	(5,831)
Tax effects of:		
Tax expenses not deductible/income not subject to tax	(3,844)	(3,163)
Deferred tax asset not recognised on losses in absence of reasonable certainty	5,160	5,175
Deferred tax asset recognised on previous year losses and other unrecognised temporary differences	-	(10,964)
Adjustments for tax of prior periods	144	1
Tax impact on account of amalgamation (Refer Note 53.4)	-	(36,997)
Deferred tax (reversal)/charge on discontinued operations	(8,376)	1,754
Dividend distribution tax on discontinued operations	1,936	-
Income tax expense	**(20,738)**	**(50,025)**

(All amounts are in INR millions, except per share data and unless stated otherwise)

iv. Deferred tax

Analysis of movements in the net deferred tax balance during the year

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
As at the beginning of the year	**13,536**	**531**
Credited/(Charged) to consolidated statement of profit and loss		
Continuing operations	14,446	14,789
Discontinued operations	8,376	(1,754)
Credited/(Charged) directly to other comprehensive income	33	(30)
Net deferred tax assets as at the end of the year	**36,391**	**13,536**

Deferred tax assets and liabilities as at March 31, 2017:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	37,974	93,729	-	24,715	69,014
Depreciation and amortisation	(24,828)	-	(70,631)	-	(70,631)
Trade receivable and other financial assets	8	1,875	-	49	1,826
Taxation on discontinued operations	8,376	-	-	-	-
Retirement benefits	52	577	-	12	565
Trade payables and provisions	2,345	35,323	-	-	35,323
Derivative financial assets/(liabilities) & borrowings	(1,072)	294	-	-	294
Amount charged through OCI	(33)	-	-	-	-
As at March 31, 2017	**22,822**	**131,798**	**(70,631)**	**24,776**	**36,391**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	36,391
Deferred tax liability	-

Deferred tax assets and liabilities as at March 31, 2016:

Particulars	Amount (charged)/ credited in consolidated statement of profit and loss	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	19,552	50,527	-	19,487	31,040
Depreciation and amortisation	(22,023)	-	(45,803)	-	(45,803)
Trade receivable and other financial assets	523	1,876	-	58	1,818
Undistributed profit of Joint Venture	(1,754)	-	(8,376)	-	(8,376)
Retirement benefits	(18)	526	-	13	513
Trade payables and provisions	15,011	32,979	-	1	32,978
Derivative financial assets/(liabilities) & borrowings	1,714	1,366	-	-	1,366
Amount charged through OCI	30	-	-	-	-
As at March 31, 2016	**13,035**	**87,274**	**(54,179)**	**19,559**	**13,536**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	21,912
Deferred tax liability	8,376

(All amounts are in INR millions, except per share data and unless stated otherwise)

Deferred tax assets and liabilities as at April 1, 2015

Particulars	Gross deferred tax asset	Gross deferred tax liability	Less : amounts not recognised	Net recognised deferred tax (liability) /asset
Tax losses	68,145	-	56,657	11,488
Depreciation and amortisation	-	(23,780)	-	(23,780)
Trade receivable and other financial assets	1,339	-	44	1,295
Undistributed profit of Joint Venture	-	(6,622)	-	(6,622)
Retirement benefits	541	-	10	531
Trade payables and provisions	27,742	-	9,775	17,967
Derivative financial assets/(liabilities) & borrowings	-	(348)	-	(348)
As at April 1, 2015	**97,767**	**(30,750)**	**66,486**	**531**

Deferred tax assets and liabilities were analysed in the consolidated balance sheet after offset of balances as follows:

Particulars	Amount
Deferred tax asset (net)	7,153
Deferred tax liability	6,622

v. Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open tax disputes, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

The Group is routinely subject to audit by tax authorities in India. These are usually resolved through the Indian legal system. The Group considers each issue on its merits and, where appropriate, holds provisions in respect of the potential tax liability that may arise. However, the amount ultimately paid may differ materially from the amount accrued and could therefore affect the Group's overall profitability and cash flows in future periods.

Carried Forward Losses

The gross amount and expiry dates of losses available for carry forward are as follows:

Particulars	Expiring within 5 years	Expiring within 6-8 years	Unlimited	Total
Losses for which a deferred tax asset is recognised	304	2	199,110	199,416
Losses for which no deferred tax is recognised	22,684	4,649	51,104	78,437
As at March 31, 2017	**22,988**	**4,651**	**250,214**	**277,853**
Losses for which a deferred tax asset is recognised	297	7	89,387	89,691
Losses for which no deferred tax is recognised	21,885	3,802	37,645	63,332
As at March 31, 2016	**22,182**	**3,809**	**127,032**	**153,023**
Losses for which a deferred tax asset is recognised	89	-	33,107	33,196
Losses for which no deferred tax is recognised	47,150	39,964	83,619	170,733
As at April 1, 2015	**47,239**	**39,964**	**116,726**	**203,929**

Notes:

(i) The above losses denote business losses that are available for set-off against future taxable income.

(ii) Unabsorbed depreciation is allowed to be carried forward for an unlimited period as per the provisions of Income Tax Act, the year-wise unutilised amounts of which has been disclosed above as 'Unlimited'.

(iii) Deferred income tax assets are recognised for carried-forward income tax losses, to the extent of realisation of the related tax benefit through future taxable profits is probable.

The Group has INR 13,600 (March 31, 2016: INR 13,600 and April 1, 2015: INR 13,600) as carry forward MAT credit entitlement which has not been recognised in absence of future taxable book profits before expiry of these entitlements.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Deferred income tax liability has been recognised in respect of temporary differences pertaining to the investment in Joint Venture (Indus) as the Group is not in a position to control the timing of the reversal of the temporary difference. The amount of deferred income tax liability recognised on temporary difference between the carrying amount of the Group's interest (i.e. share of undistributed profit) and the tax base pertaining to the investment in Joint Venture is INR Nil, INR 8,376 and INR 6,622 for the years ended March 31, 2017, March 31, 2016 and as at April 1, 2015 respectively.

Note 15
Other non current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances	409	654	11,696
CENVAT and service Tax credit receivable	5,541	484	1,280
Prepaid expenses	1,859	1,844	1,216
Amount deposited under protest with Government authorities[1]	32,605	31,964	6,636
	40,414	**34,946**	**20,828**
Less: Provisions for amounts considered doubtful			
Capital advances	21	-	-
CENVAT and Service Tax credit receivable	68	68	40
Amount deposited under protest with Government authorities	182	374	8
Total	**40,143**	**34,504**	**20,780**

[1] Advances under protest represents payments made to various Government authorities under protest.

Note 16
Inventories

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Stock-in-trade (acquired for trading) [Net of provision of INR 7 (March 31, 2016: INR 7 and April 1, 2015: INR 22)]	75	54	65
Total	**75**	**54**	**65**

Note 17
Current Financial Assets-Trade receivables (Refer Note 49 for Trade receivable from related parties)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
Secured considered good	819	864	815
Unsecured considered good	16,611	18,330	14,548
Unsecured considered doubtful	5,029	4,977	3,775
Total	**22,459**	**24,171**	**19,138**
Less : Provision for doubtful debts	(5,029)	(4,977)	(3,775)
Total	**17,430**	**19,194**	**15,363**

The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are predominantly non-interest bearing. Trade receivables are shown net of provisions for bad or doubtful debts.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 18

Note 18.1

Current Financial Assets-Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank balances			
In current accounts	5,708	10,894	14,453
Demand deposits (less than 3 months maturity)	25,744	2,625	51,070
Cheques on hand	795	1,080	559
Cash on hand (Refer Note 52)	109	162	138
Total	**32,356**	**14,761**	**66,220**

Bank balances and demand deposits with banks comprise cash held by the Group on a short-term basis with original maturity of three months or less. The carrying amount of cash and cash equivalents as at reporting date approximates fair value.

Note 18.2

Current Financial Assets-Other bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Held in escrow account (1)	541	209	236
Demand deposits liened with Escrow account (1)	389	478	180
Margin money (2)	19	26	18
Bank deposits with maturity from 3-12 months	-	-	20
Total	**949**	**713**	**454**

(1) Other bank balance maintained in escrow account 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.

(2) Held as lien with banks in favour of local body authorities and Government authorities.

Note 19

Current Financial Assets-Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to related parties (Refer Note 49)			
Loans to Joint venture - Firefly Networks Limited	5	5	-
Total	**5**	**5**	**-**

Note 20

Current Financial Assets-Others

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits	123	118	110
Receivable from related parties (Refer Note 49)	130	277	426
Interest accrued on deposit with banks and others	118	30	22
Accrued billing revenue	11,998	10,802	10,970
Derivative financial assets (Refer Note 33)	2,683	1,498	3,206
Others	246	221	169
Total	**15,298**	**12,946**	**14,903**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 21
Other current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
CENVAT and Service tax credit	19,264	10,582	8,501
Advance to suppliers	1,335	1,160	1,045
Advances to related parties (Refer Note 49)	1,429	1,154	-
Prepaid expenses	2,980	2,540	2,275
Employee advances	-	8	37
Export benefits and entitlements	-	-	11
	25,008	**15,444**	**11,869**
Less: Provisions for amounts considered doubtful			
CENVAT and Service tax credit	-	1	29
Advance to suppliers	20	7	7
Export benefits and entitlements	-	-	11
Total	**24,988**	**15,436**	**11,822**

Note 22
Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
[a] Authorised share capital			
5,000,000,000 (March 31, 2016 and April 1, 2015: 1,000,000,000) equity shares of the par value of INR 10 each	50,000	10,000	10,000
	50,000	**10,000**	**10,000**
[b] Issued			
2,813,295,823 (March 31, 2016 and April 1, 2015: 453,431,113) equity shares of INR10 each	28,133	4,534	4,534
	28,133	**4,534**	**4,534**
[c] Subscribed and paid up			
2,813,295,823 (March 31, 2016 and April 1, 2015: 453,431,113) equity shares of INR10 each fully paid up	28,133	4,534	4,534
	28,133	**4,534**	**4,534**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year:

	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount	Number of Shares	Amount
Equity :				
Outstanding at the beginning of the year	453,431,113	4,534	453,431,113	4,534
Issued during the year {Refer Note 22[h] and 22.1 and 22.2}	2,359,864,710	23,599	-	-
Outstanding at the end of the year	**2,813,295,823**	**28,133**	**453,431,113**	**4,534**

[e] Rights, preferences and restrictions attached to equity shares:
The Group has issued a single class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(All amounts are in INR millions, except per share data and unless stated otherwise)

[f] Shares held by the Holding Company or the Ultimate Holding Company including shares held by their subsidiaries or associates and nominees, in aggregate:

Name of the shareholder	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity :			
Vodafone Group Plc., the Ultimate Holding Company and its subsidiaries	2,813,295,823	453,431,113	453,431,113

[g] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Euro Pacific Securities Limited	758,986,306	26.98%	106,370,228	23.46%	106,370,228	23.46%
Prime Metals Limited	415,986,399	14.79%	58,299,560	12.86%	58,299,560	12.86%
Mobilvest	318,870,690	11.33%	44,689,012	9.86%	44,689,012	9.86%
Vodafone Telecommunications (India) Limited	309,165,696	10.99%	43,328,879	9.56%	43,328,879	9.56%
Trans Crystal Limited	278,020,841	9.88%	38,963,997	8.59%	38,963,997	8.59%
Asian Telecommunications Investments (Mauritius) Limited	186,562,701	6.63%	26,146,344	5.77%	26,146,344	5.77%
Telecom Investments India Private Limited	160,975,557	5.72%	53,658,519	11.83%	53,658,519	11.83%
Al-Amin Investments Limited	154,582,753	5.49%	*	*	*	*
Usha Martin Telematics Limited	*	*	25,123,355	5.54%	25,123,355	5.54%

* The number of shares held and percentage of shareholding as on that date is less than 5%

[h] Equity shares issued for consideration other than cash:

The Company, pursuant to approval of the Board and approval of shareholders, has issued and allotted Bonus shares to its shareholders who were shareholders (members) as on July 15, 2016 being the Record Date fixed for ascertaining the entitlement of Bonus shares. 1,118,502,436 fully paid up equity shares of INR 10 each were issued as Bonus shares by utilising the Securities Premium Account amounting to INR 11,185. The Bonus Shares were issued and allotted in the Ratio of 2:1 i.e. 2 Shares for 1 shares held by the shareholder as on the Record Date. Pursuant to the issue of Bonus shares the paid up equity share capital of the Company increased by INR 16,778 comprising 1,677,753,654 equity shares of INR 10 each fully paid up.

Note 22.1

During the year ended March 31, 2017, the Company offered 105,820,105 equity shares of INR 10 fully paid up for cash at a premium of INR 935 each, on a rights basis aggregating to INR 100,000 as per Rights Letter of Offer.

Eight of the twelve shareholders accepted and applied for rights shares and accordingly 81,999,919 shares were allotted on May 31, 2016. Other four shareholders declined rights shares aggregating to 23,820,186 offered to them and accordingly the said declined shares were offered to the other eight shareholders as additional shares as per the Rights Offer Letter. Eight shareholders accepted the additional shares aggregating to 23,820,186 shares and same were allotted on June 10, 2016.

Note 22.2

During the year ended March 31, 2017, the Company offered 1,135,542,169 equity shares of INR 10 fully paid up for cash at a premium of INR 322 each, on a rights basis aggregating to INR 377,000 as per Rights Letter of Offer.

Eight of the twelve shareholders accepted and applied for rights shares and accordingly 928,296,908 shares were allotted on September 16, 2016. Other four shareholders declined rights shares aggregating to 207,245,261 offered to them and accordingly the said declined shares were offered to the other eight shareholders as additional shares as per the rights offer letter. Eight shareholders accepted the additional shares aggregating to 207,245,261 shares and same were allotted on September 26, 2016.

Note 23
Share Based Payments
VF Group Plc. the Ultimate holding company has following share based payment plans in respect of services received from the employees of the Group:

The details of the schemes are as follows:

a) 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 Company and its subsidiaries. In addition to the 3 years vesting conditions, options of certain schemes would depend on achievement of the performance conditions of the Group and VF Group Plc. The plans are administered by VF Group Plc. and the information disclosed is to the extent available.

b) 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 2 years /3 years after the grant date provided the employees remain in the continued employment of Vodafone Group during the vesting period.

c) 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 VF 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Following table summarises information of the schemes active as at year end:

Particulars	03-Jul-12	14-Nov-12	08-Feb-13	26-Jun-13	14-Nov-13	26-Jun-14	14-Nov-14	26-Jun-15	26-Jun-15	13-Nov-15	30-Jun-16	30-Jun-16	18-Nov-16	17-Feb-17
Number of options granted	3,160,206	39,520	41,743	3,048,406	30,644	3,063,406	100,271	2,327,629	748,678	364,616	3,169,025	826,535	25,900	187,591
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years/ 2 years	3 years/ 2 years	3 years	3 years	1.6 to 3 Years	3 years/ 2 years	3 years	3 years	3 years/ 2 years
Vesting conditions	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for GLTR	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	1.6 years to 3 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years / 2 years continuous employment for GLTR and performance conditions apply as noted in (i) above for GLTI	3 years continuous employment for VGIP and performance conditions apply as noted in (iii) above for VGIP	3 years continuous employment for GLTR	3 years continuous employment for GLTR
Estimated Fair Value as at grant date	£1.7931 (equivalent to INR 154)	£1.6242 (equivalent to INR 142)	£1.7174 (equivalent to INR 145)	£1.8005 (equivalent to INR 166)	£2.2927 (equivalent to INR 232)	£1.8959 (equivalent to INR 194)	£2.2552 (equivalent to INR 218)	£2.3912 (equivalent to INR 239)	£1.7958 (equivalent to INR 180)	£2.2142 (equivalent to INR 223)	£2.1670 (equivalent to INR 196)	£1.6729 (equivalent to INR 151)	£2.0532 (equivalent to INR 173)	£1.9829 (equivalent to INR 166)
Share price on Grant Date of per share award	£1.7940 (equivalent to INR 154)	£1.6250 (equivalent to INR 142)	£1.7185 (equivalent to INR 145)	£1.8020 (equivalent to INR 166)	£2.2940 (equivalent to INR 232)	£1.8980 (equivalent to INR 194)	£2.2570 (equivalent to INR 218)	£2.3935 (equivalent to INR 240)	£2.3935 (equivalent to INR 240)	£2.2160 (equivalent to INR 223)	£2.1679 (equivalent to INR 196)	£2.1679 (equivalent to INR 196)	£2.0535 (equivalent to INR 173)	£1.9830 (equivalent to INR 166)
Expected Dividends	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR / GLTI award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	VGIP award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.	GLTR award shares will pay dividend equivalents, which will be paid when the award vests, in the form of an additional grant of free shares at vesting, at a value equivalent to that of a dividend.
Free cash flow (applicable for GLTI/VGIP only)	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	NA	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	Free cash flow of the Company and VF Group Plc. over three years	NA	NA

Pricing Model: Fair value 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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

I. Movement in non-vested shares is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Outstanding at beginning of the year	7,930,128	7,823,018
Granted during the year	4,209,051	3,440,923
Forfeited during the year	927,076	1,505,756
Vested during the year	2,019,158	1,828,057
Outstanding at end of the year	**9,192,945**	**7,930,128**
Weighted average fair value of share (INR per share)	176	213

Weighted average fair value of share as at April 1, 2015 INR 197 per share.

II. Movement of Employee Share Based Payment:

Particulars	As at March 31, 2017	As at March 31, 2016
At the beginning of the year	899	830
Charged to consolidated statement of profit and loss for employee share based payments	608	523
(Capital contribution by)/distribution to Ultimate holding company for employee share based payments	(44)	34
Payout for employee share based payments	(445)	(488)
At the end of the year	1,018	899

III. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Sr. No.	Grant date	Expiry date	Exercise price	Share options outstanding		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	July 3, 2012	July 2, 2015	Nil	-	-	2,210,425
2	November 14, 2012	November 13, 2015	Nil	-	-	39,520
3	February 8, 2013	February 7, 2016	Nil	-	-	41,743
4	June 26, 2013	June 26, 2016	Nil	-	2,120,673	2,508,678
5	November 14, 2013	November 14, 2016	Nil	-	15,761	30,644
6	June 26, 2014	June 25, 2016	Nil	-	140,780	-
7	June 26, 2014	June 26, 2017	Nil	2,089,849	2,314,528	2,891,737
8	November 14, 2014	November 14, 2016	Nil	-	57,267	57,267
9	November 14, 2014	November 13, 2017	Nil	43,004	43,004	43,004
10	June 26, 2015	June 26, 2018	Nil	2,648,816	2,873,499	-
11	November 13, 2015	June 26, 2017	Nil	9,022	9,022	-
12	November 13, 2015	June 26, 2018	Nil	193,923	193,923	-
13	November 13, 2015	November 13, 2018	Nil	161,671	161,671	-
14	June 30, 2016	June 30, 2019	Nil	3,830,253	-	-
15	June 30, 2016	June 30, 2018	Nil	2,916	-	-
16	November 18, 2016	November 18, 2019	Nil	25,900	-	-
17	February 17, 2017	February 17, 2020	Nil	83,647	-	-
18	February 17, 2017	February 17, 2019	Nil	103,944	-	-
	Total			**9,192,945**	**7,930,128**	**7,823,018**
Weighted average remaining contractual life of the options outstanding at the end of the year (in months)				18	16	16

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 24
Non-Current Financial Liability-Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
- Term loans			
From Banks (Refer Notes 24.1.(a) & 24.1 (b))	-	55,828	74,533
From Financial Institutions (Refer Notes 24.1.(a) & 24.1 (b))	-	7,400	75,893
Unsecured			
Unlisted, Unsecured, and Redeemable Non-Convertible Debenture (Refer Notes 24.2 (a) & 24.2 (b))	74,979	74,968	-
- Term loans			
From Banks (Refer Note 24.2 (a))	2,868	18,241	11,252
From Related Parties (Subordinated Loans- Refer Notes 24.2 (a) & 49)	-	49,610	90,983
From Others (Refer Notes 24.2 (a) & 24.2 (c))	791	1,547	2,596
Deferred payment liability (Refer Note 24.2 (d))	431,843	338,004	148,115
Finance Lease Obligation* (Refer Notes 24.2 (a) & 24.4)	2,664	69	77
Total	**513,145**	**545,667**	**403,449**

*Finance lease obligation includes obligation towards lease assets like computer hardware, computer software and dark fibre.

Note 24.1
Nature of security and terms of repayment for long term secured borrowings

[a] Nature of security
During the year ended March 31, 2017, the secured lenders have consented to full release of charges created in their favor by way of pledge of equity shares of VMSL and Tripartite Agreements over the certain licenses issued prior to year 2010. The Company has given intimation of satisfaction of charges to Registrar of Companies on March 14, 2017. There is no charge on investments, tangible and intangible assets of the Group as at March 31, 2017.

The secured loans taken by VIL and VMSL amounting to INR Nil (March 31, 2016: INR 77,739 and April 1, 2015: INR 167,962) are securitised through a common trust deed and security structure created in favor of a Security Trustee. As per the terms of the security documents, the loans taken by the Company and its Subsidiary Company are secured by the pledge of shares of VMSL and the licenses that were issued prior to the year 2010 (through various tripartite agreements executed between the Licensees, the lenders and the Department of Telecommunications (DoT) ('the Licensor').

The shares of VMSL are pledged as security against the secured loans taken by the VIL and VMSL.

Entity Name	Shareholder	No. of shares As at March 31, 2016
Vodafone Mobile Services Limited	Vodafone India Limited	626,842,863

With effect from April 1, 2011 VCL, VSL, VEL, VDL and from April 1, 2012 VWL and VSPL the legal entities have merged with VMSL. As at April 1, 2015 the shares of the respective legal entities were pledged as security for the secured loans taken by the Group.

Entity Name	Shareholder	No. of shares as at April 1, 2015
Vodafone Cellular Limited ("VCL")	Vodafone India Limited	126,197,956
Vodafone Mobile Services Limited ("VMSL")	Vodafone India Limited	199,716,469
Vodafone South Limited ("VSL")	Vodafone India Limited	538,607,500
Vodafone East Limited ("VEL")	Vodafone India Limited	193,441,637
Vodafone West Limited ("VWL")	Vodafone India Limited	500,000,000
Vodafone Spacetel Limited ("VSPL")	Vodafone India Limited	25,500,000
Vodafone Digilink Limited ("VDL")	Vodafone India Limited	101,100,000
		1,684,563,562

In addition, the VIL has provided guarantees to the lenders in respect of borrowing by VMSL under certain borrowing arrangements.

The terms and conditions of the security arrangements mean that should the borrowers not meet all of their loan payment and performance obligations, the lenders may sell the pledged shares and enforce rights over the certain licenses under the terms of the Tripartite agreements to recover their losses, with any remaining sales proceeds being returned to the borrowers.

As at March 31, 2016 and April 1, 2015 licenses have been pledged as security as per the loan agreement:

	As at March 31, 2016	**As at April 1, 2015**
Licenses Pledged	Mumbai ,Kerala, Rest of Tamil Nadu, Maharashtra & Goa, Delhi, RoB, Andhra Pradesh, Chennai , Karnataka, , Punjab, UPW, Kolkata, Gujarat, Assam, Bihar, Himachal Pradesh, J&K, MP, North East, Orissa, Haryana, Rajasthan, UPE	Mumbai ,Kerala, Rest of Tamil Nadu, Maharashtra & Goa, Delhi, RoB, Andhra Pradesh, Chennai , Karnataka, , Punjab, UPW, Kolkata, Gujarat, Assam, Bihar, Himachal Pradesh, J&K, MP, North East, Orissa, Haryana, Rajasthan, UPE
Licenses Expired	Mumbai, Delhi, Kolkata, Gujarat, Rajasthan, Haryana, UPE, Maharashtra & Goa and Kerala	Mumbai, Delhi, Kolkata

Though the expired licenses had been renewed by way of execution of fresh licenses, the tripartite agreement for securitizing the new licenses were not executed by the Department of Telecommunication ('DoT'). The Group had informed the lenders of the same.

(All amounts are in INR millions, except per share data and unless stated otherwise)

24.1 (b) Terms of Repayment

Lender	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Rate of interest As at March 31, 2017	Rate of interest As at March 31, 2016	Rate of interest As at April 1, 2015	Repayment terms
From Banks:							
Rupee Loans	-	59,945	65,543	-	9.55% to 11.00%	9.55% to 12.00%	-
Foreign Currency Loans (USD)	-	17,794	23,401	-	3.76% to 3.98%	3.23% to 3.98%	-
From Financial Institutions	-	-	79,018	-	-	10.65% to 11.50%	-
	-	**77,739**	**167,962**				

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Disclosed as Secured:			
Long term borrowing	-	63,228	150,426
Current Maturity of long term borrowings	-	14,511	17,536
	-	**77,739**	**167,962**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Terms of Repayment for Unsecured Term loans
24.2 (a)Terms of Repayment

Lender	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Rate of interest As at March 31, 2017	Rate of interest As at March 31, 2016	Rate of interest As at April 1, 2015	Repayment terms
From Banks:							
Rupee Loans	4,331	26,000	20,000	8.90% to 9.90%	8.90% to 9.45%	9.45%	For loans aggregating to INR 1,000 : Repayable in bullet payments in January 2018. For loans aggregating to INR 3,331 : Repayable in quarterly installments from August 2016 to February 2019.
Buyers Credit	-	1,749	4,935	-	1.32% to 1.69%	1.12% to 1.38%	-
Foreign Currency Loans(USD)	11,638	6,632	-	2.55% to 4.37%	2.55% to 3.04%	-	For loans aggregating to INR 1,185: Repayable in bullet payment on various maturity dates between November 2017 to February 2018 For loans aggregating to INR 1,665: Repayable in half yearly installments from March 2012 to March 2021. For loans aggregating to INR 8,788: Repayable in 3 equal annual installments from August 2015 August 2017.
From Related Parties:							
Foreign Currency Loans(USD)	-	49,610	46,723	-	5.15% to 5.65%	5.08% to 5.15%	-
Foreign Currency Loans(JPY)	-	50,450	44,260	-	4.60%	4.74% to 4.79%	-
Debenture	-	74,968	-	-	10.25%	-	Refer Note 24.2 (b) below
Debenture	74,979	-	-	8.05% to 8.25%	-	-	For loans aggregating to INR 14,994: Repayable on July 10, 2018. For loans aggregating to INR 24,991: Repayable on July 10, 2019. For loans aggregating toINR 34,989: Repayable on July10, 2020.
From Others	1,562	4,225	7,180	4.00% to 9.15%	4.00% to 9.35%	4.00% to 9.70%	For loans aggregating to INR 1,562: Repayable in quarterly installments from March 2016 to October 2020.
Finance lease obligation	3,940	83	91	8.00% to 9.3%	8.00%	8.00%	Repayable in yearly instalments from April 2005 to June 2021.
	96,450	**213,717**	**123,189**				

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Disclosed as Unsecured:			
Long term borrowing	81,302	144,435	104,908
Current Maturity of long term borrowings [Includes Finance lease INR 1,276 (March 31, 2016 :INR 14, April1, 2015: INR 14)]	15,148	69,282	18,281
	96,450	**213,717**	**123,189**

(All amounts are in INR millions, except per share data and unless stated otherwise)

24.2 (b) Debentures

During the year ended March 31, 2016, the Group had issued 75,000 Non-Convertible Debentures of INR 1 each amounting to INR 75,000 carrying interest rate of 10.25% p.a. to Vodafone Luxembourg 5 S.a.r.l. During the current year, the Group renegotiated its terms on interest rates and repayment dates with Vodafone Luxembourg 5 S.a.r.l. Post the change, Vodafone Luxembourg 5 S.a.r.l. sold these non-convertible debentures in the secondary market.

24.2 (c) Unsecured loan from others are from financial institution and vendors.

24.2 (d) Deferred payment liabilities

Deferred payment liabilities are in relation to spectrum acquisition made during the year ended March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2017.

Lender	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Rate of interest As at March 31, 2017	Rate of interest As at March 31, 2016	Rate of interest As at April 1, 2015	Repayment terms
Department of Telecommunications (DoT)	431,843	338,004	148,115	9.30% to 10.00%	9.75% to 10.00%	9.75% to 10.00%	Repayable in 10 equal annual instalments starting from March 2017, April 2018 and October 2019[1]
	431,843	**338,004**	**148,115**				

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Disclosed as :			
Long term borrowing	431,843	338,004	148,115
Current Maturity of long term	-	-	-
	431,843	**338,004**	**148,115**

[1] Annual instalments are first utilised towards interest and remaining for principal amount due.

Note 24.3
Interest rate split and currency split of the Group's borrowings

Currency	Floating rate borrowings	Fixed rate borrowings	Total Borrowings
US Dollar	14,557	8,502	23,059
INR	3,331	539,835	543,166
As at March 31, 2017	**17,888**	**548,337**	**566,225**
US Dollar	72,064	27,809	99,873
Japanese Yen	50,450	-	50,450
INR	56,002	547,267	603,269
As at March 31, 2016	**178,516**	**575,076**	**753,592**
US Dollar	70,125	21,178	91,303
Japanese Yen	44,260	-	44,260
INR	140,866	253,539	394,405
As at April 1, 2015	**255,251**	**274,717**	**529,968**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Disclosed as:			
Non-Current Financial Liability-Borrowings	513,145	545,667	403,449
Current Financial Liability-Borrowings (Refer Note 29)	37,932	124,132	90,702
Current maturities of long term debt	15,148	83,793	35,817
	566,225	**753,592**	**529,968**

The fair value of long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the under-lying credit risk of the respective Group entity. [Refer Note 35(II)(a)(ii)]

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 24.4
Finance lease obligations
The Group has taken certain assets on finance lease. The reconciliation between the total of minimum lease payments at consolidated balance sheet and their present value is as below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum lease payments			
Within one year	1,610	20	21
In one to five years	3,038	59	53
In more than five years	17	27	46
Total	**4,665**	**106**	**120**
Less: Future finance charges	(725)	(23)	(29)
Present Value of finance lease liabilities	**3,940**	**83**	**91**

The present value of finance lease liabilities is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within one year	1,276	14	14
In one to five years	2,649	45	36
In more than five years	15	24	41
Total	**3,940**	**83**	**91**

There are no finance lease commitments of the Joint Ventures.

Note 25
Non-Current Financial Liability-Others

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits (1)	310	2,527	2,333
Other borrowing costs payable	-	-	844
Derivative financial liabilities (Refer Note 33)	-	102	18
Interest accrued on borrowings (Refer Note 25.1)	43,630	37,733	32,746
Total	**43,940**	**40,362**	**35,941**

(1) Deposits are mainly received from other telecom operators.

Note 25.1
Break up of Interest accrued on borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued on Debentures	-	5,841	-
Interest accrued on Foreign currency loan	-	10,090	17,085
Interest accrued on Deferred spectrum loan	43,630	21,802	15,661
Total	**43,630**	**37,733**	**32,746**

Note 26
Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current Liability - Provisions			
Asset retirement obligation	833	731	657
Regulatory and other provisions	53,543	45,890	29,213
Total (A)	**54,376**	**46,621**	**29,870**
Current Liability - Provisions			
Regulatory and other provisions	1,713	2,428	11,219
Total (B)	**1,713**	**2,428**	**11,219**
Total (A)+(B)	**56,089**	**49,049**	**41,089**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Asset retirement obligations:
In the course of the Group's activities a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are substantially expected to occur at the dates of exit of the assets to which they relate, which are long-term in nature.

The Group uses various premises on lease to install the equipment. The Group recognises a provision for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements.

Legal and regulatory:
The Group is involved in a number of legal and other disputes, including notifications of possible claims. The directors of the Group, after taking legal advice, have established provisions after taking into account the facts of each case. The timing of cash outflows associated with the majority of legal claims are typically less than one year, however, for some legal claims the timing of cash flows may be long term in nature. There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

The following table provides details of gross provisions:

Particulars	Asset Retirement Obligations	Legal and regulatory	Total
As at April 1, 2015	**657**	**40,432**	**41,089**
Additions/adjustments during the year	32	8,811	8,843
Unwinding of discount	51	-	51
Reversals/utilisations during the year	(9)	(925)	(934)
As at March 31, 2016	**731**	**48,318**	**49,049**
Additions/adjustments during the year	61	9,447	9,508
Unwinding of discount	49	-	49
Reversals/utilisations during the year	(8)	(2,509)	(2,517)
As at March 31, 2017	**833**	**55,256**	**56,089**

Note 27
Employee Benefits Obligation

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current Liability - Provisions			
Employee benefits			
Gratuity	1,045	919	952
Compensated Absences	301	345	422
(A)	**1,346**	**1,264**	**1,374**
Current Liability - Provisions			
Employee benefits			
Gratuity	233	162	114
Compensated Absences	87	91	74
(B)	**320**	**253**	**188**
Total (A)+(B)	**1,666**	**1,517**	**1,562**

Defined Contribution Plan
The Group makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner.

Under this scheme, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. The Group has recognised INR 651 for Provident Fund and Pension Fund contributions in the consolidated statement of profit and loss for the year ended March 31, 2017 (March 31, 2016: INR 590). The contributions payable by the Group are in accordance with rules framed by the Government of India from time to time.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The Group makes quarterly contributions to the superannuation trusts at a specified percentage of the covered persons' salaries. Trusts fund are managed by entering into a scheme of insurance with Life Insurance Corporation of India. Covered persons' pensions are paid by trust at the time of retirement. The Group has recognised INR 15 for Superannuation Fund contribution in the consolidated statement of profit and loss for the year ended March 31, 2017 (March 31, 2016: INR 16).

Defined Benefit Plan - Gratuity

The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service. The plan is funded for some eligible employees in case of subsidiary (VMSL) and for VIL and all other subsidiaries it is unfunded. Gratuity contributions are made to trust administered by the VMSL.

An analysis of net (deficit)/assets is provided below for the Group's principal defined benefit gratuity scheme.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Analysis of net deficit/ (assets):			
Present value of funded scheme liabilities	130	124	123
Fair value of plan assets	(74)	(66)	(53)
Net deficit for funded schemes	**56**	**58**	**70**
Present value of unfunded obligations	1,222	1,023	996
Net deficit / (assets)	**1,278**	**1,081**	**1,066**

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the consolidated balance sheet arising from the Group's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Movement in defined benefit obligations:		
At the beginning of the year	1,147	1,119
Current service cost	213	198
Interest cost	81	85
Remeasurements :		
Actuarial loss / (gain) arising from change in financial assumptions	75	(47)
Actuarial loss / (gain) arising from change in demographic assumptions	5	(19)
Actuarial (gain)/ loss arising on account of experience changes	16	(18)
Benefits paid	(185)	(171)
At the end of the year	**1,352**	**1,147**

Movement in fair value of plan assets:		
At the beginning of the year	66	53
Employer contributions	21	120
Interest income	5	5
Remeasurements :		
Return on plan assets, excluding amount included in interest expense/(income)	1	-
Benefits paid	(19)	(112)
At the end of the year	**74**	**66**

(All amounts are in INR millions, except per share data and unless stated otherwise)

The components of defined benefit plan cost are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Recognised in Consolidated statement of profit and loss		
Current service cost	213	198
Interest cost / (income) (net)	76	80
Total	**289**	**278**
Recognised in Other Comprehensive Income		
Post employment loss/(gains) recognised in the SOCIE	95	(84)

Actual return on plan assets

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Actual return on plan value of assets	6	5

Analysis of plan assets is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equities (%)	-	-	-
Bonds (%)	-	-	-
Property (%)	-	-	-
Insurer managed funds (%)	96%	95%	94%
Others (%)	4%	5%	6%
Total	**100%**	**100%**	**100%**

The schemes have no direct investments in the Group's equity securities or in property currently used by the Group.

The principal actuarial assumptions used for estimating the Group's benefit obligations are set out below:

Particulars	As at March 31, 2017	As at March 31, 2016
Mortality table	*	*
Discount rate	6.90%	7.95%
Expected average remaining working lives of employees (years)	25.57	26.23
Rate of escalation in salary	10.00% p.a for first 1 year & 7.00% p.a thereafter	9.00% p.a for first 1 year & 7.00% p.a thereafter
Expected rate of return on plan assets	6.90%	7.95%
Attrition rates	30 years and below- 25% 31-40 years-17% 41-50 years-15 % 51 years & above - 12%	21-30 years- 20% 31-40 years-18% 41-57 years-10 % -

* Published rates under the Indian Assured lives Mortality (2006-08) ULT table.

Notes:

1. Discount rate

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity of the defined benefit obligation:

A change of ±0.5% of the discount rate for defined benefit obligation has an impact of ±˜36 [March 31, 2016: ±˜34] on the consolidated statement of profit and loss. A change of ±0.5% of the rate increase in salary for defined benefit obligation has an impact of ±˜36 [March 31, 2016: ±˜34] on the consolidated statement of profit and loss. These are the only significant risk for the same.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The weighted average duration of the defined benefit obligation is 6 years.

Expected contribution to post employment benefit plans for the year ended March 31, 2017 INR 21 (March 31, 2016: INR 70, April 1, 2015: INR 25)

Expected maturity analysis of undiscounted gratuity benefit is as follows:

March 31, 2017	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	233	197	503	1,153	2,086
Total	**233**	**197**	**503**	**1,153**	**2,086**
March 31, 2016					
Defined benefit obligations (Gratuity)	162	167	424	1,319	2,072
Total	**162**	**167**	**424**	**1,319**	**2,072**
April 1, 2015					
Defined benefit obligations (Gratuity)	114	107	330	1,993	2,544
Total	**114**	**107**	**330**	**1,993**	**2,544**

Note 28
Other non-current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unearned billing revenue	852	3,056	2,792
Total	**852**	**3,056**	**2,792**

Note 29
Current Financial Liability-Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured Loans (Refer Note 29.1)			
From banks	11,421	85,083	52,638
From Financial Institutions	-	-	1,250
Commercial paper [Maximum amount outstanding at any time during the year INR 40,000 (March 31, 2016: INR 50,000, April 1, 2015 INR 49,700)]	26,511	39,049	36,814
Total	**37,932**	**124,132**	**90,702**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 29.1
Terms of repayment for Unsecured Term loans

Lender	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Rate of interest As at March 31, 2017	Rate of interest As at March 31, 2016	Rate of interest As at April 1, 2015	Repayment terms
From Banks:							
Rupee Loans	-	60,995	36,394	-	8.80% to 9.50%	9.15% to 10.35%	-
Buyers Credit	8,502	5,525	16,244	1.46% to 2.44%	0.92% to 1.65%	0.63% to 1.85%	Repayable in full on various maturity dates between April 2017 to January 2018.
Foreign Currency Loans(USD)	2,919	18,563	-	2.00%	1.44% to 2.76%	-	Repayable in full in April, 2017.
From Financial Institution	-	-	1,250	-	-	9.90%	-
Commercial Paper	26,511	39,049	36,814	6.45% to 6.68%	7.94% to 8.70%	8.11% to 10.14%	Repayable in bullet payments between May 2017 to August 2017.
Total	**37,932**	**124,132**	**90,702**				

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 30
Current Financial Liability-Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	57,396	57,276	50,721
Total	**57,396**	**57,276**	**50,721**

The carrying amount of trade payables as at reporting date approximates fair value.

Note 31
Current Financial Liability-Others

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long term debt (Refer Note 31.1)	13,872	83,779	35,803
Current maturities of finance lease obligation (Refer Note 24.4)	1,276	14	14
Interest accrued on borrowings (Refer Note 31.2)	25,884	43,088	2,267
Security deposits	3,372	3,753	3,736
Employee benefits payable	2,561	2,781	3,204
Capital creditors [Includes Acceptance of INR 9,867 (March 31, 2016: INR 3,160 and April 1, 2015: INR 5,028)]	42,642	34,769	35,172
Derivative financial liabilities (Refer Note 33)	1,699	2,964	4,838
Monies received from merchant establishments and customers	928	685	356
Other borrowing costs payable (Refer Note 49)	-	955	-
Regulatory liabilities	70	220	248
Others	233	108	41
Total	**92,537**	**173,116**	**85,679**

Note 31.1
Break up of Current maturities of long term debt

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturity of secured long term borrowings [Refer Note 24.1 (b)]	-	14,511	17,536
Current maturity of unsecured long term borrowings [Refer Note 24.2 (a)]	13,872	69,268	18,267
Total	**13,872**	**83,779**	**35,803**

Note 31.2
Break up of Interest accrued on borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued on Buyers credit	79	63	111
Interest accrued on Rupee loans	16	183	602
Interest accrued on Foreign currency loan	51	13,918	88
Interest accrued on Deferred Spectrum	20,112	28,924	1,466
Interest accrued on Debentures	5,626	-	-
Total	**25,884**	**43,088**	**2,267**

Note 32
Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from customers	13,781	15,930	15,447
Unearned billing revenue	1,975	1,773	1,314
Statutory dues including provident fund and tax deducted at source	2,980	4,415	3,842
Total	**18,736**	**22,118**	**20,603**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 33
Derivative financial assets
The Group uses foreign exchange forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated into any hedge accounting relationship and are entered into for periods consistent with currency and interest exposures.

The details of fair values of the derivative financial instruments are as under:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Foreign exchange forward contracts, currency and interest rate swaps	3,160	1,699	7,942	3,066	10,400	4,856
Total derivatives	**3,160**	**1,699**	**7,942**	**3,066**	**10,400**	**4,856**
Current portion	2,683	1,699	1,498	2,964	3,206	4,838
Non Current portion	477	-	6,444	102	7,194	18

The notional principal amounts of the outstanding forward foreign exchange contracts at March 31, 2017 is INR 42,971 (March 31, 2016: INR 183,754 and April 1, 2015: INR 158,519).

Note 34
Financial Instruments by Category

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets			
Financial assets carried at fair value through profit or loss (Level 2)			
Derivative financial assets (Note 33)	3,160	7,942	10,400
Total (A)	**3,160**	**7,942**	**10,400**
Financial assets measured at amortised cost (Level 3)			
Cash and cash equivalents (Note 18.1)	32,356	14,761	66,220
Trade receivables	17,430	19,194	15,363
Security deposits	6,532	6,362	5,645
Loans to related parties	1,229	1,229	1,224
Accrued billing revenue	11,998	10,802	10,970
Other bank balances	930	687	436
Margin money	26	85	75
Interest accrued on deposit with banks and others	118	30	22
Receivable from related parties	130	277	426
Other financial assets	246	221	170
Total (B)	**70,995**	**53,648**	**100,551**
Total Financial Assets (A+B)	**74,155**	**61,590**	**110,951**
Financial Liabilities			
Financial liabilities carried at fair value through profit or loss (Level 2)			
Derivative financial liabilities (Note 33)	1,699	3,066	4,856
Total (A)	**1,699**	**3,066**	**4,856**
Financial liabilities measured at amortised cost (Level 3)			
Borrowings (Notes 24 & 29)	566,225	753,592	529,968
Trade payables	57,396	57,276	50,721
Security deposits	3,682	6,280	6,069
Capital creditors	42,642	34,769	35,172
Interest accrued on borrowings	69,514	80,821	35,013
Employee benefits payable	2,561	2,781	3,204
Monies received from merchant establishments and customers	928	685	356
Other borrowing costs payable	-	955	844
Regulatory liabilities	70	220	248
Other financial liabilities	233	108	41
Total (B)	**743,251**	**937,487**	**661,636**
Total Financial Liabilities (A+B)	**744,950**	**940,553**	**666,492**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Fair Value Estimation

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the consolidated balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements).
Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Observable inputs that reflect quoted prices (un-adjusted) for identical assets or liabilities in active markets.

Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Un-observable inputs reflecting the Group's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The table below sets out the allocation of financial instruments of the Group held at fair value at each reporting date:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Financial assets at fair value through profit or loss (level 2):			
Derivative financial instruments:			
Foreign exchange forward contracts, currency and interest rate swaps	3,160	7,942	10,400
Total assets	**3,160**	**7,942**	**10,400**
Financial liabilities			
Financial liabilities at fair value through profit or loss (level 2):			
Derivative financial instruments:			
Foreign exchange forward contracts, currency and interest rate swaps	1,699	3,066	4,856
Total liabilities	**1,699**	**3,066**	**4,856**

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 assets or liability.

Liabilities for which fair value is disclosed

The fair values and carrying values of the Group's financial liabilities held at amortised cost are set out in the table below (unless otherwise stated, the valuation basis is level 2).

Particulars	Fair Value			Carrying Value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Liabilities (Level 2)						
Borrowings - Current	53,080	207,925	126,519	53,080	207,925	126,519
Borrowings - Non current						
Fixed rate borrowings	528,599	355,213	164,135	507,634	355,559	164,711
Other borrowings	5,511	190,108	238,738	5,511	190,108	238,738
Total	**587,190**	**753,246**	**529,392**	**566,225**	**753,592**	**529,968**

The fair value of derivative financial instrument is determined based on quoted prices for similar assets and liabilities in active market or inputs that are directly or indirectly observable in the marketplace. None of the financial assets or financial liabilities is measured at fair value in Level 1 or Level 3.

Trade receivables, security deposits, loans to related parties, accrued billing revenue, other bank balances, margin money, Interest accrued on deposit with banks and others, receivable from related parties, trade payables, security deposits from customer and others, capital creditors, Interest accrued on borrowings, employee benefits payable, monies received from merchant establishments and customers, other borrowing costs payable and regulatory liabilities are not shown in above table as their carrying value is approximate their fair values. Cash and cash equivalents are held on a short term basis with all having a maturity three months or less.

(All amounts are in INR millions, except per share data and unless stated otherwise)

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 3).

Particulars	Fair Value			Carrying Value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets (Level 3)						
Investment Property (Note 7)	920	963	926	696	708	720
Total	**920**	**963**	**926**	**696**	**708**	**720**

As on March 19, 2017 Investment in Indus Towers Limited has been transferred as discontinued operations held for distribution to owners having the carrying value INR 49,526 and certain other assets has been transferred as assets classified as held for sale having the carrying value of INR 1,388. Fair value of investment and other assets is much higher than carrying value of this investment and other assets. This investment and other assets was categorised in level 3. (Refer Note-50 and 51)

There were no changes made during the year to valuation methods or the processes to determine classification of level. Level 3 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the Investment Property. The Group generally gets investment property fair valued at the end of every year.

Note 35
Capital and financial risk management

I. Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal capital structure so as to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it based on the current economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities, including money market borrowings and other instruments permitted under its treasury policy, to meet anticipated funding requirements.

The Group is subject to certain capital monitoring requirements of lending banks due to the secured borrowings till borrowing were secured and line of credit (fund and non-fund based) taken from them. The said covenants are either in the nature of prohibition or consent/prior notice required for alteration/change in shareholding, buy-back/redemption of shares, significant disposal of assets etc. or restriction on change of control of the borrowing entity or sale / liquidation / merger / de-merger of its subsidiaries, change in nature of business, etc. During subordination loan period, until compliance of all financial covenants, subordinated loans will not be paid. Apart from this, there are no other significant external capital restrictions imposed on any of the Group entities, by any of the lenders or under any of the relevant laws and regulations. The Group has complied the debt covenant during the year.

The Group monitors capital structure on the basis of Net Debt/EBITDA coverage and interest coverage ratio. Net Debt/ EBITDA coverage is calculated as Net debt divided by EBITDA. Net debt is calculated as total borrowings less Cash and cash equivalents, subordinated loans from ultimate holding group. EBITDA is taken before profit/ (loss) from joint ventures as defined by terms of loan agreement. The Group's strategy was to maintain the Net Debt / EBITDA coverage within the range of 2-5 times.

Interest coverage ratio is calculated as EBITDA divided by Interest cost. Interest cost includes interest capitalised. Interest cost excludes interest cost of subordinate loans including debentures and interest income. Further for compliance with debt covenant, any capital infusion post project completion dates are added to EBITDA for a period of twelve months from the date of infusion. During the year ended March 31, 2017, the Group's strategy, which was unchanged upto March 31, 2016 was to maintain the interest coverage as 1.5-4 times of total interest cost.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The debt-service coverage ratios and interest coverage multiple were as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
EBITDA	481,973	121,430
Net-debt	(18,669)	(110,872)
Interest cost	66,936	66,208
Net Debt / EBITDA coverage multiple	(0.04)	(0.91)
Interest coverage multiple (times)	7.20	1.83

II. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (that is foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department ("Group Treasury") under a formal written treasury policy approved by the board of directors of the Group. Group treasury identifies, evaluates and hedges financial risks. The treasury policy covers the areas of overall risk management, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

The Group uses derivative financial instruments for managing the foreign exchange risk and interest rate risk and are transacted by specialist treasury personnel specified in a written Treasury Dealing Mandate which is approved by the board of directors. The Group treasury personnel do not perform any accounting functions, as a measure of segregation of duties. A separate treasury back-office team reporting to the financial controller manages the control functions relating to treasury, including independent confirmation of deals entered into by corporate treasury personnel. The Group has internal assurance department who is independent from Group treasury regularly reviews various internal control. The Group's internal auditor also reviews the internal control environment periodically.

a) Market Risk

(i) Foreign exchange risk

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Group is exposed to foreign exchange risk mainly arising from foreign currency borrowings, trade receivable and trade payables primarily denominated in United States Dollar ('USD'), European Union Currency ('EURO'), Great Britain Pound ('GBP') or Japanese Yen ('JPY') currencies. The Group conducts itself according to the treasury policy for management of foreign exchange risk.

Long term foreign currency borrowings are denominated in USD and JPY. The Group has entered into cross currency swaps (CCS) /forward contracts to hedge all the foreign exchange risk on the principal and interest amount payable on borrowings.

The currency profile of financial assets and financial liabilities are as below:

Financial Assets	INR	USD	GBP	Others	Total
As at March 31, 2017					
Cash and cash equivalents	32,091	265	-	-	32,356
Trade receivables	14,974	1,578	841	37	17,430
Security deposits	6,532	-	-	-	6,532
Loans to related parties	1,229	-	-	-	1,229
Accrued billing revenue	11,998	-	-	-	11,998
Other bank balances	930	-	-	-	930
Margin money	26	-	-	-	26
Interest accrued on deposit with banks and others	118	-	-	-	118
Receivable from related parties	130	-	-	-	130
Other financial assets	246	-	-	-	246
Total	**68,274**	**1,843**	**841**	**37**	**70,995**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Financial Assets	**INR**	**USD**	**GBP**	**Others**	**Total**
As at March 31, 2016					
Cash and cash equivalents	14,707	54	-	-	14,761
Trade receivables	15,540	1,874	1,715	65	19,194
Security deposits	6,362	-	-	-	6,362
Loans to related parties	1,229	-	-	-	1,229
Accrued billing revenue	10,802	-	-	-	10,802
Other bank balances	687	-	-	-	687
Margin money	85	-	-	-	85
Interest accrued on deposit with banks and others	30	-	-	-	30
Receivable from related parties	277	-	-	-	277
Other financial assets	221	-	-	-	221
Total	**49,940**	**1,928**	**1,715**	**65**	**53,648**

Financial Assets:	**INR**	**USD**	**GBP**	**Others**	**Total**
As at April 1, 2015					
Cash and cash equivalents	66,219	1	-	-	66,220
Trade receivables	13,211	1,345	785	22	15,363
Security deposits	5,645	-	-	-	5,645
Loans to related parties	1,224	-	-	-	1,224
Accrued billing revenue	10,970	-	-	-	10,970
Other bank balances	436	-	-	-	436
Margin money	75	-	-	-	75
Interest accrued on deposit with banks and others	22	-	-	-	22
Receivable from related parties	426	-	-	-	426
Other financial assets	170	-	-	-	170
Total	**98,398**	**1,346**	**785**	**22**	**100,551**

Financial Liabilities	**INR**	**USD**	**EURO**	**JPY**	**GBP**	**Others**	**Total**
As at March 31, 2017							
Borrowings	543,166	23,059	-	-	-	-	566,225
Trade payables	49,427	1,347	5,651	-	963	8	57,396
Security deposits	3,682	-	-	-	-	-	3,682
Capital creditors	21,731	20,911	-	-	-	-	42,642
Interest accrued on borrowings	69,384	130	-	-	-	-	69,514
Employee benefits payable	2,561	-	-	-	-	-	2,561
Monies received from merchant establishments and customers	928	-	-	-	-	-	928
Regulatory liabilities	70	-	-	-	-	-	70
Other financial liabilities	233	-	-	-	-	-	233
	691,182	**45,447**	**5,651**	**-**	**963**	**8**	**743,251**
Less: CCS/Forward contract							
Borrowings	-	23,059	-	-	-	-	23,059
Trade payables	-	53	2,056	-	-	-	2,109
Capital creditors	-	17,673	-	-	-	-	17,673
Interest accrued on borrowings	-	130	-	-	-	-	130
Total	**691,182**	**4,532**	**3,595**	**-**	**963**	**8**	**700,280**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Financial Liabilities:	INR	USD	EURO	JPY	GBP	Others	Total
As at March 31, 2016							
Borrowings	603,269	99,873	-	50,450	-	-	753,592
Trade payables	47,066	1,316	8,269	-	616	9	57,276
Security deposits	6,280	-	-	-	-	-	6,280
Capital creditors	23,454	11,315	-	-	-	-	34,769
Interest accrued on borrowings	56,751	10,246	-	13,824	-	-	80,821
Employee benefits payable	2,781	-	-	-	-	-	2,781
Monies received from merchant establishments and customers	685	-	-	-	-	-	685
Other borrowing costs payable	-	-	-	955	-	-	955
Regulatory liabilities	220	-	-	-	-	-	220
Other financial liabilities	108	-	-	-	-	-	108
	740,614	**122,750**	**8,269**	**65,229**	**616**	**9**	**937,487**
Less: CCS/Forward contract							
Borrowings	-	99,873	-	50,450	-	-	150,323
Trade payables	-	237	-	-	-	-	237
Capital creditors	-	9,130	-	-	-	-	9,130
Interest accrued on borrowings	-	10,246	-	13,824	-	-	24,070
Total	**740,614**	**3,264**	**8,269**	**955**	**616**	**9**	**753,727**

Financial Liabilities	INR	USD	EURO	JPY	GBP	Others	Total
As at April 1, 2015							
Borrowings	394,405	91,303	-	44,260	-	-	529,968
Trade payables	43,575	1,421	5,574	-	141	10	50,721
Security deposits	6,069	-	-	-	-	-	6,069
Capital creditors	23,825	11,346	1	-	-	-	35,172
Interest accrued on borrowings	17,575	7,362	-	10,076	-	-	35,013
Employee benefits payable	3,204	-	-	-	-	-	3,204
Monies received from merchant establishments and customers	356	-	-	-	-	-	356
Other borrowing costs payable	1	-	-	843	-	-	844
Regulatory liabilities	248	-	-	-	-	-	248
Other financial liabilities	41	-	-	-	-	-	41
	489,299	**111,432**	**5,575**	**55,179**	**141**	**10**	**661,636**
Less: CCS/Forward contract							
Borrowings	-	91,303	-	44,260	-	-	135,563
Trade payables	-	37	-	-	-	-	37
Capital creditors	-	5,489	-	-	-	-	5,489
Interest accrued on borrowings	-	7,362	-	10,076	-	-	17,438
Total	**489,299**	**7,241**	**5,575**	**843**	**141**	**10**	**503,109**

The impact of foreign exchange sensitivity on financial assets and liabilities on consolidated statement of profit and loss is given below:

A change of ±5% in exchange rate of USD has an impact of ±~INR 134 [March 31, 2016: ±~INR 67] on the Group's profit and loss, a change of ±1% in exchange rate of EURO has an impact of ±~ INR 36 [March 31, 2016: ±~INR 82] on the Group's profit and loss, a change of ±2% in exchange rate of JPY has an impact of ±~ INR NIL [March 31, 2016: ±~INR 19] on the Group's profit and loss, a change of ±5% in exchange rate of GBP has an impact of ±~ INR 6 [March 31, 2016: ±~INR 55] on the Group's profit and loss.

The sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the INR computed from historical data and assuming all other information to be constant.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Below are the Group's other foreign exchange exposure which are not financial instruments.

Particulars	Currency	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to suppliers	USD	290	11	-
	EURO	42	-	-
Advance from customers	USD	58	187	-
Capital advances	USD	61	41	37

(ii) Interest rate risk
Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

The Group manages its interest rate risk by entering into financing arrangements on a fixed rate basis unless fixed rates for the periods are not available, are relatively expensive or prepayment of debt is anticipated. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives (foreign exchange forward contracts) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect the consolidated statement of profit and loss.

In respect to borrowing on floating rates the Group negotiates exit options without break-costs on interest reset dates wherever possible. The interest rate risk on long term foreign currency borrowings contracted at floating rates are managed by fixing the interest rates by entering into interest rate swaps.

Below is the Group's sensitivity to interest rates on floating rate borrowings on consolidated statement of profit and loss:

A change of ±50 basis points in interest rate has an impact of ±~INR 17 [March 31, 2016: ±~INR 280] on the Group's finance cost.

The profile of Group's borrowings as at March 31, 2017, March 31, 2016 and April 1, 2015 is provided in Notes 24 and 29.

b) Credit Risk
Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from cash and cash equivalents excluding cash on hand, other bank balances, trade receivables, deposits with banks and others, accrued billing revenue and other receivables mainly linked to the credit exposures of customers.

Credit risk in relation to banks and financial institutions arising out of cash and deposits held, MTM gains on derivatives are managed under counter party risk management framework set out under the Treasury Policy based on the credit rating of the counter parties. This is done in close co-ordination with the global treasury team of VF Group Plc. and considers the global exposure of Vodafone entities to the banks and financial institutions.

Trade receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers, and are derived from revenue earned from customers. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group perform ongoing credit evaluations of its customers' financial condition and monitor the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Group has no concentration of credit risk as the customer base is geographically distributed in India.

The Group maintains its Cash and cash equivalents, Bank deposits and Derivative financial instruments with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

A default on a financial asset is when the counterparty fails to make contractual payments within the contract period when they fall due. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

The carrying amount of financial assets represents the maximum credit exposure including trade receivables net of provision for impairment. The maximum exposure to credit risk was INR 74,046 as of March 31, 2017 (March 31, 2016 - INR 61,428 and

(All amounts are in INR millions, except per share data and unless stated otherwise)

April 1, 2015 - INR 110,813) being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

(i) Financial assets which are not past due or past due / impaired

The following table presents ageing of receivables that are not past due or past due and provision for doubtful receivables that have been established.

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Amount not past due	4,129	(13)	4,116	3,232	-	3,232	5,503	(2)	5,501
Upto 90 days	10,575	(530)	10,045	9,532	(286)	9,246	7,945	(223)	7,722
Between 91-120 days	955	(276)	679	1,666	(308)	1,358	577	(203)	374
Between 121-180 days	1,139	(550)	589	1,472	(649)	823	1,048	(470)	578
Greater than 180 days	5,661	(3,660)	2,001	8,269	(3,734)	4,535	4,065	(2,877)	1,188
Total	**22,459**	**(5,029)**	**17,430**	**24,171**	**(4,977)**	**19,194**	**19,138**	**(3,775)**	**15,363**

The Group's credit period generally ranges from 15-90 days. The above receivables which are past due but not impaired are assessed on individual case to case basis and relates to a number of independent third party customers from whom there is no recent history of default. There are no other classes of financial assets that are past due but not impaired except for trade receivables as at March 31,2017, March 31, 2016 and April 1, 2015.

(ii) Expected credit loss security deposits

The below table describes particulars for loss allowance measured at 12 month expected credit losses i.e. Financial assets for which credit risk has not increased significantly since initial recognition.

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)	Gross carrying amount	Less: Expected credit losses	Carrying amount (Net of impairment)
Security deposits	6,620	(88)	6,532	6,364	(2)	6,362	5,648	(3)	5,645
Total	**6,620**	**(88)**	**6,532**	**6,364**	**(2)**	**6,362**	**5,648**	**(3)**	**5,645**

(iii) Reconciliation of doubtful provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	4,979	3,778
Add: Provision for trade receivables and security deposits	2,494	2,958
Less: Trade receivables and security deposits written off (Net of recovery)	(2,356)	(1,757)
Total	**5,117**	**4,979**

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, commercial paper and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintains varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimising refinancing risk. Long-term borrowings generally mature between one and 10 years. Liquidity is reviewed on a daily basis based on weekly cash flow forecast. The Group has necessary support from VF Group Plc. to meet liquidity requirements if arises anytime.

The majority of Group's trade receivables are due for maturity within 18 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 90 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The Group has net current liabilities as at March 31, 2017, aggregating to INR 69,245 (March 31, 2016 – INR 318,840 and April 1, 2015 – INR 155,202). The Group is confident of obtaining support from its ultimate holding company to meet its financial obligation in case necessary.

The below table analyses the Group's non-derivative financial liabilities into relevant maturity based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows.

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at March 31, 2017					
Borrowings including interest accrued*	635,739	86,477	410,682	468,948	966,107
Trade payables	57,396	57,396	-	-	57,396
Security deposits	3,682	3,372	310	-	3,682
Capital creditors	42,642	42,642	-	-	42,642
Employee benefits payable	2,561	2,561	-	-	2,561
Monies received from merchant establishments and customers	928	928	-	-	928
Regulatory liabilities	70	70	-	-	70
Other financial liabilities	233	233	-	-	233
Total	**743,251**	**193,679**	**410,992**	**468,948**	**1,073,619**

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at March 31, 2016					
Borrowings including interest accrued*	834,413	305,151	459,907	411,161	1,176,219
Trade payables	57,276	57,276	-	-	57,276
Security deposits	6,280	3,753	641	1,886	6,280
Capital creditors	34,769	34,769	-	-	34,769
Employee benefits payable	2,781	2,781	-	-	2,781
Monies received from merchant establishments and customers	685	685	-	-	685
Other borrowing costs payable	955	955	-	-	955
Regulatory liabilities	220	220	-	-	220
Other financial liabilities	108	108	-	-	108
Total	**937,487**	**405,698**	**460,548**	**413,047**	**1,279,293**

Particulars	Carrying amount	Upto 1 year	1-5 years	After 5 years	Total
As at April 1, 2015					
Borrowings including interest accrued*	564,981	205,595	362,267	173,715	741,577
Trade payables	50,721	50,721	-	-	50,721
Security deposits	6,069	3,736	342	1,991	6,069
Capital creditors	35,172	35,172	-	-	35,172
Employee benefits payable	3,204	3,204	-	-	3,204
Monies received from merchant establishments and customers	356	356	-	-	356
Other borrowing costs payable	844	-	844	-	844
Regulatory liabilities	248	248	-	-	248
Other financial liabilities	41	41	-	-	41
Total	**661,636**	**299,073**	**363,453**	**175,706**	**838,232**

*Borrowing, other than carrying amount, includes future contractual interest payment over the tenure of the borrowings. In case of floating-interest borrowings, it is based on interest rate prevailing as at the reporting date, whereas in case of fixed-interest borrowings, it is based on the fixed-interest rate as stipulated contractually as at the reporting date.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The table below analyses the Group's derivative financial instruments into relevant maturity groupings based on the remaining period as at respective year end to the contractual maturity date:

Particulars	Upto 1 year	1-5 years	After 5 years	Total
Derivative Liabilities				
As at March 31, 2017	1,699	-	-	**1,699**
As at March 31, 2016	2,964	102	-	**3,066**
As at April 1, 2015	4,838	18	-	**4,856**

The Group has the following undrawn committed bank borrowing facilities:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Expiring within 1 year	5,000	5,675	7,681
Total	**5,000**	**5,675**	**7,681**

Note 36
Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Telecommunication Services		
Mobile	418,609	423,180
Fixed line data	8,378	7,059
CellSite Sharing Revenue	1,902	1,739
Trading sales	669	565
Other Revenues	771	475
Total	**430,329**	**433,018**

Note 37
Other non-operating income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Others [1]	2,941	3,425
Total	**2,941**	**3,425**

[1] Others include recovery of late payment and cheque bounce charges.

Note 38
Access charges

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Access charges	41,649	39,680
Roaming cost	11,870	17,647
Total	**53,519**	**57,327**

Note 39
Licence and regulatory fees

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Licence fees	30,255	29,927
Other regulatory fees	18,164	19,597
Total	**48,419**	**49,524**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 40
Employee benefits expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and allowances [(1)]	14,276	14,049
Contribution to provident and other funds (Refer Note 27)	666	606
Leave compensation expenses	98	84
Gratuity expense (Refer Note 27)	289	278
Employee share based payments (Refer Note 23)	608	523
Staff welfare expenses	1,121	1,085
	17,058	16,625
Less: Payroll cost capitalised	283	298
Total	**16,775**	**16,327**

[(1)] Net of recovery of INR 54 (Year ended March 31, 2016: INR 83)

Note 41
Rental

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Network site rentals/leases (Refer Note 41.1)	54,019	49,620
Others	2,467	2,423
Total	**56,486**	**52,043**
Note 41.1- Net of recovery for sharing of infrastructure	21	22

Note 42
Power and fuel

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Network (Refer Note 42.1)	36,781	32,948
Others	1,264	1,218
Total	**38,045**	**34,166**
Note 42.1- Net of recovery for sharing of infrastructure	1,005	934

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 43
Other expenses

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
Network related:			
Transmission cost		3,283	2,767
Network operation and maintenance (Refer Note 43.1)		17,234	15,775
Insurance		748	596
	(A)	**21,265**	**19,138**
Marketing related:			
Advertisement and publicity [Includes Brand Royalty of INR 7,498 (March 31, 2016: INR 7,778]		13,748	13,480
Business and sales promotion		1,599	1,454
Sales commission and incentives		21,258	19,681
Other selling and distribution expenses		6,941	7,203
	(B)	**43,546**	**41,818**
Administration and Other Expenses			
Content cost		6,485	5,693
Repairs to buildings		51	43
Repairs and Maintenance - others		2,735	2,413
Insurance		39	89
Rates and taxes		1,509	1,012
Traveling and conveyance		1,791	2,110
Legal and professional fees		1,364	800
Commission expenses - others		2,175	2,062
Payment to Auditors [(Excluding service tax of INR 36 (March 31, 2016: INR 23)]			
Audit Fees		118	87
Tax audit Fees		10	17
Other Fees		110	31
Reimbursement of expenses		12	15
Provision for doubtful debts and advances		2,338	3,308
Bad debt written off		2,356	1,757
Provision for bad and doubtful Debts written back		(2,356)	(1,757)
IT and other business process outsourcing cost		12,987	14,409
CSR Expenses (Refer Note 53.1)		134	94
Inter Company Service Charges		11,214	6,234
Miscellaneous expenses		3,234	3,447
(C)		**46,306**	**41,864**
Total (A +B + C)		**111,117**	**102,820**
Note 43.1 - Net of recovery for sharing of infrastructure		33	45

Note 44
Other (gains)/losses (net)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income from fixed deposits	(2,148)	(418)
Interest income from taxation	(4)	(16)
Net gain on disposal of property, plant and equipment	(393)	(63)
Derivatives - Foreign exchange forward contracts and cross currency Interest rate swaps - Net loss	5,548	5,280
Net foreign exchange loss	3,904	4,681
Other gains	(290)	(174)
Total	**6,617**	**9,290**

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 45

Finance costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings	61,898	60,512
Interest Expenses-Others	3,884	5,636
Other borrowing costs	504	706
Finance charges on finance lease	319	6
Exchange differences regarded as an adjustment to borrowing costs	(2,651)	2,583
	63,954	**69,443**
Less: Finance costs capitalised	3,458	6,670
Total	**60,496**	**62,773**

Note: The capitalisation rate used to determine the amount of borrowing costs eligible was 9.3% p.a. for the year ended March 31, 2017 (March 31, 2016: 10% p.a.).

Note 46

Earnings Per Share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(Loss)/Profit for basic and diluted earnings per share from continuing operations	(42,000)	23,675
Less: Additional depreciation on fair valued assets pursuant to scheme of merger of Indus Towers Limited	(676)	(869)
Adjusted Net (Loss)/Profit for the year as per the Statement of profit and loss from continuing operations	(42,676)	22,806
Profit for basic and diluted earnings per share from discontinued operations	17,204	9,502
Weighted average number of equity shares	2,230,814,285	1,360,293,339
Basic and diluted (loss)/earnings per share (INR) from continuing operations	(19.13)	16.77
Basic and diluted earnings per share (INR) from discontinued operations	7.71	6.99
Basic and diluted (loss)/earnings per share (INR) from continuing and discontinued operations	(11.42)	23.75

Reconciliation of weighted average number of equity shares:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Shares in issue for full year	453,431,113	453,431,113
Weighted average shares of right issue	694,976,123	-
	1,148,407,236	**453,431,113**
Bonus issue on July 19, 2016 for full year (Refer Note 22[h])	1,082,407,049	906,862,226
Total weighted average number of shares	**2,230,814,285**	**1,360,293,339**

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 47
(A) Capital Commitments and other purchase commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contracts for future capital expenditure not provided for (net of advances) in the financial statements:[1]			
Company and subsidiaries	17,870	16,618	268,717
Group's share in Indus	2,972	1,623	1,213
Other Long term purchase commitments:			
Company and subsidiaries	19,200	19,773	29,957

[1]Commitment includes contracts placed for PPE and intangibles.

Capital commitment as at April 1, 2015 includes INR 247,751 in relation to spectrum acquired in certain circles, the purchase of which was completed during the year 2015-16.

Acquisition Commitments
The Group agreed to acquire You Broadband (India) Private Limited and You System Integration Private Limited in India for INR 3,501. The transaction was subject to regulatory approvals by the Foreign Investment Promotion Board and Reserve Bank of India. The Group received approval from the Foreign Investment Promotion Board in the month of March 2017 and the Group is yet to receive approval from Reserve Bank of India.

(B) Commitments - Leases
Operating lease commitments
(a) Group as lessee
The Group has significant leasing arrangements in respect of cell sites, towers, residential and office premises (including furniture and fittings therein, as applicable) taken on lease and license basis. Licenses for cell-sites and towers range for periods between 3-15 years, leases for office premises range for the periods between 1-10 years and leases for accommodation for employees are for a period between 1-2 years. Terms of the license/lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease payments under non-cancellable operating leases comprise:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due not later than one year	15,816	16,162	15,732
Due later than one year but not later than five years	32,806	37,288	38,008
Later than five years	5,008	5,130	5,400
Total (A)	**53,630**	**58,580**	**59,140**
Group' s share in Indus			
Due not later than one year	7,361	6,481	6,092
Due later than one year but not later than five years	23,721	20,230	18,228
Later than five years	26,590	24,045	21,232
Total (B)	**57,672**	**50,756**	**45,552**
Total (A+B)	**111,302**	**109,336**	**104,692**

(b) Group as lessor
Cell site receivable
The Group has significant leasing arrangements in respect of passive infrastructure cell sites and towers given on operating lease basis. Lease for cell sites and towers ranges between 3-15 years. The assets are being used by the Group and multiple operators.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Future minimum lease payments under non-cancellable operating leases comprise of cell sites and towers:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due not later than one year	1,583	1,455	1,371
Due later than one year but not later than five years	2,604	3,221	4,237
Later than five years	11	28	81
Total (A)	**4,198**	**4,704**	**5,689**
Group' s share in Indus			
Due not later than one year	47,968	45,958	41,599
Due later than one year but not later than five years	190,518	127,750	144,544
Later than five years	50,619	41,127	37,673
Total (B)	**289,105**	**214,835**	**223,816**
Total (A+B)	**293,303**	**219,539**	**229,505**

Finance Lease
(a) Group as lessee
(i) IT Outsourcing Contract:
The Group has entered in to a composite IT outsourcing agreement, whereby the vendor supplies fixed asset and related IT services to the Group. Based on the risk and rewards incidental to ownership, the fixed assets acquired were accounted for as assets taken on finance lease upto June 30, 2016 and post it as own assets. At inception the assets and liability are recorded at fair value, both in the case of leased assets and own assets. Leased assets were depreciated over their respective useful lives as in the case of Group's own assets or where shorter, the term of the relevant lease.

Since the entire amount payable to the vendor for supply of assets is settled in the short term. The disclosure in relation to finance leases are not applicable and accordingly, not made.

(ii) Indefeasible Right of use:
The Group has entered into various non-cancellable long term arrangements to take dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are paid upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

(b) Group as lessor
Indefeasible Right of use
The Group has entered into various non-cancellable long term arrangements to provide dark fibre on indefeasible right of use (IRU) basis. The entire monies for the transaction are received upfront. Accordingly, the disclosures required by Ind AS-17 "Leases" are not applicable and have not been made.

Note 48
Contingent Liabilities

(i) Licensing and Regulatory Disputes

a} One time Spectrum Charges beyond 4.4 MHz /6.2 MHz
In January 2013, Department of Telecommunications ('DoT') issued demands towards one time spectrum charges ('OTSC') for spectrum held by Telecom service providers ('TSP') beyond 4.4 MHz /6.2 MHz amounting to INR 34,997 as at March 31, 2017 (March 31, 2016 - INR 34,299 and April 1, 2015 INR 34,299). The Group has challenged the matter in Telecom Dispute Settlement Appellate Tribunal (TDSAT) and obtained a stay against the said demand, basis an ad-interim order that no coercive action will be taken by the DoT. The pleading on this matter have got concluded. The demands were revised pursuant to the revised orders received in response to the legal entities merger application made to DoT, however there is no change in the amount of demands. In August 2016 DoT has issued letter towards OTSC on spectrum liberalisation in Rest of Bengal circle and Bank Guarantee was provided pursuant to a TDSAT order.

The management is of the view that DoT cannot levy these additional charges when the spectrum was acquired as per the policies as at the time of such allotment and accordingly, the same has been disclosed as contingent liability.

b} One time Spectrum Charges less than 4.4 MHz
The Group received additional demands towards spectrum charges for less than 4.4 MHz pursuant to the transfer of licenses pursuant to merger of certain subsidiaries of INR 56,084 (March 31, 2016 - INR 56,084 and April 1, 2015 INR NIL). The Management is of the view that DOT cannot levy these charges since the merger guidelines are not applicable, considering the said merger does not involve any intra-circle merger and does not result in increase in spectrum holding in the merged entities and as such challenged the demand at TDSAT. The Group, based on internal assessment believes that these amounts are not payable and have been disclosed as contingent liability. The pleading on this matter have got concluded.

c} DoT Demand against extension of License period for Rest of Tamil Nadu Circle
The Group received a demand of INR 13,941(March 31, 2016 - INR 13,941 and April 1, 2015 INR NIL) from DoT, towards extension of license of Tamil Nadu circle for making it co-terminus with license of Chennai circle. The management is of the view that DoT cannot levy such demands, considering the merger of licenses is as per the guidelines issued by DoT in 2005 and as such does not get covered under the merger guidelines and has challenged the demand at TDSAT. The Group, based on internal assessment, believes that these amounts are not payable and accordingly, the amount has been disclosed as contingent liability.

d} DoT Demands for licence fee and spectrum usage charges normal assessment and Special Audit
The Group received various demands on account of License Fees and Spectrum Usage charges from DoT for the period 2006-07 to 2010-11 amounting to INR 23,727 (March 31, 2016 - INR 19,633 and April 1, 2015 - INR 12,062) and towards interest and penalty amounting to INR 61,707 (March 31, 2016 INR 25,783 and April 1, 2015 INR 17,914). The principle matter of contention being the definition of Adjusted Gross Revenue ("AGR") which forms the basis of levy of these fees, wherein certain items of revenue were included in the calculation of the License Fees and Spectrum Usage Charge by DoT. The Group contested the demand before TDSAT claiming that the same were not in accordance with the terms and conditions of the License agreements and accordingly these demands are not payable. In April 2015, TDSAT issued a judgment covering various aspects of items to be considered in calculation of AGR and directed DoT to consider the judgment and issue updated demands on the Group as applicable.

The Group and DoT has also challenged the TDSAT Judgment in the Supreme Court for various aspects. In February 2016, the Supreme Court allowed DoT to raise demands as per DoT's understanding, however, these demands cannot be enforced till the final decision is reached by the Supreme Court on this matter. The matter is currently being heard at the Supreme Court.

Based on a legal counsel's opinion, the management continues to believe that AGR for the purpose of payment of license fees should be restricted to revenues resulting from the provision of licensed activities in respect of the licensed service area and therefore accounts for license fees accordingly. Hearing on the matter is under progress in Supreme Court.
The aforesaid demands include, additional demands raised by DoT on certain additional matters, based on the report issued by Controller Auditor General (CAG) report on "Sharing of Revenue by Private Telecom Service providers" and the Group has responded that the additional matters do not meet the definition of Gross Revenue as per clause 19.1 of the license agreement and the matter sub-judice.

e} Demands for Electro-magnetic field (EMF) exposure norms and CAF matters
DoT had issued notices on non-compliance with respect to EMF exposure norms, non-furnishing of self-certification in case of site up gradation, absence of signage's etc of INR 160 (March 31, 2016 INR 11,488 and April 1, 2015 INR 8,682). As per Management these are administrative defaults and the higher penalties applied are not payable and had accordingly challenged the same in TDSAT. In March 2016, TDSAT pronounced that the scheme of penalty under DoT circular dated October 2012 is unreasonable, unjust and unfair and no penalty in terms of the scheme can be sustained and licensee cannot be held liable for penalty for non-submission / delayed submission of self-certificates. The aforesaid TDSAT order has not been currently challenged by DoT. Based on the favorable TDSAT judgment and internal assessment carried out by the Group, these amounts are not disclosed as contingent liability for year ended March 31, 2017.

Demands in relation to CAF
The Group has received demands notice of penalty in respect of CAF audit of INR 211 (March 31, 2016 INR 203 and April 1, 2015 INR NIL) conducted based on the subscriber forms maintained by the Group. The Group believes appropriate verification has been carried out of the CAF and no such penalty can be levied. These amounts are accordingly disclosed as contingent liability.

f} Penalties on Microwave access and Backbone spectrum charges
DoT issued orders in November 2006 and November 2008 wherein the spectrum charges for microwave access and backbone network of GSM and CDMA operators were hiked by DoT INR 1,878 (March 31, 2016 INR 1,878 and April 1, 2015 INR 1,878). The said DoT order was challenged by the Group at the TDSAT which was set aside in favor of the Group. DoT has challenged the aforesaid TDSAT order in the Supreme Court. The management believes that the probability of these payments is remote in nature and accordingly not disclosed as contingent liability.

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.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Basis the interim guidelines, DoT has instructed the Group to provide an undertaking that the pricing and allocation decisions of DoT would be considered final in this respect. The Group has not provided the said undertaking or signed the agreement being against the express and binding confirmations under NIA and has challenged the DoT guidelines in TDSAT. Based on management's assessment, any outflow of resources on account of the same is presently not determinable.

g} Financial penalty under DoT regulations
The Group has received demand notice from DoT for imposing penalty towards violation of terms and conditions of license agreements (Renting of SIM card – Matrix vendor) amounting to INR 500.The Group in the past has replied to DoT that there was no violation of the license agreement and has obtained stay from TDSAT against the demand. The same has been disclosed as contingent liability.

(ii) Taxation & Other Matters

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i	Income Tax matters (Including Tax Deducted at source) (Refer Note a below)	59,894	81,488	82,378
ii	Service Tax matters including CENVAT credit on towers, shelters (Refer Note b(i) and b(ii) below)	11,808	8,513	8,274
iii	Custom Duty (Refer Note c below)	197	189	241
iv	Sales Tax/Value Added Tax (Refer Note d below)	879	598	517
v	Entry Tax on capital goods (Refer Note e below)	1,395	1,269	1,049
vi	Vendor claims - Port Charge, IUC connectivity Charges (Refer Note f below)	2,713	2,320	1,419
vii	Consumer and Civil cases (Refer Note g below)	1,166	2,456	3,241

a} Income Tax matters (including Tax Deducted at source)
Income tax demands as at March 31, 2017, March 31, 2016 and April 1, 2015 include matters like disputes relating to non-deduction of Tax at source from discount offered to pre-paid distributors, disputes relating to denial of tax holiday benefit from certain business receipts etc. being contested by the Group at various appellate authorities against the tax authorities. During the current year, on the basis of favorable tax order, upholding Group's claim of tax holiday benefit, the Contingent Liabilities as at March 31,2017 is revised after considering the effect of said favorable order on all the years where similar claim was disputed. Based on the Group’s evaluation and legal advice, it believes that it is not probable that the claims as at March 31, 2017 will materialize and therefore, no provisions have been recognised.

b} Service Tax matters including CENVAT credit on towers, shelters

i) Cenvat credit on towers and shelters
The Group had availed credit in respect of excise duty paid on towers, shelters, pre-fabricated buildings purchased by them in the earlier years. Such credit was adjusted against payment of service tax on output services. The service tax authorities have disallowed such credit based on their contention that these items are immovable in nature and therefore cannot be claimed under the CENVAT credit scheme. In September 2015, the High Court of Mumbai ruled against the Group. Management has challenged the judgment at the Supreme Court and based on external senior counsel opinion, believes that based on the arguments and evidences, the Group has a good arguable case and accordingly, the amounts have been disclosed as contingent liability.

ii) Other matters
There are other service tax demands pertaining to CENVAT credit disallowed on Sim Cards, service tax on SMS termination charges, reversal of input credit on various matters including on removal of passive infrastructure and non-payment of service tax on inbound roaming. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

c} Custom Duty matters
The Group had received demands on additional customs duty amounting to pertaining to its various imports including on Optical Fiber Cable and Telecom Software account of rate difference due to classification issue. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the same has been disclosed as contingent liability.

d} Sales Tax/Value Added Tax matters
The Group had received demands for non-production of F & C forms for interstate sales, VAT on transfer of passive infrastructure and VAT on IRU arrangements. The Group has challenged these demands which are pending at various forums. The management based on external legal opinion believe the amounts are not payable and accordingly, the amounts have been disclosed as contingent liability.

(All amounts are in INR millions, except per share data and unless stated otherwise)

e) Entry Tax
The Group had received demands for Entry Tax in certain states for movement of capital goods from one state to another, which was challenged on the grounds that levy of entry tax is ultra vires the Constitution.

In November 2016, the Supreme Court upheld the constitutional validity of entry tax and referred the matter to back to the Division bench of Supreme Court to decide the issue. The management believes the levy of the entry tax cannot be made until the assessment is concluded by the respective High Courts. Currently no directions have been received from any of the High Courts and accordingly, the same has been disclosed as contingent liability.

f) Vendor claims - Port Charge, IUC connectivity Charges
The Group has received demands from BSNL (Telecom Operator) with regards to the Port charges payable which are determined by Telecom Regulatory Authority of India (TRAI). The management believes the new TRAI regulation 2012 has been finalized considering the views of BSNL. The Group continues to follow the TRAI regulations. The same is included in Contingent liability pending the decision of the High court.

The Group also received demands from BSNL, with regards to carriage charges and IUC connectivity Charges. The matter is currently at Supreme Court and the management is of the view that such charges are not payable based on its internal assessment and accordingly disclosed as contingent liability.

g) Consumer and Civil cases
There are various consumer / civil cases filed against the Group by the subscribers / former dealers / former distributors at various forums. Based on the Group's evaluation and available documentation before the concerned consumer forums, the claims made therein, it believes that it is not probable that the claim will materialize thereof, no provisions has been recognised and amount has been disclosed as contingent liability.

In response to the intimation made to Foreign Investment Promotion Board (FIPB) regarding the merger of legal entities referred to in Note 53.4 of the Financial Statements, the Group received letters intimating that the said schemes require an approval from FIPB.

Whilst the Group, based on external legal advice, believes that no approvals were required as a matter of abundant caution on December 8, 2016 and December 13, 2016, applied for a post-facto approval for Scheme 1 & Scheme 2 respectively. The approvals are currently awaited.

Group's share in contingent liabilities of Indus Towers Limited (Joint Venture)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i	Claims against the Company not acknowledged as debts representing amounts levied by various local authorities. The Company has challenged these levies in the court of law. In the event these levies are confirmed by law, the Company would recover these amounts from its customers in accordance with the Master Service Agreements with them	1,188	793	506
ii	Claims against the Company on account of tax demands and disputes under direct and indirect tax laws, not acknowledged as debts	14,063	12,025	8,421
iii	Other Claims against the Company not acknowledged as debts	199	220	199

The above mentioned contingent liabilities, including disputes with various government authorities, are pending at various forums/ authorities. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions from such forums/ authorities. Further, based on the Group's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised for the above.

Details about guarantees:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Guarantees given by bankers to third parties	38,213	38,464	29,155

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 49
Related party transactions
The Group's related parties are its holding companies, fellow subsidiaries, joint ventures and its KMP's. Group's related parties and transactions with those related parties are as follows:

Name of related party	Nature of relationship
Vodafone Group Plc [(1)]	Ultimate holding company
Vodafone International Holdings B.V. [(1)]	Intermediate holding company
CGP India Investments Limited	Immediate holding company

Transactions with fellow subsidiaries and joint ventures:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Transactions with fellow subsidiaries:		
Purchase of Services	20,337	16,779
Sale of Services	2,588	2,728
Reimbursement of expenses from	251	230
Reimbursement of expenses to	142	135
Payments received on behalf of	40	27
Payments made on behalf of	7	2
Interest on Borrowings	2,323	5,552
Interest on Debentures	1,533	6,217
Debenture issued during the year	-	75,000
Debenture repaid during the year [Refer note 24.2(b)]	75,000	-
Loans repaid during the year	102,716	-
Subscription to Share Capital	477,000	-

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(b) Transactions with Joint Ventures:		
Purchase of Services	56,246	51,894
Reimbursement of expenses from	21	20
Loan given during the year	-	6
Dividend income	9,509	-
(c) Transactions with other related parties		
Contribution to Hutchison Essar Telecom Limited Employees Group Gratuity Scheme (Trust for Vodafone Mobile Services Limited's employees)	18	18
Contribution to Usha Martin Telekom Limited Employees Gratuity Fund (Trust for Vodafone East Limited's employees)	3	5

Year end balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)Fellow subsidiaries:			
Trade receivables	1,100	2,104	1,068
Trade payables	6,619	9,081	6,515
Outstanding loan payable	-	100,060	90,983
Outstanding Debentures	-	74,968	-
Interest accrued on borrowings	-	23,914	17,085
Interest accrued on Debentures	-	5,841	-
Receivable from related parties	-	102	202
Other borrowing cost payable	-	955	844

(All amounts are in INR millions, except per share data and unless stated otherwise)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(b)Joint ventures:			
Trade payables	6,601	4,614	3,554
Outstanding loan receivable	1,229	1,229	1,224
Advances to related parties	1,429	1,154	-
Receivable from related parties	130	175	224
Security deposits	1,000	1,000	1,000

(1) VF Group Plc. holds investments in Vodafone India Limited through a chain of intermediary holding companies. Entities other than disclosed above have not been disclosed as they do not exercise control although they hold more than 51% share capital (indirectly).

Terms and Conditions
(a) The receivables from related parties arise mainly from sale of services including billing for roaming charges and access charges which are made at arm's length prices. The receivables are unsecured in nature and bear no interest.

(b) The payables to related parties arise mainly from Purchase of services includes Access charges, Roaming cost, IT and Business process outsourcing cost, Transmission cost, Intercompany service charges, Rentals, Power and Fuel, Operation and maintenance and generally fall due within two months from the date of purchase. The payables bear no interest.

(c) Loans received from fellow subsidiaries were floating rate borrowings based on LIBOR plus margin in the relevant currencies.

(d) Loans given to the Joint Venture and Security deposits receivable bear no interest. Outstanding balances at year end pertaining to joint venture are unsecured and repayable in cash.

The Group has availed loans aggregating to INR 3,333 (March 31, 2016: INR 38,062; April 1, 2015: INR 123,000) which are backed up by Letter of Comfort (not in the nature of guarantee) issued by the holding Company VF Group Plc.

Key Management Personnel ('KMP')
Key Management includes directors (executive and non-executive) and Chief Financial Officer. The compensation paid or payable to executive director and Chief Financial Officer is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term Employee Benefit	113	102
Post employment Benefit	4	4
Share based payment	46	17
Total KMP Remuneration	**163**	**123**

Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to KMPs are not included in the above table.

Sitting fees paid or payable to non-executive Directors

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Director fees	18	17

Note 50
On March 19, 2017, the board of directors of the Company approved the draft composite Scheme of Amalgamation and arrangement between Vodafone India Limited (VIL), Vodafone Mobile Solution Limited (VMSL) ('transferor companies') and Idea Cellular Limited (ICL) ('transferee Company').

The merger involves the shareholders of VIL contributing all the assets of the Group on a going concern basis other than its 42% stake in Indus towers limited and certain other identified assets. Upon the scheme becoming effective, the transferor companies shall stand dissolved without being wound up. The shareholders of VIL would hold 45.1% equity shares in the merged company. All subsidiaries, associate and Joint ventures of VIL and VMSL shall become subsidiaries, associate and Joint ventures of ICL.

(All amounts are in INR millions, except per share data and unless stated otherwise)

The scheme is subject to various regulatory approvals which include stock exchange, Shareholders of VIL, VMSL and ICL, National Company Law Tribunal (NCLT), Competition Commission of India, Reserve Bank of India, Foreign Investment Promotion Board and Department of Telecommunications. Currently the draft scheme has been submitted to stock exchanges for approval, post which the scheme, with modification if any as may be suggested by Stock Exchanges, will be filed with NCLT and will seek approval of shareholders and creditors (if required) of VIL, VMSL and ICL in meetings as per the direction of NCLT and will also seek approval of all other regulatory bodies.

Further to above as part of the arrangement of the merger, one of the condition precedent is to demerge the Company's 42% stake in Indus Towers Limited through capital reduction of the Company.

Accordingly, the investment in Indus has been shown as held for distribution in accordance with Ind AS 105 and operations of Indus Towers Limited have been classified as discontinued operations.

Note 51
Discontinued operations and non-current assets held for sale or held for distribution to owners

(A) Discontinued operations- held for distribution to owners
As the part of planned composite scheme of amalgamation and arrangement between Vodafone Mobile Services Limited, Vodafone India Limited and Idea Cellular Limited which was approved on March 19, 2017, investment in Indus Towers Limited are reported as discontinued operations since the carrying amount of the investment in Indus Towers Limited will be distributed to owners. (Refer Note-50)

Finance performance and cash flow information

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/(loss) from discontinued operations	**10,764**	**11,256**
Share of net profits of joint venture accounted for using the equity method	12,137	11,256
Other expenses	(1,373)	-
Tax expense/(credit) of discontinued operations	**(6,440)**	**1,754**
Current tax	1,936	-
Deferred tax	(8,376)	1,754
Profit from discontinued operations after tax	**17,204**	**9,502**
Other Comprehensive Income (Net of tax)	(9)	(22)
Cash flow information		
Net cash inflow from operating activities	-	-
Net cash inflow from investing activities	9,509	-
Net cash inflow from financing activities	-	-
Net increase in cash generated from discountinued operations	**9,509**	**-**

The carrying amounts of assets are as follows:

Particulars	As at March 31, 2017
Assets classified as held for distribution to owners	
Carrying value of investments	49,526

Fair value of discontinued operations was higher than its carrying value as on March 31, 2017.

The Group has considered for measuring and disclosing the financial performance and carrying amounts of assets (assets classified as held for distribution to owners) for the year ended as on March 31, 2017 instead of approval date of amalgamation and arrangement considering materiality.

(B) Assets classified as held for sale
The management of the Group approved on March 19, 2017 that certain assets carrying value would be recovered principally through a sale transaction rather than through the continuing use. Therefore, these assets were classified as assets held for sale. (Refer Note 50)

Particulars	As at March 31, 2017	As at March 19, 2017
Assets classified as held for sale		
Property, Plant and Equipment	1,173	1,173
Intangbile assets	134	134
Capital work-in-progress	81	81
	1,388	**1,388**

Fair value of above assets was higher than its carrying value as on March 19, 2017 and March 31, 2017.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 52
Disclosure on Specified Bank Notes

On November 8, 2016, the Government of India vide its notification no S.O. 3407(E), declared that Specified Bank Notes (SBN) shall cease to be legal tender with effect from November 9, 2016. Subsequently, vide notification no S.O. 3544(E) dated November 24, 2016, telecom companies were allowed to accept Specified Bank Notes towards prepaid mobile top-up to a limit of INR 500 per top-up from November 25, 2016 to December 15, 2016.

Pursuant to the notification no G.S.R 308(E) dated March 30, 2017 issued by Ministry of Corporate Affairs the provisions of the Companies Act, 2013 were amended, mandating every company to provide details of Specified Bank Notes held / transacted during the period of November 8, 2016 to December 30, 2016. The disclosure in relation to SBN's as required is as detailed below:

(figures in full INR)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016 [Refer Note (i)]	83,832,000	344,062,920	427,894,920
(+) Permitted receipts [Refer Note (i) & (ii)]	135,632,000	1,990,699,886	2,126,331,886
(-) Permitted payments	-	48,928,358	48,928,358
(-) Amount deposited in Banks [Refer Note (iii)]	219,414,000	1,579,416,767	1,798,830,767
Closing cash in hand as on December 30, 2016 [Refer Note (iv)]	50,000	706,417,681	706,467,681

(i) Represents cash collected upto close of business on November 8, 2016 at Group's owned and franchise stores. The details of the SBN's available with the Group as on November 8, 2016 is based on the deposit slips maintained by the Group for amounts handed over to the Cash Management agencies between November 9, 2016 to November 11, 2016. The Group had immediately on November 9, 2016 issued instruction to all its stores (owned and franchise) and distributors to not accept any SBN's moving forward.

(ii) Represents cash collected by the Group between the period of November 25, 2016 and December 15, 2016.

(iii) Represents the amounts deposited with the banks by the Cash management agencies. The Group has outsourced its cash management process, the Cash management agencies provide summary of the cash collected from various stores, however the deposit slips does not contain the details of denominations. Considering no prior requirement of maintaining the records of SBN's collected/deposited by the Group in all cases. The Group in spite of its efforts is unable to collate the required information from its records spread across various stores in India. Accordingly, the Group has relied on information provided by the banks for the aforesaid disclosure.

(iv) The amount was collected by the Cash management agencies on December 30, 2016 and deposited on December 31, 2016 with bank.

Note 53
Other Matters

53.1 CSR Expenses

Break up of CSR expenditure in alignment with prescribed activities enlisted in Schedule VII of Companies Act 2013:

a. Gross amount which was required to be spent by the Group during the year INR Nil (March 31, 2016: INR 4).

b. Details of amount spent during the year:

Sr No	Sectors in which project is covered	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Health, Education & Women Empowerment	134	93
2	Environment	-	1
	Total	**134**	**94**

53.2 VIL is contesting a claim from the Income Tax Department that it should have withheld, as an agent of Vodafone International B.V. (VIHBV), capital gains tax under section 201(1) of the Income tax Act, 1961 on the consideration paid by VIHBV to Hutchison Telecommunications International Limited for acquisition of a controlling stake in the VIL. VIL filed a writ petition at The Honorable High Court of Bombay requesting for examining the legal validity of the notice issued on 6th August, 2007 by the Income tax authorities and for withdrawal the notice. Interim relief was granted and the hearing was then adjourned from time to time. Meanwhile, the tax authority also issued a show cause notice to VIHBV alleging the failure to withhold due taxes, which was also challenged by the filing of a writ petition.

Both VlHBV and VIL have been advised that the impugned transaction should not attract taxes in India, that VIHBV had consequently no obligation to withhold taxes on the payment of the transaction and that in any event, India tax law cannot allow for VIL to be deemed as an agent of VIHBV.

The Honorable Supreme Court has upheld the contention of VIHBV and set aside the notice against VIHBV. Pursuant to this, there was an amendment in law by Finance Act 2012, where by the Act was amended with retrospective effect to make the withholding of tax mandatory for such transactions.

VIL continues to believe that in view of the above, the possibility of that tax demand materialising on VIL is remote.

53.3 In 2007, a petition (public interest litigation) was filed by a third party with the Delhi High Court, alleging inter alia, that by virtue of Hutchison Telecommunications International Limited's arrangements with certain Indian shareholders of the Company, the foreign shareholding in the Company was in breach of the FDI Regulations and that the Company's telecommunications license be cancelled. The court adjourned the hearing of the Petition indefinitely, noting that the issues raised in the petition were already being considered by the competent Indian government authorities. In 2007 itself the Foreign Investment Promotion Board, after having conducted a comprehensive examination of all aspects of the transactions, including the allegations included in the petition, determined that there was no such violation and consequently gave its approval to Vodafone International Holdings B.V. to acquire the entire interest held in the Company by Hutchison Telecommunications International Limited. Since then, the petitioner has applied for revival of its Petition and has amended its Petition to challenge the legality of the FIPB decision as well as impleaded certain other indirect shareholders of the Company.

The Honourable Supreme Court in its ruling on a matter involving VIHBV and the Indian Tax Authorities, noted in 53.2 above, has averred that the offshore transaction is a bonafide structured FDI investment in India.

53.4 During the FY 2015-16, on December 11, 2015 and February 11, 2016, pursuant to two court approved schemes, Vodafone South Limited (VSL), Vodafone Digilink Limited (VDL), Vodafone East Limited (VEL), Vodafone Cellular Limited (VCL) and Vodafone Spacetel Limited (VSpL), Vodafone West Limited (VWL), amalgamated in to Vodafone Mobile Services Limited (VMSL) with an appointed date of April 1, 2011 and April 1, 2012 respectively.

The Group has recomputed the revised tax liability for the financial year 2011-2012 to 2014-2015 based on the revised returns filed with the tax authorities. The Group has recognised deferred tax assets on losses pursuant to the amalgamation during the year ended March 31, 2016 on account of availability of the losses to offset against the future taxable profits.

The tax impact of the same has been disclosed under Note 14.

(All amounts are in INR millions, except per share data and unless stated otherwise)

Note 54
Additional Information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive Income	Amount	As % of consolidated total comprehensive Income	Amount
Holding company								
VIL								
March 31, 2017	98%	602,320	15%	(3,745)	48%	(34)	15%	(3,779)
March 31, 2016	78%	129,445	-41%	(13,736)	25%	8	-41%	(13,728)
Subsidiaries								
VMSL								
March 31, 2017	62%	382,205	113%	(27,900)	37%	(26)	112%	(27,926)
March 31, 2016	36%	60,466	117%	38,911	144%	46	117%	38,957
VBSL								
March 31, 2017	0%	(2,255)	1%	(279)	0%	-	1%	(279)
March 31, 2016	-1%	(1,976)	0%	(132)	0%	-	0%	(132)
MCSL								
March 31, 2017	0%	2,922	0%	(53)	0%	-	0%	(53)
March 31, 2016	2%	2,975	0%	(48)	0%	-	0%	(48)
VMPL								
March 31, 2017	0%	368	6%	(1,491)	4%	(3)	6%	(1,494)
March 31, 2016	1%	856	-4%	(1,324)	0%	-	-4%	(1,324)
VTL								
March 31, 2017	0%	(7)	0%	(1)	0%	-	0%	(1)
March 31, 2016	0%	(6)	0%	(1)	0%	-	0%	(1)
VTSL								
March 31, 2017	0%	(6)	0%	(9)	0%	-	0%	(9)
March 31, 2016	0%	3	0%	(1)	0%	-	0%	(1)
CIMTPL								
March 31, 2017	0%	238	0%	(34)	0%	-	0%	(34)
March 31, 2016	0%	272	0%	4	0%	-	0%	4
VF								
March 31, 2017	0%	(6)	0%	-	0%	-	0%	-
March 31, 2016	0%	(5)	0%	(1)	0%	-	0%	(1)
VIVL								
March 31, 2017	0%	19	0%	(1)	0%	-	0%	(1)
March 31, 2016	0%	-	0%	-	0%	-	0%	-
(less): Consolidation adjustments/ Intercompany eliminations								
March 31, 2017	-68%	(417,606)	1%	(351)	-1%	1	1%	(350)
March 31, 2016	-40%	(66,587)	0%	3	0%	-	0%	3
Joint venture (Investment as per equity method)								
Indus								
March 31, 2017	8%	49,526	-49%	12,137	13%	(9)	-49%	12,128
March 31, 2016	30%	49,519	34%	11,256	-69%	(22)	34%	11,234
Firefly								
March 31, 2017	0%	-	0%	-	0%	-	0%	-
March 31, 2016	0%	-	0%	-	0%	-	0%	-
(less): Consolidation adjustments/ Intercompany eliminations								
March 31, 2017	0%	-	12%	(3,069)	0%	-	12%	(3,069)
March 31, 2016	-5%	(8,376)	-5%	(1,754)	0%	-	-5%	(1,754)
Total								
March 31, 2017	**100%**	**617,718**	**100%**	**(24,796)**	**100%**	**(71)**	**100%**	**(24,867)**
March 31, 2016	**100%**	**166,586**	**100%**	**33,177**	**100%**	**32**	**100%**	**33,209**

Note 55
First- time adoption of Ind AS

I. Transition to Ind AS
These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The Group's opening Ind AS consolidated balance sheet has been prepared as at April 1, 2015, the Group's date of transition to Ind AS. In preparing the opening consolidated balance sheet, the Group has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

Following notes explains the principal adjustments made by the Group in restating its previous GAAP financial statements to Ind AS, in the opening consolidated balance sheet as at April 1, 2015 and in the financial statements as at and for the year ended as at March 31, 2016.

II. Exemptions from retrospective application
Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Business combinations
The Group has taken the exemption available for first time application of Ind AS 103, Business Combinations, to all business combinations that occurred prior to the date of transition to Ind AS i.e. before April 1, 2015. Based on Group analysis, no additional assets or liabilities, which were not recognised under previous GAAP, are required to be now recognised on availing this exemption. Further, there are no intangible assets acquired in any prior business combination which are required to be derecognised or intangible assets which were acquired but not recognised when applying Ind AS 38 'Intangible assets' as at the transition date to Ind AS.

Ind AS 101 also requires that previous GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 1, 2015.

b) Share-based payment transaction
The Group has applied Ind AS 102 – Share based payment for all employee stock options issued by its Ultimate holding Company to the employees of Group that were granted but not vested before the date of transition. Ind AS 102 has not been applied to employee stock options that vested before the transition date. Accordingly, the Group has availed the exemption provided by Ind AS 101.

c) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and investment property
The Group has elected to measure all the items of PPE, intangible assets and investment property at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. Deemed cost is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under previous GAAP has been disclosed by way of a note forming part of the financial statements. (Refer Note 6.8, 7 & 9.3)

d) Joint arrangements - transition from proportionate consolidation to the equity method
Ind AS 101 provides an exemption for changing from proportionate consolidation to equity method. As per the exemption, when changing from proportionate consolidation to equity method, an entity should recongnise investment in the joint venture at transition date of Ind As. The initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated. The balance of the investment in joint ventures at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition. (Refer Note 11)

The Group has elected to apply the exemption for its investment in joint ventures.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Group.

III. Exceptions from full retrospective application:
The Group has applied the following mandatory exceptions from retrospective application.

a) Estimates
On an assessment of the estimates made under previous GAAP the Group has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP or the basis of measurement were different (e.g. discounting in case of ARO).

b) Classification and measurement of financial instruments
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed financial assets at the date of transition and disclosed derivative financial assets at fair value and remaining assets at amortised cost.

c) Impairment of financial assets
Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind As. The Group based on the assessment has concluded that there is no significant increase in the credit risk since the initial recognition.

The remaining mandatory exceptions either do not apply or are not relevant to the Group.

(All amounts are in INR millions, except per share data and unless stated otherwise)

IV. Reconciliations under Ind AS 101

(i) Reconciliation of Equity as at April 1, 2015

Particulars	Note	Previous GAAP*	Adjustments			IND AS
			Indus**	Firefly**	Others***	
		As at April 1, 2015	As at April 1, 2015	As at April 1, 2015	As at April 1, 2015	As at April 1, 2015
ASSETS						
Non current assets						
Property, Plant and Equipment	(a)	298,155	(74,417)	-	(585)	223,153
Capital work-in-progress		24,292	(1,528)	-	-	22,764
Investment property		720	-	-	-	720
Goodwill		71,681	-	-	-	71,681
Other Intangible assets		330,167	(108)	-	-	330,059
Intangible assets under development		710	(52)	-	-	658
Investments accounted for using the equity method		-	39,154	-	-	39,154
Financial Assets						
i. Loans		710	514	-	-	1,224
ii. Other non current financial assets	(c)	15,526	(2,739)	-	-	12,787
Income tax recoverable (Net)	(j)	24,380	(2,914)	-	17,862	39,328
Deferred tax assets (Net)	(i)	7,466	-	-	(313)	7,153
Other non current assets	(d),(j)	48,676	(9,948)	-	(17,948)	20,780
Total non current assets		**822,483**	**(52,038)**	**-**	**(984)**	**769,461**
Current assets						
Inventories		65	-	-	-	65
Financial Assets						
i. Trade receivables		15,561	(198)	-	-	15,363
ii. Cash and cash equivalents		66,447	(224)	(3)	-	66,220
iii. Bank balances other than (ii) above		469	(15)	-	-	454
iv. Other current financial assets	(c)	22,083	(4,273)	-	(2,907)	14,903
Other current assets	(h)	14,387	(2,564)	(1)	-	11,822
Total current assets		**119,012**	**(7,274)**	**(4)**	**(2,907)**	**108,827**
Total Assets		**941,495**	**(59,312)**	**(4)**	**(3,891)**	**878,288**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		4,534	-	-	-	4,534
Other Equity	(iv)					
Reserve and Surplus		136,635	(2,913)	2	(4,047)	129,677
Total Equity		**141,169**	**(2,913)**	**2**	**(4,047)**	**134,211**
Liabilities						
Non-current Liabilities						
Financial liabilities						
i. Borrowings	(d)	419,415	(15,150)	-	(816)	403,449
ii. Trade payables		-	-	-	-	-
Other financial liabilities	(g)	41,870	(2,795)	-	(3,134)	35,941
Provisions	(a)	37,784	(7,457)	-	(457)	29,870
Employee benefit obligations		1,510	(136)	-	-	1,374
Deferred tax liabilities (Net)	(i)	7,276	(7,276)	-	6,622	6,622
Other non-current liabilities	(b),(h)	4,127	(2,629)	-	1,294	2,792
Total non current liabilities		**511,982**	**(35,443)**		**3,509**	**480,048**
Current Liabilities						
Financial liabilities						
i. Borrowings		93,867	(1,467)	-	(1,698)	90,702
ii. Trade payables		54,914	(5,945)	(4)	1,756	50,721
iii. Other financial liabilities		101,237	(13,079)	(1)	(2,478)	85,679
Other current liabilities	(c),(g)	21,930	(393)	(1)	(933)	20,603
Provisions		11,219	-	-	-	11,219
Employee benefit obligations		216	(28)	-	-	188
Current tax liabilities (Net)		4,961	(44)	-	-	4,917
Total current liabilities		**288,344**	**(20,956)**	**(6)**	**(3,353)**	**264,029**
Total Liabilities		**800,326**	**(56,399)**	**(6)**	**156**	**744,077**
Total Equity and Liabilities		**941,495**	**(59,312)**	**(4)**	**(3,891)**	**878,288**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.
** Refer Note (vi)(e) "Equity consolidiation of Joint Ventures".
***Ind AS adjustment includes reclassification.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(ii) Reconciliation of Equity as at March 31, 2016

Particulars	Note	Previous GAAP*	Adjustments			IND AS
			Indus**	Firefly**	Others***	
		As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016
ASSETS						
Non current assets						
Property, Plant and Equipment	(a)	327,948	(74,832)	-	(519)	252,597
Capital work-in-progress		17,846	(1,430)	-	-	16,416
Investment property		708	-	-	-	708
Goodwill		71,681	-	-	-	71,681
Other Intangible assets		572,094	(88)	-	-	572,006
Intangible assets under development		9,321	(115)	-	-	9,206
Investments accounted for using the equity method		-	49,519	-	-	49,519
Financial Assets						
i. Loans		710	514	-	-	1,224
ii. Other non current financial assets		15,743	(2,996)	-	-	12,747
Income tax recoverable (Net)	(j)	72,075	(2,551)	-	18,728	88,252
Deferred tax assets (Net)	(i)	-	-	-	21,912	21,912
Other non current assets	(d),(j)	62,153	(8,821)	-	(18,828)	34,504
Total non current assets		**1,150,279**	**(40,800)**		**21,293**	**1,130,772**
Current assets						
Inventories		54	-	-	-	54
Financial Assets						
i. Current investments		1,134	(1,134)	-	-	-
ii. Trade receivables		19,171	25	(2)	-	19,194
iii. Cash and cash equivalents		15,082	(315)	(6)	-	14,761
iv. Bank balances other than (ii) above		730	(17)	-	-	713
v. Loans		3	-	2	-	5
vi. Other current financial assets	(c)	19,353	(1,842)	-	(4,565)	12,946
Other current assets		17,312	(3,026)	(2)	1,152	15,436
Total current assets		**72,839**	**(6,309)**	**(8)**	**(3,413)**	**63,109**
Total Assets		**1,223,118**	**(47,109)**	**(8)**	**17,880**	**1,193,881**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital		4,534	-	-	-	4,534
Other Equity	(iv)					
Reserve and Surplus		147,051	(626)	2	15,625	162,052
Total Equity		**151,585**	**(626)**	**2**	**15,625**	**166,586**
Liabilities						
Non-current Liabilities						
Financial liabilities						
i. Borrowings	(d)	556,077	(10,253)	(2)	(155)	545,667
ii. Other financial liabilities	(g)	46,201	(2,935)	-	(2,904)	40,362
Provisions	(a)	54,890	(7,846)	-	(423)	46,621
Employee benefit obligation		1,438	(174)	-	-	1,264
Deferred tax liabilities (Net)	(i)	7,020	(7,020)	-	8,376	8,376
Other non-current liabilities	(b),(h)	4,884	(2,803)	-	975	3,056
Total non current liabilities		**670,510**	**(31,031)**	**(2)**	**5,869**	**645,346**
Current Liabilities						
Financial liabilities						
i. Borrowings		125,089	-	-	(957)	124,132
ii. Trade payables		58,045	(2,599)	(8)	1,838	57,276
iii. Other financial liabilities	(c),(g)	188,813	(12,384)	-	(3,313)	173,116
Other current liabilities		23,740	(440)	-	(1,182)	22,118
Provisions		2,428	-	-	-	2,428
Employee benefit obligation		282	(29)	-	-	253
Current tax liabilities (Net)		2,626	-	-	-	2,626
Total current liabilities		**401,023**	**(15,452)**	**(8)**	**(3,614)**	**381,949**
Total Liabilities		**1,071,533**	**(46,483)**	**(10)**	**2,255**	**1,027,295**
Total Equity and Liabilities		**1,223,118**	**(47,109)**	**(8)**	**17,880**	**1,193,881**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

** Refer Note (vi)(e) "Equity consolidiation of Joint Ventures".

***Ind AS adjustment includes reclassification.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(iii) Reconciliation of profit or loss for the year ended March 31, 2016

	Particulars	Note	Previous GAAP*	Adjustments			IND AS
				Indus**	Firefly**	Others***	
			2015-16	2015-16	2015-16	2015-16	2015-16
I	Revenue from operations	(h)	478,486	(45,360)	(7)	(101)	433,018
II	Other non-operating income		3,957	(530)	-	(2)	3,425
III	**Total Income (I+II)**		**482,443**	**(45,890)**	**(7)**	**(103)**	**436,443**
IV	**Expenses**						
	SIM cards consumed		1,474	-	-	-	1,474
	Cost of trading goods sold		576	-	-	-	576
	Access charges		57,327	-	-	-	57,327
	License and regulatory fees		49,524	-	-	-	49,524
	Employee benefits expense	(f),(g)	17,949	(1,438)	(6)	(178)	16,327
	Rental	(h)	46,295	5,875	21	(148)	52,043
	Power and Fuel		48,604	(14,438)	-	-	34,166
	Other expenses	(j)	114,810	(6,758)	(22)	(5,210)	102,820
	Total Expenses (IV)		**336,559**	**(16,759)**	**(7)**	**(5,536)**	**314,257**
V	**Profit before share of net profits of investments accounted for using equity method, other (gains)/losses (net), depreciation and amortisation, finance costs and tax (EBITDA) (III- IV)**		**145,884**	**(29,131)**	**-**	**5,433**	**122,186**
VI	Share of net profits of joint venture accounted for using the equity method		-	-	-	-	-
VII	**Profit before other (gains)/losses (net), depreciation and amortisation, finance costs and tax (V-VI)**		**145,884**	**(29,131)**	**-**	**5,433**	**122,186**
	Other (gains)/losses (net)	(b), (j)	2,750	415	-	6,125	9,290
	Depreciation and amortisation expense	(a)	89,010	(10,704)	-	(79)	78,227
	Finance costs	(a), (b),(c),(d),(j)	64,650	(2,181)	-	304	62,773
VIII	**(Loss) before tax from continuing operations**	(e)	**(10,526)**	**(16,661)**	**-**	**(917)**	**(28,104)**
IX	**Income Tax expense**						
	Current tax		(30,957)	(6,033)	-	-	(36,990)
	Deferred tax	(i)	7,210	256	-	(22,255)	(14,789)
	Total tax expense (IX)		**(23,747)**	**(5,777)**	**-**	**(22,255)**	**(51,779)**
X	**(Loss) /Profit after tax from continuing operations (VIII-IX)**		**13,221**	**(10,884)**	**-**	**21,338**	**23,675**
	Discontinued Operations						
	Profit from discontinued operation before tax		-	11,256	-	-	11,256
	Tax expense of discontinued operations		-	1,754	-	-	1,754
XI	**Profit from discontinued operations**		**-**	**9,502**	**-**	**-**	**9,502**
XII	**(Loss) /Profit after tax for the year (X+XI)**		**13,221**	**(1,382)**	**-**	**21,338**	**33,177**

(All amounts are in INR millions, except per share data and unless stated otherwise)

(iii) Reconciliation of profit or loss for the year ended March 31, 2016

	Particulars	Note	Previous GAAP*	Adjustments			IND AS
				Indus**	Firefly**	Others***	
			2015-16	2015-16	2015-16	2015-16	2015-16
	Other Comprehensive Income from continuing operations						
A	(i) Items that will be reclassified to profit or loss		-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
B	(i) Items that will not be reclassified to profit or loss		-	-	-	-	
	Remeasurement of defined benefit obligations	(f)	-	-	-	84	84
	Share of other comprehensive income of Joint venture accounted for using the equity method (net of tax)	(f)	-	-	-	-	-
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		-	-	-	(30)	(30)
XIII	**Other Comprehensive (Loss)/Income from continuing operations (Net of tax)**		**-**	**-**	**-**	**54**	**54**
	Other Comprehensive Income from discontinued operations						
A	(i) Items that will be reclassified to profit or loss		-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
B	(i) Items that will not be reclassified to profit or loss		-	-	-	-	-
	Remeasurement of defined benefit obligations		-	-	-	-	-
	Share of other comprehensive income of Joint venture accounted for using the equity method (net of tax)		-	(22)	-	-	(22)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		-	-	-	-	-
XIV	**Other Comprehensive Income from discontinued operations (Net of tax)**		**-**	**(22)**	**-**	**-**	**(22)**
XV	**Other Comprehensive Income for the year (Net of tax) (XIII+XIV)**		**-**	**(22)**	**-**	**54**	**32**
XVI	**Total Comprehensive (Loss)/Income from continuing operations (X+XIII) (Comprising Profit/(loss) and Other Comprehensive Income for the year)**		**13,221**	**(10,884)**	**-**	**21,392**	**23,729**
XVII	**Total Comprehensive Income from discontinued operations (XI+XIV) (Comprising profit/ (Loss) and Other Comprehensive Income for the year)**		**-**	**9,480**	**-**	**-**	**9,480**
XVIII	**Total Comprehensive Income for the year (XVI+XVII) (Comprising profit/ (Loss) and Other Comprehensive Income for the year)**		**13,221**	**(1,404)**	**-**	**21,392**	**33,209**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

** Refer Note (vi)(e) "Equity consolidiation of Joint Ventures".

***Ind AS adjustment includes reclassification.

(All amounts are in INR millions, except per share data and unless stated otherwise)

(iv) Reconciliation of Equity

Sr. No.	Particulars	Note	As at March 31, 2016	As at April 1, 2015
	Equity as per previous GAAP (A)		**151,585**	**141,169**
	GAAP Adjustments:			
1	Discounting of assets retirement obligation	(a)	(96)	(133)
2	Impact of effective interest rate	(b)	(178)	(90)
3	Marked to market valuation of derivatives and forward premium	(c)	(305)	37
4	Loan arrangement fees and commitment fees	(d)	288	1,037
5	Ind AS adjustments relating to joint ventures	(e)	(626)	(2,913)
6	Employee share based payments	(g)	1,022	725
7	Reversal of lease rent equalisation reserve	(h)	1,462	1,314
8	Reversal of revenue equalisation reserve	(h)	(102)	-
9	Deferred tax	(i)	13,536	(6,935)
	Total impact (B)		**15,001**	**(6,958)**
	Equity as per Ind AS (A + B)		**166,586**	**134,211**

(v) Reconciliation of total comprehensive income for the year ended March 31, 2016

Sr. No.	Particulars	Note	For the year ended March 31, 2016
	Profit/(Loss) after tax as per previous GAAP (A)		**13,221**
	GAAP Adjustments:		
1	Discounting of assets retirement obligation	(a)	37
2	Impact of effective interest rate	(b)	(88)
3	Marked to market valuation of derivatives and forward premium	(c)	(342)
4	Loan arrangement fees and commitment fees	(d)	(749)
5	Ind AS adjustments relating to joint ventures	(e)	372
6	Remeasurement of defined benefit obligations	(f)	(84)
7	Employee share based payments	(g)	263
8	Reversal of lease rent equalisation reserve	(h)	148
9	Reversal of revenue equalisation reserve	(h)	(102)
10	Deferred tax	(i)	20,501
	Total impact (B)		**19,956**
	Profit/(Loss) after tax as per Ind AS (A + B)		**33,177**
	Add: Remeasurement of defined benefit obligations	(f)	84
	Share of other comprehensive income of Joint venture accounted for using the equity method	(f)	(22)
	Tax on other comprehensive income	(f)	(30)
	Total comprehensive income as per Ind AS		**33,209**

(All amounts are in INR millions, except per share data and unless stated otherwise)

(vi) Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended March 31, 2016

	Previous GAAP	Indus	Firefly	Adjustments	Ind AS
Net cash flow operating activities	109,245	(22,733)	2	-	86,514
Net cash flow investing activities	(147,992)	11,685	-	-	(136,307)
Net cash flow financing activities	(12,618)	10,957	(5)	-	(1,666)
Net increase (decrease) in cash and cash equivalents	**(51,365)**	**(91)**	**(3)**	**-**	**(51,459)**
Cash and cash eqivalents as at April 1, 2015	66,447	(224)	(3)	-	66,220
Effects of exchange rate changes as on cash and cash equivalents	-	-	-	-	-
Cash and cash eqivalents as at March 31, 2016	**15,082**	**(315)**	**(6)**	**-**	**14,761**

(vii) Notes to reconciliation between previous GAAP to Ind AS:

(a) Discounting of asset retirement obligation (ARO):
ARO is capitalised both under previous GAAP and Ind AS. Under previous GAAP, ARO was initially measured at the expected cost to settle the obligation, whereas under Ind AS, ARO is measured at the present value of expected cost to settle the obligation. As a result, a lower amount capitalised, depreciation under Ind AS. Further, ARO liabilities are measured at amortised cost subsequent to initial recognition. Consequently, interest is charged every year to consolidated statement of profit and loss on such ARO liabilities under Ind AS. As a result of this adjustment, the total equity as at March 31, 2016 is lower by INR 96 (April 1, 2015 - INR 133) and the profit for the year ended March 31, 2016 is higher by INR 37.

(b) Impact of effective interest rate:
The Group has received interest free deposits from telecom operators, which had been recognised as liabilities under previous GAAP at the amount of proceeds received. However, under Ind AS, such deposits are initially measured at the present value of expected cost to settle the obligation, the difference between the proceeds received and the initial measurement fair value is treated as deferred income. The deferred income is recognised as income in the consolidated statement of profit and loss over the period of the agreement using the Effective Interest Rate (EIR) method. As a result of this adjustment, the total equity as at March 31, 2016 is lower by INR 178 (April 1, 2015 lower by- INR 90) and the profit for the year ended March 31, 2016 is decreased by INR 88.

(c) Marked to market valuation of derivatives and forward premium:
The Group followed Accounting Standard 30 (Financial Instruments: Recognition and Measurement) issued by the Institute of Chartered Accountants of India for accounting for its complex derivatives financial instruments under the previous GAAP which is similar Ind AS 109 – 'Financial Instruments'. For the forward contracts, the accounting was as prescribed under AS 11. In the previous GAAP, forward premium was amortised over the period of forward contract, however under Ind AS 109 all derivative financial instruments are to be marked to market and any resultant gain or loss is to be charged to the consolidated statement of profit and loss. Accordingly, the marked to market gain/loss has been recognised and forward premium and the unamortised balance have been derecognised. As a result of this adjustment, the total equity as at March 31, 2016 is lower by INR 305 (April 1, 2015 higher by INR 37), and the profit for the year ended March 31, 2016 is lower by INR 342.

(d) Loan arrangement fees and commitment fees:
Loan arrangement fees and commitment fees are charged-off under previous GAAP in the year they are incurred. However, under Ind AS, on initial recognition, these are treated as transaction costs and are netted-off against proceeds received on borrowings. Subsequently such amount is charged to consolidated statement of profit and loss as finance cost using the effective interest rate method and the borrowings are measured at amortised cost. As a result of this adjustment, the total equity as at March 31, 2016 is higher by INR 288 (April 1, 2015 - INR 1,037) and the profit for the year ended March 31, 2016 is lower by INR 749.

(e) Ind AS adjustments relating to Joint Ventures:
Under previous GAAP, Indus and firefly were classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, these entities have been classified as a joint venture and accounted for using the equity method. For the purposes of applying equity method, investment in Joint ventures as at the date of transition, have been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. The balance of investment in joint ventures at the date of transition to Ind AS as determined above, is regarded as deemed cost of investment at initial recognition after considering the impact of Ind AS adjustments passed by these entities.

Adjustments necessary to give effect to uniform accounting policies are given after considering the appropriate tax impact which was not required under previous GAAP.

Under previous GAAP, Group had recorded its share of tax on dividend proposed by the joint venture during the previous year in the retained earnings. Under Ind AS, Joint venture has reversed the proposed dividend along-with its tax impact and accounted for when it is appropriately approved. Accordingly, share of tax recorded has been reversed.

As a result of these adjustments, the total equity as at March 31, 2016 is lower by INR 626 (April 1, 2015 - INR 2,913) and the profit for the year ended March 31, 2016 is higher by INR 372.

An impairment assessment has been performed as at 1 April 2015 and no impairment provision is considered necessary.

Refer Note 11.

(f) Remeasurement of defined benefit obligations:
Actuarial gain/ loss for the year were recognised as an expense under Employee benefits in consolidated statement of profit and loss of respective years under previous GAAP whereas, under Ind AS, it has been recognised under Other Comprehensive Income. As a result of this change, the profit for the year ended March 31, 2016 is lower by INR 84. There is no impact on the total equity as at March 31, 2016.

(g) Employee share based payments:
Employee stock options issued by VF Group Plc. to the employees of the Group had been recognised as cash settled share based payment plan and classified as liability under previous GAAP in the absence of any specific guidance on such transaction. Whereas, under Ind AS it has been recognised as equity settled share based payment transaction. Accordingly, the liability on account of the equity settled plan is treated as share based payment reserve, and the excess/short payment has been considered as distribution to or capital contribution by the Ultimate Holding Company. Previous GAAP liability has been written back and share based payment reserve has been created on the date of transition to Ind AS. As a result of this adjustment, the total equity as at March 31, 2016 is higher by INR 1,022 (April 1, 2015 - INR 725) and the profit for the year ended March 31, 2016 is higher by INR 263.

(h) Reversal of lease rent equalisation reserve and revenue equalisation reserve:
Under previous GAAP, rent expense/revenue from assets taken/given on operating leases have been accounted in the statement of profit and loss on a straight-line basis over the term of the relevant lease. Under Ind AS, where the escalation of lease rentals are to compensate for inflationary increase in cost, straight lining of expenses is not required. Since the expected increased in rentals payable/receivable are in line with the expected general inflation no straight lining of income/expenses is required under Ind AS. Accordingly, the impact of straightlining under previous GAAP has been reversed under Ind AS. As a result of this adjustment, the total equity as at March 31, 2016 is higher by INR 1,360 (April 1, 2015 - INR 1,314) and the profit for the year ended March 31, 2016 is higher by INR 46.

(i) Deferred tax:
In previous GAAP, deferred tax was recognised on unabsorbed depreciation and brought forward losses when there was virtual certainty supported by convincing evidence of the same being recoverable whereas under Ind AS it is recognised based on reasonable certainty. Under Ind AS, deferred tax liabilities are recognised for taxable temporary differences arising on undistributed profits of joint venture, where as in previous GAAP it was not required. Also deferred tax have been recognised on the adjustments made on transition to Ind AS. Accordingly, the total equity as at March 31, 2016 is higher by INR 13,536 (April 1, 2015 is lower by INR 6,935) and the profit for the year ended March 31, 2016 is higher by INR 20,501.

(j) Reclassifications:
The following are the reclassifications made from previous GAAP to Ind AS to adhere to the Ind AS requirements:

Consolidated statement of profit and loss:
1. The interest expense provision made towards regulatory provision is included under 'Other Expenses' in previous GAAP has been grouped under 'Finance Costs' in Ind AS.

2. 'Net foreign exchange loss/Gain' and 'Loss/Gain on Marked to market on derivative contracts (net)' included under 'Other expenses' in previous GAAP has been grouped under 'Other (gains)/losses (net)' in Ind AS.

3. Interest income included under 'Other Income' in previous GAAP has been grouped under other (gains)/losses (net) in Ind AS.

Consolidated balance sheet:
Taxation recoverable and taxation liabilities grouped under Long term loans and advances and Short term provision respectively in previous GAAP has been shown separately on the face of consolidated balance sheet in Ind AS.

Consolidated statement of cash flows:

The impact of transition from previous GAAP to Ind AS on the consolidated statement of cash flows is due to deconsolidation of Joint Ventures based on proportionate consolidation in previous GAAP. Other transitions from previous GAAP to Ind AS has not created any differences in operating, investing and financing cash flow categories in consolidated statement of cash flows.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

For and on behalf of the Board of Directors

Sharmila A. Karve
Partner
Membership Number: 043229

Analjit Singh
Chairman
(DIN: 00029641)

Sunil Sood
Managing Director
(DIN:03132202)

Thomas Reisten
Chief Financial Officer

Sudhakar Shetty
Company Secretary
(ACS:13200)

Place:BARCELONA, SPAIN
Date: June 2, 2017

Place: Mumbai
Date: June 1, 2017

OTHER FINANCIAL INFORMATION

1. In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2016, 2017 and 2018 (the "**Standalone Financial Statements**") and the audited financial statements of ABTL (an erstwhile material subsidiary of our Company) for Fiscals 2016, 2017 and 2018 (the "**Subsidiary Financial Statements**") are available on our website at https://www.vodafoneidea.com/investors/annual-reports and https://www.ideacellular.com/investor-relations/annual-report.

   As of the date of this Letter of Offer, our Company does not have a material subsidiary, as defined under the SEBI Listing Regulations. However, prior to ABTL's amalgamation with our Company, ABTL was a material subsidiary of our Company.

   *Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements and the Subsidiary Financial Statements do not constitute, (i) a part of this Letter of Offer; or (ii) a prospectus, statement in lieu of a prospectus, offer document, letter of offer, offering circular, offering memorandum or an advertisement, invitation, an offer or a solicitation of any offer to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other law or regulation in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase the Rights Equity Shares or any other securities of our Company or any of our Subsidiaries, or any entity in which the Company or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group nor any Lead Managers, nor any of their respective employees, directors, affiliates, advisors, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.*

2. The accounting ratios required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	**As at**				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Basic Earnings / (loss) per Equity Shares (in ₹)	(15.42)	(8.95)	(11.36)	(1.23)	7.42
Diluted Earnings / (loss) per Equity Shares (in ₹)	(15.42)*	(8.95)*	(11.36)*	(1.23)*	7.40
Return on Net Worth Ratio	(10%)	(15%)	(15%)	(2%)	12%
Net Asset Value per Equity Share (in ₹)	73.88	59.56	62.54	68.60	65.41
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in million)	**22,577**	**46,004**	**60,476**	**102,436**	**120,064**

**As we had incurred loss during the respective period / year end, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered*

(1) EBITDA = Profit before finance costs, depreciation, amortisation, share of net profit / (loss) of joint ventures and associate, exceptional items and tax – Other Income

(2) Return on Net Worth = Profit / (Loss) after tax / Net Worth

(3) Net worth = Total Equity - Reserves not created out of Profits (General Reserve on amalgamation of VInL and VMSL + Capital Redemption Reserve + Capital Reserve + Amalgamation Adjustment Deficit Account)

(4) Net Asset Value per share = Net Assets / Number of shares

(5) Net Assets = Total Assets – Total Non-current Liabilities – Total current Liabilities – Liabilities classified as Held for Sale

The following table sets forth the reconciliation our Net profit/ (loss) to EBITDA:

(₹ in million)

Particulars	**As at**				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Profit before finance costs, depreciation, amortisation, share of net profit / (loss) of joint ventures and associate, exceptional items and tax	28,322	47,030	64,005	105,505	122,195
Other Income	5,745	1,026	3,529	3,069	2,131
EBITDA	22,577	46,004	60,476	102,436	120,064

EBITDA, Net Asset Value per share and Return on Net Worth (the "**Non-GAAP Financial Measures**") are non-GAAP financial measures. The use and calculation of the Non-GAAP Financial Measures may vary from similarly titled measures used by other companies in the telecom industry. The Non-GAAP Financial Measures should not be considered as an alternative to net income, income before income taxes or net cash flows provided by operating activities or any other performance measure determined in accordance with Indian GAAP. The Non-GAAP Financial Measures have important limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under Indian GAAP. Some of the limitations with the Non-GAAP Financial Measures are listed below:

- does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect certain tax payments that may represent reductions in cash available;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
- does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on indebtedness.

Because of these limitations, the Non-GAAP Financial Measures should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. The Non-GAAP Financial Measures should not be considered in isolation or as a substitute for performance measures calculated in accordance with Indian GAAP. We compensate for these limitations by relying primarily on our GAAP results. You are cautioned not to place undue reliance on the Non-GAAP Financial Measures.

The following table sets forth the calculation of Return on Net Worth:

(₹ in million)

Particulars	**For the period / year ended**				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Total Equity	645,354	214,868	272,625	247,322	235,505
Reserves not created out of Profits:					
General Reserve	1,393	-	-	-	-
Capital Reduction Reserve	277,787	-	-	-	-
Capital Reserve	(88,170)	-	-	-	-
Amalgamation Adjustment Deficit Account	(488,408)	-	-	-	-
Net Worth	942,752	214,868	272,625	247,322	235,505
Profit / (Loss) after tax	(97,219)	(32,060)	(41,682)	(3,997)	27,281
Return on Net Worth	**(10.31%)**	**(14.90%)**	**(15.29%)**	**(1.63%)**	**11.58%**

The following table sets forth the calculation of our Net Asset Value per share:

(₹ in million, except share data)

Particulars	**As at**				
	December 31, 2018	**December 31, 2017**	**March 31, 2018**	**March 31, 2017**	**March 31, 2016**
Total Assets	2,313,518	929,521	985,772	967,047	801,255
Total Non-current Liabilities	1,251,218	598,663	604,838	549,110	409,863
Total Current Liabilities	415,962	113,222	106,337	170,615	155,887
Liabilities classified as held for sale	984	2,768	1,972	-	-
Net Assets	645,354	214,868	272,625	247,322	235,505
Number of shares (no.)	8,735,386,742	3,607,499,037	4,359,320,930	3,605,328,231	3,600,509,378
Net Asset Value per share	**73.88**	**59.56**	**62.54**	**68.60**	**65.41**

STOCK MARKET DATA FOR THE EQUITY SHARES OF OUR COMPANY

Our Equity Shares are listed on the Stock Exchanges, where they are actively traded.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three calendar years and the number of Equity Shares traded on these days are stated below:

BSE

Calendar Year	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2018	118.00	January 5, 2018	6,937,898	32.10	December 11, 2018	2,318,362	60.39
2017	123.75	March 20, 2017	27,189,765	66.60	January 13, 2017	1,288,131	89.59
2016	144.30	January 1, 2016	118,821	66.00	November 6, 2016	1,330,553	97.66

(Source: www.bseindia.com)

NSE

Calendar Year	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2018	118.90	January 5, 2018	79361220	32.00	December 11, 2018	27649635	60.40
2017	123.50	March 20, 2017	200829612	66.30	January 13, 2017	26945261	89.63
2016	144.45	January 1, 2016	1017096	65.8	November 9, 2016	10839908	97.67

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the high volume has been considered.

Prices for the last six months

BSE

The total number of days of trading during the past six months, from September 2018 to February 2019 was 122. The average volume of Equity Shares traded on the BSE was 1,699,371 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the day of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the month (₹)
September 2018	52.25	September 3, 2018	2,374,331	36.30	September 28, 2018	2,269,640	32,086,912	45.27
October 2018	39.30	October 31, 2018	1,115,970	32.55	October 8, 2018	1,806,305	33,844,464	36.28
November	45.55	November	3,845,770	35.20	November	5,751,350	54,153,759	40.53

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the month (₹)
2018		21, 2018			30, 2018			
December 2018	38.80	December 21, 2018	1,511,392	32.10	December 11, 2018	2,318,362	30,731,049	35.99
January 2019	38.10	January 1, 2019	573,518	29.30	January 28, 2019	2,591,095	26,150,096	34.83
February 2019	33.00	February 7, 2019	3,918,151	28.80	February 6, 2019	1,902,504	30,357,007	30.43

(Source: www.bseindia.com)

NSE

The total number of days of trading during the past six months, from September 2018, 2018 to February, 2019 was 122. The average volume of Equity Shares traded on the NSE was 22,922,010 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last six months preceding the day of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the year (₹)
September 2018	52.3	September 3, 2018	4,19,88,542	36.35	September 28, 2018	2,68,54,355	472,508,637	45.26
October 2018	39.35	October 30, 2018	15,890,037	32.55	October 8, 2018	22,218,648	401,729,231	36.28
November 2018	45.55	November 21, 2018	48,774,289	35.10	November 30, 2018	46,354,925	617,049,540	40.56
December 2018	38.85	December 21, 2018	35,586,823	32.00	December 11, 2018	27,649,635	418,479,485	36.01
January 2019	38.10	January 1, 2019	8,804,237	28.45	January 28, 2019	29,488,750	411,155,976	34.85
February 2019	32.95	February 7, 2019	52,968,537	28.80	February 6, 2019	26,312,052	475,562,332	30.48

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the high volume has been considered.

The Board approved the Issue at their meeting held on January 23, 2019. The high and low prices of our Company's Equity Shares as quoted on the Stock Exchanges on January 24, 2019, the day on which the trading happened immediately following the date of the Board meeting is as follows:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (in₹ lakhs)
34.25	35.10	33.25	33.90	18,87,697	642.28

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (in₹ lakhs)
34.45	35.20	33.25	34.05	3,39,84,041	11,584.33

(Source: www.nseindia.com)

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2018, derived from the Restated Consolidated Financial Information, and as adjusted for the Issue and should be read together with the sections "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" on pages [●], [●], and [●], respectively.

Particulars	Pre-Issue as at December 31, 2018 *(₹ in million)*	As adjusted for the proposed Issue *(₹ in million)*
Total borrowings		
Current borrowings*	10,906	[●]
Non-current borrowings (including maturity)*	1,225,732	[●]
Total Equity		
Equity share capital*	87,354	[●]
Other equity*	558,000	[●]
Total Capital	645,354	[●]
Ratio: Non-current borrowings (including current maturity)*/ Total equity	1.90	[●]

**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended)*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information. Ind AS differs in certain material respects from US GAAP and International Financial Reporting Standards.

This discussion contains certain forward-looking statements that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" and "Forward Looking Statements" included in this Letter of Offer.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 month period ended March 31 of that year.

In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associate. The financial and operational information included in this section represents that of Idea Cellular Limited, on a consolidated basis (i.e., does not include such information for Vodafone India) up to, the effective date of the Merger, August 31, 2018 and thereafter includes such information for our Company on a merged basis.

For further information on Vodafone India, see "Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India" on page [●] and "Vodafone India Financial Statements" on page [●].

Overview

We are one of the leading mobile telecommunications operators in India. We are a pan India mobile telecommunications operator offering voice, data, enterprise services and other value added services ("**VAS**"), including short messaging services, digital services and mobile wallets. All of our mobile telecommunications services, other than voice, are classified as VAS. We had a Revenue Market Share of approximately 32% of the Indian mobile telecommunications services industry (excluding wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited) for the quarter ended December 31, 2018 (as reported by TRAI). We had 387.2 million subscribers as of December 31, 2018. We had 391 million visitor location register ("**VLR**") subscribers and our VLR subscriber market share as of December 31, 2018 was 38% (as reported by TRAI). For the quarter ended December 31, 2018, we carried approximately 712 billion voice minutes and approximately 2,705 billion MB of data volume.

In March 2017, the merger between Vodafone India Limited ("**Vodafone India**"), Vodafone Mobile Services Limited and Idea Cellular Limited was announced, through a scheme of amalgamation and arrangement (the "**Idea-Vodafone Scheme**" and such merger, the "**Merger**"). The Merger was completed on August 31, 2018. For further information on the Merger, see "*History and Certain Corporate Matters*" on page [●]. For further information on Vodafone India, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India*" on page [●].

Our promoters are the Aditya Birla Group and the Vodafone Group. The Aditya Birla Group is one of the largest business groups in India and is a conglomerate with operations in more than 34 countries. The Aditya Birla Group has a history of over 50 years and has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, insurance, financial services and mobile telecommunications industries. The Vodafone Group is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partners with mobile networks in 42 more, and fixed broadband operations in 19 markets.

We provide GSM-based mobile telecommunications services, 3G services and 4G services in all 22 Service Areas in India. We also offer carriage services to other businesses. We have an aggregate of 1,849.6 MHz of spectrum across different frequency bands, of which 1,714.8 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Of our total spectrum, 134.8 MHz has been administratively allocated. We have deployed network on time division duplex ("**TDD**") spectrum (2300/2500 MHz) in 16 out of 20 Service Areas where we hold TDD spectrum. Our Company and Vodafone India acquired 1,304 MHZ of spectrum between 2014 and 2016, which are valid for terms of 20 years from the date of such acquisitions.

As of December 31, 2018, we had a network of over 198,000 2G cell sites and over 376,000 broadband (3G+4G) sites. All of our 4G sites are VoLTE enabled. Our optical fibre cable transmission network, either owned or through indefeasible right to use ("**IRU**") arrangements mainly with other telecommunications operators, extends to approximately 340,000 kms (including our own fibre of approximately 158,000 kms and IRU fibre including overlap), as of December 31, 2018.

As of December 31, 2018, our mobile telecommunication operations were spread to approximately 480,000 towns and villages and covers approximately 90.7% of the Indian population. As of December 31, 2018, our broadband network is spread across approximately 270,000 towns and villages and covers approximately 68.8% of the Indian population. Our captive NLD traffic and almost all of our ILD outgoing traffic was carried on our own infrastructure for the quarter ended December 31, 2018. We also derive revenue from carrying India inbound ILD traffic through arrangements with other mobile telecommunications companies and long distance carriers operating outside India.

For our Proforma total income and profit/(loss) after tax for the nine months ended December 31, 2018 and the financial year 2018, see "*Proforma Consolidated Financial Information*" on page [●].

Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by a number of important factors including:

Merger Synergies

On August 31, 2018, the merger between Vodafone India, Vodafone Mobile Services Limited and Idea Cellular Limited was completed. For further information on the Merger, see "*History and Certain Corporate Matters*" on page [●]. We are currently in the process of integrating the operations of Vodafone India and Vodafone Mobile Services Limited with those of our Company to derive operational synergies and reduce expenditure and have undertaken the following initiatives, among others:

- we have established a new organisational structure and commenced the process of consolidating our spectrum and integrating our network;
- we have completed Service Area level planning of our capital expenditure, selected vendors and placed orders for equipment with them;
- we have commenced offering broadband services in all 22 Service Areas for both brands and activated national roaming on both networks to offer seamless broadband coverage;
- we have converted approximately 66,000 co-located tenancies on a tower to a single tenancy with a higher loading;
- we are relocating our overlapping 3G and 4G sites to increase our coverage;
- we are rationalising our presence in districts, which we believe have low growth potential by closing down the weaker of the two networks;
- we have consolidated circles and zonal offices to single locations; and
- we are optimizing our retail stores and support offices, as well as realigning our distributors and retailers to achieve distribution efficiencies.

The impact of the Merger on our results of operations and financial condition will depend on numerous factors, including our ability to realize the anticipated growth opportunities and synergies from combining such businesses. Apart from affecting our future results of operations and financial condition, the Merger makes it difficult to analyse and evaluate our future results of operations and financial condition based on our historical financial statements since the trends in such results will not be reflected in our consolidated financial statements. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Vodafone India*" for a discussion and analysis of Vodafone India's historical financial results.

Competition

Competition in the Indian telecommunications industry is intense and we face significant competition from other companies such as Bharti Airtel Limited and Reliance Jio Infocomm Limited as well as Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited. We compete for customers, based on various factors, including service offerings, tariffs, call quality, data use experience, network area and customer service. If we do not compete in these areas effectively, we could experience an increase in our customer churn, a reduction in the usage of our services by our customers, a decrease in our market share, a reduction in tariffs and an increase in our marketing and other expenses. An increase in churn, particularly as competition for existing customers intensifies, could adversely affect our profitability, as it would cause us to experience lower revenue and additional selling costs to replace customers and recapture lost revenue. However, in the recent past, the industry has witnessed consolidation of certain operators as well as the exit of smaller operators.

We also face competition from internet-based services, such as Skype and WhatsApp, which allow users to, among other things, make calls (voice and video), send Short Message Services ("**SMS**") and share media files. As a result of increased competition, we and our competitors have had and may in the future have to offer data and voice services at lower tariff or for free.

In addition, mobile number portability enables subscribers to switch their mobile telecommunications services providers without changing their phone numbers and is available across all 22 Service Areas. This could lead to greater movement of subscribers among providers of mobile telecommunications services, which could increase our marketing, distribution and administrative costs, slow growth in subscribers and reduce revenues.

Regulations and Licenses

The telecom sector in India is dependent on the regulatory environment governing it and is prone to imposition of new regulations and changes in existing regulations. The sector is regulated by the DoT, the Wireless Planning and Coordination Wing ("**WPC**"), the Telecom Regulatory Authority of India (the "**TRAI**"), among other regulatory bodies.

In order to provide GSM based mobile telecommunications services or 3G or 4G services in a particular Service Area, we are required to hold a valid license and spectrum for such Service Area. We have an aggregate of 1,849.6 MHz of spectrum across different frequency bands, of which 1,714.8 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Of our total spectrum, 134.8 MHz has been administratively allocated. For further details, see "*Our Business – Description of our Business - Our Licenses and Spectrum*". Our licenses and spectrum allocations are subject to the terms and conditions contained in the licenses and notice inviting applications for various spectrum auctions.

The extensive regulatory structure within which we operate may constrain our flexibility to respond to market conditions, technological developments, competition or changes in our cost structure, which could have an adverse effect on our business and prospects.

Dependence on Certain Regions

Prior to the completion of our Merger, we were substantially dependent on the 12 Service Areas of Maharashtra, Madhya Pradesh, Kerala, Andhra Pradesh, Uttar Pradesh West, Gujarat, Delhi, Karnataka, Mumbai, Tamil Nadu, West Bengal and Uttar Pradesh East for our revenues. However, we have currently segregated districts in India based on their growth potential and revenue and EBITDA contribution to our Company. On the basis of such analysis, we have identified certain high potential districts which account for a large portion of our revenues and EBITDA and we are in the process of building large 4G coverage and capacity in such districts. We believe that this approach will help us optimise our capital expenditure and enable us to offer a superior customer experience. Any inability to maintain or increase our revenues from these districts could have an adverse effect on our business and results of operations.

Capital Requirements and Availability of Funding

We operate in a capital-intensive industry with relatively long gestation periods. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and network upgrades, the roll-out of new networks following awards of new licenses, spectrum and technological advancements and general corporate purposes. The actual amount and timing of our future capital requirements are dependent on the schedule and estimated costs of establishing, expanding or upgrading our networks, acquisition of licenses and rights and engineering, design and technological changes. To the extent that our capital requirements exceed available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest expense and may require us to comply with additional restrictive covenants under our financing agreements.

Our ability to obtain additional financing will depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions for telecommunications companies and economic, political and other conditions in the markets where we operate. Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of our Service Areas. Our ability to finance our capital needs, and secure other financing when needed, on acceptable terms, is a key factor in the operation of our business.

Other Significant Factors

Other significant factors affecting our results of operations and financial condition include:

- new technologies which could affect usage behaviour of subscribers and our business model;
- expansion of our networks;
- churn rates in India;
- changes in operating costs;
- change in the ownership structure of passive infrastructure service providers;
- consolidation in the mobile telecommunications industry in India;
- the amount of our outstanding indebtedness and the changes in interest rates in the Indian and international markets;
- exchange rates, in particular between the Rupee (our reporting currency) and the U.S. dollar; and
- political, economic and regulatory changes in India.

Statement of Certain Significant Accounting Policies

The critical accounting policies followed by us in the preparation of our Restated Consolidated Financial Information are set out below. Our accounting policies are fully described in our Restated Consolidated Financial Information included elsewhere in this Letter of Offer.

Basis of preparation

Our Restated Consolidated Financial Information has been compiled from our:

(a) audited consolidated financial statements as at and for the nine month period ended December 31, 2018 and December 31, 2017 prepared in accordance with the accounting principles generally accepted in India including Ind AS 34 specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(b) audited financial statements as at and for the year ended March 31, 2018 prepared in accordance with the accounting principles generally accepted in India including Ind AS notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and

(c) audited financial statements as at and for the year ended March 31, 2017 prepared in accordance with the accounting principles generally accepted in India including Ind AS notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements include the comparative Ind AS financial statements as at and for the year ended March 31, 2016 which have been prepared by making Ind AS adjustments to the audited consolidated financial statements prepared in accordance with the accounting standards notified under the Section 133 of the Companies Act as at and for the year ended March 31, 2016.

The Restated Consolidated Financial Information has been prepared on an accrual basis and under the 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 some of the accounting policies set forth below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

The Restated Consolidated Financial Information is based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of Schedule III of the Companies Act.

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 us on our own account. Accordingly, it is excluded from revenue. We evaluate our 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). We account 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 good or service that the customer transfers to the entity.

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, among others) is recognized 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, we estimate the amount of consideration to which we 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, we determine 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.

Unbilled Income

Unbilled income is the right to consideration in exchange for goods or services transferred to the customer. If we perform our 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.

Trade Receivables

A receivable represents our 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).

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 we have received consideration from the customer. If a customer pays consideration before we transfer 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 we fulfill our performance obligations under the contract.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to us 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.

Dividends

Dividend income is recognised when our right to receive the payment is established.

Cost to Obtain a Contract

We pay sales commission to our channel partners for each contract that they obtain. We have elected to apply the optional practical expedient for costs to obtain a contract which allows us to immediately expense sales commissions because the amortisation period of the asset that we otherwise would have used is one year or less.

Leases

We evaluate 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.

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 restated consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with our 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 restated 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.

As a lessor

Finance lease

Amounts due from lessees under finance leases are recognised as receivables at the amount of our 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 us are structured to increase in line with expected general inflation to compensate for our 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.

We enter 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.

Employee benefits

Defined Contribution Plan

Contributions to provident and pension funds are funded with the appropriate authorities and charged to the restated 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 restated consolidated statement of profit and loss when the employees have rendered service entitling them to the contributions.

We have no obligation other than contribution payable to these funds.

Defined Benefit Plan

We operate a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. 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 restated consolidated statement of assets and liabilities with a corresponding charge or credit to Other Comprehensive Income ("**OCI**") in the period in which they occur. Re-measurements are not reclassified to the restated 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. We recognize the following changes in the net defined benefit obligation as an expense in the restated consolidated statement of profit and loss:

- Service costs; and
- Net interest expense or income

Short-term and other long-term employee benefits

A liability is recognized 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 restated consolidated statement of profit and loss in the period in which they arise.

Share-based payments

Equity-settled share-based payments to employees for options granted by us to our employees are measured at the fair value of the equity instruments at the grant date. Stock option of Vodafone Group Plc granted to the employees are accounted as cash-settled share based payments by us.

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 our 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 our estimate of stock option that will eventually vest, with a corresponding increase in liability. At the end of each reporting period, we revise our 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 restated 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 restated 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.

Annual Revenue Share License Fees and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed at prescribed rates of revenue share, are charged to the restated consolidated statement of profit and loss in the period in which the related revenue arises. Revenue for this purpose comprise of adjusted gross revenue as per the license agreement of the licensed service area.

Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current income 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the restated consolidated financial information 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. Unrecognised 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.

Property, Plant and Equipment

On transition to Ind AS i.e. April 1, 2015, we have decided to continue with the carrying value of all of our Property, Plant and Equipment ("**PPE**") recognised as at April 1, 2015 as the deemed cost of the PPE. 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 PPE, 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 capitalised 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, we depreciate 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 us and the cost can be measured reliably. All other repair and maintenance costs are recognised in the restated 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 except where the estimated useful economic life has been assessed to be lower.

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

Particulars	Estimated useful life (in years)
Computers and servers	3 to 5
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5

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.

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 derecognised. 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 recognised in the restated consolidated statement of profit and loss on the date of retirement or disposal.

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 restated 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 restated consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortized on straight line method as under:

- Cost of spectrum and licenses is amortised on straight line method from the date when the related network is ready for intended use over the unexpired period of the license/ spectrum.
- 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 three to five years.
- Payment for Bandwidth capacities acquired under indefeasible right to use basis is accounted for as intangible assets and the cost is amortised over the period of the agreement ranging from 10 to 20 years.
- Brand - Separately acquired brand is shown at historical cost. Subsequently brand is carried at cost less accumulated amortisation and impairment loss, if any. We amortise 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 us 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 restated consolidated statement of profit and loss when the asset is derecognised.

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 we have 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 our financial statements 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 our share of the post-acquisition profits or losses of the investee in the restated consolidated statement of profit and loss and our 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 our share of losses in an equity-accounted investee equals or exceeds its interest in the entity, including any other unsecured long-term receivables, we do not recognise further losses, unless we have incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the equity-accounted investee subsequently reports profits, we resume recognizing its share of those profits only after its share of profits equals the share of losses not recognised.

Unrealized gains on transactions between us and our associates and joint ventures are eliminated to the extent of our 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 us.

The entire carrying amount of the investment (including goodwill) is tested for impairment if there is an 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.

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.

Financial Instruments

Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when we become 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 restated consolidated statement of profit and loss.

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 recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets:

- Financial assets measured at amortized cost
- Financial assets measured at FVTPL
- Financial assets measured at fair value through OCI ("**FVTOCI**") – We do not have any assets classified as FVTOCI.

Financial assets measured at amortized cost

A financial asset is measured at amortized 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 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 restated consolidated statement of profit and loss. The losses arising from impairment are recognised in the restated consolidated statement of profit and loss. This category generally applies to trade and other receivables and loans, among others.

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 restated consolidated statement of profit and loss. This category also includes derivative financial instruments entered into by us 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 derecognized when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred our 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 'pass through' arrangement; and either
    - We have transferred substantially all the risks and rewards of the asset, or
    - We have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, we apply 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 amortized 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, we determine 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 us 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.

We follow ‘simplified approach’ for recognition of impairment loss allowance on trade receivables (including lease receivables). The application of simplified approach does not require us 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.

Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using the EIR method or at FVTPL.

Financial liabilities at amortized 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 restated 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 amortization is included as finance costs in the restated consolidated statement of profit and loss.

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 us 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 restated consolidated profit and loss.

Derecognition

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 restated consolidated statement of profit and loss.

Derivative financial instruments

We use derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage our 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 restated consolidated statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, we do not separate embedded derivatives. Rather, we apply 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 the restated consolidated statement of profit and loss, unless designated as effective hedging instruments.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the restated consolidated statement of assets and liabilities 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.

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.

We use 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 restated consolidated financial information 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 restated consolidated financial statements on a recurring basis, we determine 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.

Provisions and Contingent Liabilities

Provisions are recognised when we have 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 restated consolidated statement of profit and loss.

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

Asset Retirement Obligation

ARO is provided for those lease arrangements where we have 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 restated 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.

Onerous contracts

If we have 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, we recognise any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that we cannot avoid because we have 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.

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.

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 recognised in the restated consolidated statement of profit and loss as incurred. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised 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 our interest in the acquiree’s net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. The excess of our 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 recognise 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.

Use of Estimates, assumptions and judgments

The preparation of our restated consolidated financial information 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.

We have based our 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 our control. Such changes are reflected in the assumptions when they occur.

Share-based payments

We initially measure 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.

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 Assets ("**DTA**") is recognised 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.

MAT is recognised 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 recognised as an asset, the said asset is created by way of a credit to the restated consolidated statement of profit and loss and is included in DTA. 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, we have 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 five years.

Defined benefit plans (gratuity benefits)

Our 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 postemployment 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.

Allowance for Trade receivable

We follow a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, we estimate 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. Individual trade receivables are written off when management deems them not to be collectible.

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, among others. 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.

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 higher of the fair value less costs of disposal and value in use calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash inflows and the growth rate.

Operating lease commitments – as lessee

We have 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 specializes 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.

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.

Segment Information

We reported three segments until the financial year 2018 - mobility, international long distance and passive infrastructure. However, pursuant to our Merger and the sale of passive infrastructure business, we primarily focus on the mobility business. Accordingly, as of December 31, 2018, we operated only in one reportable segment and hence, no separate segment disclosure is required.

Income and Expenditure

Component of our income and expenditure are set forth below:

Revenue from Operations

Revenue from operations comprises service revenue, sale of trading goods and other operating income.

Service revenue includes:

Mobility Services

- post-paid revenue;
- pre-paid revenue;
- in-roaming revenue;
- domestic incoming interconnect revenue; and
- enterprise solutions revenue.

International Long Distance

- international incoming interconnect revenue; and
- ILD call carriage charge.

Post-paid revenue. Revenue from post-paid subscribers comprises airtime charges, monthly rentals, VAS (which consists of all non-voice revenue) and out-roaming revenue.

Charges are calculated based on the tariff plan to which the subscriber subscribes. We currently offer a variety of plans with varying monthly subscription charges and airtime charges for outgoing calls. Revenues from post-paid subscribers are recorded net of discounts and applicable taxes and are recognized as and when the services are rendered. Depending on a subscriber's tariff plans, rentals are billed on a monthly basis either in advance or in arrears.

We offer a variety of VAS (including data services) depending on demand, pricing and the technical capability of our network in each Service Area. Depending on the tariff plan chosen, we either charge a fixed monthly fee for some of the services or transaction charges based on usage.

Pre-paid revenue. Revenue from pre-paid subscribers primarily comprise airtime charges, recharge fees, VAS and out-roaming revenue.

Starter packs and recharge vouchers are generally sold to subscribers through distributors, who pay us in advance. Revenue from SIM Cards, if any, is recognized upfront as and when the control of SIMS is passed to the distributor. We recognize recharge fees as revenue over the validity period of the pre-paid recharge vouchers. We recognize airtime charges on actual usage by the subscriber. Pre-paid starter packs have a pre-determined validity period for activation. Recharge vouchers have a pre-determined airtime value and a validity period for usage. Upon usage of all of such airtime value or upon expiration of the validity period, whichever occurs earlier, the subscriber must buy another recharge voucher to continue using our services. The charges for VAS (including data services) and roaming are deducted from the usable airtime value of the pre-paid recharge vouchers.

In-roaming revenue. In-roaming revenue is earned from usage of our networks by subscribers from other mobile operators (in-roamers), including our own subscribers, outside their home Service Areas. To allow this usage, we have entered into roaming agreements with other operators. These agreements are negotiated bilaterally both domestically and internationally. In our consolidated financial statements, the interconnect pass-through charges are treated as expenses while the total in-roaming revenue is treated as part of total revenue. In line with the applicable Indian Accounting Standards, while preparing our financial statements, the revenue earned from roaming within our Service Areas is eliminated with a corresponding reduction in inter-circle out-roaming expenses.

Domestic incoming interconnect revenue. We earn revenue from incoming interconnect termination charges paid by other operators for all domestic incoming calls terminating on our network. The termination charges are determined by TRAI.

Enterprise solutions revenue. We also provide certain additional services such as conference call services, interactive voice recording solutions and toll free services, among others, to our enterprise subscribers and such revenue is recognized as enterprise solutions revenue.

International incoming interconnect revenue. We earn revenue from incoming interconnect termination charges paid by other operators for all international incoming calls terminating on our network. The termination charges are determined by TRAI.

ILD call carriage charge. We earn revenue from carrying international long distance calls.

Sale of Trading Goods. Sales of trading goods consist of revenue from the sale of handsets, tablets, data cards and related accessories.

Other Operating Income. Other Operating Income comprises liabilities no longer required written back and miscellaneous receipts.

Other Income. Other income includes interest income and gain on mutual funds (including fair value gain).

Operating Expenditure. Operating expenditure consists of:

- cost of trading goods;
- employee benefit expenses;
- network expense and IT outsourcing cost;
- license fee and spectrum usage charges;
- roaming and access charges;
- subscriber acquisition and servicing expenditure;
- advertisement, business promotion expenditure and content cost; and
- other expenses.

Cost of Trading Goods. Cost of trading goods relate to the cost of handsets, tablets, data cards and related accessories sold by us.

Employee Benefit Expenses. Employee benefit expenses consists of salaries, wages and bonus, contribution to provident and other funds, share based payment expenses, staff welfare expenses and recruitment and training expenses.

Network Expense and IT Outsourcing Cost. Network expense and IT outsourcing cost consists of expenses incurred in operating and maintaining our network, particularly passive infrastructure charges, security service charges, power and fuel, including electricity and diesel costs, rental payments and associated taxes for MSCs, BSCs and BTSs, annual maintenance charges for networks (generally through contracts with Ericsson India Private Limited, Nokia Solutions and Networks India Private Limited, HUAWEI International Pte. Limited and

ZTE Corporation), network related insurance, lease line, junction related and connectivity charges from BSNL, MTNL and private operators and other operating expenses related to mobile network infrastructure. Leased line and connectivity charges consist of payments to the leased line owners for the use of their network for dedicated communication services. Payments are made in advance, on an annual basis, and are dependent on the distance between the POIs and the capacity of the leased line. Most of our network expenses are fixed and are directly related to the number of MSCs, BSCs, BTSs, RNCs and NBs.

<u>License Fees and Spectrum Usage Charges.</u> License fee is calculated as a percentage of our adjusted gross revenue, at a pre-determined rate prescribed by the DoT. In connection with the interpretation of the definition of adjusted gross revenue, there is currently a dispute between the mobile telecommunications operators and the DoT. Spectrum usage charges relates to the payments made to the DoT for the use of allotted frequency of spectrum for operating our mobile network.

<u>Roaming and Access Charges.</u> Roaming and access charges include charges payable to other operators, including long distance operators, for our subscribers accessing these operators' networks and termination charges.

<u>Subscriber Acquisition and Servicing Expenditure.</u> Subscriber acquisition and servicing expenditure, primarily consists of:

- Cost of SIMs and recharge vouchers;
- Commissions and incentives to dealers and distributors, including payments of commission to post-paid, and pre-paid distribution channel intermediaries for every new subscription and costs associated with pre-paid packs purchased by existing subscribers;
- Customer verification expenses incurred for verifying subscriber details on application for our services;
- Collection, telecalling and servicing expenses incurred in respect of collection of bills, including costs associated with sending reminders and the charges of external collection and recovery agencies. Telecalling expenses are incurred for establishing the first point of contact with consumers, feedback on services and for query resolutions. Telecalling is usually outsourced either on a per call or a per seat basis; and
- Subscriber retention and customer loyalty expenses incurred for the purposes of churn management and expenses incurred in respect of subscriber loyalty programs.

<u>Advertisement, Business Promotion Expenditure and Content cost.</u> Advertising and business promotion expenses relate to brand and product advertising, corporate campaigns and business promotions expenses. Content cost relates to the fixed or variable costs paid to content partners.

<u>Other Expenses.</u> Other expenses consist primarily of expenses incurred on allowances for doubtful debts and advances, non-network rentals, travelling and conveyance, repairs and maintenance of building and others, legal and professional charges, business support services, rates and taxes and electricity used in offices.

Finance Costs. Finance costs comprise interest payments made in relation to our borrowings and on deferred payment liability towards spectrum, exchange difference (net) on foreign currency exposure and gain/loss on derivatives (including fair value changes on derivatives).

Depreciation. Depreciation costs relate to the depreciation of our tangible fixed assets.

Amortization of Intangible Assets. Amortization expenses are incurred on intangible assets such as entry/license fees and spectrum, brand, computer software and bandwidth.

Our Results of Operations

The following table sets forth, for the periods indicated, certain items from our Restated Consolidated Financial Information, the components of which are also expressed as a percentage of total income for such periods:

	Nine months ended December 31, 2018		Nine months ended December 31, 2017	
	(₹ in millions)	*(% of Total Income)*	*(₹ in millions)*	*(% of Total Income)*
Income:				
Service Revenue	252,481	97.5	220,628	99.4
Sale of Trading Goods	169	0.1	46	0.0
Other Operating Income	525	0.2	160	0.1
Revenue from Operations	**253,175**	**97.8**	**220,834**	**99.5**
Other Income	5,745	2.2	1,026	0.5
Total Income:	**258,920**	**100.0**	**221,860**	**100.0**
Operating Expenditure:				
Cost of Trading Goods	200	0.1	67	0.0
Employee benefit expenses	15,652	6.0	12,835	5.8
Network Expenses and IT Outsourcing Cost	119,062	46.0	75,905	34.2
Licence Fees and spectrum usage charges	26,716	10.3	23,340	10.5
Roaming and Access Charges	29,194	11.3	28,249	12.7
Subscriber acquisition and servicing expenditure	20,559	8.0	21,058	9.5
Advertisement, business promotion expenditure and content cost	6,567	2.5	6,283	2.8
Other expenses	12,648	4.9	7,093	3.2
	230,598	**89.1**	**174,830**	**78.8**
Profits before finance costs, depreciation, amortisation, share of net profit/(loss) of joint ventures and associate, exceptional items and tax	**28,322**	**10.9**	**47,030**	**21.2**
Finance Costs	65,168	25.2	35,884	16.2
Depreciation	53,859	20.8	38,237	17.2
Amortisation	44,858	17.3	25,000	11.3
Profit / (Loss) before share of profit/(loss) of joint ventures and associate, exceptional items and tax	**(135,563)**	**(52.4)**	**(52,091)**	**(23.5)**
Add: Share in profits / (losses) of joint ventures (net)	1,999	0.8	2,586	1.2
Add: Share in Loss of Associate	(580)	(0.2)	(106)	(0.0)
Profit/(Loss) Before Exceptional Items and Tax	**(134,144)**	**(51.8)**	**(49,611)**	**(22.4)**
Exceptional Items	**19,979**	**7.7**	**-**	**-**
Profit/(Loss) before tax	**(114,165)**	**(44.1)**	**(49,611)**	**(22.4)**
Tax Expense				
Current Tax	169	0.1	920	0.4
Deferred Tax	(17,115)	(6.6)	(18,471)	(8.3)
Profit/(Loss) After Tax	**(97,219)**	**(37.6)**	**(32,060)**	**(14.5)**

	Financial Year					
	2018		2017		2016	
	(₹ in millions)	*(% of Total Income)*	*(₹ in millions)*	*(% of Total Income)*	*(₹ in millions)*	*(% of Total Income)*
Income:						
Service Revenue	281,677	98.6	354,898	99.0	358,834	99.2
Sale of Trading Goods	51	0.1	228	0.0	330	0.1
Other Operating Income	318	0.1	231	0.1	330	0.1
Revenue from Operations	**282,046**	**98.8**	**355,357**	**99.1**	**359,494**	**99.4**
Other Income	3,529	1.2	3,069	0.9	2,131	0.6
Total Income	**285,575**	**100.0**	**358,426**	**100.0**	**361,625**	**100.0**
Operating Expenditure:						
Cost of Trading Goods	73	0.0	279	0.1	289	0.1
Employee benefit expenses	15,430	5.4	17,977	5.0	16,119	4.5
Network Expenses and IT Outsourcing Cost	97,334	34.1	101,817	28.4	88,143	24.4
Licence Fees and spectrum usage charges	28,667	10.0	40,515	11.3	41,508	11.5
Roaming and Access Charges	35,358	12.4	42,754	11.9	46,653	12.9
Subscriber Acquisition and Servicing Expenditure	27,199	9.5	29,882	8.3	28,668	7.9

	Financial Year					
	2018		2017		2016	
	(₹ in millions)	*(% of Total Income)*	*(₹ in millions)*	*(% of Total Income)*	*(₹ in millions)*	*(% of Total Income)*
Advertisement, business promotion expenditure and content cost	8,147	2.9	9,413	2.6	9,499	2.6
Other Expenses	9,362	3.3	10,284	2.9	8,551	2.4
	221,570	**77.6**	**252,921**	**70.6**	**239,430**	**66.2**
Profits before finance costs, depreciation, amortisation, share of net profit/(loss) of joint ventures and associate, exceptional items and tax	**64,005**	**22.4**	**105,505**	**29.4**	**122,195**	**33.8**
Fair value loss on Compulsory Convertible Preference Shares (CCPS)	-	-	290	0.1	3,174	0.9
Finance Costs	48,130	16.9	39,794	11.1	18,176	5.0
Depreciation	50,630	17.7	49,914	13.9	48,045	13.3
Amortisation	33,461	11.7	28,358	7.9	14,516	4.0
Profit / (Loss) before share of profit/(loss) of joint ventures and associate, exceptional items and tax	**(68,216)**	**(23.9)**	**(12,851)**	**(3.6)**	**38,284**	**10.6**
Add: Share in profits / (losses) of joint ventures (net)	3,458	1.2	4,303	1.2	4,217	1.2
Add: Share in Loss of Associate	(234)	(0.1)	(84)	(0.0)	-	-
Profit/ (Loss) Before tax	**(64,992)**	**(22.8)**	**(8,632)**	**(2.4)**	**42,501**	**11.8**
Tax Expense						
Current Tax	1,234	0.4	990	0.3	8,922	2.5
Deferred Tax	(24,544)	(8.6)	(5,625)	(1.6)	6,298	1.8
Profit/ (Loss) After Tax	**(41,682)**	**(14.6)**	**(3,997)**	**(1.1)**	**27,281**	**7.5**

Nine months ended December 31, 2018 compared to the nine months ended December 31, 2017

On August 31, 2018, the merger between Vodafone India, Vodafone Mobile Services Limited and Idea Cellular Limited was completed. Consequently, our results for the nine months ended December 31, 2018 are not comparable to those of the earlier periods/years.

Income

Total Income: Our total income increased by 16.7% to ₹ 258,920 million for the nine months ended December 31, 2018 from ₹ 221,860 million for the nine months ended December 31, 2017, primarily due to an increase in our service revenues and other operating income.

Service Revenue: Our service revenue increased by 14.4% to ₹ 252,481 million for the nine months ended December 31, 2018 from ₹ 220,628 million for the nine months ended December 31, 2017, primarily due to an increase in our subscriber base on account of our Merger, which was effective from August 31, 2018.

Sale of Trading Goods. Sale of trading goods increased to ₹ 169 million for the nine months ended December 31, 2018 from ₹ 46 million for the nine months ended December 31, 2017, primarily due to an increase in number of tablets sold on account of Merger.

Other Income: Other income increased to ₹ 5,745 million for the nine months ended December 31, 2018 from ₹ 1,026 million for the nine months ended December 31, 2017, primarily due to an increase in gain on mutual funds (including fair value gain) to ₹ 5,567 million for the nine months ended December 31, 2018 from ₹ 722 million for the nine months ended December 31, 2017, which was partially offset by a decrease in interest income to ₹ 170 million for the nine months ended December 31, 2018 from ₹ 304 million for the nine months ended December 31, 2017.

Expenses

Cost of Trading Goods. Cost of trading goods increased to ₹ 200 million for the nine months ended December 31, 2018 from ₹ 67 million for the nine months ended December 31, 2017, primarily due to an increase in number of datacard / handset sold as a result of our Merger.

Employee Benefit Expenses. Employee benefit expenses increased by 21.9% to ₹ 15,652 million for the nine months ended December 31, 2018 from ₹ 12,835 million for the nine months ended December 31, 2017, primarily as a result of an increase in our employee base on account of our Merger.

Network Expenses and IT Outsourcing Cost. Network expenses and IT outsourcing cost increased by 56.9% to ₹ 119,062 million for the nine months ended December 31, 2018 from ₹ 75,905 million for the nine months ended December 31, 2017, primarily as a result of an increase in power and fuel expenses to ₹ 41,096 million for the nine months ended December 31, 2018 from ₹ 24,846 million for the nine months ended December 31, 2017, and an increase in passive infrastructure charges to ₹ 51,672 million for the nine months ended December 31, 2018 from ₹ 34,268 million for the nine months ended December 31, 2017, primarily due to the expansion of our network, including that on account of our Merger.

License Fees and Spectrum Usage Charges. License fees and spectrum usage charges increased by 14.5% to ₹ 26,716 million for the nine months ended December 31, 2018 from ₹ 23,340 million for the nine months ended December 31, 2017, primarily as a result of an increase in our adjusted gross revenue.

Roaming and Access Charges. Roaming and access charges increased by 3.3% to ₹ 29,194 million for the nine months ended December 31, 2018 from ₹ 28,249 million for the nine months ended December 31, 2017.

Subscriber acquisition and servicing expenditure. Subscriber acquisition and servicing expenditure decreased by 2.4% to ₹ 20,559 million for the nine months ended December 31, 2018 from ₹ 21,058 million for the nine months ended December 31, 2017, primarily as a result decrease in customer verification charges.

Advertisement, business promotion expenditure and content cost. Advertisement, business promotion expenditure and content cost increased by 4.5% to ₹ 6,567 million for the nine months ended December 31, 2018 from ₹ 6,283 million for the nine months ended December 31, 2017, primarily as a result an increase in content cost, which was partially offset by a decrease in our marketing campaigns.

Other Expenses. Other expenses increased by 78.3% to ₹ 12,648 million for the nine months ended December 31, 2018 from ₹ 7,093 million for the nine months ended December 31, 2017, primarily due to support service charges payable to Vodafone Group, and increase in allowances for doubtful debts and advances, repairs and maintenance expenses on others and non-network rent expenses.

Finance Costs. Our finance costs, increased by 81.6% to ₹ 65,168 million for the nine months ended December 31, 2018 from ₹ 35,884 million for the nine months ended December 31, 2017, primarily due to an increase in interest expenses on fixed period loans as well as on deferred payment liability towards spectrum.

Depreciation. Depreciation increased by 40.9% to ₹ 53,859 million for the nine months ended December 31, 2018 from ₹ 38,237 million for the nine months ended December 31, 2017, primarily as a result of an increase in our asset base on account of our Merger and gross block additions in our plant and machinery.

Amortization. Amortization increased by 79.4% to ₹ 44,858 million for the nine months ended December 31, 2018 from ₹ 25,000 million for the nine months ended December 31, 2017, primarily as a result of an increase in our intangible assets on account of our Merger.

Exceptional Items. For the nine months ended December 31, 2018, we had exceptional items of ₹ 19,979 million. These comprised income from the sale of Idea Cellular Infrastructure Services Limited of ₹ 33,473 million, integration and merger related costs (including site exit and related costs) of ₹ 21,043 million, income on account of re-assessment of certain estimates and accrual of ₹ 7,899 million and charge on impairment of assets on account of network re-alignment/integration of ₹ 350 million.

On November 13, 2017, we entered into a share purchase agreement with ATC Telecom Infrastructure Private Limited for the sale of our entire shareholding in Idea Cellular Infrastructure Services Limited, which transaction was completed on May 31, 2018.

Pursuant to our Merger, we converted two tenancies on a single tower to a single tenancy with a higher loading. The infrastructure service providers have raised demands for exit charges on us aggregating to approximately ₹ 30,000 million on account of this change. We have not admitted these demands based on certain interpretations of the Master Service Agreement and have been in discussion with the vendors. Further, we have given notices to the infrastructure providers to exit certain additional sites based on our ongoing network integration plan for which additional demands have not yet been received. We have estimated that the combined settlement amount for tenancy conversion and additional exits undertaken until December 31, 2018 will not exceed ₹ 17,250 million. Accordingly we have accrued ₹ 17,250 million towards such exit charges and disclosed as an exceptional item in our consolidated restated statement of profit and loss for the period ended December 31, 2018.

Also see*, "Risk Factors – Risks relating to our business - We face several risks associated with the integration of Vodafone India Limited and Vodafone Mobile Services Limited with our Company and if we are unable to realize the anticipated benefits of our Merger, our business, results of operations, financial condition and cash flows may be adversely affected"* on page [●].

Tax Expenses. For the nine months ended December 31, 2018, we had a current tax expense of ₹ 169 million and a deferred tax income of ₹17,115 million. For the nine months ended December 31, 2017 we had a current tax expense of ₹ 920 million and a deferred tax income of ₹ 18,471 million. Deferred tax income for the nine month ended December 31, 2018 is net of tax charge on exceptional items amounting to ₹7,937 million and a charge towards de-recognition of MAT credit of ₹13,123 million.

Profit/loss after tax: We had a loss after tax of ₹ 97,219 million for the nine months ended December 31, 2018 as compared to a loss after tax of ₹32,060 million for the nine months ended December 31, 2017.

Financial Year 2018 as compared to Financial Year 2017

Total Income. Our total income decreased by 20.3% to ₹ 285,575 million for the financial year 2018 from ₹ 358,426 million for the financial year 2017, primarily due to a decrease in our service revenue.

Service Revenue. Our service revenue decreased by 20.6% to ₹ 281,677 million for the financial year 2018 from ₹ 354,898 million for the financial year 2017, primarily due to increased competition. For the financial year 2018, we had 1,118.7 billion total minutes of use and total data volume of 2,080.9 billion MB as compared to 836 billion total minutes of use and total data volume of 436.4 billion MB for the financial year 2017. We experienced a decline in realized rates for voice and data services as we started offering competitive tariffs on account of increased hyper competition and increased penetration of unlimited plans.

Sale of Trading Goods. Sale of trading goods decreased by 77.6% to ₹ 51 million for the financial year 2018 from ₹ 228 million for the financial year 2017, primarily due to a reduction in volume of data cards and handsets sold.

Other Income: Our other income increased by 15.0% to ₹ 3,529 million for the financial year 2018 from ₹ 3,069 million for the financial year 2017, primarily due to an increase in interest income to ₹ 2,078 million for the financial year 2018 from ₹ 675 million for the financial year 2017 mainly due to interest on income tax refunds, which was partially offset by a decrease in gain on mutual funds (including fair value gain) to ₹ 1,451 million for the financial year 2018 from ₹ 2,394 million for the financial year 2017.

Expenses

Cost of Trading Goods. Cost of trading goods decreased by 73.8% to ₹ 73 million for the financial year 2018 from ₹ 279 million for the financial year 2017, primarily due to a reduction in volume of data cards and handsets sold.

Employee Benefit Expenses. Employee benefit expenses decreased by 14.2% to ₹ 15,430 million for the financial year 2018 from ₹ 17,977 million for the financial year 2017, primarily as a result of a reduction in the number of our employees.

Network Expenses and IT Outsourcing Cost. Network expenses and IT outsourcing cost decreased by 4.4% to ₹ 97,334 million for the financial year 2018 from ₹ 101,817 million for the financial year 2017, primarily as a result of cost optimization initiatives.

License Fees and Spectrum Usage Charges. License fees and spectrum usage charges decreased by 29.2% to ₹ 28,667 million for the financial year 2018 from ₹ 40,515 million for the financial year 2017, primarily as a result of a decrease in our revenue.

Roaming and Access Charges. Roaming and access charges decreased by 17.3% to ₹ 35,358 million for the financial year 2018 from ₹ 42,754 million for the financial year 2017, primarily as a result of reduction in IUC rates (partially offset by increase in volumes) and cost towards intra circle roaming arrangements, which decreased as we expanded our own network coverage.

Subscriber Acquisition and Servicing Expenditure. Subscriber acquisition and servicing expenditure decreased by 9.0% to ₹ 27,199 million for the financial year 2018 from ₹ 29,882 million for the financial year 2017, primarily as a result of a decrease in gross subscriber additions.

Advertisement, Business Promotion Expenditure and Content Cost. Advertisement, business promotion expenditure and content cost decreased by 13.4% to ₹ 8,147 million for the financial year 2018 from ₹ 9,413 million for the financial year 2018, primarily due to a decrease in our content cost as well as expenditure on advertisement campaigns.

Other Expenses. Other Expenses decreased by 9.0% to ₹ 9,362 million for the financial year 2018 from ₹ 10,284 million for the financial year 2017, primarily due to decreases in rates and taxes, allowances for doubtful debts and advances and CSR expenditure.

Finance Costs. Our finance costs, increased by 20.9% to ₹ 48,130 million for the financial year 2018 from ₹ 39,794 million for the financial year 2017, primarily due to higher average net debt, higher forex loss and lower interest capitalization on spectrum put to use during the year.

Depreciation. Depreciation increased marginally by 1.4% to ₹ 50,630 million for the financial year 2018 from ₹ 49,914 million for the financial year 2017, primarily as a result of gross block additions in our plant and machinery.

Amortisation. Amortisation increased by 18.0% to ₹ 33,461 million for the financial year 2018 from ₹ 28,358 million for the financial year 2017, primarily as a result of increased amortization as part of the spectrum acquired in the October 2016 auctions being capitalized during the year.

Tax Expense. For the financial year 2018, we had a current tax expense of ₹ 1,234 million and a deferred tax income of ₹ 24,544 million. For the financial year 2017, we had a current tax expense of ₹ 990 million and a deferred tax income of ₹ 5,625 million.

Profit/loss after Tax: We had a loss after tax of ₹ 41,682 million for the financial year 2018 as compared to a loss after tax of ₹ 3,997 million for the financial year 2017.

Financial Year 2017 as compared to Financial Year 2016

Income

Total Income. Our total income decreased by 0.9% to ₹ 358,426 million for the financial year 2017 from ₹ 361,625 million for the financial year 2016, primarily due to a decrease in our service revenue.

Service Revenue. Our service revenue decreased by 1.1% to ₹ 354,898 million for the financial year 2017 from ₹ 358,834 million for the financial year 2016; although there was an increase in total minutes of use from 786 billion minutes to 836 billion minutes and an increase in total data volume from 297.9 billion MB to 436.4 billion MB between the financial years 2016 and 2017, we experienced a decline in realized rates for voice and data services on account of increased competition and large scale free services being offered by one of our competitors.

Sale of Trading Goods. Sale of trading goods decreased by 30.9% to ₹ 228 million for the financial year 2017 from ₹ 330 million for the financial year 2016, primarily due to a reduction in number of data cards sold during the financial year 2017.

Other Income: Our other income increased by 44.0% to ₹ 3,069 million for the financial year 2017 from ₹ 2,131 million for the financial year 2016, primarily due to an increase in gain on mutual funds (including fair value gain) to ₹ 2,394 million for the financial year 2017 from ₹ 1,854 million for the financial year 2016 and an increase in interest income to ₹ 675 million for the financial year 2017 from ₹ 277 million for the financial year 2016. The increase was on account of deployment of surplus funds from fresh borrowings pending utilization/ prepayment of deferred payment liability.

Expenses

Cost of Trading Goods. Cost of trading goods decreased by 3.5% to ₹ 279 million for the financial year 2017 from ₹ 289 million for the financial year 2016, primarily due to a reduction in number of data cards sold during the financial year 2017.

Employee Benefit Expenses. Employee benefit expenses increased by 11.5% to ₹ 17,977 million for the financial year 2017 from ₹ 16,119 million for the financial year 2016, primarily as a result of annual increments given to our employees.

Network Expenses and IT Outsourcing Cost. Network expenses and IT outsourcing cost increased by 15.5% to ₹ 101,817 million for the financial year 2017 from ₹ 88,143 million for the financial year 2016, primarily as a result of the expansion of our network.

License Fees and Spectrum Usage Charges. License fees and spectrum usage charges decreased by 2.4% to ₹ 40,515 million for the financial year 2017 from ₹ 41,508 million for the financial year 2016, primarily as a result of a decrease in our revenue.

Roaming and Access Charges. Roaming and access charges decreased by 8.4% from ₹ 46,653 million for the financial year 2016 to ₹ 42,754 million for the financial year 2017, primarily as a result of a decrease in roaming charges to ₹ 9,107 million for the financial year 2017 from ₹ 13,204 million for the financial year 2016 since we expanded our own network coverage.

Subscriber Acquisition and Servicing Expenditure. Subscriber acquisition and servicing expenditure increased by 4.2% to ₹ 29,882 million for the financial year 2017 from ₹ 28,668 million for the financial year 2016, primarily as a result of an increase in gross additions of subscribers.

Advertisement, Business Promotion Expenditure and Content Cost. Advertisement, business promotion expenditure and content cost decreased marginally by 0.9% to ₹ 9,413 million for the financial year 2017 from ₹ 9,499 million for the financial year 2016, primarily due to a decrease in expenditure on our advertisement campaigns.

Other Expenses. Other Expenses increased by 20.3% to ₹ 10,284 million for the financial year 2017 from ₹ 8,551 million for the financial year 2016, primarily due to an increase in allowances for doubtful debts and advances, rates and taxes, non-network rent and miscellaneous expenses.

Finance Costs. Our finance costs increased to ₹ 39,794 million for the financial year 2017 from ₹ 18,176 million for the financial year 2016, primarily due to higher average net debt on account of acquisition of spectrum in various bands.

Depreciation. Depreciation increased by 3.9% to ₹ 49,914 million for the financial year 2017 from ₹ 48,045 million for the financial year 2016, primarily as a result of gross block additions in our property, plant and equipments.

Amortisation. Amortisation increased by 95.4% to ₹ 28,358 million for the financial year 2017 from ₹ 14,516 million for the financial year 2016, primarily on account of a full year of amortization charge for spectrum acquired in auctions for 3G and 4G services and in nine Service Areas where our CMTS licenses along with bundled spectrum expired and fresh licenses were obtained.

Tax Expense. During the financial year 2017, we had a current tax expense of ₹ 990 million and a deferred tax income of ₹ 5,625 million, while during the financial year 2016, we had a current tax expense of ₹ 8,922 million and a deferred tax expense of ₹ 6,298 million.

Profit/loss after Tax: We had a loss after tax of ₹ 3,997 million for the financial year 2017 as compared to a profit after tax of ₹ 27,281 million for the financial year 2016.

Financial Condition, Liquidity and Capital Resources

We define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from our operations, financing from banks and other financial institutions and from the issuance of equity shares and non-convertible debentures of our Company. Our primary capital requirements have been capital expenditures to develop, expand and upgrade our network and equipment, acquisition of spectrum, license and other regulatory costs, and other capital expenditure and working capital requirements. We believe that we will have sufficient capital resources from our operations, net proceeds of the Issue and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarizes our cash flows for the periods indicated:

(₹ in millions)

	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Financial Year		
			2018	2017	2016
Net Cash flow from operating activities	41,957	53,778	53,324	105,047	109,874
Net Cash flows from/(used) in Investing Activities	(67,573)	(33,525)	(92,717)	(155,558)	(23,890)
Net Cash flows generated from/(used in) Financing Activities	(22,787)	(20,857)	39,249	44,772	(93,689)
Net increase/(decrease) in cash and cash equivalents	(48,403)	(604)	(144)	(5,739)	(7,705)

Operating Activities

Net cash flow from operating activities was ₹ 41,957 million for the nine months ended December 31, 2018. While our loss before tax was ₹ 114,165 million for the nine months ended December 31, 2018, we had an operating profit before working capital changes of ₹ 10,783 million. Our changes in working capital for the nine months ended December 31, 2018 primarily comprised increase in trade payables of ₹ 35,891 million, partially offset by a decrease in other financial and non financial liabilities of ₹ 4,705 million and an increase in trade receivables of ₹ 3,973 million.

Net cash flow from operating activities was ₹ 53,778 million for the nine months ended December 31, 2017. While our loss before tax was ₹ 49,611 million for the nine months ended December 31, 2017, we had an operating profit before working capital changes of ₹ 47,452 million. Our changes in working capital for the nine months ended December 31, 2017 primarily comprised increase in trade payables of ₹ 2,171 million, increase in other financial and non financial liabilities of ₹ 4,233 million, decrease in trade receivables of ₹ 1,233 million and a decrease in other financial and non financial assets of ₹ 1,739 million.

Net cash flow from operating activities was ₹ 53,324 million for the financial year 2018. While our loss before tax was ₹ 64,992 million for financial year 2018, we had an operating profit before working capital changes of ₹ 61,693 million. Our changes in working capital for the financial year 2018 primarily comprised a decrease in trade receivables of ₹ 1,995 million, partially offset by a decrease in trade payables of ₹ 4,558 million and an increase in other financial and non financial assets of ₹ 2,483 million.

Net cash flow from operating activities was ₹ 105,047 million for the financial year 2017. While our loss before tax was ₹ 8,632 million for financial year 2017, we had an operating profit before working capital changes of ₹ 104,837 million. Our changes in working capital for the financial year 2017 primarily comprised an increase in trade payables of ₹ 8,457 million and an increase in other financial and non financial liabilities of ₹ 4,236 million, partially offset by an increase in trade receivables of ₹ 3,614 million and an increase in other financial and non financial assets of ₹ 2,538 million.

Net cash flow from operating activities was ₹ 109,874 million for the financial year 2016. While our profit before tax was ₹ 42,501 million for financial year 2016, we had an operating profit before working capital changes of ₹ 122,425 million. Our changes in working capital for the financial year 2016 primarily comprised an increase in other financial and non financial liabilities of ₹ 3,017 million and an increase in trade payables of ₹ 3031 million, partially offset by an increase in other financial and non financial assets of ₹ 6,078 million and an increase in trade receivables of ₹ 3,555 million.

Investing Activities

Net cash used in investing activities was ₹ 67,573 million for the nine months ended December 31, 2018, primarily consisting of amount paid for the purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) of ₹ 58,570 million, payment towards spectrum and licenses – upfront payment/one time spectrum charges of ₹ 39,263 million and net purchase of current investments of ₹ 15,154 million, partially offset by proceeds from the sale of our subsidiary, Idea Cellular Infrastructure Services Limited, of ₹ 42,303 million.

Net cash used in investing activities was ₹ 33,525 million for the nine months ended December 31, 2017, primarily consisting of amount paid for the purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) of ₹ 69,053 million, partially offset by net proceeds from of current investments of ₹ 32,618 million.

Net cash used in investing activities was ₹ 92,717 million for the financial year 2018, primarily consisting of amount paid for the purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) of ₹ 86,508 million, primarily for expansion of our network and amount paid for the purchase of current investments of ₹ 8,385 million.

Net cash used in investing activities was ₹ 155,558 million for the financial year 2017, primarily consisting of amount paid for purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) of ₹ 53,313 million, primarily for expansion of our network, payment towards spectrum and licenses-upfront payment of ₹ 66,207 million in respect of new spectrum acquired/one time spectrum charges, and amount paid for the net purchase of current investments of ₹ 33,298 million.

Net cash used in investing activities was ₹ 23,890 million for the financial year 2016, primarily consisting of amount paid for purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) of ₹ 71,243 million, primarily for expansion of our network, payment towards spectrum and licenses-upfront payment of ₹ 58,082 million in respect of new spectrum acquired//one time spectrum charges, which was partially offset by net proceeds from the sale of current investments of ₹ 103,912 million.

Financing Activities

Net cash used in financing activities was ₹ 22,787 million for the nine months ended December 31, 2018, primarily comprising of repayment of short term borrowings of ₹56,553 million, repayment of long term borrowings of ₹10,673 million and payment of interest and finance charges of ₹12,893 million, partially offset by proceeds from long term borrowings of ₹ 56,429 million.

Net cash used in financing activities was ₹ 20,857 million for the nine months ended December 31, 2017, primarily comprising of payment of interest and finance charges of ₹48,247 million, repayment of long term borrowings of ₹7,655 million, partially offset by proceeds from long term borrowings of ₹ 35,000 million.

Net cash from financing activities was ₹ 39,249 million for the financial year 2018, primarily comprising of proceeds from long term borrowings of ₹ 44,950 million, proceeds from the allotment of equity shares pursuant to a qualified institutions placement of ₹ 34,691 million and proceeds from the preferential allotment of equity shares of ₹ 32,465 million, partially offset by payment of interest and finance charges of ₹ 54,900 million and repayment of long term borrowings of ₹ 18,015 million.

Net cash from financing activities was ₹ 44,772 million for the financial year 2017, primarily comprising of proceeds from long-term borrowings of ₹ 115,156 million, partially offset by payment of interest and finance charges of ₹ 32,473 million, repayment of long term borrowings of ₹ 15,859 million and repayment of short term borrowings of ₹ 15,000 million.

Net cash used in financing activities was ₹ 93,689 million for the financial year 2016, primarily comprising repayment of long term borrowings of ₹ 101,630 million, which was partially offset by proceeds from short term borrowings of ₹ 14,798 million.

Borrowings

The details of our borrowings as of December 31, 2018 are set forth below:

Particulars	As of December 31, 2018 (*₹ in millions)*
Long Term Borrowings	
Secured loans	
Redeemable Non-Convertible Debentures (NCDs)	50
Term loans	
Foreign currency loan from Others	-
Rupee loan from Banks	88,027
Vehicle loan from banks	10
Unsecured loans	
Redeemable Non-Convertible Debentures (NCDs)	103,507
Term loans	
Foreign currency loan	
- From banks	2,964
- From Others	23,522
Rupee loan	
- From banks	49,267
- From Others	2,737
Deferred payment liabilities towards spectrum (unsecured)	885,295
Deferred Payment Others (unsecured)	699
Current maturities of long term debt	69,654
Short Term Borrowings	
Secured Bank Overdraft	4
Unsecured Bank Overdraft	1,659
Unsecured Short term loan from banks	9,243
Commercial papers from Banks	-
Total Borrowings	**1,236,638**

Also see, *"Risk Factors – Risks relating to our business - Our Company has incurred significant indebtedness and our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, financial condition and cash flows"* on page [●].

Capital and Other Commitments

Our estimated amount of commitments are as follows:

(₹ in millions)

Particulars	As at December 31, 2018
Spectrum won in auctions	-
Contracts remaining to be executed for capital expenditure (net of advances) and not provided for	22,527
Long term contracts remaining to be executed including early termination commitments, if any	22,465

Operating Leases

We have entered into non-cancellable operating leases for offices, switches and cell sites for periods ranging from 36 months to 240 months.

The future minimum lease payments in respect of our operating leases as December 31, 2018 are as follows:

	Within 1 Year	After 1 but not more than 5 Years	More than 5 Years
	(₹ in millions)		
Minimum Lease Payments	58,575	178,917	51,390

Capital Expenditure

Our capital expenditure for the nine months ended December 31, 2018, 2017 and the years ended March 31, 2018, 2017 and 2016 were ₹ 83,032 million, ₹ 54,476 million, ₹ 76,275 million, ₹ 212,865 million and ₹ 382,142 million, respectively. Our capital expenditure primarily included network equipment and spectrum costs.

Capital expenditure comprises of addition to property, plant and equipment, intangible assets, movement in closing and opening CWIP (including intangible assets under development), movement in closing and opening capital advances less property, plant and equipment, CWIP (including intangible assets under development) and capital advances of Vodafone India and its subsidiaries acquired through amalgamation.

For the three months ended March 31, 2019 and the financial year 2020, we expect to incur capital expenditure of ₹ 200 billion, primarily towards expansion of our 4G coverage and capacity and adding fibre capacity.

Contingent Liabilities not provided for:

Our contingent liabilities in accordance with Ind AS 37 as of December 31, 2018 are set out below:

<u>Licensing Disputes</u>

(i) One Time Spectrum Charges (Beyond 4.4 MHz):

In the financial year 2013, the 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 million; 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 million.

(ii) One Time Spectrum Charges (Less than 4.4 MHz):

In the financial year 2016, Vodafone Mobile Services Limited had received demands from the 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 million. Also, in the financial year 2016, Vodafone India 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 million.

(iii) Other Licensing Disputes – ₹ 133,036 million.

<u>Other Matters not acknowledged as debts</u>

Particulars	As at December 31, 2018
Income tax matters	14,123
Sales tax and entertainment tax matters	1,519
Service tax/Goods and Service Tax (GST) matters	15,684
Entry tax and customs matters	4,707
Other claims	11,929

Total	**47,962**

For further details of our contingent liabilities, see "*Restated Consolidated Financial Information – Contingent Liabilities*" on page [●].

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions could be for, among other things, purchase and sale of services, rent or lease of certain properties, dividends and interest, remuneration. We believe each of these arrangements has been entered into in the ordinary course of business and are on arm's lengths terms, or on terms that we believe are at least as favourable to us as similar transactions with unrelated parties.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various financial risks such as market risk, credit risk and liquidity risk.

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 the respective balance sheet dates.

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. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, we enter into interest rate swaps, in which we agree 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 December 31, 2018, after taking into account the effect of interest rate swaps, approximately 86.79% of our borrowings are at a fixed rate of interest. For a sensitivity analysis of our exposure to changes in interest rates to our profit and loss for the financial years 2018, 2017 and 2016 and December 31, 2018 and 2017 as per the requirements of Ind AS 107 "Financial instruments Disclosures", see "*Restated Consolidated Financial Information*" on page [●].

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. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency). Our foreign currency risks are identified, measured and managed at periodic intervals in accordance with our policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, we negotiate the terms of those derivatives to match the terms of the hedged exposure. Our major foreign currency risk in US dollars.

At December 31, 2018, we hedged 66.08% of our foreign currency trade payables and 11.51% of our foreign currency loan. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency rate swaps. For a sensitivity analysis of our exposure to changes in foreign currency rates to our profit and loss for the financial years 2018, 2017 and 2016 and December 31, 2018 and 2017 as per the requirements of Ind AS 107 "Financial instruments Disclosures", see "*Restated Consolidated Financial Information*" on page [●]

Price Risk

We invest our 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.

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. We are exposed to credit risk from our operating activities (primarily trade and other receivables) and from our financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed in accordance with our 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. We follow 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, we estimate irrecoverable amounts based on the ageing of the receivable balances and historical experience.

We, based on past trends, recognize 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, Interconnection Usage Charges 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.

Other financial assets / instruments and cash deposits

Credit risk from balances with banks is managed by our 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 our 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.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. We monitor our risk of a shortage of funds using a liquidity planning tool. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Approximately 6.51% of our debt will mature in less than one year as at December 31, 2018 based on the carrying value of borrowings reflected in the financial statements. Based on the past performance and future expectation, we believe that cash generated from operations and available sources from raising funds will satisfy our cash flow requirement associated with repayment of borrowings due and our operations, through at least the next twelve months.

Seasonality of Business

We do not experience significant seasonality in our business, however, in the second quarter of each financial year, we generally see a slowdown in the growth of minutes on our network on a quarter on quarter basis.

Significant Developments after December 31, 2018

To our knowledge, except as otherwise disclosed elsewhere in this Letter of Offer, there are no subsequent developments after the date of our financial statements contained in this Letter of Offer, which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VODAFONE INDIA

*You should read the following discussion of Vodafone India's financial condition and results of operations together with its consolidated financial statements as of and for the April 1, 2018 to August 30, 2018 period ("**Vodafone Interim Period**") and the financial years 2018, 2017 and 2016, including the schedules and notes thereto, included elsewhere in this Letter of Offer, which are prepared in accordance with Ind AS ("**Vodafone India Financial Statements**"). Ind AS differs in certain material respects from Indian GAAP, US GAAP and International Financial Reporting Standards.*

This discussion contains certain forward-looking statements and reflects its current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" and "Forward Looking Statements" included in this Letter of Offer.

Vodafone India's financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 month period ended March 31 of that year.

In this section, unless the context otherwise requires, "Vodafone India" and "it" refers to Vodafone India Limited and its subsidiaries, on a consolidated basis. The financial results of Vodafone India described below include the results of Indus Towers and Vodafone India's shareholding in Indus Towers was not transferred to Vodafone Idea Limited.

Significant Accounting Policies

The critical accounting policies followed by Vodafone India in the preparation of its financial statements are set out below. Its significant accounting policies are more fully described in the Vodafone India Financial Statements included elsewhere in this Letter of Offer.

Revenue Recognition

Ind AS 115 "Revenue from Contracts with Customers"

Effective April 1, 2018, Vodafone India adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of such standard was insignificant on these financial statements.

Revenue recognition accounting policy

Revenue is measured at 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. Vodafone India recognized revenue when it transferred control over goods or services to its customers.

Revenue from telecommunication services mainly comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, data and connectivity services, connecting users of other fixed line and mobile networks to the Vodafone India's network.

Vodafone India had two major types of revenue – retail/subscriber revenue from services that is postpaid and prepaid, and wholesale operator revenues that is interconnect, roaming and long distance services.

Revenue recognition for voice, data, messaging and VAS is over the period when these services were provided to the customers.

The transaction price is the amount of consideration to which Vodafone India expected to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Vodafone India did not consider collectability when determining the transaction price. When determining the transaction price, Vodafone India considered the effects of all of the following.

Variable Consideration. It did not have significant variable considerations in its services.

Significant financing component. It does not have significant financing component in its services.

Non- cash consideration. It did not have non-cash consideration in transaction price.

Consideration payable to the customer. It did not have any significant consideration payable to the customer.

Costs to acquire and costs to fulfill a contract

Prior to the adoption of Ind AS 115, contract costs related to commission (cost to acquire) were expensed, as they did not qualify for recognition as an asset under any of the other accounting standards. However, under Ind AS 115, these costs relate directly to the contract, require resources used in satisfying the contract and are expected to be recovered. Under Ind AS 115, these have to be capitalized as contract costs. Capitalized contract costs are amortized over customer relationship period. The relationship period is not significant. Accordingly, the adoption of new standard Ind AS 115 does not have a significant impact on these financial statements.

Gross versus Net presentation

When revenue is recognized in respect of goods or services provided by third parties it is considered whether Vodafone India acted as a principal or an agent. Whether it is considered to be the principal or an agent in the transaction depends on the analysis of both from a legal and substance perspective of the underlying agreement between the parties.

M-pesa Services

This mainly comprises of commission income on transactions carried out by M-pesa subscribers (i.e. online bill payments, money transfers). The revenue is recognized net of service tax and discounts.

Sale of devices

Revenue for device sales is recognized when the device is delivered to the end customer or distributor and the significant risks and rewards of ownership have transferred. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer or the distributor or the expiry of any right of return.

Multiple element contracts

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

a) the deliverable has value to the customer on a stand-alone basis; and
b) there is evidence of the fair value of the item.

The arrangement consideration allocated to each separate unit of accounting based on its fair value.

CellSite Sharing Revenue

Service income from passive infrastructure is recognized from the date on which the sites are ready for active installation. Rental revenues are recognized on a monthly basis as per the contractual terms under agreements entered with customers. Vodafone India had ascertained that the lease payments received are structured to increase in line with expected general inflation to compensate for its expected inflationary cost increases and therefore are not straight-lined.

Accrued Billing Revenue

Accrued billing revenue represent revenue recognized in respect of services provided from last bill date to the end of the reporting period.

Unearned Billing Revenue

Unearned billing revenue represents billing done to subscribers for which services have not been rendered up to the period end date.

Income Tax

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. Vodafone India's liability for current tax was calculated using Indian tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities were offset when there was a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Vodafone India periodically evaluated positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit not taxable profit (tax loss).

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax basis of investments in subsidiaries and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in joint ventures, except where Vodafone India was able to control the reversal of the temporary difference and it was probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated balance sheet, if and only when, (a) Vodafone India had a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax was charged or credited to the consolidated statement of profit and loss, except when it related to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognised in other comprehensive income/(loss) or in equity.

Minimum Alternate Tax ("**MAT**") credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Leasing

As Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as its assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss. Payments made under operating leases (net of any incentives received or receivable from the lessor) are charged to the consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

As Lessor

Vodafone India had leased certain tangible assets and such leases where it had substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income is recognized as income on a straight-line basis over the period of lease, which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Dark optic fibre cable (“**OFC**”) capacity given to other operators on long term non-cancellable lease is treated as a deletion of the asset from the block. The income (net) of net book value of OFC is recognised as profit on sale of assets in the year of sale.

License Fees-Revenue Share

License fee (revenue share) and spectrum fees is computed at prescribed rates as per the license agreement entered into by it with the DoT and charged to the consolidated statement of profit and loss in the period in which the related revenue is recognized.

Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their historical cost, less depreciation and any impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's 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 it and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

The assets acquired under the composite IT outsourcing agreement are accounted for based on fair value. Fixed assets are accounted for as own assets/finance lease as applicable under the contract. These assets are depreciated over their respective useful lives as in the case of Company's other own assets.

Asset retirement obligation ("**ARO**") is capitalised 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 recognised as a part of the cost of the assets and is measured based on present value of expected cost to settle the obligation.

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets. The useful lives have been determined based on technical evaluation which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets.

Following are the estimated useful life of various category of assets used:

Assets	**Life of assets**
Leasehold Land	Over the period of lease
Building	50 years
Leasehold Improvements	Over the lease period or 5 years whichever is shorter
Plant and Machinery	
Batteries	4 years
Towers	15-18 years
Telecom Shelters	15 years
Other plant and machinery	8 years
Dark and Optic Fibre	15 years
Computer hardware	
Servers	5 years
Other computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 years

Depreciation is not provided on freehold land. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by it, is classified as investment property.

Investment properties are measured initially at their cost including transaction cost. Investment properties are subsequently measured at historical cost less accumulated depreciation and impairment loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, it 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.

Intangible Assets

Identifiable intangible assets are recognised when it controls the asset. It is probable that future economic benefits attributed to the asset will flow to it and the cost of the asset can be reliably measured.

Goodwill

Goodwill arising on business combination is initially recognized as an asset at cost and is subsequently measured at cost less and accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment annually along with the cash generating unit ("**CGU**") to which it is allocated. On disposal of a subsidiary or a jointly controlled entity, attributable amount of goodwill is included in the determination of the profit or loss recognised in the consolidated statement of profit and loss on disposal.

Finite Lived Intangible Assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The residual value, amortisation period and method is reviewed at least annually. Changes in the residual value, expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Licenses and right to use spectrum. Amount paid by it to acquire licenses and spectrum rights from the DOT are initially recognised at cost. Subsequently, license and spectrum rights are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation periods for the spectrum rights are determined primarily by reference to the unexpired period of the spectrum rights. Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the commencement of related network services for spectrum rights.

Amortisation period of the licenses are 20 years from the date of its receipt. Amortisation it charged on straight line basis over the useful file.

Brand. Brand acquired by Vodafone India is shown at historical cost. Brand on acquisition of subsidiary is recorded at fair value on the date of acquisition. Subsequently brands are carried at cost less accumulated amortization and impairment losses. It amortized brand using the straight line method over the estimated useful life.

Computer software. Computer software comprises computer software purchased from third parties. Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Direct costs include software development employee costs and directly attributable overheads. Software integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programs are recognised as an expense when they are incurred.

Computer software acquired under composite IT outsourcing agreement are accounted for based on fair value. These are accounted as owned assets or finance lease as applicable under the contract. These are amortised over their expected life on the same basis as owned assets or where shorter, over the term of the lease.

Amortisation is charged to the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives from the date the software is available for use.

Bandwidth. Payment for bandwidth capacities are classified as pre-payments in service agreements or under certain conditions as on acquisition of a right. In the latter case, it is accounted as an intangible asset and the cost is amortised over the period of the agreements.

The estimated useful lives of finite lived intangible assets are as follows:

Assets	Useful Life
Licenses and spectrum	Over the remaining period of license and spectrum after being put to use
Brand	3-15 years
Computer software	3-5 years
Bandwidth	15 years

Disposal of intangibles. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying value of the asset and are recognised as other (gains)/losses (net) in the consolidated statement of profit and loss.

Non-current assets held for sale or held for distribution to owners and discontinued operations

Non-current assets are classified as held for sale or held for distribution to owners, if its carrying amount will be recovered principally through a sale transaction or through distribution to shareholders rather than through continuing use. For this to be the case, the asset must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distributions of such assets and its sale or distribution must be highly probable and sale or distribution is expected to be completed within one year from date of classification.

Non-current assets held for sale or held for distribution to owners are presented separately in the current section of the consolidated balance sheet. Non-current assets classified as held for sale or held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale or held for distribution to owners.

Discontinued operations are reported when a component of it comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of its operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in the notes.

Impairment of Assets

Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as a cash generating unit ("**CGU**") or a group of CGUs. Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversed in a subsequent period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Property, plant and equipment, investment properties and finite lived intangible assets

At each reporting date, Vodafone India determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, it estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as employee benefits payable under other current financial liability in the balance sheet.

Benefit Plan

Its employee benefits include defined benefit plans and defined contribution plans. It also provides other benefits in the form of compensated absences.

It provided for gratuity, a defined benefit plan (the "**Gratuity Plan"**) covering eligible employees in accordance with the Payment of Gratuity act, 1972. Under the defined benefit retirement plan, it provided for the retirement obligation in the form of gratuity. Under the plan, a lump sum payment was made to vested employees at retirement or termination of employment based on respective employee salary and years of experience. The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Present value of defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

For You Broadband India Limited and certain employees of Vodafone Mobile Services Limited, gratuity contributions are made to a trust administered by these companies. It's liability for these employees is actuarially determined (using the Projected Unit Credit method) at the end of the period/year.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognized as an asset or liability. Scheme liabilities are assessed using the projected unit credit method and applying the principal actuarial assumptions at the reporting date. Plan assets are valued at fair value.

Actuarial gains and losses are taken to the statement of other comprehensive income as incurred. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements in the net surplus or deficit are recognized in the consolidated statement of profit and loss, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the consolidated statement of profit and loss. The amount charged to the consolidated statement of profit and loss in respect of these plans is included within operating costs.

Contribution Plan

Vodafone India's contributions to defined contribution plans in the nature of provident fund and superannuation are charged to the consolidated statement of profit and loss as they fall due. For superannuation scheme, it has established trusts and trusts have entered into a scheme of insurance with Life Insurance Corporation of India. It has no further obligations under these plans beyond its periodic contributions. Contribution towards provident fund for all employees is made to the regulatory authorities, where it has no further obligations.

Long Term Benefit Obligations

Vodafone India's employees are entitled to compensate absences based on the unavailed leave balance. It records liability for compensated absences based on actuarial valuation computed under the projected unit credit method.

Accumulated compensated absences, which are expected to be availed or encashed are treated as employment benefits under current liabilities since it does not have an unconditional right to defer settlement at least twelve months after the reporting period. It's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the consolidated statement of profit and loss in the year in which they arise.

Share-based Payments

Vodafone India provides its employees with a share based payment plan as run by its ultimate holding company Vodafone Group Plc. Vodafone Group Plc issues equity-settled share-based payments linked to its equity shares to certain of its employees in lieu of the services provided by them to it. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to share based payment reserve, based on its estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The total expense (adjusted for estimated forfeitures) is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, it revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to share based payment reserve in the year of change.

Vodafone Group Plc recharges to it certain costs for the share based payments made or to be made by them to its employees. Any excess or shortage of recharge as compared to the overall share based payment reserve balance is treated as either dividend paid to Vodafone Group Plc or capital contribution by Vodafone Group Plc, respectively.

Provisions and Contingent Liabilities

Asset Retirement Obligations

ARO is provided for those assets or operating lease arrangements where it has a binding obligation at the end of the lease period to restore the leased premises to a condition similar to condition at the inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects current market assessment of time value of money and 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.

Other Provisions

Provisions are recognised when it 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.

Provisions are measured at its best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within its control or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Borrowing Costs

Borrowing costs consist of interest and other costs that it incurs in connection with the borrowing of funds. It includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

Other borrowing cost includes interest paid to various regulatory authorities for delayed payment.

Segment Information

Vodafone India's reportable segments in accordance with Ind AS 108 are as follows:

- *Mobile Telecommunication*. Providing mobile and fixed line data related mobile telecommunication services.

- *Passive Infrastructure*. Passive Infrastructure segment, represents establishing, operating and maintaining wireless communication towers, providing network development services and providing towers on lease. It has been classifying tower business as part of passive infrastructure segment. During the year ended March 31, 2018, it has classified the tower business as discontinued operations, due to transfer of passive infrastructure business to ATC Telecom Infrastructure Private Limited. Since it continued to engage in the business of providing passive infrastructure services and its results were regularly reviewed by the chief operating decision makers, the same continues to be disclosed as a separate reportable segment in current period.

- *Others*. Others include mainly mobile wallet business and sale of products, which do not qualify as reportable segments.

The following table sets forth its summary segmental information for the Vodafone Interim Period:

(₹ in millions)

Particulars	Mobile Telecommunication	Passive infrastructure		Others	Eliminations/ Adjustments	Total
		Continuing operations	Discontinued operations			
Segment Revenue						
External Revenue	123,779	-	-	398	-	124,177
Inter Segment Revenue	-	-	-	102	(102)	-
Total Revenue	**123,799**	**-**	**-**	**500**	**(102)**	**124,177**

The following table sets forth its summary segmental information for the financial year 2018:

(₹ in millions)

Particulars	Mobile Telecommunication	Passive infrastructure		Others	Eliminations/ Adjustments	Total
		Continuing operations	Discontinued operations			
Segment Revenue						
External Revenue	346,394	-	2,130	1,179	(2,130)	347,573
Inter Segment Revenue	-	-	-	331	(331)	-
Total Revenue	**346,394**	**-**	**2,130**	**1,510**	**(2,461)**	**347,573**

The following table sets forth its summary segmental information for the financial year 2017:

(₹ in millions)

Particulars	Mobile Telecommunication	Passive infrastructure		Others	Eliminations/ Adjustments	Total
		Continuing operations	Discontinued operations			
Segment Revenue						
External Revenue	427,013	1,901	50,009	1,415	(50,009)	430,329
Inter Segment Revenue	-	-	23,608	400	(24,008)	-
Total Revenue	**427,013**	**1,901**	**73,617**	**1,815**	**(74,017)**	**430,329**

The following table sets forth its summary segmental information for the financial year 2016:

(₹ in millions)

Particulars	Mobile Telecommunication	Passive infrastructure		Others	Eliminations/ Adjustments	Total
		Continuing operations	Discontinued operations			
Segment Revenue						
External Revenue	430,237	1,739	46,120	1,042	(46,120)	433,018
Inter Segment Revenue	-	-	21,792	159	(21,951)	-
Total Revenue	**430,237**	**1,739**	**67,912**	**1,201**	**(68,071)**	**433,018**

Geography Wise Disclosures

It is domiciled in India. Geography-wise revenue from external customers is as follows*:*

(₹ in millions)

Particulars	For the Vodafone Interim Period	For the year ended		
		2018	2017	2016
India	116,474	330,662	413,658	416,419
Rest of the world	7,703	16,911	16,671	16,599
Total	**124,177**	**347,573**	**430,329**	**433,018**

Components of Income and Expenses

Components of its revenue and expenses are set forth below.

Income

Vodafone India's total income comprises revenue from operations and other non-operating income.

Revenue from operations. Revenue from operations comprises of telecommunication services, including mobile and fixed line data, other revenues, and trading sales.

Other non-operating income. Other non-operating income comprises recovery of late payment and cheque bounce charges.

Expenses

Vodafone India's expenses consist of SIM cards consumed, cost of trading goods sold, access charges, license and regulatory fees, employee benefit expenses, rental expenses, power and fuel expenses and other expenses.

SIM cards consumed. SIM cards consumed relates to the cost of SIM cards sold by it.

Access charges. Access charges include charges payable to other operators for its subscribers accessing these operators' networks.

License and regulatory fees. License and regulatory fees comprise of license fees and other regulatory fess payable to DOT for spectrum usage charges and microwave access backbone charges.

Employee benefits expenses. Employee benefits expenses comprise of salaries and allowances, staff welfare expenses, contribution to provident and other funds, employee share based payments, gratuity expense and leave compensation expenses.

Rental expenses. Rental expenses comprises network site rentals/leases and others.

Power and fuel expenses. Power and fuel expenses primarily comprise network expenses.

Other expenses. Other expenses comprise of network related expenses, marketing related expenses, and administration and other expenses. Network related expenses include network operation and maintenance costs, transmission cost and insurance costs. Marketing related expenses include expenses for sales commission and incentives, advertisement and publicity, other selling and distribution expenses, and business and sales promotion Administration and other expenses primarily include expenses from IT and other business process outsourcing cost, intercompany service charges, content cost, miscellaneous expenses, repairs and maintenance – others and commission expenses - others.

Vodafone India's Results of Operations

The following table sets forth, for the periods indicated, certain items from the Vodafone India Financial Statements, in each case also stated as a percentage of its total revenue:

	For the Vodafone Interim Period		**For the financial year ended**					
			2018		**2017**		**2016**	
	(₹ in million)	***(% of total revenue)***	***(₹ in million)***	***(% of total revenue)***	***(₹ in million)***	***(% of total revenue)***	***(₹ in million)***	***(% of total revenue)***
Revenue:								
Revenue from operations	124,177	98.8	347,573	98.9	430,329	99.3	433,018	99.2
Other non-operating income	1,471	1.2	3,699	1.1	2,941	0.7	3,425	0.8
Total Revenue	**125,648**	**100**	**351,272**	**100**	**433,270**	**100**	**436,443**	**100**
Expenses:								
SIM cards consumed	513	0.4	2,385	0.7	2,166	0.5	1,474	0.3
Costs of trading goods sold	125	0.1	434	0.1	893	0.2	576	0.1
Access charges	19,130	15.2	46,921	13.4	53,519	12.4	57,327	13.1
License and regulatory fees	12,168	9.7	35,822	10.2	48,419	11.2	49,524	11.3
Employee benefits expense	7,023	5.6	17,233	4.9	16,775	3.9	16,327	3.7
Rental expenses	23,987	19.1	55,194	15.7	56,486	13.0	52,043	11.9
Power and fuel	15,780	12.6	36,303	10.3	38,045	8.8	34,166	7.8
Other Expenses	34,162	27.2	90,385	25.7	111,117	25.6	102,820	23.6
	112,888	**89.9**	**284,677**	**81.0**	**327,420**	**75.6**	**314,257**	**71.8**
Share of net profits of joint ventures accounted for using the equity method	(1)	-	3	-	-	-	-	-
Other (gains)/losses (net)	352	0.3	(1,002)	(0.3)	6,617	1.5	9,290	2.1
Depreciation and amortisation expense	43,077	34.3	98,220	28.0	95,035	21.9	78,227	17.9
Finance costs	26,058	20.7	56,343	16.0	60,496	14.0	62,773	14.4
(Loss) before tax from continuing operations	**(56,728)**	**(45.1)**	**(86,963)**	**(24.7)**	**(56,298)**	**(13.0)**	**(28,104)**	**(6.4)**
Income tax expense:								
Current tax	11	-	(1,741)	(0.5)	148	-	(36,990)	(8.5)
Deferred tax	(15,643)	(12.4)	(4,400)	(1.2)	(14,446)	(3.3)	(14,789)	(3.4)
Total tax expense	**(15,632)**	**(12.4)**	**(6,141)**	**(1.7)**	**(14,298)**	**(3.3)**	**(51,779)**	**(11.9)**
(Loss)/Profit	**(41,096)**	**(32.7)**	**(80,822)**	**(23.0)**	**(42,000)**	**(9.7)**	**23,675**	**5.4**

	For the Vodafone Interim Period		For the financial year ended					
			2018		2017		2016	
	(₹ in million)	*(% of total revenue)*	*(₹ in million)*	*(% of total revenue)*	*(₹ in million)*	*(% of total revenue)*	*(₹ in million)*	*(% of total revenue)*
after tax from continuing operations								
Profit from discontinued operations before tax	9,687	7.7	41,342	11.8	10,764	2.5	11,256	2.6
Tax (credit)/expense of discontinued operations	-	-	-	-	(6,440)	(1.5)	1,754	0.4
Profit from discontinued operations	**9,687**	**7.7**	**41,342**	**11.8**	**17,204**	**4.0**	**9,502**	**2.2**
(Loss)/Profit after tax for the year	**(31,409)**	**(25.0)**	**(39,480)**	**(11.2)**	**(24,796)**	**(5.7)**	**33,177**	**7.6**

April 1, 2018 to August 30, 2018 Period

Income

Total Income. Total income was ₹ 125,648 million for the Vodafone Interim Period.

Revenue from Operations. Revenue from operations was ₹ 124,177 million for the Vodafone Interim Period and primarily comprised revenue from mobile telecommunication services of ₹ 118,732 million and revenue from fixed line data of ₹ 5,002 million.

Other Non-Operating Income. Other non-operating income, which includes recovery of late payment and cheque bounce charges, was ₹ 1,471 million for the Vodafone Interim Period.

Expenses

SIM Cards Consumed. Expenses from SIM cards consumed was ₹ 513 million for the Vodafone Interim Period.

Cost of Trading Goods Sold. Costs of trading goods sold was ₹ 125 million for the Vodafone Interim Period.

Access Charges. Access charges were ₹ 19,130 million for the Vodafone Interim Period and comprised access charges of ₹ 13,491 million and roaming cost of ₹ 5,639 million.

License and Regulatory Fees. License and regulatory fees were ₹ 12,168 million for the Vodafone Interim Period and comprised license fees of ₹ 8,399 million and other regulatory fees of ₹ 3,769 million.

Employee Benefits Expenses. Employee benefits expenses were ₹ 7,023 million for the Vodafone Interim Period and primarily comprised salaries and allowances of ₹ 5,923 million, staff welfare expenses of ₹ 359 million and employee share based payments of ₹ 358 million.

Rental Expenses. Rental expenses were ₹ 23,987 million for the Vodafone Interim Period and comprised network site rentals/leases of ₹ 22,992 million and others of ₹ 995 million.

Power and Fuel Expenses. Power and fuel expenses were ₹ 15,780 million for the Vodafone Interim Period.

Other Expenses. Other expenses were ₹ 34,162 million for the Vodafone Interim Period and comprised network related expenses of ₹ 9,695 million, marketing related expenses of ₹ 11,482 million and administration and other expenses of ₹ 12,985 million.

Depreciation and Amortisation Expense. Depreciation and amortisation expense was ₹ 43,077 million for the Vodafone Interim Period.

Finance Costs. Finance costs were ₹ 26,058 million for the Vodafone Interim Period and primarily comprised interest on borrowings of ₹ 24,804 million and interest expense – others of ₹ 2,674 million.

Total Tax Expense. For the Vodafone Interim Period, it had current tax expense of ₹ 11 million and deferred tax credit of ₹ 15,643 million.

Profit from Discontinued Operations: For the Vodafone Interim Period, it had Profit from discontinued operations ₹ 9,687 million, comprising dividend income from Indus Towers net of other expenses.

Loss/Profit after Tax for the Period. For the Vodafone Interim Period, it had a loss after tax of ₹ 31,409 million.

Financial Year 2018 compared to Financial Year 2017

Income

Total Income. Total income decreased by 18.9% to ₹ 351,272 million for the financial year 2018 from ₹ 433,270 million for the financial year 2017, primarily due to a decrease in Vodafone India's revenue from operations.

Revenue from Operations. Revenue from operations decreased by 19.2% to ₹ 347,573 million for the financial year 2018 from ₹ 430,329 million for the financial year 2017, primarily due to a decrease in its revenue from mobile telecommunication services to ₹ 336,349 million for the financial year 2018 from ₹ 418,609 million for the financial year 2017, which was marginally offset by an increase in revenue from telecommunication services for fixed line data to ₹ 9,983 million for the financial year 2018 from ₹ 8,378 million for the financial year 2017 and an increase in other revenues to ₹ 1,027 million for the financial year 2018 from ₹ 771 million for the financial year 2017.

Other Non-Operating Income. Other non-operating income, which primarily includes recovery of late payment and cheque bounce charges and liabilities no longer required written back increased by 25.8% to ₹ 3,699 million for the financial year 2018 from ₹ 2,941 million for the financial year 2017, primarily due to higher amount of liabilities no longer required written back.

Expenses

SIM Cards Consumed. Expenses from SIM cards consumed increased by 10.1% to ₹ 2,385 million for the financial year 2018 from ₹ 2,166 million for the financial year 2017, primarily due to an increase in the number of SIM cards sold and exchange with 4G SIM cards.

Cost of Trading Goods Sold. Cost of trading goods sold decreased to ₹ 434 million for the financial year 2018 from ₹ 893 million for the financial year 2017, primarily due to a decrease in the sale of handsets and dongles.

Access Charges. Access charges decreased by 12.3% to ₹ 46,921 million for the financial year 2018 from ₹ 53,519 million for the financial year 2017, due to a decrease in access charges to ₹ 37,324 million for the financial year 2018 from ₹ 41,649 million for the financial year 2017 due to a decrease in termination rate from ₹ 0.14 to ₹ 0.06 with effect from October 1, 2017, which was partially offset by an increase in termination minutes, and a decrease in roaming cost to ₹ 9,597 million for the financial year 2018 from ₹ 11,870 million for the financial year 2017 since Vodafone India expanded its own network coverage.

License and Regulatory Fees. License and regulatory fees decreased by 26.0% to ₹ 35,822 million for the financial year 2018 from ₹ 48,419 million for the financial year 2017, primarily as a result of a decrease in Vodafone India's adjusted gross revenue.

Employee Benefits Expenses. Employee benefits expense increased by 2.7% to ₹ 17,233 million for the financial year 2018 from ₹ 16,775 million for the financial year 2017, primarily due to an increase in salaries and allowances to ₹ 14,573 million for the financial year 2018 from ₹ 14,276 million for the financial year 2017, as a result of annual increments given to Vodafone India's employees, partially offset by a decrease in our employee base.

Rental Expenses. Rental expenses decreased by 2.3% to ₹ 55,194 million for the financial year 2018 from ₹ 56,486 million for the financial year 2017, primarily due to a decrease in network site rentals/leases expenses to ₹ 52,757 million for the financial year 2018 from ₹ 54,019 million for the financial year 2017, primarily due to a decrease in network sites.

Power and Fuel Expenses. Expenses for power and fuel decreased by 4.6% to ₹ 36,303 million for the financial year 2018 from ₹ 38,045 million for the financial year 2017, primarily due to a decrease in network sites.

Other Expenses. Other expenses decreased by 18.7% to ₹ 90,385 million for the financial year 2018 from ₹ 111,117 million for the financial year 2017; there was a decrease in marketing related expenses primarily on account of lower sales commission and incentives and a reduction in advertisement and publicity campaigns and a reduction in administration and other expenses.

Depreciation and Amortisation Expense. Depreciation and amortisation expense increased by 3.4% to ₹ 98,220 million for the financial year 2018 from ₹ 95,035 million for the financial year 2017, primarily as a result of gross block additions in its fixed assets and amortization charge on its rights to use spectrum.

Finance Costs. Finance costs decreased by 6.9% to ₹ 56,343 million for the financial year 2018 from ₹ 60,496 million for the financial year 2017; there was a reduction in interest on borrowings to ₹ 57,676 million for the financial year 2018 from ₹ 61,898 million for the financial year 2017 on account of lower average amount of outstanding indebtedness during the financial year 2018.

Total Tax Expense. For the financial year 2018, Vodafone India had a current tax credit of ₹ 1,741 million and deferred tax credit of ₹ 4,400 million. For the financial year 2017, it had a current tax expense of ₹ 148 million and a deferred tax credit of ₹ 14,446 million.

Profit from discontinued operations: For the financial year 2018, it had profit from discontinued operations of ₹ 41,342 million, which comprised profit on sale of its tower business of ₹ 31,019 million, dividend (net off other expenses) from Indus Towers Limited of ₹ 8,610 million and revenue from cell site sharing and depreciation expense on tower assets of ₹ 1,713 million.

Loss after Tax for the Year. For the financial year 2018, Vodafone India had a loss after tax of ₹ 39,480 million, while for the financial year 2017, it had a loss after tax of ₹ 24,796 million.

Financial Year 2017 compared to Financial Year 2016

Income

Total Income. Total income decreased by 0.7% to ₹ 433,270 million for the financial year 2017 from ₹ 436,443 million for the financial year 2016, primarily due to a decrease in its revenue from operations.

Revenue from Operations. Revenue from operations decreased by 0.6% to ₹ 430,329 million for the financial year 2017 from ₹ 433,018 million for the financial year 2016, primarily due to a decrease in its revenue from mobile telecommunication services to ₹ 418,609 million for the financial year 2017 from ₹ 423,180 million for the financial year 2016, which was partially offset by an increase in revenue from telecommunication services for fixed line data to ₹ 8,378 million for the financial year 2017 from ₹ 7,059 million for the financial year 2016.

Other Non-Operating Income. Other non-operating income, which includes recovery of late payment and cheque bounce charges, decreased by 14.1% to ₹ 2,941 million for the financial year 2017 from ₹ 3,425 million for the financial year 2016.

Expenses

SIM Cards Consumed. Expenses from SIM cards consumed increased by 46.9% to ₹ 2,166 million for the financial year 2017 from ₹ 1,474 million for the financial year 2016, primarily due to an increase in the number of SIM cards sold and exchange of 4G SIM cards.

Cost of Trading Goods Sold. Cost of trading goods sold increased by 55.0% to ₹ 893 million for the financial year 2017 from ₹ 576 million for the financial year 2016, primarily due to an increase in the sale of handsets and dongles.

Access Charges. Access charges decreased by 6.6% to ₹ 53,519 million for the financial year 2017 from ₹ 57,327 million for the financial year 2016, due to a decrease in roaming cost to ₹ 11,870 million for the financial year 2017 from ₹ 17,647 million for the financial year 2016 since it expanded its own network coverage, which was partially offset by an increase in access charges to ₹ 41,649 million for the financial year 2017 from ₹ 39,680 million for the financial year 2016, primarily due to an increase in outgoing termination minutes.

License and Regulatory Fees. License and regulatory fees decreased by 2.2% to ₹ 48,419 million for the financial year 2017 from ₹ 49,524 million for the financial year 2016, primarily as a result of a decrease in its revenue.

Employee Benefits Expenses. Employee benefits expense increased by 2.7% to ₹ 16,775 million for the financial year 2017 from ₹ 16,327 million for the financial year 2016, primarily due to an increase in salaries and allowances to ₹ 14,276 million for the financial year 2017 from ₹ 14,049 million for the financial year 2016, as a result of annual increments given to its employees.

Rental Expenses. Rental expenses increased by 8.5% to ₹ 56,486 million for the financial year 2017 from ₹ 52,043 million for the financial year 2016, primarily due to an increase in network site rentals/leases to ₹ 54,019 million for the financial year 2017 from ₹ 49,620 million for the financial year 2016 due to the roll out of new network sites and average annual escalations.

Power and Fuel Expenses. Expenses for power and fuel increased by 11.4% to ₹ 38,045 million for the financial year 2017 from ₹ 34,166 million for the financial year 2016, primarily due to due to the roll out of new network sites and an increase in base tariff rate.

Other Expenses. Other expenses increased by 8.1% to ₹ 111,117 million for the financial year 2017 from ₹ 102,820 million for the financial year 2016; there was an increase in network related expenses primarily on account of higher network operation and maintenance costs, an increase in marketing related expenses primarily on account of higher sales commission and incentives paid and an increase in administration and other expenses primarily on account of an increase in intercompany service charges, content cost, rates and taxes and legal and professional fees.

Depreciation and Amortisation Expense. Depreciation and amortisation expense increased by 21.5% to ₹ 95,035 million for the financial year 2017 from ₹ 78,227 million for the financial year 2016, primarily as a result of gross block additions in its fixed assets and amortization charge on its rights to use spectrum.

Finance Costs. Finance costs decreased by 3.6% to ₹ 60,496 million for the financial year 2017 from ₹ 62,773 million for the financial year 2016; it had a credit of ₹ 2,651 million for exchange differences regarded as an adjustment to borrowing costs during the financial year 2017 as compared to an expenses of ₹ 2,583 million during the financial year 2016 and a decrease in interest expense – others to ₹ 3,884 million for the financial year 2017 from ₹ 5,636 million for the financial year 2016, which was partially offset by an increase in interest expense on borrowings to ₹ 61,898 million for the financial year 2017 from ₹ 60,512 million for the financial year 2016.

Total Tax Expense. For the financial year 2017, it had a current tax expense of ₹ 148 million and deferred tax credit of ₹ 14,446 million. For the financial year 2016, it had a current tax credit of ₹ 36,990 million and a deferred tax credit of ₹ 14,789 million.

Loss/Profit after Tax for the Year. For the financial year 2017, it had a loss after tax of ₹ 24,796 million, while for the financial year 2016, it had a profit after tax of ₹ 33,177 million.

Cash Flows

The following table sets forth certain information relating to its cash flows on a consolidated basis for the periods indicated:

(₹ in millions)

	Vodafone Interim Period	Financial Year		
		2018	2017	2016
Net cash inflow/(outflow) from operating activities	(10,188)	63,570	70,472	86,514
Net cash outflow from investing activities	(44,307)	(22,645)	(162,935)	(136,307)
Net cash inflow/(outflow) from financing activities	54,206	(15,030)	110,059	(1,666)
Net increase/(decrease) in cash and cash equivalents	**(289)**	**25,895**	**17,596**	**(51,459)**

Operating Activities

Net cash outflows from operating activities for the Vodafone Interim Period consisted of loss before tax (including discontinued operations) of ₹ 47,041 million as adjusted primarily for depreciation and amortization expenses of ₹ 43,077 million and finance cost of ₹ 26,058 million, and as a result its operating profit before working capital changes was ₹ 15,433 million for the Vodafone Interim Period. Operating profit before working capital changes was adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for income tax was ₹ (14,439) million. Changes in working capital were primarily on account of decrease in trade payables of ₹ 13,749 million, increase in other current assets of ₹ 11,106 million and increase in trade receivables of ₹ 2,758 million. Cash generated from operations was further adjusted for income tax refund of ₹ 4,251 million, and as a result, net cash outflow from operating activities was ₹ 10,188 million for the Vodafone Interim Period.

Net cash flows from operating activities for the financial year 2018 consisted of loss before tax (including discontinued operations) of ₹ 45,621 million as adjusted primarily for depreciation and amortization expenses of ₹ 98,637 million and finance cost of ₹ 56,343 million, and as a result its operating profit before working capital changes was ₹ 68,246 million for the financial year 2018. Operating profit before working capital changes was adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for income tax was ₹ 65,035 million. Changes in working capital were primarily on account of increase in trade payables of ₹ 10,759 million, decrease in other noncurrent assets of ₹ 4,568 million and decrease in other current financial assets of ₹ 2,700 million. Cash generated from operations was further adjusted for income tax paid (net) of ₹ 1,465 million, and as a result, net cash inflow from operating activities was ₹ 63,570 million for the financial year 2018.

Net cash flows from operating activities for the financial year 2017 consisted of loss before tax (including discontinued operations) of ₹ 45,534 million as adjusted primarily for depreciation and amortization expenses of ₹ 95,035 million and finance costs of ₹ 60,496 million, and as a result out operating profit before working capital changes was ₹ 98,937 million for the financial year 2017. Operating profit before working capital changes was adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for income tax was ₹ 79,788 million for the financial year 2017. Changes in working capital were primarily on account of increase in long term provisions of ₹ 3,938 million and increase in derivatives financial assets and liabilities of ₹ 3,415 million. Cash generated from operations was adjusted for income tax paid (net) of ₹ 9,316 million, and as a result, net cash inflow from operating activities was ₹ 70,472 million for the financial year 2017.

Net cash flows from operating activities for the financial year 2016 consisted of loss before tax (including discontinued operations) of ₹ 16,848 million as adjusted primarily for depreciation and amortization expenses of ₹ 78,227 million and finance costs of ₹ 62,773 million, and as a result out operating profit before working capital changes was ₹ 125,648 million for the financial year 2016. Operating profit before working capital changes was adjusted for changes in working capital and, as a result, cash generated from operations before adjusting for income tax was ₹ 100,723 million for the financial year 2016. Changes in working capital were primarily on account of increase in long term provisions of ₹ 11,468 million and increase in trade payables of ₹ 6,048 million. Cash generated from operations was adjusted for income tax paid (net) of ₹ 14,209 million, and as a result, net cash inflow from operating activities was ₹ 86,514 million for the financial year 2016.

Investing Activities

Net cash flows from investing activities for the Vodafone Interim Period primarily consisted of outflows in the form of payment for property, plant and equipment and intangible assets of ₹ 56,296 million, primarily towards plant and machinery and spectrum, which was partially offset by the dividend received from its discontinued operation of Indus Tower Limited of ₹ 11,261 million. The net cash outflow from investing activities amounted to ₹ 44,307 million for the Vodafone Interim Period.

Net cash flows from investing activities for the financial year 2018 consisted of outflows in the form of payment for property, plant and equipment and intangible assets of ₹ 69,860 million, primarily towards plant and machinery and spectrum, which was partially offset by proceeds from sale of passive infrastructure business of ₹ 38,205 million and dividend received from its discontinued operation of Indus Tower Limited of ₹ 10,009 million. The net cash outflow from investing activities amounted to ₹ 22,645 million for the financial year 2018.

Net cash flows from investing activities for the financial year 2017 consisted of outflow in the form of payment for property, plant and equipment and intangible assets of ₹ 175,575 million, primarily towards plant and machinery and spectrum, which was partially offset by the dividend received from its discontinued operation of Indus Tower Limited of ₹ 9,509 million. The net cash outflow from investing activities amounted to ₹ 162,935 million for the financial year 2017.

Net cash flows from investing activities for the financial year 2016 consisted of outflow in the form of payment for property, plant and equipment and intangible assets of ₹ 137,532 million, primarily towards plant and machinery and spectrum. The net cash outflow from investing activities amounted to ₹ 136,307 million for the financial year 2016.

Financing Activities

Net cash flows from financing activities for the Vodafone Interim Period consisted of proceeds from issue of shares of ₹ 110,745 million pursuant to a rights offering and proceeds from borrowings of ₹ 78,219 million, which was partially offset by repayment of borrowings of ₹ 96,995 million and interest and other borrowing cost paid of ₹ 37,652 million. The net cash inflow from financing activities amounted to ₹ 54,206 million for the Vodafone Interim Period.

Net cash flows from financing activities for the financial year 2018 primarily consisted of outflows in the form of repayment of borrowings of ₹ 87,981 million and interest and other borrowing cost paid of ₹ 40,421 million, which was partially offset by proceeds from borrowings of ₹ 113,372 million. The net cash outflow from financing activities amounted to ₹ 15,030 million for the financial year 2018.

Net cash flows from financing activities for the financial year 2017 primarily consisted of inflows in the form of proceeds from issue of shares of ₹ 477,000 million and proceeds from borrowings of ₹ 98,443 million which was offset by repayment of borrowings of ₹ 392,741 million and interest and other borrowing cost paid of ₹ 72,155 million. The net cash inflow from financing activities amounted to ₹ 110,059 million for the financial year 2017.

Net cash flows from financing activities for the financial year 2016 primarily consisted of outflows in the form of repayment of borrowings of ₹ 256,455 million and interest and other borrowing cost paid of ₹ 26,247 million, which was offset by proceeds from borrowings of ₹ 281,036 million. The net cash outflow from financing activities amounted to ₹ 1,666 million for the financial year 2016.

Capital Expenditures

Payment for property, plant and equipment and intangible assets for the Vodafone Interim Period and the financial years ended March 31, 2018, 2017 and 2016 was ₹ 56,296 million, ₹ 69,860 million, ₹ 175,575 million and ₹ 137,532 million. These expenses were primarily incurred for the purchase of plant and machinery and towards spectrum payments.

Related Party Transactions

Vodafone India has in the past engaged in transactions with related parties, including with its affiliates. Such transactions could be for, among other things, purchase and sale of services, rent or lease of certain properties, dividends and interest. It believes each of these arrangements had been entered into in the ordinary course of business and are on arm's lengths terms, or on terms that it believes are at least as favourable to it as similar transactions with unrelated parties.

For additional details of its related party transactions, see "*Vodafone India Financial Statements*" on page [●].

Off-Balance Sheet Commitments and Arrangements

Vodafone India does not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

Vodafone India was exposed to various financial risks such as market risk, credit risk and liquidity risk.

Market Risk

Foreign Exchange Risk

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. Vodafone India was exposed to foreign exchange risk mainly arising from foreign currency borrowings, trade receivable and trade payables primarily denominated in USD, Euro or GBP currencies. Vodafone India conducted itself according to the treasury policy for management of foreign exchange risk.

Long-term foreign currency borrowings are denominated in USD. Vodafone India had entered into cross currency swaps or forward contracts to hedge all the foreign exchange risk on the principal and interest amount payable on borrowings. For details of its sensitivity to a reasonably possible change in interest rates on the portion of its borrowings affected, see "*Vodafone India Financial Statements*" on page [●].

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Vodafone India's interest rate risk arose from long-term borrowings. Borrowings issued at variable rates exposed it to cash flow interest rate risk, which was partially offset by cash held at variable rates.

Vodafone India managed its interest rate risk by entering into financing arrangements on a fixed rate basis unless fixed rates for the periods were not available, were relatively expensive or prepayment of debt was anticipated. It did not account for any fixed rate financial liabilities at fair value through profit or loss, and it did not designate derivatives (foreign exchange forward contracts) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect the consolidated statement of profit and loss.

In respect to borrowing on floating rates, it negotiated exit options without break-costs on interest reset dates wherever possible. The interest rate risk on long term foreign currency borrowings contracted at floating rates were managed by fixing the interest rates by entering into interest rate swaps. For details of its sensitivity to a reasonably possible change in interest rates on floating rate borrowings affected, see "*Vodafone India Financial Statements*" on page [●].

Credit Risk

Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from cash and cash equivalents excluding cash on hand, other bank balances, trade receivables, deposits with banks and others, accrued billing revenue and other receivables mainly linked to the credit exposures of customers.

Credit risk in relation to banks and financial institutions arising out of cash and deposits held, MTM gains on derivatives are managed under counter party risk management framework set out under the treasury policy based on the credit rating of the counter parties. This was done in close co-ordination with the global treasury team of Vodafone Group Plc and considered the global exposure of Vodafone entities to the banks and financial institutions.

Vodafone India's trade receivables were typically unsecured, except to the extent of the security deposits received from the customers, and were derived from revenue earned from customers. Credit risk was managed through credit approvals and periodic monitoring of the creditworthiness of customers to which it granted credit terms in the normal course of business. It performed ongoing credit evaluations of its customers' financial condition and monitor the creditworthiness of its customers to which it granted credit terms in the normal course of business. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. It had no concentration of credit risk as its customer base was geographically distributed in India.

It maintained its cash and cash equivalents, bank deposits and derivative financial instruments with banks and financial institutions having good reputation, good past track record and high quality credit rating and also reviewed their credit-worthiness on an on-going basis.

A default on a financial asset is when the counterparty fails to make contractual payments within the contract period when they fall due. This definition of default is determined by considering the business environment in which it operated and other macro-economic factors.

The carrying amount of financial assets represents the maximum credit exposure including trade receivables net of provision for impairment. The maximum exposure to credit risk was ₹ 105,229 million as of August 30, 2018 being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets.

Liquidity Risk

Liquidity risk is the risk that it will not be able to meet its financial obligations as they become due. It managed liquidity risk by maintaining adequate reserves, banking facilities, commercial paper and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It also maintained varied maturity profile with a cap on the level of debt maturing in any one calendar quarter, therefore minimizing refinancing risk. Long-term borrowings generally matured between one and 19 years. Liquidity was reviewed on a daily basis based on weekly cash flow forecast. It had necessary support from Vodafone Group Plc to meet liquidity requirements if arises anytime.

The majority of its trade receivables were due for maturity within 18 days from the date of billing to the customer. Further, the general credit terms for trade payables were approximately 90 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for its day-to-day operations. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as cash and investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity. It had net current liabilities as at August 30, 2018, aggregating to ₹ 133,434 million.

Seasonality of Business

Vodafone India did not experience significant seasonality in its business.

FINANCIAL INDEBTEDNESS

Except as disclosed below, our Company and our Subsidiaries do not have any outstanding borrowings as at December 31, 2018. For details of our borrowing powers, see "*Our Management*" on page [●].

A brief summary of the financial indebtedness of our Company and our Subsidiaries as at December 31, 2018, is set forth below:

(₹ in Million)

Particulars	As at December 31, 2018
Long Term Borrowings	
Secured loans	
Redeemable Non-Convertible Debentures (NCDs)	50
Term loans	
Rupee loan from Banks	88,027
Vehicle loan from banks	10
Unsecured loans	
Redeemable Non-Convertible Debentures (NCDs)	103,507
Term loans	
Foreign currency loan	
- From banks	2,964
- From Others	23,522
Rupee loan	
- From banks	49,267
- From Others	2,737
Deferred payment liabilities towards spectrum (unsecured)	885,295
Deferred Payment Others (unsecured)	699
Current maturities of long term debt	69,654
Short Term Borrowings	
Secured loans from Banks	4
Unsecured loans from Banks	1,659
Unsecured short term loan from banks	9,243
Total Borrowings	**1,236,638**

Principal terms of the borrowings availed by our Company are given below.

1. ***Interest:*** The interest rate applicable to our borrowing facilities is typically tied to the MCLR base rate prevailing at the time. The typical spread applicable to our borrowings ranges from 0.20% to up to 1.00% above the MCLR base rate. Further, the interest rate for NCDs ranges from 7.57% to 10.90%. Further, the foreign currency loans have interest rates linked to LIBOR with spread ranges from 0.70% to up to 2.95%.
2. ***Tenor:*** The original tenor of the facilities availed by us typically ranges up from 8 months to 120 months. Further, the redemption period of the NCDs ranges from five years to seven years. Certain facilities also prescribe a moratorium period prior to commencement of repayment instalment.
3. ***Security:*** Our borrowings are typically secured by a first *pari passu* charge on the movable and immovable assets of the Company, excluding passive telecom infrastructure, spectrum and licenses and employee assets. For certain facilities, we are also required to procure non-disposal undertakings or negative pledges from our Promoters in relation to their shareholding not falling below 26% in favor of the lenders.
4. ***Pre-payment and premature redemption:*** Facilities availed by us have pre-payment provisions which typically allow for pre-payment of the outstanding loan amount without any prepayment penalty subject to prior notice of prepayment being issued to the lender. Certain facilities require consent of the lender for prepayment, provide for semi-annual prepayment with prior notice or require the prepayment amount in case of a partial prepayment to reduce the loan amount by an amount specified in the relevant loan agreement.
5. ***Events of Default:*** The financing arrangements entered into by us contain standard events of default including:

(i) non-payment or default of any amounts due on the facility or loan obligations;
(ii) breach of covenants and conditions stipulated in the loan documents;
(iii) failure to create security as stipulated in the loan documents;
(iv) default on amounts due to/ facilities extended by any other lenders or cross-default/cross-acceleration; and
(v) proceedings relating to winding up, liquidation or insolvency being initiated against us.

The details above are indicative and there may be additional terms that may amount to an event of default under the various financing arrangements entered into by us, such our Promoters ceasing to exercise control over our Company without the prior consent of the lender or a material change in our Company's ownership, management or management control without the prior consent of the lenders. We are required to ensure that the aforementioned events of default and other events of default, as specified under the various facility documents and agreements entered into by us, are not triggered.

6. ***Penalty:*** Facilities availed by us contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility documents, non-creation of security and default in our repayment obligations, which typically ranges from 1.00% to 14.00% of the amounts due and payable.
7. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is disclosed below.

(i) lender's unconditional right to revise or cancel the terms of the facility at its sole discretion, without notice and without assigning reasons;
(ii) lender's right to accelerate payments, recall the amount under the facility or cancel the undrawn portion of the sanctioned amount;
(iii) lender's absolute right to require the creation of additional security interest;
(iv) lender's right to appoint a nominee director on the board of the Company;
(v) restriction on undertaking certain corporate actions except with the prior approval of the lender, including:
- changes in the capital structure or shareholding pattern of our Company;
- undertaking guarantee obligations on behalf of any third party;
- change in the constitution of our Company;
- change in the management, including the composition of the board of directors of our Company;
- changes in the practice with respect to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc.;
- investment by way of share capital or extending loans or advances or placing deposits with any other entity (including group companies and associate companies);
- declaration of dividend except out of profits relating to the financial year; and
- carrying out any change of business.

8. ***Consequences of Events of Default:*** Upon the occurrence of certain events or otherwise, certain lenders to our Company, as applicable, have the right to:

(i) accelerate the maturity of the loan and declare all amounts due to be payable immediately;
(ii) convert the outstanding part of the facility into equity;
(iii) restrict the issue of any further share capital or change of capital structure in any manner;
(iv) appoint nominee directors;
(v) review the management set-up or organization of our Company and require our Company to restructure as considered necessary by the lender:
(vi) review/revoke the sanction of the loan and in case the loan has already been disbursed, to withhold or cancel disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances;
(vii) impose penal/default interest; and
(viii) enforce the security.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by our Company or our Subsidiaries.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) pending criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years, including outstanding action, (iv) pending claims relating to direct and indirect taxes and (v) material litigation, in each case, involving our Company, our Subsidiaries, our Promoters and our Directors.

There are no outstanding litigation against our Group Companies which has a material impact on our Company.

Our Board has considered and adopted the following policy with regard to outstanding litigation to be disclosed by our Company in this Letter of Offer pursuant to a resolution of our Board dated March 15, 2019:

a. *Litigation involving the Company and its subsidiaries before any judicial forum having a monetary impact exceeding Rs.5,000 million (the "**Threshold**") shall be considered material. However, in relation to civil litigation where the monetary liability is not quantifiable, such civil litigation shall be considered material in the event that the outcome of such litigation would have a material adverse effect on the position of the Company.*

b. *Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Threshold.*

c. *All other outstanding litigation which may not meet the specific threshold and parameters as set out in (b) or (c) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company.*

d. *All outstanding litigation involving each of the directors and the individual promoter of the Company where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company would be considered as material for the Company and accordingly, each director and the individual promoter shall identify and provide information relation to such outstanding litigation involving themselves.*

e. *All outstanding litigation involving each of the corporate promoters of the Company before any judicial forum having a monetary impact exceeding the lower of 1% of the respective net worth or 1% of the respective revenue for such entity in the last financial year (in the relevant jurisdiction of incorporation) or where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company, would be considered material for the Company and accordingly, each of the corporate promoters shall identify and provide information relating to such outstanding litigation involving themselves.*

f. *Notices received by the Company, its directors, promoters, and subsidiaries from third parties (excluding notices from statutory, regulatory or tax authorities) shall not be evaluated for materiality until they are impleaded as defendants in proceedings before any judicial forum.*

I. Litigation involving our Company

(a) Criminal Proceedings against our Company

1. Mr. Ibne Hasan (the "**Complainant**") purchased a mobile connection from our Company. The Complainant alleged that he received a call on his mobile from our Company which he did not answer but was charged ₹135. Aggrieved, the Complainant sent a legal notice to our Company dated April 11, 2015 whereby he requested our Company to refund such amount. Subsequently, the Complainant filed an application under Section 156(3) of the Code of Criminal Procedure, 1973 (the "**CrPC**") which was later converted into complaint case (the "**Complaint**") against Mr. Kumar Mangalam Birla, Chairman and one other employee of our Company (the "**Accused**") under Sections 420, 467, 468 and 471 of the IPC by an order dated July 2, 2015 of the Chief Judicial Magistrate, Bijnor (the "**CJM**"). Statement of the Complainant was recorded on

August 18, 2015 and subsequently the Complaint was dismissed by the CJM under Section 203 of CrPC pursuant to an order dated December 4, 2015 (the "**CJM Order**"). Thereafter, the Complainant filed a criminal revision petition on August 19, 2016 before the Additional Sessions Judge, Court No.1, Bijnor (the "**Sessions Judge**") against the CJM Order which was dismissed by the Sessions Judge pursuant to an order dated September 1, 2016 (the "**Sessions Order**" and together with the CJM Order, the "**Impugned Orders**"). The Complainant has preferred a criminal miscellaneous application before the High Court of Judicature at Allahabad under Section 482 of the CrPC for quashing of the Impugned Orders. The matter is currently pending.

2. Mr. Mustaq Ahmad (the "**Accused**"), an employee of our Company was arrested by the police and a criminal case under Sections 420, 467, 468 and 471 of the IPC and 66B and 66C of the Information Technology Act, 2000 was filed against him for allegedly selling pre-activated SIM cards. Pursuant to the order of the Sessions Judge, Bareilly, the Accused was released on bail. Subsequently, the Accused filed a discharge application before the Chief Judicial Magistrate, Bareilly contending, among others that the allegations against him were false and frivolous. The matter is currently pending.

3. Our Company had entered into an agreement with a third party ("**Respondent 1**") to establish a tower at the terrace of an apartment (the "**Premises**") for a consideration of ₹9,000 per month. Our Company took the requisite permission from the local authority as well the central government. Subsequently, Charles Webster Smith ("**Respondent 2**"), one of the residents of the Premises filed a complaint dated August 20, 2008 before the Additional District Magistrate (City), Moradabad ("**ADM**") against our Company under Section 133 of the CrPC for removal of the tower from the terrace of the Premises as it was allegedly causing damage to the Premises and the radiations emitted from the tower were affecting the health of the residents. Our Company filed its objections against such petition. The ADM passed an order dated February 23, 2011 directing our Company to remove the tower within 15 days and further stated that if our Company did not remove the tower within 15 days, Respondent 2 would be entitled to remove the tower and recover an amount equivalent to ten times the cost of removal. Aggrieved, our Company filed a criminal revision petition before the Additional District Judge, Court no.10, Moradabad ("**ADJ**"). Subsequently, it was informed to our Company that the tower was removed by the Respondent 1 and ₹350,000 was demanded from our Company. The ADJ dismissed the revision petition by an order dated September 1, 2011 on the ground that the revision petition had become infructuous due to dismantling of the tower. Our Company filed a criminal miscellaneous petition before the High Court of Allahabad challenging the orders and *inter-alia*, prayed before the High Court to pass (i) a writ of certiorari against the orders, and (ii) a writ of mandamus for re-erection of the tower at the premises. The matter is currently pending.

4. Our Company had outsourced the activities relating to management of customer application forms (the "**CAFs**") to M/s Guru Solutions ("**Guru**"). In the months of May and June, 2009, 426 fake CAFs were submitted on behalf of our Company by some employees of Guru. On September 14, 2009, we received a show cause notice from the DoT as to why no action should be taken against our Company for submitting fake CAFs. Our Company replied to the show cause notice on September 15, 2009 stating that our Company had already instructed Guru to take appropriate action against the responsible employees and was also in the process of lodging a first information report ("**FIR**"). Following up on the response, our Company filed a complaint with Sarita Vihar Police Station, New Delhi (the "**Complaint**") against the servants and agents of Guru. Dissatisfied with the Complaint, the DoT issued a letter dated February 9, 2010 asking our Company to file another complaint clearly naming Guru as one of the accused. As instructed, an officer of our Company re-filed a complaint on February 9, 2010 with the requisite details. Eventually, an FIR dated February 10, 2011 was filed against our Company, its Managers-in-charge and Directors-in-charge of Customer Affairs under Sections 420, 468, 471 and 120B of the IPC for submitting fake CAFs and for being directly responsible for forgery. Notices under Sections 91 and 160 of the CrPC were issued during the investigation¸ *inter-alia*, seeking information from our Company which were duly responded to by our Company. The matter is currently pending.

5. Vaddi Srinivasa Rao (the "**Complainant**") filed a private complaint (the "**Complaint**") dated May 19, 2011 before the II Additional Chief Metropolitan Magistrate at Vijayawada (the "**Magistrate**") against our Company, our Chairman, Mr. Kumar Mangalam Birla and other officials of our Company, for offences under Sections 403, 409, 418 and 420 read with Section 34 of the IPC, alleging, *inter-alia*, that our Company unilaterally activated some services and deducted some charges in lieu of such services without any prior authorization of the Complainant. The Magistrate pursuant to an order dated May 20, 2011

forwarded the Complaint to the Krishna Lanka Police Station ("**K.L. Police Station**") at Vijayawada for investigation under Section 156(3) of the CrPC. Thereafter, the Complaint was registered by the K.L. Police Station as an FIR. Following the investigation conducted by the S.I Sec-II, the Assistant Commissioner of Police, Central Zone, Vijayawada City pursuant to order dated July 15, 2011 declared that the Complaint was civil in nature and directed the Inspector of Police to obtain R.C.S proceedings from the concerned court and then close the file and report compliance. The matter is currently pending.

6. Gogineni Anil Kumar (the "**Complainant**") filed a private complaint (the "**Complaint**") before the II Additional Chief Metropolitan Magistrate, Hyderabad (the "**Magistrate**") against our Company, our Chairman, Mr. Kumar Mangalam Birla, Mr. Himanshu Kapania and other officials of our Company (collectively, the "**Accused**") under Sections 120-B, 420, 406 and 506 of the IPC for allegedly de-activating the SIM card of the Complainant causing monetary loss and mental agony to the Complainant and requested the Magistrate to refer the Complaint to proper police station for the purposes of investigation. The Magistrate forwarded the Complaint to the Abid Road Police Station, Hyderabad ("**Abid Road P.S.**") under Section 156(3) of the CrPC for investigation. Thereafter, an FIR was registered at the Abid Road P.S. on March 19, 2013. Following the investigation conducted by a Sub-Inspector of Police, a final report dated May 30, 2013 was submitted to the Magistrate referring the matter as "Mistake of Fact". Subsequently, the Complainant filed a protest petition before the Magistrate and thereafter, the Magistrate took cognizance of the matter pursuant to an order dated December 22, 2014 (the "**Impugned Order**") and issued summons to the Accused. Aggrieved, the Accused filed a criminal revision petition before the Metropolitan Sessions Judge, Hyderabad and prayed for setting aside the Impugned Order. Thereafter, the IV Additional Metropolitan Session Judge, Hyderabad pursuant to order dated June 27, 2016 (the "**Session Order**") allowed the revision petition. Thereafter, the Complainant filed criminal revision petition before the High Court of Andhra Pradesh and Telangana, at Hyderabad, to set aside the Session Order and confirm the Impugned Order. The matter is currently pending.

7. The Labour Enforcement Officer, Ernakulum ("**Labour Officer**") conducted an inspection of our premises situated at Ravipuram, Cochin pursuant to which our Company received a show-cause notice ("**SCN**") dated October 5, 2006, alleging that our Company had breached Rules 81(3), 72 and 73 of the Contract Labour (Regulation and Abolition) Central Rules, 1971 ("**Rules**"), on the grounds of certain irregularities in relation to, *inter-alia*, non-maintenance of register of contractors, non-display of certain notices, non-submission of copies of notices displayed / required to be displayed to the Labour Officer and not ensuring the presence of authorized representative at the time of disbursement of wages to workers. Our Company submitted its response to the SCN on October 17, 2006. Thereafter, the Labour Enforcement Officer, Cochin filed a complaint ("**Complaint**"), against our Company and our chief operating officer, Cochin, (collectively, the "**Accused**"), before the Chief Judicial Magistrate, Ernakulum ("**Magistrate**") alleging that the Accused had breached the Rules and prayed, *inter-alia*, for imposition of fine. Thereafter, the Magistrate took cognizance of the matter and issued summons to the Accused ("**Impugned Order**"). Further, another complaint ("**Second Complaint**") was filed on the same inspection report. Aggrieved by this, our Company filed a criminal revision petition before the High Court of Kerala ("**High Court**") for quashing of the Impugned Order and the Complaint on the ground, *inter-alia*, that the Complaint was time barred and further that the Second Complaint should also be quashed as it would lead to multiple proceedings. The Accused also filed an application for stay of the proceedings in relation to the Complaint. Subsequently, the High Court granted interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

8. An FIR dated March 17, 2017 was registered at Calangute Police Station against an employee of our Company (the "**Accused**") and others for allegedly committing offences under Sections 419, 420, 465, 468 and 471 read with Section 34 of the IPC. The FIR was in relation to use of forged documents for obtaining SIM card in the name of a third party. It was alleged that the Accused activated the SIM card without verifying the subscriber's identity. Thereafter, the Accused filed an anticipatory bail application before the District and Session Judge North Goa, Mapusa ("**Session Judge**"). Subsequently, the Session Judge pursuant to its order dated May 10, 2017 granted anticipatory bail to the Accused. The matter is currently pending.

9. An FIR dated May 9, 2017 was registered at Panaji Police Station against an employee of our Company and others (together, the "**Accused**") for alleged offences under Sections 419, 465, 467, 468, 471, 420 read with Section 34 of the IPC. The FIR was in relation to use of forged document for obtaining SIM card in name of

a third party. Thereafter, our employee filed an anticipatory bail application before the District and Session Judge North Goa, Panaji ("**Session Judge**"). The Session Judge pursuant to its order dated June 13, 2017 granted anticipatory bail to the employee. The matter is currently pending.

10. Sushil Sharma (the "**Complainant**") filed a complaint (the "**Complaint**") before the Chief Judicial Magistrate, Lucknow against Mr. Kumar Mangalam Birla, our Chairman, Mr. Himanshu Kapania and certain directors and officers of our Company and our then subsidiary Idea Mobile Commerce Services Limited (collectively, the **"Accused"**) for offences under Sections 419, 420, 467, 468, 471, 500, 504 and 506 of the IPC alleging that the Complainant was terminated from service without giving sufficient cause by the Accused on June 17, 2015. The matter is currently pending.

11. A criminal case ("**Criminal Case**") was filed by the State of Maharashtra before Judicial Magistrate First Class, Dhule (the "**Magistrate**") against our Company under Section 33 of the Standards of Weights and Measures (Enforcement) Act, 1985 (the "**Act**") for an alleged breach of the Act during distribution and marketing of SIM cards and recharge coupons. The Magistrate issued process against the Company (the "**Impugned Order**"). Subsequently, our Company filed a criminal writ petition against the State of Maharashtra before the High Court of Bombay, Aurangabad Bench for, *inter-alia,* challenging the Impugned Order. The High Court granted a stay on the proceedings in the Criminal Case. The matter is currently pending.

12. On April 16, 2016, in a warehouse of one of our Company's agency ("**Agency**") situated at Phursungi, Pune, the racks prepared for storage of CAFs fell on one of the employees of the Agency, resulting in his death. Aggrieved by this, an employee of our Company filed an FIR before the Hadapsar Police Station against an employee of our Company and an employee of the Agency for alleged offence under Section 304A of the IPC. The matter is currently pending before the Judicial Magistrate First Class, Pune

13. A private complaint was filed before Judicial Magistrate First Class, Alibag ("**Court**") against an employee of our Company ("**Accused**") under Sections 431 and 34 of the IPC for alleged laying of optical fibre cable on the route of Alibag to Karlekand by our Company without obtaining necessary and required permission of local authorities. The Accused has secured anticipatory bail and the matter is currently pending.

14. An FIR dated January 21, 2014 was filed before Kothrud Police Station, Pune ("**Magistrate**") against an employee of our Company ("**Accused**") under Section 244 of the Maharashtra Municipal Corporation Act, 1947, Section 3 of the Maharashtra Degacement of Public Property Act, 1995 and the Advertisement Control Regulation, 2003 for alleged offence of defacement of walls by our Company without obtaining the requisite necessary permissions. The Accused has secured anticipatory bail and the matter is currently pending before the Judicial Magistrate, First Class.

15. On the basis of a complaint by the Brihanmumbai Municipal Corporation, a criminal case has been filed before the Judicial Magistrate First Class, Bhiwandi ("**Court**") against an employee of our Company (the "**Accused**") under Section 52(2) of the Maharashtra Regional and Town Planning Act, 1966 ("**Act**") for alleged installation of a mobile tower by our Company without the requisite permission under the Act. The Accused has secured anticipatory bail and the matter is currently pending.

16. On the basis of a complaint by the Ward Officer of Wagale Ward Committee, Thane Corporation, Thane, a criminal case has filed before the Judicial Magistrate First Class, Thane ("**Court**") against an employee of our Company ("**Accused**") under Section 52(2) of the Maharashtra Regional and Town Planning Act, 1966 ("**Act**") for alleged installation of a mobile tower by our Company without the requisite permission under the Act. The Accused has secured requisite bail and the matter is currently pending.

17. On the basis of complaint filed by Brihanmumbai Municipal Corporation, a criminal case has been filed before Metropolitan Magistrate, Dadar ("**Court**") against an employee of our Company ("**Accused**") under Section 52(2) of the Maharashtra Regional and Town Planning Act, 1966 ("**Act**") for alleged installation of a mobile tower by our Company without the requisite permission under the Act. The Magistrate has granted bail to the accused. The matter is currently pending.

18. TRAI filed a criminal complaint (the "**Compliant**") before the Chief Metropolitan Magistrate, Tis Hazari Court, Delhi against our Company, Mr. Himanshu Kapania, and Mr. Rajat Mukarji, (together, the

"**Accused**") under Sections 190 and 200 of the Code of Criminal Procedure, 1973 in relation to offences under Section 29 read with Sections 30 and 34 of the TRAI Act for alleged violations of the Quality of Service (Code of Practice of Metering and Billing Accuracy) Regulations, 2006 and Telecommunications Tariff (Forty Fourth Amendment) Order, 2007 dated January 24, 2007 committed by our Company by allegedly overcharging its customers in excess of published tariff applicable in the period between 2006-07 to 2009-10 in Kolkata, Bihar, Maharashtra, Madhya Pradesh, Himachal Pradesh and Uttar Pradesh (East) circles. Subsequently, summons were issued to the Accused pursuant to an order dated December 9, 2011. The Accused filed their response to the Complaint and categorically denied the allegations made by the TRAI. The matter is currently pending.

19. An FIR dated December 13, 2018 was registered at the Cyber Crime Police Station, North Goa against our Company and others for committing alleged offences under Section 66-D of IT Act, 2000 and IT Amendment Act 2008 and under Sections 419, 420, 464, 465, 468, 471 read with Section 34 of the IPC. The FIR was registered in relation to use of forged documents for obtaining a SIM card in the name of third party which resulted in fraudulent bank transaction and siphoning of approximately ₹750,000 from the bank account of subscriber. The matter is currently pending.

20. Atul Kumar Jha (the "**Complainant**") filed a complaint before the Chief Judicial Magistrate, Jamshedpur against our Company and Mr. Himanshu Kapania under Sections 379, 406, 420, 120B and 34 of the IPC, for improper provisioning of a tariff plan to the Complainant by the Company (the "**Complainant**") . On the basis of the complaint by the Complainant filed in September, 2017 (the "**Complaint**") with Trial Court, Jamshedpur (the "**Court**") took cognizance of the alleged offense. In response, our Company filed applications under Section 305 and 205 of the CrPC in the Court. Our Company simultaneously filed an application before the High Court of Jharkhand under Section 482 of the CrPC to quash the Complaint. The High Court of Jharkhand issued notice to the Complainant on December 12, 2018 and stayed the proceedings of the case. The matter is currently pending.

21. Santosh Kumar ("**Complainant**"), a distributor of our Company filed a criminal complaint before the Chief Judicial Magistrate, Allahabad under Sections 506, 420, 406 and 403 of the IPC against certain employees of our Company, alleging illegal business activities. The matter is currently pending.

22. The police in Barplai, Odisha, started proceedings dated December 31, 2014 against certain employees of our Company, under Sections 419, 420, 465, 468, 471, 474 and 120B of the IPC, for allegedly activating SIM card services without proper verification and accepting forged documents. Three of our employees were arrested by the police and later released on bail and the others were granted anticipatory bail by the High Court of Odisha. The matter is currently pending.

23. The Chief Revenue Officer, Srinagar Municipal Corporation has filed criminal complaint against certain employees of our Company (the "**Accused**") under Sections 115, 116 and 302(vi) read with Section 384 of the Jammu and Kashmir Municipal Corporation Act, 2000 alleging that our Company has erected a number of kiosks/small hoardings/wall wraps in private properties without permission of competent authorities. The Municipal Judicial Magistrate 1st Class, Srinagar (the "**Magistrate**") pursuant to order dated June 18, 2014 (the "**Impugned Order**") took cognizance of the case and summoned the Accused. The matter is currently pending.

    Subsequently, a criminal revision petition was filed by the Accused before Principal Sessions Judge, Srinagar for, *inter-alia*, challenging the legality of the Impugned Order. The 3rd Additional District Sessions Court issued notice to the Respondents and summoned entire record from the Magistrate pursuant to order dated August 28, 2014. The matter is currently pending.

24. Devender Singh (the "**Complainant**") filed a complaint (the "**Complaint**") before the Additional Chief Judicial Magistrate – XI, Agra, Uttar Pradesh (the "**Magistrate**") on October 11, 2013 against certain employees of our Company (the "**Accused**") under Section 504, 506, 323, and 406 of the IPC alleging, *inter-alia*, that his services as a distributer were barred without giving him reasons or clearing his outstanding amount. The Magistrate pursuant to order dated February 15, 2014 ordered issuance of summons. Subsequently, a discharge application dated September 2, 2014 was filed before the Magistrate, which was rejected by the Magistrate pursuant to order dated November 20, 2014 (the "**Impugned Order**").

Aggrieved by the Impugned Order, our Company filed a criminal revision application under Section 397 and 401 of CrPC before the Allahabad High Court (the "**High Court**") for, *inter-alia,* quashing the proceedings pending before the Magistrate and prayed for setting aside the Impugned Order. The High Court granted an interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

25. A case was filed by Mr. Nand Lal (the "**Complainant**") against the Territory Manager, Idea Mobile Towers Limited and certain others (the "**Accused**") before the Chief Judicial Magistrate, Karnal ("**CJM**") under Section 406, 420, 467, 468, 471, 506 and 34 of the IPC seeking relief against installation of towers at his premises and non-payment of rent and security for the use of the tower. The CJM Passed the orders against the other Accused but no order was passed against Idea Mobile Towers Limited. Our Company was not made a party to the proceedings before the CJM by the Complainant. However, our Company's erstwhile office address was mentioned in the notice of motion issued by the High Court of Punjab and Haryana in the criminal revision miscellaneous application. The matter is currently pending.

26. The Principal Secretary, State of Telangana (the "**Petitioner**") has filed a writ petition under Article 226 of the Constitution of India before the High Court of Judicature, Hyderabad (the "**High Court**") seeking direction against the Union of India, the Secretary, Ministry of Communications & Information Technology Dept. of Telecommunications, Govt. of India, our Company and a few others telecom operators (the "**Respondents**") to, *inter-alia,* enforce the law as required under Section 5 (2) of the Indian Telegraph Act, 1885 and by its own mechanism by issuing necessary directions to the States and its Agencies and consequently declare the order dated July 7, 2015 and July 17, 2015 passed by the Hon'ble III Additional Chief Metropolitan Magistrate, Vijayawada (the "**Magistrate**") in case of FIR filed before the Police Station Satyanarayanapuram, Vijayawada (the "**Impugned Order**") as illegal and violative of Article 14 of the Constitution of India. The High Court allowed the writ petition and stayed the Impugned Order. Additionally, the Respondents filed a special leave petition under Article 136 of the Constitution of India against the State of Andhra Pradesh in relation to the order dated July 1, 2015 passed by the Magistrate. The matter is currently pending.

27. A writ petition was filed by the State of Telangana with the High Court of Judicature at Hyderabad (the "**High Court**") against the Union of India, the DoT, the State of Andhra Pradesh and certain mobile service providers (including our Company) requesting the High Court to issue a writ of mandamus declaring the inaction of the telecom regulatory authorities (under Section 3(6) of the Indian Telegraph Act), in relation to the orders passed by the Chief Metropolitan Magistrate, Vijayawada ("**Magistrate Court**")against our Company and another telecom service provider as illegal and contrary to Article 14 of the Constitution of India and to set aside the order of the Magistrate Court dated July 21, 2015 (the "**Impugned Order**"), as arbitrary, illegal, without jurisdiction and violative of Articles 14 and 20(3) of the Constitution of India. The matter is currently pending. Additionally, the Respondents filed a special leave petition under Article 136 of the Constitution of India before the Supreme Court of India. The matter is currently pending.

28. A criminal complaint was filed by Sayyad Jamil Ahmad, under Sections 420, 406, 468, 427 and 34 of IPC against certain employees of our Company alleging that his number was disconnected and allotted to a third person. The Judicial magistrate, pursuant to an order dated November 24, 2017 issued process against the Accused. The matter is currently pending.

29. A criminal complaint was filed with 4th Town Police Station, Nellore against certain employees of our Company, alleging that such employees forged identity documents for alleged spurious SIM activations. The matter is currently pending.

30. Hiten Chande (the "**Complainant**") filed a private complaint (the "**Complaint**") before the Chief Judicial Magistrate, First Class at Bhuj, Kachchh (the "**Magistrate**") on May 14, 2010 against certain employees of our Company (collectively, the "**Accused**") under Sections 406, 417, 420 and 114 of the IPC alleging non-payment of pending salary, to the tune of ₹ 24, 391, by the Accused. The Magistrate pursuant to an order dated February 28, 2014 issued process against the Accused (the "**Impugned Order**"). Further, the Accused on receipt of summons, filed an application for discharge. Further, the Accused filed an application for discharge which was rejected by the Magistrate.

Aggrieved by the Impugned Order, our Company filed a criminal miscellaneous application under Section 482 of CrPC before the High Court of Gujarat, Ahmedabad (the "**High Court**") for, *inter-alia,* quashing the proceedings pending before the Magistrate and prayed for setting aside the Impugned Order. Thereafter, the High Court pursuant to orders dated December 2, 2014 granted interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

31. An FIR dated March 19, 2016 was filed before Baguiati Police Station by Mr. Sugata Adhikari (the "**Complainant**") alleging commission of offences under Sections 384, 507, 511, 419, 420, 471, 473, 120B of the IPC and Section 20 and 21 of Telegraph Act, 1885. The Complaint alleged that she received a call demanding ₹ 1.5 million. The police, after investigation reported that the SIM was registered in the name of an Idea distributor (the "**Accused**"). Further, the police reported stated that the Accused used to issue SIM cards of other service providers by using fake and forged documents and pre-activated SIM and thus, added charge under Section 465 of IPC as well. The matter is currently pending before the Chief Judicial Magistrate, Barasat.

32. An FIR dated August 23, 2016 was filed before Hare Street Police Station by an employee of our Company (the "**Complainant**") against certain employees of our Company (collectively, the "**Accused**"), under Sections 354, 509, and 34 of the IPC alleging harassment. The Magistrate took cognizance of the matter pursuant to an order dated October 3, 2016. The matter is currently pending.

    Subsequently, the Accused filed an application under Section 438 of CrPC before the Sessions Judge, Fast Track Court – I, Bichar Bhawan, Calcutta ("**Sessions Court**"), which was rejected by the Sessions Court pursuant to order dated January 3, 2017. Subsequently, the Accused filed an application under Section 438 of CrPC before the High Court at Calcutta (the "**High Court**") for, *inter-alia,* seeking anticipatory bail and an interim relief to restrain investigating agency from arresting the Complainant. The matter is currently pending.

33. An FIR dated January 4, 2015 was filed before Hazratganj Police Station (the "**Impugned FIR**") by Mr. O.P. Yadav, Sub-Inspector, Hazratganj Police Station (the "**Complainant**") against the Circle Head of our Company (the "**Accused**") and others under Sections 379 of the IPC alleging theft and removal of police hoardings. Subsequently, the Accused filed a writ petition before the High Court of Judicature at Allahabad, Lucknow ("**High Court**") for *inter-alia,* passing a writ or order or direction in the nature of certiorari quashing the Impugned FIR and an ad-interim mandamus that the Accused may not be arrested in connection with Impugned FIR. The High Court, pursuant to order dated April 20, 2015, disposed of the writ petition as charge-sheet dated April 11, 2015 was prepared by the police upon investigation. The matter is current pending before the Chief Judicial Magistrate, Lucknow (the "**Magistrate**").

34. An FIR dated March 28, 2016 was filed before KPHB Police Station by Mr. Ramesh G, Sub-Inspector, KPHB Police Station (the "**Complainant**") against 49 accused persons including retailer, distributor and an employee of our Company (collectively, the "**Accused**") under Sections 420, 421 and 188 of the IPC alleging the Accused of sale of SIM cards at high price, without proper identification proofs and not maintaining proper records of the SIMs issued. The matter is current pending.

35. Radhamadhab Panda, ex-employee of ICISL (the "**Complainant**") filed a complaint dated March 5, 2018 (the "**Complaint**") before the Sub-Divisional Judicial Magistrate at Bhubaneswar (the "**Magistrate**") against certain employees of our Company (collectively, the "**Accused**") under Sections 341, 307, 294, 384, 420, 406, 323, 325, 506 and 120B of the IPC alleging illegal detention by the Accused. The Magistrate pursuant to order dated March 5, 2018 directed to register a criminal case for investigation (the "**Impugned Order**"). Subsequently, the Accused filed an application under Section 438 of the CrPC before the High Court of Orissa, Cuttack (the "**High Court**") on March 21, 2018 for, *inter-alia,* anticipatory bail. The High Court pursuant to order dated April 2, 2018 allowed the application. The matter is current pending.

    Being aggrieved by the Impugned Order, our Company filed a criminal miscellaneous application under Section 482 of CrPC before the High Court to, *inter-alia,* quash the Impugned Order and any consequential institution of FIR. The matter is currently pending.

36. An FIR dated March 29, 2016 was filed before Pahadishareef Police Station by Sub-Inspector, Pahadishareef Police Station (the "**Complainant**") against the distributor and an employee of our Company

(collectively, the "**Accused**") under Sections 420, 421 and 188 of the IPC alleging the Accused of selling SIM cards for his illegal benefits and cheating general customers. The Investigating Officer submitted the final report form under Section 173 of CrPC before the XIV Metropolitan Magistrate at L.B. Nagar, Cyberabad. The matter is current pending.

37. Criminal case filed by Mohammed Shaikh against employees of our Company (together, the "**Accused**") alleging that the Deccan Police assaulted him based on a criminal complaint filed by our Company against him for fraud. The matter is currently pending.

38. An FIR dated July 22, 2010 was filed before the Nazarabad Police Station by Mr. Sri Hari (the "**Complainant**") against certain employees of our Company (the "**Accused**") for commission of offences under Sections 417, 468, 471, 473, 406, 420 of IPC. The Complainant alleged that alleged that the employees of the Company forged the documents, on the basis of documents submitted at the time of buying a SIM, and sold four SIM cards to other people without his knowledge. The matter is currently pending before the IIIrd Additional Senior Civil Judge and Chief Judicial Magistrate, Mysore.

39. An FIR dated September 3, 2010 was filed before the Nazarabad Police Station by Mr. Munawar (the "**Complainant**") against certain employees of our Company (the "**Accused**") for commission of offences under Sections 417, 468, 471, 473, 406, 420 of IPC. The Complainant bought a SIM of another company by submitting various documents along with CAF. However, he alleged that the employees of our Company forged the documents and sold 17 Idea SIM cards to other people without his knowledge. The matter is currently pending before the IIIrd Additional Senior Civil Judge and Chief Judicial Magistrate, Mysore.

40. A complaint was filed before the Police Inspector, Udayagiri Police Station by Mr. Akbar Khan (the "**Complainant**") against certain employees of our Company (the "**Accused**") for commission of offences under Sections 468, 471, 420, 114 of IPC. The Complainant alleged that he bought a SIM of another company by submitting various documents along with CAF. However, he alleged that the Accused forged the documents and sold 17 Idea SIM cards in his name to other people without his knowledge. The matter is currently pending before the IInd Additional Civil Judge and Judicial Magistrate First Class, Mysore.

41. A compliant has been filed by a customer (the "**Complainant**") before the 1st Additional Civil Judge (Senior Division) and Judicial Magistrate First Class, Mysore against employees of our Company (the "**Accused**") for commission of offences under Sections 406, 420 and 34 of IPC, where it has been alleged that forged documents were used by the Accused to activate the Complainant's Idea mobile connection. The matter is currently pending.

42. A criminal complaint ("**Complaint**") was filed by Labour Inspector, Ambala on behalf of State of Haryana (the "**Complainant**") before the Chief Judicial Magistrate, Ambala (the "**Magistrate**") under Sections 29 and 31 read with Section 32 of the Industrial Disputes Act, 1947 against our Company (the "**Accused**"). The Complaint was filed for non-compliance of the award dated May 25, 2017 (the "**Impugned Order**") passed by Ld. Presiding Officer, Labour Court, Ambala in a case filed by Amit Saini, on behalf of workmen (the "**Claimant**") against certain employees of our Company. The Impugned Order was passed in favour of the Claimant. The Magistrate has issued summons and the matter is currently pending.

43. A criminal complaint (the "**Complaint**") was filed before the Judicial Magistrate First Class, Bhiwandi (the "**Magistrate**") under Sections 354, 452, 363, 323, 504 and 34 of the IPC against the officers of our Company and others (collectively, the "**Accused**"). It was alleged in the Complaint that the Accused had assaulted the complainant. The matter is currently pending.

44. A FIR was filed before the Walunj Police Station against an employee of our Company for alleged fraud and cheating. The charge sheet was filed before the Judicial Magistrate First Class, Auranga. The employee has subsequently left the Company. The matter is currently pending.

45. An application under Section 27 of Consumer Protection Act, 1986 before the 3rd District Consumer Forum Jaipur, has been filed by Mr. Yash Kalra against certain of our employees for allegedly barring his outgoing services on his mobile number for a disputed bill amount of ₹ 35,000 which was deposited with our Company. The matter is currently pending.

46. The Principal Secretary, State of Telangana (the "**Petitioner**") has filed another writ petition under Article 226 of the Constitution of India before the High Court of Judicature, Hyderabad (the "**High Court**") seeking direction against the Union of India, the Secretary, Ministry of Communications & Information Technology Dept. of Telecommunications, Govt. of India, our Company and a few others telecom operators (the "**Respondents**") to, *inter-alia*, enforce the law as required under Section 5 (2) of the Indian Telegraph Act, 1885 and by its own mechanism by issuing necessary directions to the States and its Agencies and consequently declare the order dated June 26, 2015 passed by the Hon'ble III Additional Chief Metropolitan Magistrate, Vijayawada (the "**Magistrate**") in case of FIR filed before the Police Station Satyanarayanapuram, Vijayawada (the "**Impugned Order**") as illegal and violative of Article 14 of the Constitution of India. The High Court allowed the writ petition and stayed the Impugned Order. Additionally, the Respondents filed a special leave petition under Article 136 of the Constitution of India against the State of Andhra Pradesh in relation to the order July 7, 2015 and July 17, 2015 passed by the Magistrate. The matter is currently pending.

Filed against erstwhile Vodafone India Limited and/or VMSL

47. A private complaint was filed against Vodafone Essar Limited ("**VEL**") and five employees of VEL (collectively, the "**Accused**") alleging offences under Sections 418, 420, 467, 468, 471 and 120-B of the IPC. Subsequently, summons were issued against VEL and senior management of VEL. The Accused challenged the summons and sought quashing of the proceedings. The High Court of Andhra Pradesh ordered the trial court to conduct inquiry under Section 202 of CrPC against the Accused. The matter is currently pending.

48. A complaint dated September 26, 2012 (the "**Complaint**") was filed against VMSL and certain of its officers (collectively, the "**Accused**") by Inspector of Factories, Delhi (the "**Complainant**") under Rules 11-A, 63, 79 and 102 of the Delhi Factories Rules, 1950 (the "**Rules**") and Sections 6, 7, 9(d), 45, 61 and 92 of the Factories Act, 1948 (the "**Act**") in the Metropolitan Magistrate, Karkardooma Court, Delhi (the "**Magistrate**") for non-compliance of the Rules read with the Act in respect of premises located at New Delhi (the "**Premises**"). It was contended by the Complainant that since the Premises were used for the process of packing of SIM cards, our Company would fall under the ambit of the Act and Rules and alleged, *inter-alia*, that VMSL had not obtained a license from the Complainant for running a factory in the Premises. The matter has been adjourned *sine die* by the Metropolitan Magistrate, Delhi on April 1, 2015 based on absolute stay order dated February 12, 2015 of the Delhi High Court.

Additionally, one of the Accused filed a petition under Section 482 of the CrPC before the Delhi High Court seeking *inter-alia*, for quashing of summon order and all subsequent proceedings under the Compliant. Further, an interim application was filed seeking ex-parte interim stay of proceedings. A stay order dated April 9, 2013 was granted and same was made absolute vide order dated February 12, 2015. The matters are currently pending.

49. An FIR dated July 1, 2012 was filed by Anurag Singh, an ex-employee of VMSL at Gautam Budh Nagar Police Station, Noida against certain employees of VMSL (together, the "**Accused**") for committing alleged offences under Sections 341, 386, 504 and 506 of the IPC. Subsequently, a charge-sheet was filed against the Accused on the basis of which Chief Judicial Magistrate, Gautam Budh Nagar, Noida ("**CJM**") took cognizance and issued summons dated November 26, 2013 and accordingly a criminal case was registered before CJM, Gautam Budh Nagar UP. The matter is currently pending.

Additionally, one of the Accused filed a petition under Section 482 of the CrPC before Allahabad High Court, *inter-alia*, seeking quashing of the charge sheet, summons issued by the CJM, the subsequent proceedings before the CJM and grant a stay on further proceedings pending before the CJM. The High Court of Allahabad pursuant to an order dated January 17, 2014 and May 28, 2014 granted an interim stay on proceedings pending before CJM. The matter is currently pending.

50. The South Delhi Municipal Corporation has issued a challan against Vodafone India and certain of its executives and directors, including Mr. Vivek Badrinath and Mr. Ashwani Windlass (collectively, the "**Accused**") in respect of property located at New Delhi, alleging contravention of Sections 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957, *i.e.*, for carrying out commercial/trade activity from the premises without a valid license. Vodafone India filed an application for dismissal of the challan before the

Metropolitan Magistrate, Saket District Court on the ground that the Accused were not operating from the premises for which the challan had been issued. The matter is currently pending.

51. An employee of the Company (the "**Complainant**") filed an FIR before the Janipur Police Station, Jammu against Vodafone India and another (the "**Accused**") under Sections 336 and 429 of RPC. The Complainant alleged that cows were electrocuted by tower placed by the Accused over his land. The matter is currently pending before the 3rd Additional Munsiff, Jammu.

52. A complaint dated June 16, 2014 was filed by Chief Revenue Officer, Srinagar Municipal Corporation (the "**Complainant**") against certain employees of Vodafone India (collectively, the "**Accused**") before the Municipal Magistrate, Srinagar (the "**Magistrate**")for erection of kiosks/smaller hoardings/wall wraps in private properties without permission of proper authority, painted private/Government walling and shop shutters with Company advertisement/logo in violation of Sections 115, 116 and 302(vi) read with Section 384 of J&K Municipal Corporation Act, 2000 and J&K Defacement of Public Property Act, 1985.

    Additionally, one of the Accused filed a criminal revision application dated August 26, 2014 (the "**Revision Petition**") before the Principal Sessions Judge, Srinagar under Section 435(1) of the Criminal Procedure Code, 1989 and challenged the legality of the order passed by the Municipal Magistrate, Srinagar dated June 18, 2014. Pursuant to an order, the 3rd Additional Sessions Judge, Srinagar called upon the records from the Magistrate. The matter is currently pending

53. A complaint dated July 3, 2012 was filed by Lalit K. Gupta (the "**Complainant**") against Vodafone Essar South Limited and its executives (the "**Accused**") for commission of offences under Sections 406, 420, 427, 463, 464, 465, 466, 467, 468, 469, 470, 471, 511 and 120-B of the IPC and Information and Technology Act, 2000 before the Judicial Magistrate, First Class, Chandigarh (the "**Magistrate**"). The Complainant challenged the amounts billed by the Accused for SMS and value added facilities despite not using such services. The Magistrate pursuant to an order dated May 13, 2013 summoned the Accused.

    Subsequently, Vodafone South Limited filed a petition under Section 482 of the CrPC before the High Court of Chandigarh ("**High Court**"), *inter-alia*, for quashing of the complaint filed by the Complainant and the orders dated July 13, 2012 and May 13, 2013 passed by the Magistrate. The High Court pursuant to an order dated August 8, 2013 granted a stay on the proceedings before the trial court which was later on vacated pursuant to an order dated September 26, 2016 by the High Court (the "**Impugned Order**"). Subsequently, Vodafone Mobile Services Limited appealed before the Supreme Court against the Impugned Order. The Supreme Court via order dated January20, 2017 ordered that the interim protection granted by the High Court as per order dated August 8, 2013 to continue till the matter is disposed off by the High Court. The matter is currently pending.

54. A complaint dated May 16, 2015 was filed by the Assistant Labour Officer Grade II, Kannur, 1st Circle, Kannur (the "**Complainant**") against store manager of Vodafone Cellular Limited before the Judicial Magistrate 1st Class, Kannur (the "**Magistrate**") under Section 29(3)(b) of Kerala Shops and Commercial Establishment Act, 1960 (the "**Act**"). The Complainant contended that he inspected the premise of Vodafone Cellular Limited and alleged that Vodafone Cellular Limited did not comply with Sections 5C, 30 read with Rule 10 (1) and Rule 10 (1A) of the Kerala Shops and Commercial Establishments Rules, 1961. The Complainant further contended before the Magistrate that an inspection order was served to the accused to rectify the defects and to submit all the records which were allegedly not complied with. The proceedings are stayed.

    Subsequently, VMSL filed an original criminal petition under Article 227 of the Constitution of India before the Kerala High Court (the "**High Court**") to, *inter-alia*, issue of a writ of certiorari or such other writ or direction to call for entire records and issue of a writ of mandamus or such other writ or direction directing the Complainant to issue proper notice and to extend an opportunity to Vodafone Mobile Services Limited to furnish records mandated by law and to stay proceedings pending before the Magistrate. The matter is stayed by the High Court. The matter is currently pending.

55. A complaint dated May 16, 2015 was filed by the Assistant Labour Officer Grade II, Kannur, 1st Circle, Kannur (the "**Complainant**") against store manager of Vodafone Cellular Limited before the Judicial Magistrate 1st Class, Kannur (the "**Magistrate**") under Section 22B(2)(b) of Minimum Wages Act, 1948

(the "**Act**") for non-compliance with Sections 18 of the Act read with Rule 29(1), 29(2), 29(5) and 29(8) of the Minimum Wages Rules, 1958 despite the Complainant serving an inspection order to rectify the non-compliance. The proceedings are stayed.

Subsequently, Vodafone Mobile Services Limited (formerly, Vodafone Cellular Limited) filed an original criminal petition under Article 227 of the Constitution of India before the Kerala High Court (the "**High Court**") to, *inter-alia,* issue of a writ of certiorari or such other writ or direction to call for entire records and issue of a writ of mandamus or such other writ or direction directing the Complainant to issue proper notice and to extend an opportunity to Vodafone Mobile Services Limited to furnish records mandated by law and to stay proceedings pending before the Magistrate. The matter was stayed by the High Court. The matter is currently pending.

56. Assistant Labour Officer Grade II, 1st Circle, Alappuzha ("**Labour Enforcement Officer**") conducted an inspection of the premise of VMSL situated in Alappuzha on March 10, 2017. Pursuant to the inspection, an inspection note dated March 10, 2017 was served on VMSL alleging that it was in violation of Rules 21A(1), 21A(2), 29(1) and 29(5) of Kerala Minimum Wages Rules, 1958 ("**Rules**") on the grounds of, *inter-alia*, non-implementation of wage protection system and non-maintenance of electronic register as required in Form 14 of the Kerala Minimum Wages (Amendment) Rules, 2015. Thereafter, the Labour Enforcement Officer (the "**Complainant**") filed a complaint (the "**Complaint**"), against Mr. Naveen Lal Chopra, director of VMSL (the "**Accused**"), before the Judicial Magistrate 1st Class, Alappuzha ("**Magistrate**") under Section 22B of Minimum Wages Act, 1948 (the "**Act**") alleging that the Accused had breached the provisions of the Act and the Rules and in its prayer requested, *inter-alia,* for proceedings against the accused under the law and punishment under Section 22A of the Act.

Subsequently, the Accused filed a criminal miscellaneous petition under Section 482 of the CrPC before the High Court of Kerala, Ernakulam, *inter-alia*, for calling the entire records and quashing the proceedings before the Magistrate as it was contended that the proceedings were illegal. Further, VMSL in its prayer requested for a stay on all further proceedings pending before the Magistrate. Pursuant to an order dated October 24, 2018, the High Court granted a stay on all further proceedings in relation to the Complaint till the disposal of criminal miscellaneous case before the High Court. The matter is currently pending.

57. A complaint was filed by Mr. Jaison Thomas (the "**Complainant**") against Vodafone Essar Cellular Limited and three other employees of Vodafone Essar Cellular Limited (collectively, the "**Accused**") under Sections 120B, 107, 320, 336, 337, 427 and 440 of the IPC before the Chief Judicial Magistrate Court, Ernakulam ("**Magistrate**"). The Complainant alleged that the Accused, *inter-alia*, conspired to commit mischief by continuous unwanted calls in order to persuade him to avail a new scheme known as "call barring facility" which led to financial loss to the Complainant. The Magistrate dismissed the complaint pursuant to an order dated November 9, 2007. Subsequently, the Complainant filed a criminal revision petition under Sections 397 and 401 of CrPC before the High Court of Kerala, Ernakulam, *inter-alia,* to set aside the order of the Magistrate dated November 9, 2007 and to proceed the case against the Accused. The matter is currently pending.

58. Mr. Dasari Nagendra Babu (the "**Complainant**") filed a complaint dated January 29, 2009 before the Court of Additional Chief Metropolitan Magistrate, at Secunderabad (the "**Magistrate Court**") against six accused (including VEL) (together the "**Accused**") alleging commission of offences under Sections 418, 420, 467, 468 and 471 read with Section 120-B of the IPC. The Complainant has alleged that the Accused fraudulently and dishonestly committed breach of trust by not continuing business with the Complainant and other district contract persons, instead continued to do business through newly appointed distributors in breach of terms and conditions of the memorandum of understanding dated May 17, 2004 entered into with the Complainant, causing wrongful loss to them. Separate criminal petitions were filed by certain Accused in the High Court at Hyderabad, wherein the High Court has granted stay orders in favour of such Accused.

Additionally, our Company filed a criminal miscellaneous petition under Section 245(2) of the CrPC before the Magistrate Court seeking discharge from the allegations in the case filed by the Complainant. The Magistrate Court through its order dated March 31, 2017 (the "**Impugned Order**"), dismissed the application stating that our Company was not entitled to seek discharge before recording the evidence under Section 244 of the CrPC in a case instituted otherwise than a police report. Aggrieved by the Impugned

Order our Company filed a criminal revision petition in the Court of Metropolitan Sessions Judge, Hyderabad, at Nampally to set aside the Impugned Order. The matters are currently pending.

59. An FIR dated July 19, 2016, was filed by Mr. M Raghunadh, the Sub Inspector of Police, 4th Town Police Station, Nellore (the "**Complainant**") against certain employees of our Company (the "**Accused**") alleging commission of offences under Sections 419, 420, 471 read with Section 34 of the IPC. The Complainant alleged that the Accused had made wrongful gains by selling SIM cards, which were already activated using false and fake address and identification proofs, at a higher price. A discharge petition dated July 17, 2017, has been filed under Section 239 of the CrPC, by one of the Accused, before the Court of the Additional Judicial Magistrate of the First Class, at Nellore. The matter is currently pending.

60. An FIR dated March 28, 2016, was filed by Mr. Ramaiah, the Sub Inspector of Police, Gachibowli, Cyberabad (the "**Complainant**") against 26 persons (the "**Accused**"), alleging commission of offences under Sections 420 and 188 of the IPC. It is alleged that the Accused had been procuring SIM cards of various service providers (including our Company) without valid permission and license from the regulator and competent authorities, and then selling such SIM cards to customers for a higher price, without taking valid documentation or carrying out the due process of verification of customer identity. A charge sheet dated November 21, 2016 was prepared under Section 173 of the CrPC and submitted in the Court of Metropolitan Magistrate, Kukatpally at Miyapur. The matter is currently pending.

61. An FIR dated March 28, 2016, was filed by Mr. Ramesh, the Sub Inspector of Police, KPHB Colony, Cyberabad (the "**Complainant**") against 49 persons (the "**Accused**"), alleging commission of offences under Sections 420, 406 and 188 of the IPC. It is alleged that the Accused had been selling SIM cards of various service providers (including our Company) to customers for a higher price, without taking valid documentation or carrying out the due process of verification of customer identity. The matter is currently pending.

62. A writ petition was filed by Mr. Nallapati Ramachandra Prasad, with the High Court of Judicature at Hyderabad (the "**High Court**"), against 20 persons and entities (including our Company) requesting the court to issue a writ of mandamus declaring inaction of the police and other authorities, and to transfer the investigation of the matter from the police to the Central Bureau of Investigation. The High Court in its interim order dated August 29, 2016 asked our Company to preserve the call records of certain telephone numbers in relation to calls made on July 10, 2016 and July 11, 2016. The matter is currently pending.

63. A writ petition was filed by the State of Telangana with the High Court of Judicature at Hyderabad (the "**High Court**") against the Union of India, the DoT, the State of Andhra Pradesh and certain mobile service providers (including our Company) requesting the High Court to issue a writ of mandamus declaring the inaction of the telecom regulatory authorities (under Section 3(6) of the Indian Telegraph Act), in relation to the orders passed by the Chief Metropolitan Magistrate, Vijayawada ("**Magistrate Court**")against our Company and another telecom service provider as illegal and contrary to Article 14 of the Constitution of India and to set aside the order of the Magistrate Court dated July 21, 2015 (the "**Impugned Order**"), as arbitrary, illegal, without jurisdiction and violative of Articles 14 and 20(3) of the Constitution of India. The matter is currently pending.

64. A complaint was filed by Mr. Ravi Kumar Mangotia (the "**Complainant**") under Section 156(3) of the CrPC against certain employees of Vodafone Spacetel Limited (together the "**Accused**") before the Chief Judicial Magistrate, Begusarai (the "**Magistrate**") alleging commission of offences under Sections 406, 420, 408, 504, 120-B read with Section 34 of the IPC. The Complainant has alleged that his post-paid to pre-paid migration was denied even after paying his outstanding dues from time to time. He has further alleged that he was also threatened when he went to the Accused to follow up about the migration. Basis the complaint, the Magistrate, instructed the local police to register and investigate the matter. However, the Magistrate by its order dated February 19, 2016 took cognizance of the FIR and registered a criminal complaint against all the Accused under Sections 420 and 406 of the IPC. The matter is currently pending and the trial number is yet to be assigned.

65. An FIR dated May 31, 2016 was filed by Mr. Pawan Kumar, Assistant Engineer, Electricity Supply Sub Division-02, Biharsharif, under Section 135 of the Electricity Act, 2003, with the police station at Laheri, alleging that without any valid EB connection, and by means of hooking from the main LT line and all three

phases electricity was being illegally extracted and being used at Vodafone BTS Tower. It was further alleged that due to such electricity theft the South Bihar Power Holding Company Limited suffered a revenue loss of ₹ 1,427,221. The matter is currently pending.

66. An FIR dated May 10, 2014 was filed by Mr. Ajay Kumar Ranjan, Assistant Electrical Engineer, under Section 135 of the Electricity Act, 2003, with the police station at Madhepura, alleging electricity theft being committed by the proprietor at Vodafone Tower in Ramtola, Ganhariya Bazar, P.S Gamhariya, Madhepura, by cutting service wire before the meter thereby consuming an electricity load of 12 kilowatt. It was further alleged that due to such electricity theft the North Bihar Power Distribution Company Limited suffered a revenue loss of ₹ 595,000. The matter is currently pending.

67. An FIR dated August 24, 2013 was filed by Mr. Rakesh Ranjan, Junior Engineer, Electric Supply Division, Bakhtiyarpur under Section 135 of the Electricity Act, 2003, with the police station at Bakhtiyarpur, alleging power tapping being carried on at a Vodafone Spacetel Limited tower by hooking the main supply. It was further alleged that due to such activity the Electric Supply Division suffered a revenue loss of ₹ 310,267. The matter is currently pending.

68. An FIR dated May 10, 2014 was filed by Mr. Mithilesh Kumar Mintu, Assistant Electrical Engineer, Electrical Supply Division, Udakishunganj under Sections 135 and 138 of the Electricity Act, 2003, with the police station at Bihariganj, Madhepura, alleging electricity theft being committed at BTS Tower of Vodafone Essar Spacetel Limited, by using a tape on the wire before the meter by means of which energy was being stolen. It was further alleged that due to such activity the North Bihar Power Distribution Company had suffered an estimated revenue loss of ₹ 255,263.41. The matter is currently pending.

69. An FIR dated June 19, 2012 was filed by Mr. Ritu Abhishek, Assistant Electrical Engineer, Electrical Supply Sub Division, Supaul, under Section 135 of the Electricity Act, 2003 and Section 379 of the IPC, with the police station at Supaul, alleging theft of electricity for running the tower by taking electricity from the main LT line. It was further alleged that due to such electricity theft the electricity department suffered a revenue loss of ₹ 450,000. The matter is currently pending.

70. Mr. Shree Ram Singh (the "**Complainant**") filed a complaint dated March 20, 2010 before the Court of Chief Judicial Magistrate at Patna, against certain employees of our Company (the "**Accused**"), alleging commission of offences under Sections 420, 467 and 468 of the IPC. The Complainant alleged that he along with three others had paid a sum of ₹ 100,000 each, as a refundable security deposit, to certain Accused for installation of tower on their land. It was further alleged that an additional sum of ₹ 318,000 was paid to one of the Accused for providing the contract for the maintenance of the tower to the Complainant and that all amounts were paid through the account of another Accused which was neither returned nor any maintenance contract was awarded. The matter is currently pending.

71. An FIR dated March 6, 2013 was filed by Mr. Sanjay Kumar under Sections 135 and 138 of the Electricity Act, 2003 and Section 379 of the IPC, with the police station at Rajauli, Nawada, alleging electricity theft by hooking the main LT line. It was further alleged that due to such electricity theft the Bihar State Power Holding Company Limited suffered a revenue loss of ₹ 228,928. The matter is currently pending.

72. An FIR dated October 16, 2012 was filed by Mr. Satya Narayan Mehta, Assistant Electrical Engineer, Electrical Supply division, Rosera, Samastipur, under Section 135 of the Electricity Act, 2003 with the police station at Bibhutipur, Samastipur alleging electricity theft from the transformer LT line using a steel pipe, for running the tower. It was further alleged that due to such electricity theft the electricity department suffered a revenue loss of ₹ 931,148. The case was submitted before the Judicial Magistrate 1st Class, Rosera. The matter is currently pending.

73. A complaint dated June 29, 2016 was registered by Mr. Ditendra Naik, Police Sub Inspector Anti-Narcotic Cell, Police Station, Panaji, Goa (the "**Complainant**") with the police station at Mapusa under Sections 419 and 420 of the IPC and Section 22(C) and 20(ii)(A) of the Narcotics, Drugs and Psychotropic Substances Act, 1985, alleging illegal possession of narcotics and drugs along with illegal possession of two SIM cards of our Company, by Johnson Oguga Okafor, a Nigerian national. It was further alleged that the SIM cards were obtained by illegal impersonation and that our Company and employees were party to such impersonation and issuance of SIM cards, and hence have been impleaded.

Our Company has filed a criminal writ petition in the High Court of Bombay, at Goa, for issuance of the writ of mandamus to set aside the proceedings that have been initiated against our Company and that our Company and employees have been wrongly impleaded in the ongoing investigation in relation to the proceedings. The matters are currently pending.

74. An FIR dated November 10, 2012, was filed by Mr. Pradeep Prahlad Rathod (the "**Complainant**") against our Company and its employees, (together the "**Accused**") at the Mukundwadi police station, alleging commission of offences under Section 420 read with Section 34 of the IPC and Sections 43(h), 65, 66, 66-D of the Information Technology Act, 2000. It is alleged that the mobile number of the Complainant was ported to another company without his prior consent. Our Company has submitted that it has been wrongly implicated in the proceedings and has initiated proceedings against the associate distributor, instrumental in the act of fraudulent SIM replacement and porting of mobile phone number of the Complainant. Our Company has also accordingly terminated the distributorship arrangements with the distributor. The matter is currently pending.

75. An FIR dated August 15, 2013, was filed by Mr. Santosh Gaikwad (the "**Complainant**") against our Company (the "**Accused**") at the Yerwada police station, alleging commission of offences under Section 143 of the IPC and Section 3 of the Prevention of Damages of Public Property Act, 1984. It was alleged that our Company has engaged in digging of road for laying down its optical fibre cable on the route where it has not been granted permission. Our Company has filed a criminal application in the High Court of Judicature at Bombay, for quashing of the FIR. Separately our Company has also filed a writ petition against the municipal authority for its arbitrary decision making and not following of the principles of natural justice. The matters are currently pending.

76. A public interest litigation ("**PIL**") was filed in the High of Judicature at Bombay, by Ms. Kanchandevi Sunderlal Kothari & Mr. Jitendra Sunderlal Kothari (together the "**Complainants**"), against the Union of India, the State of Maharashtra, Police Inspector in charge, our Company along with several other telecommunication service providers and the TRAI (together the "**Accused**") for consideration of matters under Articles 226, 227, 14, 346, 347 and 348 of the Constitution of India and the inaction on part of the authorities governed by the Union of India and the State of Maharashtra. It has been alleged that the telecommunication service provider company officials buy documentation off the open market and then use such documents to issue fake and false SIM cards. It is alleged that such market practices are a direct threat to national security and that such practices aid and help terrorist activities. The Complainant has prayed for formulation of rules to curb such practices and for the stricter enforcement of rules and regulations against such offenders. The matter is currently pending.

77. A complaint case was filed by Mr. Nilesh Panchal (the "**Complainant**") before the Court of the Metropolitan Magistrate, 26th Court at Borivali, Mumbai, against our Company, our directors (at such date) and such other officers as deemed by the Complainant to be handling policy decisions of our Company, (together the "**Accused**"), alleging commission of offences under Sections 420 and 406, read with Sections 34 and 114 of the IPC. It was alleged that being a customer of our cellular phone services the Complainant received multiple representations vis SMS for participating in games captioned "Cash Pot" and "Gold Pot", respectively, winning either of which could win him prize money. It has been alleged that the games were shut abruptly by our Company without informing the Complainant as to the winner of the game and the points that were secured by such winner. It was alleged that the game is a scheme by our Company and its officers to manipulate and dupe the public at large for their own wrongful gains. The matter is currently pending.

78. An FIR dated December 11, 2014 was filed by the Police Officer of the police station at Manak Chowk, Ratlam (the "**Complainant**") against an employee and various distributors of our Company (together the "**Accused**") alleging commission of offences under Sections 420, 465, 467, 468 and 471 of the IPC. It was alleged that one of the Accused who was the officer of our Company and thereby responsible for verification of customer information forms for new subscriptions to mobile services, was found making forged documents and scanning photographs of voter identification cards for pasting onto prepaid card subscription forms.

The Accused filed a bail application with the High Court of Madhya Pradesh, Indore bench ("**High Court**"), under Section 439 of the CrPC. The High Court accepted the bail petition and ordered the release of the Accused, who was the officer of our Company, on furnishing a personal bail bond of ₹ 50,000 and the continuation of proceedings initiated against the Accused in the trial court. The matter is currently pending.

79. An FIR dated December 6, 2018 was filed by Ms. Jaya K. (the "**Complainant**") against an employee of our Company (the "**Accused**"), with the police station at Podhanur, Coimbatore city alleging commission of offences under Sections 447, 427, 384 and 354A of the IPC. It is alleged that the Accused had visited the Complainant's showroom in her absence and created a problem to force her to transfer a sum of ₹ 50,000 to a customer's credit account and also broke her cupboard and stole a sum of ₹ 100,000. It was further alleged that the Accused asked her to cooperate privately in order to retain her distributorship arrangement with our Company. Subsequently, the Accused filed an anticipatory bail application with the High Court of Judicature at Madras ("**High Court**"), which was granted by the High Court pursuant to its order dated January 29, 2019. The High Court accepted the petition and passed an interim order for the Accused to not be arrested until such date as may be decided from time to time. The matter is currently pending.

80. A complaint case was filed by Mr. Narayan Gupta (the "**Complainant**") against certain employees of our Company (the "**Accused**"), before the Judicial Magistrate, Room No. 2, Kannauj alleging commission of offences under Sections 406, 420, and 419 of the IPC. It was alleged that pursuant to a contract entered into between the Complainant and our Company, our Company wrongly retained an amount of approximately ₹ 400,000 under the pretext of contractual obligations. It was further alleged that after retention of such amount the contract was wrongly terminated pursuant to which the Complainant filed a case on March 26, 2010. Our Company has filed a stay petition against the order of the Judicial Magistrate, Kannauj. The matter is currently pending.

81. A complaint case was filed by Ms. Ranjana Kesari (the "**Complainant**") against certain employees of our Company (the "**Accused**"), before the Additional Chief Judicial Magistrate Court No. 10, Allahabad, (the "**Magistrate**"), alleging commission of offences under Section 406 of the IPC. It is alleged by the Complainant that two unknown persons were sent to her house by the Accused. They obtained information in relation to her outstanding dues and asked her to sign on blank papers, saying that the payment of her dues would be made by cheque. It was further alleged that after she signed the blank papers she was manhandled by such persons and threatened by them to not call any of the Accused. The Magistrate in its order dated December 21, 2017 (the "**Impugned Order**") rejected allegations in relation to physical abuse; however summoned the Accused under Section 406 of the IPC. The matter is currently pending.

Certain Accused have filed separate criminal miscellaneous applications under Section 482 of CrPC with the High Court of Judicature at Allahabad to quash the Impugned Order passed by the Magistrate Court and to stay the Impugned Order or any further proceedings in relation to the complaint case. The High Court granted a stay on all further proceedings in relation to the Complaint. The matters are currently pending.

82. A criminal case was filed by Mr. Shahid (the "**Complainant**") against certain employees of our Company (the "**Accused**"), before the Additional Chief Judicial Magistrate, Kairana District Muzaffar Nagar, alleging commission of offences under Sections 323, 452, 504 and 506 of the IPC. It was alleged that the Complainant was forced to resign from his distributorship by the Accused owing to which he has had to suffer a loss of approximately ₹ 175,000. The Accused have filed a petition under Section 482 of the CrPC to quash the criminal proceedings initiated against them by the Complainant. The matters are currently pending.

83. A show cause notice dated October 10, 2008was issued to our Company by the State of Uttar Pradesh, under Section 133 of the CrPC for unlawful obstruction and nuisance being caused to the public because of the construction of cellular/ mobile towers in the vicinity. Our Company has filed a statement objecting to the allegations in the show cause notice. The matter is currently pending.

84. An FIR dated July 31, 2016 was filed by Mr. Jitendra Kumar, under Sections 420, 467, 468, 471 and 472 of the IPC, with the police station at Kotwali Shahar, Bijnor, alleging on the basis of information of an informer that certain persons, including an employee of our Company, are in possession of forged SIM cards of various mobile companies, rubber stamps, identity proofs and laptops, and that such persons are

instrumental in giving SIM cards on forged identities. The police recovered photocopies of identity proofs of 71 people, 150 rubber stamps, photographs of 140 people, 150 recharge coupons of supernet, 500 value cards, 55 bonus cards, 30 internet cards, 928 activated SIM cards, 500 non-activated SIM cards, 110 replacement SIM cards of Vodafone India, 600 activated SIM cards of our Company, 300 activated SIM cards of another telecom operator and two laptops of Vodafone India and Hewlett Packard. Pursuant to a bail application, the employee of our company was granted bail by the High Court of Allahabad on August 26, 2016. The matter is currently pending.

85. A show cause notice issued by the Dehradun Special Area Development Authority and subsequently, an order dated December 9, 2010 ("**Impugned Order**") was passed by the Secretary, Doon Valley Special Area Development Authority under Section 26 (1) of the Uttar Pradesh Special Area Development Act 1986 for installation of cell site without obtaining requisite approvals. Hutchisson Essar South Limited (Vodafone Essar South Limited) has filed an appeal against the Impugned Order before the Court of the Doon Valley Special Area Development. The matter is currently pending.

86. An FIR dated December 31, 2014 was filed by Mr. Gouranga Ch. Sahu, Inspector of Police, IIC, Sardar P.S. Bargarh (the "**Complainant**") against certain employees of Vodafone India (collectively, the "**Accused**"), alleging commission of offences under Sections 419, 420, 465, 468, 471, 474 and 120 (B) of the IPC. The Complainant alleged that the Accused had made forged voter ID and selling pre-activated Vodafone SIM cards. An anticipatory bail application was filed by Mr. Tapas Padhiari under Section 438 of the CrPC and anticipatory bail was granted by the High Court of Orrisa, Cuttack. The matter is currently pending.

87. Binod Sahoo (the "**Complainant**") filed a private complaint (the "**Complaint**") before the Sub Divisional Judicial Magistrate, Bhubaneshwar (the "**Magistrate**") on August 26, 2014 against an employee of Vodafone India and certain employees of Vodafone Spacetel Limited (collectively, the "**Accused**") under Sections 341, 392, 294, 323, 506 and 34 of the IPC alleging wrongful consignment, assault and robbery of ₹10,000 and three cheques by the Accused. The Magistrate took cognizance of the matter pursuant to an order dated September 29, 2014 and issued summons to the Accused (the "**Impugned Order**").

    Being aggrieved by the Impugned Order, the Accused filed two separate applications under Section 482 of CrPC before the High Court of Orrisa, Cuttack (the "**High Court**") for, *inter- alia,* quashing of the proceedings pending before the Magistrate and the Impugned Order and prayed for setting aside the order passed by the Magistrate. Thereafter, the High Court pursuant to orders dated December 2, 2014 and September 29, 2014 granted interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

88. Dhaneswar Patra (the "**Complainant**") filed a private complaint (the "**Complaint**") before the Judicial Magistrate First Class, Ranpur (the "**Magistrate**") against certain employees of Vodafone Essar Spacetel Limited (collectively, the "**Accused**") under Sections 294, 420, 506 and 34 of the IPC alleging that the Accused had cheated the Complainant by fraudulently issuing a duplicate sim for his mobile number. Further, the Complainant alleged that the accused abused in filthy languages and threatened him with murder in case the Complainant complains to anybody. Subsequently, the Magistrate pursuant to an order dated June 13, 2011 issued non-bailable warrants to the Accused (the "**Impugned Order**").

    Being aggrieved by the Impugned Order, the Accused filed an application under Section 482 of CrPC before the High Court of Orrisa, Cuttack (the "**High Court**") for, *inter-alia*, quashing the proceedings pending before the Magistrate and the Impugned Order. The High Court pursuant to order dated September 26, 2011 granted interim relief by staying the proceedings in relation to the Complaint. Thereafter, the High Court pursuant to order dated September 25, 2012 dismissed the criminal miscellaneous petition due to non-prosecution. Subsequently, an application for restoration was filed before the High Court and the High Court recalled the order dated September 25, 2012 and restored the criminal miscellaneous petition. The matter is currently pending.

89. An FIR dated June 27, 2013 was filed before the IIC Jagatsinghpur Police Station by Mr. Arup Kumar Sahoo (the "**Complainant**") against certain employees of Vodafone India (collectively, the "**Accused**"), alleging commission of offences under Sections 452, 323, 324, 506, 294 and 34 of the IPC. The Complainant alleged that he was threatened with fire arms and assaulted at his residence by the Accused.

90. Mrs. Gita Devi Agarwal (the "**Complainant**") filed a private complaint (the "**Complaint**") before the Chief Metropolitan Magistrate, Calcutta against Vodafone Essar East Limited and five others (collectively, the "**Accused**") under Sections 420, 406, 448 and 120B of the IPC alleging non-payment of rent on and from July 2008, by the Accused, for the Complainant's premise leased to them. The Learned Metropolitan Magistrate, 8th Court, Calcutta (the "**Magistrate**") upon finding a *prima facie* case against the Accused issued summons their names by an order dated June 8, 2011 (the "**Impugned Order**").

    Being aggrieved by the Impugned Order, the Accused filed an application under Sections 397/401 read with 482 of CrPC before the High Court at Calcutta (the "**High Court**") for *inter-alia,* quashing the proceedings pending before the Magistrate and the Impugned Order and granting a stay to all further proceedings before the Magistrate. Thereafter, the High Court granted an interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

91. Mr. Purnendu Das (the "**Complainant**") filed a private complaint (the "**Complaint**") before the Additional Chief Judicial Magistrate, Haldia (the "**Magistrate**") against Director/Manager Kolkata Vodafone Mobile Nodal Officer, Vodafone Essar East Limited and two others (collectively, the "**Accused**") under Sections 420, 418 and 406 of the IPC alleging non-payment of rent for initial period of November 2008 to November 2009, by the Accused, for the Complainant's premise leased to them. The Complainant further alleged that the Accused appointed the Complainant as a security guard for the mobile tower and did not pay him for his services after a few initial payments. The Learned Magistrate upon finding a *prima facie* case under Sections 420, 423 and 406 of IPC against the Accused issued summons their names by an order dated July 6, 2012 (the "**Impugned Order**").

    Being aggrieved by the Impugned Order, the Accused filed an application under Sections 397 and 401 read with Section 482 of CrPC before the High Court at Calcutta (the "**High Court**") for *inter-alia,* quashing the proceedings pending before the Magistrate and the Impugned Order and granting a stay to all further proceedings before the Magistrate. Thereafter, the High Court granted an interim relief by staying the proceedings in relation to the Complaint. The matter is currently pending.

92. An FIR dated July 13, 2018 was filed before Baguiti Police Station by Mr. Basir Ahmed (the "**Complainant**") against certain employees of Vodafone India (collectively, the "**Accused**"), alleging commission of offences under Sections 323, 354, 153A, 295, 379, 506 and 34 of the IPC. In the instant case, the Complaint along with his wife went to a Vodafone store to avail services of Vodafone connection/SIM cards and desired a particular post-paid number which was denied to them as it was already allocated to an existing Vodafone subscriber. The Complainant alleged that himself and his wife were insulted on his religious beliefs, and threatened and physically hurt while forcibly escorted out of the Vodafone store. Further, it was alleged that in this process, there was a theft in respect of one gold car ring of his wife. The matter came up before the Chief Judicial Magistrate (the "**Magistrate**").

    Subsequently, the Accused filed two separate applications under Section 482 of CrPC before the High Court of Calcutta (the "**High Court**") for, *inter-alia,* quashing the proceedings pending before the Magistrate and the stay the proceedings before the Magistrate. The High Court granted interim relief by staying the proceedings. The matter is currently pending.

93. An FIR dated September 29, 2014 was filed before Sadar Police station, Darjeeling by Mr. Susovon Ghosh, Assistant Engineer (E/M), AGE E & M Lebong, Military Engineers Services (I), Darjeeling (the "**Complainant**") against representative of Vodafone Mobile Company (collectively, the "**Accused**"), under Sections 3 of the Prevention of Damage to Public Property Act, 1984. The Complainant alleged that Military Engineers Services office at Lebong Cantonment area suffered heavy water logging and flood due to inappropriate laying and execution of optical fibre cable by the Accused. The matter was amicably settled and Vodafone Mobile Company paid the compensation money. The matter is currently pending.

94. A writ petition was filed before the High Court at Calcutta ("**High Court**") by Mr. Pradip Pandey (the "**Petitioner**") against Vodafone Essar East Limited and 10 others (the "**Respondents**") sating that his right under Article 21 of the Constitution of India has been violated as SIMs were issued in the name of the Petitioner fraudulently. The matter is currently pending.

95. Mr. Sunil Kumar (the "**Complainant**") filed a complaint against Vodafone Essar South Limited alleging damages caused by unauthorized digging of the road (NH 31A) for laying optical fibre cable before the Sub Divisional Magistrate, East, Gangtok ("**Magistrate**"). The Magistrate issued summons for Anirban Deb Roy (Zonal Manager) to appear in person before the Magistrate. The matter is currently pending.

96. An FIR dated July 22, 2010 was filed before Nazarbad Police station by Mr. Hari Ramesh (the "Complainant") against Vodafone Mobile Company, its workers and others (collectively, the "Accused") under Sections 406-420 of the IPC.

(b) Criminal Proceedings by our Company

1. Our Company had installed a GBT cellular tower and its related equipment's at the premise of Mr. VSKD Naga Soma Raju (the "**Accused**") during the year 1999 after execution of the registered lease deed. The said lease deed expired during the year 2015 and our Company decided not to renew the lease. Based the mutual discussions, it was agreed that, our Company shall pay ₹10 Lakhs with a condition that, the Accused shall permit our Company to remove its equipments by July 30, 2015. Accordingly, the Company made the payments, but the Landlord did not allowed to remove the dismantled equipments and vacate the premises. Subsequently, our Company executed the Memorandum of Understanding and paid an additional amount of ₹8 lakhs with a condition that, the Accused shall allow our Company to remove its network cell site and related fixtures from the said premises, but the Landlord did not allowed to remove the equipments. Aggrieved by this, an FIR dated December 12, 2015 was filed before Bhimavaram II Town Police Station by Mr. Naga Venkata Sai Addala, on behalf of our Company (the "**Complainant**") against the Accused under Sections 406 and 420 of the IPC alleging the cheating, wrongful gain and monitory loss of the Company. The Sub-Inspector of Police, Bhimavaram II Town Police Station filed a charge sheet under Section 173 of CrPc for offences under Sections 406 and 420 of the IPC before the II Additional Judicial First Class, Magistrate (the "**Magistrate**"). The matter is currently pending.

   Subsequently, the Accused filed a writ petition before the High Court of Judicature at Hyderabad (the "**High Court**") against the Complainant and few others (the "**Respondents**") for, *inter-alia*, quashing the charges of the complaint made by Complainant. The High Court pursuant to its order dated December 1, 2015 directed the police authorities to complete the investigation but ordered that the Accused should not be arrested. The matter is currently pending.

2. Our Company filed a criminal complaint under Section 200 of the CrPC before the Chief Metropolitan Magistrate, North East District, Karkardooma, Delhi for the offence of criminal conspiracy, dishonest misappropriation of property, criminal breach of trust, cheating and criminal intimidation under Sections 120B, 403, 406, 420 and 506 of the IPC against Sunil Kasana and Abdus Salam (together, the **"Accused**"). Our Company had set up a 'My Idea' customer care store in Yamuna Vihar, New Delhi pursuant to an agreement dated April 20, 2012 (the "**Agreement**") with Sunil Kasana. As per the terms of the Agreement, Sunil Kasana was obligated to deposit all payments received on behalf of our Company in our bank account within 24 hours of such receipt. However, he collected more than ₹2.00 million on behalf of our Company and in nexus with Abdus Salam, senior executive in the service delivery department of our Company at Noida, deliberately and fraudulently avoided making any payments to our Company. Subsequently, the Accused issued post-dated cheques to our Company in discharge of their liability. The cheques were returned unpaid due to insufficiency of funds in the accounts of the Accused. The matter is currently pending.

3. Our Company has filed a criminal revision application (the "**Application**") against certain people (the "**Accused**") before district and sessions court, Nanded, The Application is filed against the issuance of process against our Company in a private complaint whereby one of the Accused filed a complaint for disconnection of his number and allotting the his number to some other person in post-paid category. He alleged that his number remained disconnected and was allotted to some other person and later was reconnected automatically. Hence, he filed a complaint under Sections 420, 406, 468, 427 and 34 of IPC before Judicial Magistrate First Class, Nanded. The matter is currently pending.

4. Our Company has filed a regular criminal complaint (the "**RCC**") against Mr. Amit Ragaji and others (the "**Accused**") before Judicial Magistrate First Class, Kankawali (the "**Magistrate**") for, *inter-alia*, recovery of amount and penal action against the Accused. The Accused was the dealer of company for Kankwali

region and the Company had terminated the dealership and was in the process of settling his accounts. Some of our employees were on an official tour at Kankwali, were the Accused had badly beaten them on the point of non-refund of alleged claims and forced them to withdrawn ₹ 1.50 Lakhs from their various banks accounts. The employees tried to file police complaint against Accused in Kankwali Police Station, however, concern police officers have refused to registered said complaint. Subsequently, RCC was filed before the Magistrate. The matter is currently pending.

5. Our Company has filed a criminal revision application (the "**Revision Application**") against State of Maharashtra and an ex-employee of our Company before District and Session Court, Pune (the "Court"). The Revision Application was filed against the order of the Judicial Magistrate First Class of rejection of the complaint filed by us under Section 156(3) of CrPC filed for investigation against ex-employee of our Company (the "Accused") under Sections 379, 406 and 420 of IPC for, inter-alia, illegally retaining custody of a Company vehicle obtained under BYCS policy and non- payment of costs. The matter is currently pending.

6. An FIR dated July 30, 2018 was filed before Cyber Crime Cell, Mandir Marg, Delhi by our Company (the "Complainant") against Shreejee Marketing and Konnecting Technology India (collectively, the "Accused") under Sections 409, 420, 468, 471, 120B and 34 of the IPC alleging fraud, forgery and cheating and financial damage and/or loss. The Investigating Officer submitted the final report form under Section 173 of CrPC before the Chief Metropolitan Magistrate, Patiala House Courts, New Delhi. The matter is currently pending.

7. Our Company has filed a criminal revision application (the "Revision Application") against State of Maharashtra and an ex-employee of our Company before Hon'ble Session Judge, Pune (the "Court"). The Revision Application was filed against the order of the Judicial Magistrate First Class of rejection of the complaint filed by us under Section 156(3) of CrPC filed for investigation against ex-employee of our Company (the "Accused") under Sections 379, 406 and 420 of IPC for, inter-alia, illegally retaining custody of a Company vehicle obtained under BYCS policy and non- payment of costs. The matter is currently pending.

Filed by erstwhile Vodafone India Limited and/or VMSL

1. Our Company has filed a criminal complaint under Section 156(3) of the of the CrPC against Mr. Pravin Kumar, Mr. Vishwajeet Kunal, M/s Select Branding Consultancy Private Limited, Mr. Chandan Kumar Singh and Mr. Rajnish Kumar (together the "**Accused**") in the court of the Chief Judicial Magistrate, Patna, (the "**Magistrate**") for offences under Sections 120-B, 420 and 406 of the IPC. The Accused approached our Company for subscription of eight prime rate interface links ("**PRI Links**"), of which two PRI Links were provided to the Accused in the months of February 2017 and June 2017, respectively. The Accused did not fulfil their liability of payment of their dues to our Company with the sole intent of misappropriating ₹ 4,794,466. VMSL filed a complaint under Section 156(3) of the CrPC before the Magistrate and in its prayer requested for an order to the police to lodge an FIR against the Accused under Sections 120-B, 406 and 420 of the IPC. The matter is pending and the police report and charge sheet are awaited.

2. Our Company filed a writ petition with the High Court of Judicature at Bombay (the "**High Court**"), for consideration of matters under Articles 226, 14, 19(1)(g) and 265 of the Constitution of India, requesting the court to issue an appropriate writ or order declaring, the actions of the State of Maharashtra ("**Accused 1**"), the Pune Municipal Corporation ("**Accused 2**"), the Municipal Commissioner ("**Accused 3**"), the City Engineer (Roads) ("**Accused 4**") and the Additional City Engineer (Roads) ("**Accused 5**") (together the "**Accused**"), as illegal and in breach of principles of natural justice and fairness and as being arbitrary, discriminatory and irrational.

   Our Company submitted to the High Court that we had made an application to the Accused 4 for laying down optical fibre cable network on a certain route however, the route was to be revised and accordingly necessary permissions were sought for such revision. It was submitted that Accused 5 sent a letter dated December 3, 2012 granting permission for carrying out digging work as per the revised route plan. The Accused 5 later through a letter dated March 22, 2013 accused our Company for laying down unauthorized cable work, and that our Company should pay a penalty of ₹ 11,700,000. A demand note was also issued by Accused 2 for such amount. It was further submitted that the Accused have acted in an arbitrary and *mala* *fide* manner and adopted coercive measures to extort money from our Company by claiming that the laying down of the optical fibre cable route is unauthorized, in spite of the permission granted vide letter dated December 3, 3012. The matter is currently pending.

3. An FIR dated March 29, 2012 was filed before Market Nagar Police station, by Mr. Biswajet Mohanty, on behalf of Vodafone Spacetel Limited (the "**Complainant**") against unknown person or agency (the "**Accused**"), under Sections 420 and 465 of the IPC and 107 and 108 of the Trademark Act, 1999. The Complainant alleged that a falsely made advertisement along with Vodafone logo was published in the daily newspaper for recruitment for Vodafone. However, no such advertisement was published officially and thus, the present FIR was filed. The matter is currently pending.

4. A complaint under Section 138 read with Section 142 of the Negotiable Instrument Act, 1881 was filed before the Chief Metropolitan Magistrate, New Delhi by VMSL against Spectrum Infoweb Solutions Private Limited and others (the "**Accused**") for, *inter-alia,* dishonor of three cheques issued by the Accused for an amount aggregating to Rs.2.00 million due to insufficiency of funds. The matter is currently pending.

5. A complaint under Section 138 read with Section 142 of the Negotiable Instrument Act, 1881 was filed before the Chief Metropolitan Magistrate, New Delhi by VMSL against Mr. Achal Kumar Verma (the "**Accused**") for inter-alia dishonor of a cheques issued by the Accused for an amount aggregating to Rs. 0.40 million due to insufficiency of funds. The matter is currently pending.

6. A complaint under Section 200 of CrPC read with Section 138 and 142 of the Negotiable Instrument Act, 1881 was filed before the Additional Chief Metropolitan Magistrate, Bangalore by Vodafone Essar against Mr. Kiran (the "**Accused**") for, *inter-alia*, dishonor of two cheques issued by the Accused for an amount aggregating to Rs. 3.03 million due to insufficiency of funds. The matter is currently pending.

(c) Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company

As at the date of this Letter of Offer, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Company, Vodafone India and VMSL, other than as disclosed below.

1. Our Company, Vodafone India and others (the "**Petitioners)** filed an appeal against the order dated March 31, 2009 ("**TDSAT order**") of the TDSAT whereby the TDSAT dismissed the petition filed by the Petitioners against the press release dated October 19, 2007 issued by the DoT wherein the DoT, *inter-alia*, (i) permitted a UAS licensee using GSM technology for wireless access to use CDMA technology and *vice-versa*, and (ii) permitted state owned telecom operators to use alternate technology without paying the requisite fee. The TDSAT Order, *inter-alia*, stated that (i) the dual spectrum policy was valid; (ii) the Petitioners did not have any vested right to receive GSM spectrum beyond 6.2 MHz; (iii) no competitive advantage was given to the CDMA telecom operators against the GSM operators; and (iv) allocations of additional spectrum to state telecom companies were discriminatory to the private GSM operators. The Petitioners in their appeal, *inter-alia,* requested the Supreme Court to (i) stay the TDSAT Order as it wrongly put its approval on the dual spectrum allocation policy which in itself is under investigation, (ii) restrain the DoT from making any further allotment of GSM spectrum to CDMA telecom operators as it was tantamount to giving two licenses to run two networks resulting in competitive disadvantage to the Petitioners, and (iii) quash the dual spectrum licenses given to certain CDMA telecom operators. The matter is currently pending.

2. DoT levied a total penalty of ₹ 480 million, i.e., 150% of the alleged total shortfall on our Company for delay in payment of scheduled annual license fee and other dues under the license agreements entered into with the DoT for different years for five service areas of Maharashtra, Gujarat, Uttar Pradesh (West), Kerala and Haryana. Our Company challenged such levy of penalty before the TDSAT on the ground that the DoT had not adjusted the refund payable by it to our Company while calculating the alleged shortfall. On February 11, 2010, the TDSAT allowed the petition and directed the DoT to not levy the penalty and to refund the amount adjusted by DoT as penalty. The DoT has challenged the order of the TDSAT before the Supreme Court. No interim order has been passed in favor of the DoT and the matter is currently pending.

3. The DoT had, through its order dated February 25, 2010, unilaterally increased the 2G spectrum usage charges across all the spectrum slabs for GSM and CDMA service providers and ordered for payment of

increased charges with interest at a specified rate. Vodafone India and VMSL filed a petition before the TDSAT challenging such order, which was dismissed by the TDSAT pursuant to its order dated September 1, 2010. Thereafter, Vodafone India and VMSL (the "**Appellants**") filed an appeal before the Supreme Court challenging the TDSAT order. The Supreme Court passed an interim order dated October 22, 2010 staying the TDSAT order, subject to certain conditions, which included: (a) deposit of 50% of the outstanding principal amount (net of interest) in the registry of the Supreme Court within a period of two weeks; (b) a bank guarantee of a nationalized bank in favor of the Secretary General, Supreme Court for the balance amount within the period of two weeks; and (c) the managing director to provide an affidavit to the effect that, in the event the appeal is dismissed, the Appellants would pay the balance amount along with interest as determined by the Supreme Court at an appropriate stage. In the event there is a breach of any of these conditions, the impugned order of the TDSAT would come into force with immediate effect. The matter is currently pending.

4. The DoT had, through its order dated February 25, 2010, unilaterally increased the 2G spectrum usage charges across all the spectrum slabs for GSM and CDMA service providers and ordered for payment of increased charges with interest at a specified rate. Our Company filed a petition before the TDSAT challenging such order, which was dismissed by the TDSAT pursuant to its order dated September 1, 2010. Thereafter, our Company (the "**Appellants**") filed an appeal before the Supreme Court challenging the TDSAT order. The Supreme Court passed an interim order dated October 22, 2010 staying the TDSAT order, subject to certain conditions, which included: (a) deposit of 50% of the outstanding principal amount (net of interest) in the registry of the Supreme Court within a period of two weeks; (b) a bank guarantee of a nationalized bank in favor of the Secretary General, Supreme Court for the balance amount within the period of two weeks; and (c) the managing director to provide an affidavit to the effect that, in the event the appeal is dismissed, our Company would pay the balance amount along with interest as determined by the Supreme Court at an appropriate stage. In the event there is a breach of any of these conditions, the impugned order of the TDSAT would come into force with immediate effect. The matter is currently pending.

5. In relation to the spectrum auction held in November 2012 as per the notice inviting applications ("**NIA**") and other commitments made by the DoT, our Company was assured a set off of entry fee paid for 2008 quashed licenses against the amounts payable for spectrum allotted in November 2012 auction. However, subsequently the DoT refused the set off for 2008 licenses of Spice Communications Limited ("**SCL**") for the Delhi, Haryana, Maharashtra and Andhra Pradesh circles. Aggrieved, our Company filed a petition before the TDSAT requesting the TDSAT to give direction to the DoT for set off of ₹ 48,400 million entry fee paid for SCL. The matter is currently pending.

6. Our Company and SCL announced their intention to merge on June 25, 2008. The merger became effective from March 1, 2010 pursuant to approval of scheme of merger by the High Court of Gujarat and the High Court of Delhi on January 26, 2009 and February 5, 2010, respectively. Subsequently, since our Company and SCL both had licenses in the service areas of Haryana, Maharashtra, Andhra Pradesh, Delhi, Punjab and Karnataka at the time of the merger, our Company applied for merger and transfer of licenses held by SCL for the Punjab and Karnataka service areas in the name of our Company to the DoT on April 5, 2010 and again on April 26, 2010. After multiple correspondences between the DoT and our Company, DoT pursuant to its letter dated November 29, 2013 ("**Impugned Communication**") granted conditional approval subject to payment of penalty of ₹ 6,000 million by our Company for allegedly (i) violating the substantial equity clause; (ii) not taking prior permission of the DoT for its merger with SCL; and (iii) holding two licenses in one service area from March 1, 2010 onwards, in contravention of the terms and conditions of the Cellular Mobile Telephone Service ("**CMTS**") and Unified Access Service Licenses ("**UAS**") held by our Company and the provision of Guidelines for intra service area Merger of CMTS / UAS dated April 22, 2008. Aggrieved by the Impugned Communication, our Company filed a petition before the TDSAT against the Union of India ("**Respondent**") and in its prayer requested the TDSAT for, *inter-alia*, quashing of the Impugned Communication. The Respondent in its reply refuted the claims made by our Company and requested the Tribunal to dismiss the Petition. The Tribunal granted a stay on the Impugned Communication pursuant to an order dated December 10, 2013. The matter is currently pending.

7. VMSL challenged the withholding and delay of 181 days in allotment of the spectrum duty paid by VMSL in the spectrum auction conducted by the DoT in November 2012. As a result of the delay, the right to use the spectrum purchased through November 2012 auction for a period of 20 years were reduced by 181 days

thereby giving the actual term for spectrum usage as 19 years and 184 days. The DoT, however, failed to take any action in this regard despite representing at the time of the spectrum auction that the entire process of allotment of spectrum will be completed with 40 days after payment of consideration from the bidders. Aggrieved, VMSL Company filed a petition before the TDSAT requesting it to give directions to the DoT that the 'effective date' for determining the period of 20 years for use of spectrum allotted in November 2012 auction won by VMSL should be the date of allotment of spectrum for commercial use, *i.e.*, June 18, 2016 and not the date of issuance of a letter of intent, *i.e.*, December 19, 2012. The matter is currently pending.

8. Vodafone India and VMSL in February 2014 had won spectrum auctions for a period of 20 years in the service areas of Mumbai, Kolkata and Delhi and paid upfront fees within the time frame specified by the DoT. Afterwards, Vodafone India and VMSL (the "**Petitioners**") made applications for Unified Licenses for the above-mentioned three service areas with the DoT, which through multiple letters of intent each dated August 28, 2014 conveyed its approval. The letters of intent had number of conditions each of which was fulfilled by the Petitioners unconditionally and unequivocally, and the Petitioners further furnished all the requisite documents to the DoT. However, when the Petitioners approached the DoT for signing and execution of these Unified Licenses, the DoT informed the Petitioners through a letter dated November 5, 2014 that the compliances submitted by the Petitioners were conditional compliances and thus, not acceptable to the DoT. The letter further stated that the request of the Petitioners to delete certain clauses in the Unified Licences were not acceptable to the DoT. Aggrieved by the actions of the DoT, the Petitioners filed a petition before the TDSAT dated November 17, 2014 requesting them to, *inter-alia*, (i) set aside and quash the impugned letter dated November 5, 2014 and grant all consequential reliefs; and (ii) clauses requested by the Petitioners to be deleted from the Unified Licenses cannot be treated as conditional compliance as deletion of these clauses will be against the existing rights of the Petitioners to provide intra-circle 3G roaming arrangements and services without any restrictions which had been upheld by the TDSAT to be valid and legal pursuant to an order dated April 29, 2014. The TDSAT pursuant to an order dated November 19, 2014 directed our Company to provide an undertaking to the DoT without prejudice to the rights and contentions of the parties. The matter is currently pending.

9. Our Company filed a petition against the DoT seeking release / discharge of the performance bank guarantees and financial bank guarantees of ₹ 580 million and ₹ 957 million, respectively, given by our Company in favour of the DoT under UAS licences dated February 28, 2008 for the West Bengal, Assam, Odisha, Jammu and Kashmir, Kolkata, North East and Tamil Nadu (including Chennai) service areas, which the DoT failed to release despite the fact that the UAS licences were quashed by the Supreme Court by a judgment dated February 2, 2012 and hence, no amount was payable with respect to the quashed licences. Our Company further contended that since, it had executed fresh bank guarantees for the service areas; the DoT should release such amounts. Pursuant to an order dated May 31, 2017, the TDSAT directed the DoT to release the performance bank guarantee of ₹ 580 million for the seven service areas and to revalidate/reassign ₹ 957 million. The matter is currently pending.

10. Pursuant to its letter dated December 23, 2011, the DoT had instructed telecom operators engaged in intra-circle 3G roaming arrangements to discontinue such services. Aggrieved by such instructions, the telecom companies including our Company approached the TDSAT which quashed the impugned instructions while giving DoT the right to pass any appropriate orders after giving due opportunity to the telecom companies. DoT by an order dated April 5, 2013 imposed penalties to the amount aggregating to ₹ 3,000 million on our Company for intra-circle 3G roaming arrangements. Our Company challenged the imposition of penalty before the TDSAT and further requested the TDSAT to pass an order on the legality of intra-circle 3G roaming arrangements. The TDSAT in its order dated April 29, 2014 quashed the penalty imposed by the DoT and held that intra-circle 3G roaming arrangements were not in violation of applicable laws. DoT appealed against the order of the TDSAT before the Supreme Court and, *inter-alia*, requested the Supreme Court to pass an interim stay against the order of the TDSAT. The Supreme Court however, refused to pass an interim stay order against the TDSAT order. The matter is currently pending.

11. Pursuant to its letter dated December 23, 2011, the DoT had instructed telecom operators engaged in intra-circle 3G roaming arrangements to discontinue such services. Aggrieved by such instructions, the telecom companies including Vodafone India and VMSL (the "**Petitioners**") approached the TDSAT which quashed the impugned instructions while giving DoT the right to pass any appropriate orders after giving due opportunity to the telecom companies. DoT by an order dated April 5, 2013 imposed penalties to the

amount aggregating to ₹ 5,500 million on the Petitioners for intra-circle 3G roaming arrangements. The Petitioners challenged the imposition of penalty before the TDSAT and further requested the TDSAT to pass an order on the legality of intra-circle 3G roaming arrangements. The TDSAT in its order dated April 29, 2014 quashed the penalty imposed by the DoT and held that intra-circle 3G roaming arrangements were not in violation of applicable laws. DoT appealed against the order of the TDSAT before the Supreme Court and, *inter-alia*, requested the Supreme Court to pass an interim stay against the order of the TDSAT. The Supreme Court however, refused to pass an interim stay order against the TDSAT order. The matter is currently pending.

12. Our Company filed a petition before the TDSAT against the invocation of an existing financial bank guarantee of ₹ 533.30 million by the DoT which was furnished by our Company in favor of the DoT in order to secure spectrum usage charges for the Jammu and Kashmir service area. Our Company also stated in its petition that the DoT failed to release previous financial guarantees of ₹ 673.30 million as they had replaced the older guarantees with a new financial guarantee in favor of the DoT. Our Company, *inter-alia*, requested the TDSAT to direct DoT to release the financial bank guarantee to our Company. The TDSAT pursuant to an order dated May 31, 2017 directed the DoT to reassign the financial bank guarantee for the Jammu and Kashmir service area. The matter is currently pending.

13. Our Company filed a petition before the TDSAT against the Union of India and the DoT challenging¸ *inter-alia*, the acts and omissions on part of DoT for not providing clean, interference free and usable spectrum in the 2100 MHz frequency pursuant to the terms of the contract in the five service areas of Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh and Gujarat despite repeated communication with the DoT. Our Company stated that the interference were directly and adversely, affecting the quality of the voice service as well as the data services provided by our Company thereby causing financial loss as well as a loss to the brand value of our Company and that the DoT had further failed to provide alternate frequency spots or replace the affected frequencies with clean, interference free and usable frequency spots and therefore, the DoT should compensate for the losses. Our Company highlighted that the TRAI had also requested the DoT to consider assignment of alternate frequency slots due to the interference. The TDSAT pursuant to an order dated April 20, 2015 constituted two committees for monitoring exercises in the affected regions. The committees in their report highlighted that there were definitive proof of interference from cross border and recommended temporarily swapping of frequencies in some of the districts in the service areas. However, the DoT in its response, *inter-alia.* stated that (i) it was taking steps to rectify the interferences, (ii) there were no reasons to swap the frequencies; (iii) that it was not bound to make any proportionate refund from the prices paid by our Company for allocation of the spectrums; and (iv) that there are no reason to extend the licence period. Pursuant to an order dated June 14, 2016, the TDSAT declined to interfere in the matter, *inter-alia*, stating that the amount of interference was not available and that the DoT had taken steps to mitigate the interference. The matters are currently pending.

14. VMSL filed a petition before the TDSAT against the Union of India and the DoT challenging¸ *inter-alia*, the acts and omissions on part of DoT for not providing clean, interference free and usable spectrum in the 2100 MHz frequency pursuant to the terms of the contract in two service areas of Haryana, and Gujarat despite repeated communication with the DoT. VMSL stated that the interference were directly and adversely, affecting the quality of the voice service as well as the data services provided by VMSL thereby causing financial loss as well as a loss to the brand value of VMSL and that the DoT had further failed to provide alternate frequency spots or replace the affected frequencies with clean, interference free and usable frequency spots and therefore, the DoT should compensate for the losses. VMSL highlighted that the TRAI had also requested the DoT to consider assignment of alternate frequency slots due to the interference. The TDSAT pursuant to an order dated April 20, 2015 constituted two committees for monitoring exercises in the affected regions. The committees in their report highlighted that there were definitive proof of interference from cross border and recommended temporarily swapping of frequencies in some of the districts in the service areas. However, the DoT in its response, *inter-alia.* stated that (i) it was taking steps to rectify the interferences, (ii) there were no reasons to swap the frequencies; (iii) that it was not bound to make any proportionate refund from the prices paid by VMSL for allocation of the spectrums; and (iv) that there are no reason to extend the licence period. Pursuant to an order dated June 14, 2016, the TDSAT declined to interfere in the matter, *inter-alia*, stating that the amount of interference was not available and that the DoT had taken steps to mitigate the interference. The matters are currently pending.

15. VMSL had requested the permission of the DoT for the merger of certain Vodafone companies which was approved by the High Court of Delhi. In its approval, the DoT imposed pre-conditions for transfer of licences in favour of VMSL seeking payments of (i) one time spectrum charge ("**OTSC**") above and below 4.4 MHz; (ii) OTSC for extending period of Tamil Nadu license along with bank guarantees; and (iii) undertakings for the OTSC and for the license fee and Spectrum Usage Charges ("**SUC**") demands pending in litigations before the TDSAT and the Supreme Court and demanded a payment of ₹ 113,776.70 million to grant licenses based on the market price of the spectrum auction held in February / March 2015. Aggrieved by the demand, VMSL filed a petition against the Union of India (the "**Respondent**") where it, *inter-alia,* requested the TDSAT to quash the demand as there were no separate spectrum being allocated and hence, the Respondent cannot demand a payment as per the market price of the spectrum and further that the merger was an *inter-circle* merger and therefore there was no violation of the UAL. By an order dated October 19, 2015, the TDSAT stayed the demands imposed by the DoT and directed DoT to allow the transfer of licenses without insisting on the pre-conditions, subject to submitting an undertaking before the TDSAT and the DoT that the stay is subject to the outcome of the pending proceedings before various judicial forums. Aggrieved, the DoT filed a special leave petition before the Supreme Court which directed the VMSL to deposit ₹ 20,000 million for the grant of DoT's approval subject to the outcome of the pending matters. Consequently, DoT's provisional approval was granted. The matter is currently pending.

16. VMSL filed a petition before the TDSAT against the Union of India whereby it challenged the denial of permission and denial of use of microwave access ("**MWA**") carriers in certain districts/cities of the six service areas of Kerala, Maharashtra & Goa, Tamil Nadu, Bihar, Odisha and Jammu and Kashmir by the DoT, despite VMSL having paid the fees for the entire service areas and MWA's already assigned to VMSL in the respective service areas. VMSL further stated that the DoT had already permitted MWA frequencies in the entire service areas to its competitors thereby discriminating against VMSL resulting in financial losses and competitive disadvantage against other telecom operators. VMSL, *inter-alia*, requested the TDSAT to give directions to the DoT to allow use of MWA as the actions of the DoT were unfair, unjust, unreasonable, arbitrary, and in violation of contract / licence terms. The DoT in its reply denied any of the charges and stated that they have not taken any action which discriminates against VMSL and spectrum being a limited natural resource has to be distributed efficiently and effectively between service providers. The DoT further stated that they were following an earlier order of the Supreme Court regarding spectrum charges for MWA and micro wave backbone networks and they had allotted two additional MWA carriers to VMSL. The matter is currently pending.

17. VMSL had requested the permission for the merger of certain Vodafone entities. In its approval, the DoT imposed pre-conditions seeking payments of ₹ 13,863.40 million(i) OTSC above and below 4.4 MHz; (ii) OTSC for extending period of Himachal Pradesh, Jammu and Kashmir and North East licenses along with bank guarantees; and (iii) undertakings for the OTSC, the license fees and SUC demands pending in litigations before the TDSAT and the Supreme Court. By an order dated December 17, 2015, the TDSAT stayed the demands imposed by the DoT and directed the DoT to allow the transfer of licenses. Relying on an earlier order of the Supreme Court, the TDSAT further directed the VMSL to deposit ₹ 4,500 million with the DoT. The matter is currently pending.

18. The Cellular Operators Association of India, our Company, VMSL and Vodafone India and others (the "**Petitioners**") filed a petition against the Union of India (the "**Respondent**") before the TDSAT, challenging various letters of the Respondent whereby it rejected the Petitioners calculation of SUC for 5 MHz radio spectrum in 2100 MHz band in various service areas and further stated that there have been short payment of dues towards SUC. The Petitioners stated that the calculation done by the Respondent was incorrect and against the various orders and circulars of the Respondent. In particular, the Petitioners stated that the rate of SUC for 2100 MHz spectrum was fixed by the notice inviting applications ("**NIA**") and the rate expressly provided under the NIA should only be applicable. Further, the Petitioners stated that they had calculated the SUC by applying the weighted average rates prescribed by the DoT for calculating of SUC as a percentage of Adjusted Gross Revenue as per the DoT's letters / orders dated October 31, 2014 and February 2, 2015, which provides for computation of SUC as weighted average of the rates applicable to the combination of existing spectrum and spectrum acquired through the auction. The only document which prescribed the SUC rates for 2100 MHz Spectrum was the NIA of February 25, 2010 which provided a rate of 3% of AGR. The Petitioners, *inter-alia*, requested the TDSAT to quash the letters / orders of the Respondent issued to the Petitioners directing them to pay the shortfall amount; and provide an interim stay on the DoT to apply any other rate other than 3% for calculation of AGR for spectrum in 2100 MHz in

circles wherein the administrative spectrum had expired, until the disposal of the petition. The matter is currently pending.

19. VMSL filed a petition before the TDSAT against the Union of India in connection with the letter dated August 4, 2016 whereby the DoT instructed VMSL to make the payment of OTSC of ₹ 8,350 million calculated with effect from January 1, 2013 until September 1, 2016 in relation to liberalization of its administrative allocation of 1.8 MHz of spectrum in West Bengal service area as per paragraph 10 of the guidelines for liberalization of spectrum, 2016 ("**Guidelines**"). The existing CMTS / UAS licences were given an option to liberalize their existing spectrum holding in 1800 MHz band after payment of auction determined price. In its petition our Company submitted that the demand of OTSC raised by DoT for the West Bengal service area had already been challenged by VMSL before the TDSAT which had in its order dated January 29, 2013 directed that no coercive action should be taken against VMSL. Hence, the DoT could not impose a condition for grant of liberalization of the administratively allotted spectrum to VMSL in the West Bengal service area as it would result in by-passing the interim order of the TDSAT. VMSL, *inter-alia*, requested the TDSAT to quash the demand made by the DoT. The TDSAT in its order dated August 8, 2016 directed VMSL to furnish bank guarantees equivalent to amount mentioned in the demand for OTSC, valid for three months and held that VMSL would be granted liberalization of spectrum without prejudice to the rights and contentions of the parties. Subsequently, the administrative allotted spectrum was converted into liberalized spectrum which was further combined with the auction acquired spectrum by VMSL. The TDSAT pursuant to a further order dated January 24, 2017 directed VMSL to extend the OTSC appropriately until the time the matter is not disposed off. The matter is currently pending.

20. On September 22, 2016, the DoT issued a demand notice to our Company to pay ₹ 2,810 million towards payment of reserve price for continuation of its services from February 2, 2012 until February 15, 2013 in Punjab and Karnataka service areas and until October 10, 2013 in Assam, North-East, West Bengal, Kolkata, Odisha, Tamil Nadu and Jammu and Kashmir service areas. Similar demand was raised on SCL for ₹ 3,040 million towards payment of reserve price for continuation of its services for four quashed licenses issued in 2008 (together, the "**Demand Notices**"). Aggrieved by the Demand Notices, our Company filed a petition before the TDSAT on the grounds of gross delay and laches on the part of the DoT and that the Demand Notices have been raised in respect of service areas where the licenses of our Company were not in operation and erroneous calculations by the DoT. The TDSAT, pursuant to its interim order dated October 7, 2016 directed that no coercive steps be taken. Subsequently, the DoT issued a revised demand notice dated February 14, 2017, to our Company for ₹ 2,350 million without giving any explanation which was challenged before the TDSAT. No revised demand was received in respect of SCL. On March 3, 2017, the TDSAT passed an order directing that the DoT shall not take any coercive action with respect to the impugned demands. The matter is currently pending.

21. VMSL filed a petition before the TDSAT against Union of India (the "**Respondent**") in connection with demand notice dated March 23, 2017 raised by the Respondent for ₹ 500 million. VMSL had issued post-paid connection from time to time in favour of Matrix Cellular (International) Services Private Limited ("**Matrix**") as a subscriber of VMSL. Further, VMSL separately and independently entered into a contract with Matrix to take benefit of expertise of Matrix in attracting high end post-paid customers. VMSL had received various notices by the Respondent seeking information about the arrangement with Matrix which was duly responded by VMSL. The Respondent in the past had issued a similar notice to VMSL which was challenged in the TDSAT where the TDSAT held in favour of VMSL and referred the matter back to the DoT for reconsideration. Accordingly, the Respondent issued another notice alleging that VMSL was in violation of the license agreements and that it did not disclose the information about number of bulk connections owned by Matrix. VMSL, *inter-alia*, in its prayers requested the TDSAT to (i) set aside and quash the demand notice dated March 23, 2017; and (ii) pass an interim order staying the operation of the demand notice. The TDSAT pursuant to orders dated May 5, 2017 and July 17, 2017 passed interim orders staying the operation of the demand notice. The matter is currently pending.

22. Our Company entered into an agreement with M/s Limco Sales Corporation ("**Limco**") to attract various customers who wanted certain personalized services. As per the arrangement between our Company and Limco, it was Limco's duty to procure necessary details from the customers after making them fill a customer application form for which our Company billed Limco. The Union of India through the DoT (the "**Respondent**") on May 27, 2009 served a letter to our Company alleging, *inter-alia*, that our Company did not follow the guidelines formulated by the DoT in relation to subscriber's identity verification, hence

causing loss to the Respondent and such actions were in violation of different provisions of the license agreement between our Company and the Respondent. Our Company responded to the Respondent on September 15, 2009 denying any wrongdoing on its part. The Respondent sent another letter dated January 18, 2010 repeating the allegations made in the earlier letter which was again responded by our Company on February 15, 2010 stating, *inter-alia*, that if there were any violations of part of our Company, the Respondent should have informed our Company about these violations beforehand. On October 12, 2011, the Respondent imposed a penalty of ₹ 500 million on our Company. Aggrieved by the demand, our Company filed a petition against imposition of such penalty by the Respondent before the TDSAT, which in its judgment dated July 17, 2012 quashed the demand notice and referred the matter back to the DoT directing the Respondent to conduct proper hearings to our Company to defend the allegations made against it.

Accordingly, the Respondent sent another notice dated June 19, 2014 alleging that our Company had violated the license conditions in the matter of bulk connections which was re-iteration of the earlier show-cause notice and did not consider the response that had been already submitted by our Company. Our Company through its letters dated July 19, 2014 and March 26, 2015 to the Respondent highlighted the arbitrary nature of the notice. Again after a period of 22 months, the Respondent sent another notice imposing a penalty of ₹ 500 million. Aggrieved by the actions of the Respondent, our Company filed a petition before the TDSAT requesting them to, *inter-alia*, declare that the imposition of financial penalty as null and void and further that the DoT did not act in a fair manner. The Respondent filed a response against the petition and rejected the contentions of our Company and stated that the terms and conditions of the arrangement between our Company and Limco were against the license agreement and the penalty imposed on our Company was within the licensing framework. The matter is currently pending.

23. Union of India through the DoT (the "**Respondent**") issued a demand notice dated March 21, 2017 against Vodafone India and VMSL (the "**Petitioners**") whereby it levied a penalty of ₹ 110 million in total for the 11 licensed service area agreements where our Company operated for allegedly violating terms and conditions of the CMTS/UAS license agreements and the Interconnection Usage Charges Regulation, 2003 issued the by the TRAI. The Respondent in their notice alleged that the Petitioners were providing a service called "Push2Talk" between May 27, 2004 to March 9, 2005, which was not permissible as per the terms and conditions under the license agreements. Aggrieved by the demand notice, the Petitioners filed a petition before the TDSAT against the Respondent, whereby it stated that the Petitioners had in past adequately responded to the Respondent about all its queries on the services, the last response being sent on August 17, 2007 after which there had been no response from the Respondent. Further, the Petitioners stated that it had also informed the Respondent that TRAI in its investigation had also held that the services were not "push to talk" services. the Petitioners requested the TDSAT to, *inter-alia*, quash the demand notice dated March 21, 2017 as the notice was sent after 10 years since the last communication and therefore the demand is arbitrary and an unreasonable exercise of power by the Respondent. The Respondent filed its reply rejecting all the claims made by the Petitioners. The matter is currently pending.

24. Our Company filed a petition against the Union of India (the "**Respondent**") before the TDSAT against various demand notices whereby the Respondent imposed a penalty of ₹ 500 million against our Company for alleged suppression of actual subscriber/customer database while reporting to the TERM Cell in the Andhra Pradesh service areas thereby violating the CMTS licence agreement conditions which resulted in bypassing the audit of CAFs causing financial loss to the Government of India. Our Company in its petition, *inter-alia*, contended that there was a difference in understanding / interpreting the reporting methodology between the different telecom service providers leading to discrepancies in the subscriber database form which had also been acknowledged by the Respondent through its various circulars. The TDSAT passed interim orders whereby it stayed the impugned demand. The matter is currently pending.

25. Our Company filed a petition against the Union of India (the "**Respondent**") before the TDSAT against various demand notices whereby the Respondent imposed a penalty of ₹ 500 million against our Company for alleged suppression of actual subscriber/customer database while reporting to the TERM Cell in the Haryana service areas thereby violating the CMTS licence agreement conditions which resulted in bypassing the audit of CAFs causing financial loss to the Government of India. Our Company in its petition, *inter-alia*, contended that there was a difference in understanding / interpreting the reporting methodology between the different telecom service providers leading to discrepancies in the subscriber

database form which had also been acknowledged by the Respondent through its various circulars. The TDSAT passed interim orders whereby it stayed the impugned demand. The matter is currently pending.

26. Our Company filed a petition against the Union of India (the "**Respondent**") before the TDSAT against various demand notices whereby the Respondent imposed a penalty of ₹ 500 million against our Company for alleged suppression of actual subscriber/customer database while reporting to the TERM Cell in the Maharashtra service areas thereby violating the CMTS licence agreement conditions which resulted in bypassing the audit of CAFs causing financial loss to the Government of India. Our Company in its petition, *inter-alia*, contended that there was a difference in understanding / interpreting the reporting methodology between the different telecom service providers leading to discrepancies in the subscriber database form which had also been acknowledged by the Respondent through its various circulars. The TDSAT passed interim orders whereby it stayed the impugned demand. The matter is currently pending.

27. Our Company filed a petition against the Union of India (the "**Respondent**") before the TDSAT in relation to demands of ₹ 15.00 million made by the DoT for liquidated damages for alleged default in compliance with roll out obligations of phase 2 in Himachal Pradesh, Rajasthan and Uttar Pradesh (East) licensed service areas ("**LSA**"). Our Company in its petition contended that the delay in roll-out obligations was due to delay in SACFA clearance and the Respondent did not add the period of SACFA delay to the due date for roll out obligations. The TDSAT passed an interim order against the demand notice whereby it stayed the impugned demand. The matter is currently pending.

28. Our Company filed a petition against the Union of India (the "**Respondent**") before the TDSAT in relation to demands of ₹ 700.00 million made by the DoT for liquidated damages for alleged default in compliance with roll out obligations of UASL in Andhra Pradesh, Haryana, Karnataka, Maharashtra and Punjab LSAs. Our Company in its petition contended that the delay in roll-out obligations was due to delay in SACFA clearance and the Respondent did not add the period of SACFA delay to the due date for roll out obligations. The TDSAT passed an interim order against the demand notices whereby it stayed the impugned demand. The matter is currently pending.

29. VMSL filed a petition against the Union of India (the "**Respondent**") before the TDSAT in relation to demands of ₹ 70.70 million made by the DoT for liquidated damages for alleged default in compliance with roll out obligations of UASL in phase 1 of the service areas in Bihar, Jammu and Kashmir, North-East and Orissa LSAs. Since, the demand notice mentioned that the demand is subject to the outcome of an appeal pending before the Supreme Court of India and considering there are stay orders passed by the TDSAT in similar demands, the TDSAT passed an interim order against the demand notice. The matter is currently pending.

30. Telecom Watchdog (the "**Petitioner**"), a non-profit organization filed a transfer petition before the Supreme Court of India seeking transfer of its civil petition before the High Court of Delhi against the Union of India and certain telecom companies including our Company, Vodafone India and VMSL (the "**Respondents**"). The Petitioner highlighted that as per the license conditions; the DoT could have allocated a maximum of 4.5/4.4/6.2 MHz spectrum to telecom operators. However, the DoT allocated spectrum in excess of this entitlement to most of the telecom operators in every circle without charging them any additional license fee which resulted in an aggregate loss to the exchequer of ₹ 369,930.00 million. TRAI had observed this in 2007, 2010 and 2011 and had recommended that the DoT should charge additional license fee for every MHz of spectrum allocated beyond 6.2 MHz and had also stated that even after such additional allocation telecom operators can retain extra spectrum only up to a maximum of 8 MHz in all circles and 10MHz in Delhi and Mumbai circles after paying an additional license fee. Further, the TRAI stated that extra spectrum already allocated to the telecom operators should be withdrawn. Since, the Supreme Court was hearing another case which also involved additional allocation of spectrum by the DoT to the existing telecom operators without charging any entry fee, the Petitioner in its prayers requested the Supreme Court that the petition should be transferred. The Respondents including our Company filed counter affidavit in the Supreme Court against the transfer petition and denied all the averments and allegations made in the petition and stated that the spectrum allocation was conducted fairly and further challenged filing of the petition as the issues in the other petition were different. In its order dated September 30, 2013, the Supreme Court accepted the Petition. The matter is currently pending.

31. Association of Unified Telecom Service Provider of India and others (the "**Petitioners**") filed a public interest litigation against the Union of India and others including our Company, and VMSL (the "**Respondents**") whereby the Petitioners challenged the allotment of spectrums whereby it was, *inter-alia*, alleged that (i) the allotments were not backed by the licence agreements and were granted without payment of any one time fee, and (ii) the additional spectrums beyond the 6.2 MHz were allotted in non-transparent manner to only select few telecom companies. The Petitioners requested the Supreme Court to, *inter-alia*, (i) declare that the additional spectrum allocation was illegal and cancel such allocation which should be allotted through auction, and (ii) to recover appropriate compensation from the Respondents for the loss with effect from the date of allocation of additional spectrum. The Respondents including our Company filed counter affidavits before the Supreme Court and denied all the averments and allegations in relation to spectrum allocation and further stated that the spectrum allocation was conducted in a fair manner. The matter is currently pending

32. The DoT passed an order dated December 28, 2012 whereby it stated that all telecom companies had to pay for excess spectrum in the 1800 MHz and 900 MHz prospectively for the remaining period of their licences based on the market value of the spectrum in the November 2012 auctions. Pursuant to a demand notice dated January 1, 2013, the DoT imposed an OTSC of ₹ 35,994 million on Vodafone India and VMSL. Aggrieved by the order and the demand notice, Vodafone India and VMSL filed a petition against the Union of India and others whereby they requested the TDSAT to quash the order and the demand notice, *inter-alia*, on the grounds that: (i) the demand of OTSC was retrospective in nature and was a unilateral imposition against the terms of the licence, (ii) the imposition of the OTSC was on the spectrum that had been already allotted and for which payment was continued to be made on a revenue share basis, (iii) the demand notice was illegal as there is a threat of forced withdrawal / surrender of the spectrum beyond 4.4. MHz if the demand was not met, and (iv) the order and the demand was arbitrary and unreasonable. The TDSAT on January 29, 2013 passed an interim order whereby it stayed the demand and directed the Respondent that no coercive action should be taken by the DoT. The matter is currently pending.

33. The DoT passed an order dated December 28, 2012 whereby it stated that all telecom companies had to pay for excess spectrum in the 1800 MHz and 900 MHz prospectively for the remaining period of their licences based on the market value of the spectrum in the November 2012 auctions. Pursuant to a demand notice dated January 8, 2013, the DoT imposed an OTSC of ₹ 21,135 million on our Company (together with the order, the "**Impugned Decisions**") despite the fact that our Company had already paid the entry fees and the spectrum usage charges to the DoT. Aggrieved by the Impugned Decisions, our Company filed a petition before the Bombay High Court ("**BHC**") against the Union of India and others (the "**Respondent**") where it requested that the Impugned Decisions should be quashed, *inter-alia*, on the grounds: (i) that it was *ultra-vires* under Section 4 of the Indian Telegraph Act, 1885 to levy a OTSC which is confined only to the grant of licence, (ii) that the Impugned Decisions were illegal, without authority of law and contrary to our Company's contractual rights under the UAS / CMTS licences granted by the Respondent; (iii) that the Impugned Decisions were retrospective in nature; (iv) that the Impugned Decisions violated the provisions of equality and non-discrimination under the Constitution of India as it caused serious and adverse economic and financial impact of an unjust condition on our Company, (v) that the Impugned Decisions discriminated between the dual telecom operators and the GSM telecom operators like our Company, and (vi) that the Impugned Decisions were based on the erroneous assumption of 'excess spectrum', hinged upon the assumption / premise that the contracted spectrum was only up to 6.2 MHz and the spectrum beyond 6.2 MHz was given free of cost. Pursuant to an order dated January 24, 2013, the BHC directed the Respondent that no coercive action should be taken against the Impugned Demand. The matter is currently pending.

34. Certain telecom operators (the "**Petitioners**") filed separate petitions against the Government of India before the TDSAT for non-allocation of additional 1.8 MHz of spectrum and 4.4 MHz start up spectrum, in certain service areas. The Petitioners contended that despite meeting the subscriber linked criteria formulated by the DoT and making repeated requests to the Government of India, they were not allotted the spectrum. It was contended by the Petitioners that they had to be treated at-par with other telecom operators who had been allocated additional 1.8 MHz spectrum, which is also provided under the UASL licences. The contentions of the Petitioners were challenged by the Government of India, Cellular Operators Association of India, our Company and Vodafone India, who were allowed to intervene in the matter pursuant to an order dated July 11, 2012 of the TDAT. It was contended that additional spectrum could only be granted through auction. The TDSAT pursuant to an order dated January 31, 2014 dismissed the petition of one of

the Petitioners, who challenged the order of the TDSAT before the Supreme Court. The matter is currently pending.

35. Our Company filed a writ petition before the Kerala High Court seeking to restrain the DoT from computing AGR of ₹ 1,380 million after including non-telecom revenue. Further, our Company also challenged the constitutionality of Section 4 of the Telegraph Act, 1885 in so far as it gives the DoT the power to include non-telecom revenue in the licence fee payable. The Kerala High Court passed an interim order dated July 13, 2012 permitting our Company to calculate and pay license fee in a manner consistent with past practice until disposal of the petition. In November 2012, the DoT had issued a demand notice to our Company for an aggregate amount of ₹ 1.34 billion for alleged shortfall in the license fee paid with interest thereon, on the basis of the special audit conducted in July 2009 for the fiscal years 2007 and 2008 by auditors appointed by the DoT. The shortfall had resulted from a difference between the DoT's and ICL' interpretation of AGR. Aggrieved by the said demand notice, our Company filed an intervention application for stay before the Kerala High Court, which was granted pursuant to an order dated November 26, 2012. However, the petition was dismissed by a judgement dated April 3, 2018 by the single judge of theKerala High Court was challenged by our Company before the division bench of the Kerala High Court which pursuant to an order dated May 29, 2018 passed an interim stay pending the appeal and our Company should continue to make the payments with respect to the telecom activities throughout the license period. The matter is currently pending.

36. VMSL filed multiple petitions before the TDSAT against the DoT and others, challenging, *inter-alia*, the application of different accounting system by the DoT in the same financial year in respect of deductions from gross revenue of two items, *i.e.*, access charges (pass through / IUC) and roaming charges to other operators and the incorrect levy of licence fee. VMSL in its prayers requested for directions of the TDSAT to the DoT for, *inter-alia*, (i) re-computation of the demand notes raised against our Company by following one system of accounting for the entire financial year, (ii) refund / adjustment of all excess amounts wrongfully levied by the DoT, Pursuant to an order dated May 3, 2011 (the "**Order**") the TDSAT, *inter-alia*, held that the accounting of revenue and expenditure shall be on an accrual basis but of the expenditure shown on accrual basis is not actually paid in that or subsequent years, the DoT shall be entitled to remove the unpaid amount from the expenditure, and directed VMSL to submit their claims on accrual basis to the DoT. Thereafter, the DoT filed multiple appeals before the Supreme Court of India seeking to set aside the Order. During the pendency of the appeals filed by the DoT, VMSL also filed an execution application before the TDSAT for the execution of the Order and to direct the DoT for payment of ₹ 33.20 million (including interest till January 31, 2014) along with further interest till realization. Aggrieved, the DoT filed interim applications before the Supreme Court of India and in its prayers requested the Supreme Court to stay the execution proceeding before the TDSAT. By an order dated August 25, 2014, the Supreme Court directed the Respondent that they should not take any coercive action during the pendency of the proceedings. The matters are currently pending.

37. Several petitions were filed by telecom operators including our Company, Vodafone India and VMSL (the "**Telecom Operators**") before the TDSAT challenging the definition of AGR, which forms the basis of licence fee payable. Telecom Operators contended that the AGR should constitute only revenue generated from telecom operations, and that revenue from non-telecom operations should be excluded. TDSAT, pursuant to its order dated July 7, 2006, decided in favor of the Telecom Operators and directed TRAI to prepare fresh recommendations on computation of licence fee which would exclude revenue from non-telecom operations. The DoT appealed against this order to the Supreme Court. The Supreme Court, pursuant to its order dated January 19, 2007, refused to interfere in the matter and directed the matter back to the TDSAT. On August 30, 2007, the TDSAT passed an order determining the heads of AGR on the basis of TRAI's recommendations. The DoT filed an appeal before the Supreme Court where, pursuant to an order dated October 11, 2011, the Supreme Court held that the TDSAT had no jurisdiction to determine the terms and conditions of the licence agreement and set aside TDSAT's order dated August 30, 2007. Accordingly, the matter was directed to the TDSAT to reconsider the demands raised by the DoT. On April 23, 2015, the TDSAT set out the broad heads of gross revenue, quashed the demands raised by the DoT and directed the DoT to rework the licence fees payable and accordingly issue fresh demands (the "**April 23, 2015 Order**"). Appeals were filed against the April 23, 2015 Order by both DoT and the Telecom Operators. On behalf of the DoT, it was contended that TDSAT exceeded the scope of its jurisdiction by determining AGR; whereas on behalf of our Company, it was alleged that the TDSAT could not include non-telecom revenue in the definition of AGR. On February 29, 2016, the Supreme Court of India directed

that the DoT it will continue to make demands as per their understanding, but it would not enforce the demand till a final decision is made on the matter. The matters are currently pending.

38. Aggrieved by the April 23, 2015 Order, VMSL and other Vodafone companies (the "**Petitioners**") filed an appeal against the Union of India before the Supreme Court India as it had only partially allowed the petition filed by the Petitioners and had erroneously included, *inter-alia*, the following heads for computation of the AGR: (i) roaming and pass-through charges, (ii) revenue from infrastructure provides, and (iii) bad debts. The Petitioners further challenged the interpretation in the April 23, 2015 Order to include revenue from non-telecom activities within the purview of the definition of AGR. The Supreme Court on February 29, 2016 stated that the DoT it will continue to make demands as per their understanding, but it would not enforce the demand till a final decision is made on the matter. The matter is currently pending.

39. The DoT issued certain show cause and demand notices to Vodafone India and VMSL for the period between the financial years 2006-07 and 2013-14, demanding licence fees along with applicable interest and penalty and interest on penalty for 23 circles on the basis that they had short aid licence fees due to under reporting or non-reporting of certain revenue items. Additionally, the demand notices were issued by the DoT in respect of the spectrum usage charges based on the demand raised for the licence fees for sixteen circles. Aggrieved by the demand notices, 23 petitions were filed by Vodafone India and VMSL corresponding to the 23 circles before the TDSAT for quashing the demand notices. The TDSAT pursuant to its various orders stated that no interim relief are required to be granted as the demand notices themselves indicate that no coercive action shall be taken pending the AGR matters before the Supreme Court. The Supreme Court pursuant to an order dated February 29, 2016 held that the DoT shall continue to raise the demand as per its understanding but the same shall not be enforced till the date of the final decision .The matters are currently pending.

40. Vodafone India and VMSL (the "**Petitioners**") challenged the Telecommunication Interconnection Usage Charges (Tenth Amendment) Regulations, 2009 ("**IUC Regulations, 2009**") issued by the TRAI and filed petitions before the TDSAT where it stated that the method of computing mobile termination charge from ₹ 0.30 paise per minute to ₹ 0.20 paise per minute was incorrect as it left out the important element of sales and marketing cost, expenses for provisioning of bandwidth, customer acquisition cost, financial charges loss or sale of assets. The petition further stated that the TRAI had fixed termination charge for incoming long distance call at ₹ 0.40 paise per minutes without any basis and the entire process adopted by the TRAI was non-transparent. The Petitioners in their prayer requested the TDSAT to, *inter-alia*, pass orders setting aside the IUC Regulations, 2009, to fix mobile termination charge at ₹ 0.35 paise per minute or in the alternative remand the matter for fresh consideration by the TRAI in a transparent manner and to take into account recognized category of CAPEX, OPEX, common cost and cost of capital mark up. The TDSAT pursuant to its order dated September 29, 2010 remanded the matter back to TRAI for fresh consideration. The TRAI challenged the order of the TDSAT before the Supreme Court whereby pursuant to its order dated July 29, 2011, the Supreme Court directed the TRAI to compute the IUC without inclusion of capital cost, uninfluenced by the TDSAT order. TRAI submitted an interlocutory application with the Supreme Court to along with a detailed report to arrive at the MTC of ₹ 0.19 paise which has been objected by the Petitioners on legal, technical and commercial grounds.

    Further, one of the state owned telecom companies filed an appeal in the Supreme Court against the TRAI and certain other telecom companies including the Petitioners whereby it challenged the authority of the TRAI to pass such regulations. The Supreme Court in its judgment dated December 6, 2013, held that the TRAI had power to frame such regulations and that the TDSAT did not have jurisdiction to enter challenge to the IUC Regulations, 2009 and the validity of the IUC Regulations, 2009 should be challenged before the High Court. The matters are currently pending.

41. Our Company filed a petition against the TRAI before the High Court of Delhi challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 (the "**IUC Regulations, 2015**"). Our Company challenged the termination charges determined under the IUC Regulations, 2015 for wireless to wireline, wireline to wireline and wireline to wireless at ₹ 0, violating the principle of equality and non-discrimination, violating the provisions of the Telecommunication Interconnection (Charges and Revenue Sharing) Regulations, 2001 and *ultra-vires* of the TRAI Act. Our Company has further challenged the termination charges determined under the IUC Regulations, 2015 for

wireless to wires at ₹ 0.14 per minute. Our Company further requested to quash the letter dated May 14, 2015 issued by the TRAI whereby it had rejected the request of the Cellular Operators Association of India to review the IUC Regulations, 2015. The matter is currently pending.

42. Vodafone India and VMSL (the "**Petitioners**") filed a petition against the TRAI before the Gujarat High Court challenging the IUC Regulations, 2015. Our Company challenged the termination charges determined under the IUC Regulations, 2015 for wireless to wireline, wireline to wireline and wireline to wireless at ₹ 0, violating the principle of equality and non-discrimination, violating the provisions of the Telecommunication Interconnection (Charges and Revenue Sharing) Regulations, 2001 and *ultra-vires* of the TRAI Act. The Petitioners further challenged the termination charges determined under the IUC Regulations, 2015 for wireless to wires at ₹ 0.14 per minute and requested the TDSAT to quash the letter dated May 14, 2015 issued by the TRAI whereby it had rejected the request of the Cellular Operators Association of India to review the IUC Regulations, 2015. The matter is currently pending.

43. The TRAI issued a recommendation dated October 21, 2016 to the DoT for the imposition of a penalty of ₹ 9,500 million for 19 service areas on our Company for its failure to provide point of interconnection ("**POI**") to another interconnection seeking telecom operator in order to ensure that the calls to all destinations are completed. The issue arose from an interconnect agreement between our Company and the other interconnection seeking telecom operator. Our Company wrote various letters to the TRAI stating that the penalty was imposed on our Company without the opportunity of hearing and requested the TRAI to withdraw the letters. Our Company further sent email communications between it and the interconnection seeker whereby it was categorically pointed out that our Company provided the requisite number of E1's as per the projections made by the interconnection seeker. Our Company further brought to the notice of the TRAI that despite our Company providing the E1's as per the requirement of the interconnection seeker, large number of E1's were not augmented due to inaction and lack of equipment at the end of the interconnection seeker. Our Company pointed out that it had provided more than the demanded POI's to the interconnection seeker. Aggrieved by the recommendation to impose penalty, our Company filed a writ petition before the High Court of Delhi and requested them to quash the letters as it was an irregular and illegal exercise of power by the TRAI which was extraneous to the TRAI Act and it acted in a biased and an arbitrary manner. Our Company further stated that the TRAI did not have jurisdiction to interfere with private contractual rights and obligations between inter-se licensees as the rights and obligations are covered exclusively by interconnection agreement which has a specific dispute resolution clause. The matter is currently pending.

44. The TRAI issued a recommendation dated October 21, 2016 to the DoT for the imposition of a penalty of ₹ 10,500 million for 21 circles on Vodafone India and VMSL (the "**Petitioners**") for its failure to provide point of interconnection ("**POI**") and contravention of the licences held by the Petitioners to another interconnection seeking telecom operator in order to ensure that the calls to all destinations are completed. The issue arose from an interconnect agreement between Vodafone India and VMSL and the other interconnection seeking telecom operator. The Petitioners wrote various letters to the TRAI stating that the penalty was imposed on The Petitioners without giving them the opportunity of hearing and requested the TRAI to withdraw the letters. The Petitioners further sent email communications between them and the interconnection seeker whereby it was categorically pointed out that The Petitioners provided the requisite number of E1's as per the projections made by the interconnection seeker. The Petitioners further brought to the notice of the TRAI that despite them providing the E1's as per the requirement of the interconnection seeker, large number of E1's were not augmented due to inaction and lack of equipment at the end of the interconnection seeker. The Petitioners pointed out that it had provided more than the demanded POI's to the interconnection seeker. Aggrieved by the recommendation to impose penalty, The Petitioners filed a writ petition before the High Court of Delhi and requested them to quash the letters as it was an irregular and illegal exercise of power by the TRAI which was extraneous to the TRAI Act and it acted in a biased and an arbitrary manner. The Petitioners further stated that the TRAI did not have jurisdiction to interfere with private contractual rights and obligations between *inter-se* licensees as the rights and obligations are covered exclusively by interconnection agreement which has a specific dispute resolution clause. The matter is currently pending.

45. Our Company filed a writ petition before the High Court of Bombay against the TRAI (the "**Respondent**") challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 (the "**IUC Regulations, 2017**") issued by the Respondent on September 19, 2017 as the IUC

Regulations, 2017 were arbitrary, irrational and were based on extraneous and irrelevant considerations and had no nexus with the object and purpose of the TRAI Act and further that they were in conflict with the license granted to our Company by the DoT. Our Company contended that the IUC Regulations, 2017 reduced the interconnection usage charges, *i.e.*, charges payable by one telecom service provider, from whose network a mobile call originates to another telecom service provider, on whose network that call terminates from ₹ 0.14 paise to ₹ 0.60 paise. Our Company further contended that the IUC Regulations, 2017 were anti-consumer and were for the sole purpose of shifting consumers to 4G/VoLTE. Our Company in its prayers requested the Bombay High Court, *inter-alia*, to (i) declare that the IUC Regulations, 2017 are *ultra-vires* the Constitution and the TRAI Act, (ii) quash the IUC Regulations, 2017, and (iii) pending the final disposal, to pass a stay order on the operations of the IUC Regulations, 2017. The matter is currently pending.

46. Vodafone India and VMSL (the "**Petitioners**") filed a writ petition before the High Court of Bombay against the TRAI (the "**Respondent**") challenging the IUC Regulations, 2017 issued by the Respondent on September 19, 2017 as the IUC Regulations, 2017 were arbitrary, irrational and were based on extraneous and irrelevant considerations and had no nexus with the object and purpose of the TRAI Act and further that they were in conflict with the license granted to our Company by the DoT. The Petitioners contended that the IUC Regulations, 2017 reduced the interconnection usage charges, *i.e.*, charges payable by one telecom service provider, from whose network a mobile call originates to another telecom service provider, on whose network that call terminates from ₹ 0.14 paise to ₹ 0.60 paise. The Petitioners further contended that the IUC Regulations, 2017 were anti-consumer and were for the sole purpose of shifting consumers to 4G/VoLTE. The Petitioners in their prayer requested the High Court of Bombay, *inter-alia*, to (i) declare that the IUC Regulations, 2017 are *ultra-vires* the Constitution and the TRAI Act, (ii) quash the IUC Regulations, 2017, and (iii) pending the final disposal, to pass a stay order on the operations of the IUC Regulations, 2017. The matter is currently pending.

47. Our Company filed a writ petition before the High Court of Bombay against the TRAI (the "**Respondent**") challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 (the "**IUC Regulations, 2018**") issued by the Respondent on January 12, 2018 as the IUC Regulations, 2018 were arbitrary, irrational and were based on extraneous and irrelevant considerations and had no nexus with the object and purpose of the TRAI Act and further that they were in conflict with the license granted to our Company by the DoT. Our Company contended that the IUC Regulations, 2018 reduced the incoming long distance calls termination charges from 53 paise per minute to 30 paise per minute. Our Company in its prayer requested the Bombay High Court to, *inter-alia* (i) declare that the IUC Regulations, 2018 are *ultra-vires* the Constitution and the TRAI Act, (ii) quash the IUC Regulations, 2018, and (iii) pending the final disposal, to pass a stay order on the operations of the IUC Regulations, 2018. The matters are currently pending.

48. Vodafone India and VMSL (the "**Petitioners**") filed a writ petition before the High Court of Bombay against the TRAI (the "**Respondent**") challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 (the "**IUC Regulations, 2018**") issued by the Respondent on January 12, 2018 as the IUC Regulations, 2018 were arbitrary, irrational and were based on extraneous and irrelevant considerations and had no nexus with the object and purpose of the TRAI Act and further that they were in conflict with the license granted to the Petitioner by the DoT. The Petitioners contended that the IUC Regulations, 2018 reduced the incoming long distance calls termination charges from 53 paise per minute to 30 paise per minute. Our Company in its prayer requested the Bombay High Court to, *inter-alia* (i) declare that the IUC Regulations, 2018 are *ultra-vires* the Constitution and the TRAI Act, (ii) quash the IUC Regulations, 2018, and (iii) pending the final disposal, to pass a stay order on the operations of the IUC Regulations, 2018. The matters are currently pending.

49. Certain telecom companies including our Company filed a petition against the TRAI and others (the "**Respondent**") challenging the Telecommunication Tariff (Sixty Third Amendment) Order, 2018 (the "**TTO Amendment Order**") issued by the Respondent dated February 16, 2018. Our Company challenged the TTO Amendment Order on the ground that it included segmented offers as tariff plans and which therefore needs to be reported. It was contented, *inter*-alia, by our Company (i) that the segmented offers were in existence in the past as normal business practice in the telecom sector and the Respondent had not interfered with the practice in the past. Segmented offers are a trade secret of the company and hence

confidential in nature which ought not to be disclosed to the competitors. Further, the TRAI did not take into consideration the objections of the telecom companies and issued the TTO Amendment Order, (ii) new definition of significant market power which has removed the elements of switching capacity and traffic volume to determine SMP and was limited to subscriber base and gross revenue, (iii) the TTO Amendment Order excluded the IUC compliance from the self-check required to ensure that the tariff is consistent with the regulatory principles. Pursuant to an order dated December 13, 2018, the TDSAT set aside the TTO Amendment Order so far as it changes the concept of SMP, non-predation and other related provisions. Aggrieved by the order of the TDSAT, the Respondent filed an appeal before the Supreme Court of India. The matter is currently pending.

50. Certain telecom companies including Vodafone India and VMSL (the "**Petitioners**") filed a petition against the TRAI and others (the "**Respondent**") challenging the TTO Amendment Order issued by the Respondent dated February 16, 2018. The Petitioners challenged the TTO Amendment Order on the ground that it included segmented offers as tariff plans and which therefore needs to be reported. The Petitioners, *inter-alia*, contented, (i) that the segmented offers were in existence in the past as normal business practice in the telecom sector and the Respondent had not interfered with the practice in the past. Segmented offers are a trade secret of the company and hence confidential in nature which ought not to be disclosed to the competitors. Further, the TRAI did not take into consideration the objections of the telecom companies and issued the TTO Amendment Order, (ii) new definition of significant market power which has removed the elements of switching capacity and traffic volume to determine SMP and was limited to subscriber base and gross revenue, (iii) the TTO Amendment Order excluded the IUC compliance from the self-check required to ensure that the tariff is consistent with the regulatory principles. Pursuant to an order dated December 13, 2018, the TDSAT set aside the TTO Amendment Order so far as it changes the concept of SMP, non-predation and other related provisions. Aggrieved by the order of the TDSAT, the Respondent filed an appeal before the Supreme Court of India. The matter is currently pending.

Customer Application Form ("CAF") Matters

1. DoT conducted CAF audits for Vodafone Digilink Limited in the Rajasthan circle for the months of July and August 2014. By its demand notices dated September 23, 2014 and October 31, 2014, the DoT imposed demand of ₹ 40,301,000 and ₹ 9,416,000 on account of alleged non-compliances with the DoT instructions dated March 31, 2011 and August 9, 2012 (together, the "**Subscriber Verification Instructions**") and terms of the UASL in the month of July and August, 2014, respectively, for a total of 2,992 CAFs. Aggrieved by such demand notices, Vodafone Digilink Limited filed petitions in the TDSAT. By its common order dated March 11, 2016, the TDSAT allowed the petitions, holding that the lapses by Vodafone Digilink Limited were procedural in nature. The DoT has filed an appeal in the Supreme Court of India (C.A. No. 5359 – 62 of 2016) against the order of the TDSAT. The matter is currently pending.

2. DoT conducted CAF audits for Vodafone Spacetel Limited in the Odisha circle for the month of August 2014. By its demand notice dated March 19, 2015, the DoT imposed a demand of ₹ 21,361,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 514 CAFs in the month of August, 2014. Aggrieved by such demand notice, Vodafone Spacetel Limited filed a petition in the TDSAT (Petition no. 179 of 2015). By its order dated March 10, 2016, the TDSAT allowed the petition. The DoT has filed an appeal in the Supreme Court of India (C.A. No. 7000 of 2016) against the order of the TDSAT. The matter is currently pending.

3. DoT conducted CAF audits for our Company in the Andhra Pradesh circle for the months of May, 2010 until October, 2010. By its demand notice dated August 25, 2011, the DoT imposed a demand of ₹ 12,667,000 on account of alleged non-compliances with the Subscriber Verification Instructions for the months of May, 2010 until October, 2010. A revised demand notice was issued by the DoT on July 11, 2013, revising the demand to ₹ 5,463,000. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 394 of 2013). By its order dated March 28, 2016, the TDSAT allowed the petition. The DoT has filed an appeal in the Supreme Court of India (C.A. No. 9745 of 2016) against the order of the TDSAT. The matter is currently pending.

4. DoT conducted CAF audits for our Company in the Rajasthan circle for the months of (i) April – July 2009; (ii) August, 2009 – March, 2010; and (iii) April, 2010 – June, 2010. By its demand notice dated August 2, 2010, the DoT imposed a demand of ₹ 47,050,000 on account of alleged non-compliances with the

Subscriber Verification Instructions in relation to 1225 CAFs for the months of April – July, 2009. Separate demand notices dated September 14, 2010 and October 5, 2010 were issued to Idea Cellular Limited imposing demands of ₹ 124,650,000 and ₹ 7,415,000 for non-compliances with the Subscriber Verification Instructions for the months of August, 2009 – March 2010, and April, 2010 – June, 2010, respectively, in relation to a total of 1,225 CAFs. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 416 of 2013). By its order dated March 28, 2016, the TDSAT allowed the petition. The DoT has filed an appeal in the Supreme Court of India (C.A. No. 5541 of 2016) against the order of the TDSAT. The matter is currently pending.

5. DoT conducted CAF audit for our Company for the months of April – May, 2015 in the Andhra Pradesh circle. In connection with such audit, the DoT issued two separate demand notices dated March 28, 2018 and April 6, 2018 for the months of April 2015 and May 2015, respectively, imposing a total demand of ₹ 142,600,000 on account of non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 60 of 2018). The matter is currently pending.

6. DoT conducted CAF audit for Vodafone Spacetel Limited in the Madhya Pradesh Circle for the months of March and December, 2012. By its demand notices dated August 5, 2013 and August 14, 2013, read with corrigendum dated August 16, 2013 and order dated January 8, 2014, the DoT imposed a demand of ₹ 80,871,000 and ₹ 25,180,000, respectively, on account of alleged non-compliances with Subscriber Verification Instructions. Aggrieved by such demand notice, Vodafone Spacetel Limited filed a petition in the TDSAT on (Petition number 7 of 2014) January 15, 2014. The matter is currently pending.

7. DoT conducted a special CAF audit for Vodafone South Limited in the Uttar Pradesh West circle upon a complaint by a multi-brand retailer. By its demand notice dated March 7, 2014, the DoT imposed a demand of ₹ 101,750,000 on account of alleged non-compliances with Subscriber Verification Instructions and for pre-activated numbers. Aggrieved by such demand notice, Vodafone South Limited filed a petition in the TDSAT (Petition number 216 of 2014) on April 16, 2014. The matter is currently pending.

8. DoT conducted CAF audit for Vodafone Spacetel Limited in the Madhya Pradesh Circle and issued demand notices dated April 8, 2014 and June 2, 2014, imposing a total demand of ₹ 27,097,000 for the alleged non-compliances with Subscriber Verification Instructions in relation to 653 CAFs. Aggrieved by such demand notices, Vodafone Spacetel Limited filed a petition in the TDSAT (Petition number 292 of 2014) on July 3, 2014. The matter is currently pending.

9. DoT conducted CAF audit for Vodafone South Limited in the Punjab Circle and issued demand notices dated May 28, 2015, imposing a total demand of ₹ 2,508,000 for the alleged non-compliances with Subscriber Verification Instructions. Aggrieved by such demand notice, Vodafone South Limited filed a petition in the TDSAT (Petition number 405 of 2015) on July 30, 2015. The matter is currently pending.

10. DoT conducted CAF audit for Vodafone South Limited in the Karnataka circle for the months of (i) October – November, 2014 and (ii) February, 2015. In relation to the audit of October – November, 2014, the DoT issued demand notices dated January 28, 2015 and February 24, 2015, imposing a demand of ₹ 1,776,000 and ₹ 2,752,000, respectively, on account of alleged non-compliances with the Subscriber Verification Instructions. Such demands were subsequently revised pursuant to revised demand notices dated April 30, 2015 and October 13, 2015, imposing a revised demand of ₹ 1,666,000 and ₹ 2,737,000, respectively. A separate demand notice dated July 23, 2015 was issued by the DoT in relation to the audit of February, 2015, imposing a demand of ₹ 1,838,000, on account of alleged non-compliances with the Subscriber Verification Instructions. This demand was revised to ₹ 2,078,000 pursuant to a revised demand notice dated October 20, 2015. Aggrieved by such demand notices, Vodafone South Limited filed a petition in the TDSAT (Petition no. 586 of 2015) on October 27, 2015. The matter is currently pending.

11. DoT conducted CAF audit for VMSL in the Karnataka circle for the months of February, 2015 and March, 2015. In relation to the audit of February, 2015, the DoT issued a demand notice dated August 4, 2015, imposing a demand of ₹ 1,719,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 743 CAFs. Such demand was revised to ₹ 1,704,000 by a revised demand notice dated November 9, 2015 by the DoT. The DoT separately issued a demand notice dated August 24, 2015, in relation to the audit of March, 2015, alleging non-compliances with the Subscriber Verification

Instructions, imposing a demand of ₹ 1,635,000. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 705 of 2015) on December 28, 2015. The matter is currently pending.

12. DoT conducted a special CAF audit for VMSL in the Karnataka circle for the month of March, 2015. It issued a demand notice dated September 29, 2015, imposing a demand of ₹ 14,338,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 395 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 2 of 2016) on January 6, 2016. The TDSAT, pursuant to its interim orders dated January 11, 2016 and February 1, 2016, directed the DT not to take any coercive measure against VMSL. The matter is currently pending.

13. DoT conducted a CAF audit for Vodafone South Limited in the Punjab circle for the months of October, 2013 and January, 2014. It issued a demand notice dated June 10, 2014 imposing a demand of ₹ 9,195,000 in connection with the audit of October, 2013, alleging non-compliances with the Subscriber Verification Instructions. The DoT separately also issued a demand notice dated September 9, 2013, imposing a demand of ₹ 1,311,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with the audit for January, 2014 for 31 CAFs. Aggrieved by such demand notices, Vodafone South Limited filed a petition in the TDSAT (Petition no. 8 of 2016) on February 1, 2016. The matter is currently pending.

14. DoT conducted a special CAF audit for Vodafone South Limited in the Punjab circle. It issued a demand notice dated August 11, 2015 imposing a demand of ₹ 418,259,000 alleging non-compliances with the Subscriber Verification Instructions in connection with 10,315 CAFs. Such demand was revised to ₹ 328,909,000 pursuant to a revised demand notice issued by the DoT on February 17, 2016. Aggrieved by such demand notices, Vodafone South Limited filed a petition in the TDSAT (Petition no. 12 of 2016) on February 23, 2016. The matter is currently pending.

15. DoT conducted a CAF audit for VMSL in the North-East circle for the month of April, 2015. It issued a demand notice dated March 19, 2016, imposing a demand of ₹ 11,072,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 533 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 37 of 2016) on May 11, 2016. The matter is currently pending.

16. DoT conducted a CAF audit for VMSL in the Odisha circle for the month of June, 2015. It issued a demand notice dated March 23, 2016, imposing a demand of ₹ 18,613,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 450 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 40 of 2016) on June 2, 2016. The matter is currently pending.

17. DoT conducted CAF audit for VMSL in the North-East circle for the months of (i) June, 2015; (ii) September, 2015; (iii) April, 2016 and (iv) June, 2016. In relation to such audit, the DoT issued separate demand notices dated April 4, 2017, in relation to non-compliance with the Subscriber Verification Guidelines for 784 CAFs for the month of July, 2015, 487 CAFs for the month of October, 2015, 808 CAFs for the month of April, 2016 and 723 CAFs for the month of July, 2016, respectively, on account of non-compliance with the Subscriber Verification Guidelines. The total demands imposed under such notices were ₹ 33,472,000; ₹ 8,448,000; ₹ 26,096,000 and ₹ 17,712,000 for June, 2015, September, 2015, April, 2016 and June, 2016, respectively. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 48 of 2017) on May 5, 2017. The matter is currently pending.

18. DoT conducted CAF audit for VMSL in the Karnataka circle for the month of May, 2016. By its demand notice dated April 7, 2017, the DoT imposed a demand of ₹ 1,480,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 206 CAFs in the month of May, 2016. A revised demand notice dated June 8, 2017 was issued by the DoT, revising the demand to ₹ 205,000. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 53 of 2017) on June 19, 2017. The matter is currently pending.

19. DoT conducted CAF audit for VMSL in the North-East circle for the months of (i) January, 2016; (ii) October, 2016 and (iii) January, 2017. By its demand notice dated April 20, 2017, the DoT imposed a demand of ₹ 20,848,000 on account of alleged non-compliances with the Subscriber Verification

Instructions in relation to 694 CAFs in the month of January, 2016. This demand was revised to ₹ 18,048,000 by a revised demand notice by the DoT dated September 14, 2017. A separate demand notice dated April 20, 2017, was issued by the DoT imposing a demand of ₹ 19,960,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 751 CAFs in the month of October, 2016. In connection with the audit of January, 2017, the DoT imposed a demand of ₹ 13,136,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 656 CAFs, by its demand notice dated August 1, 2017. This amount was revised to ₹ 12,968,000 by the DoT pursuant to a revised demand notice dated September 14, 2017. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 92 of 2017) on September 26, 2017. The matter is currently pending.

20. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of August, 2016. It issued a demand notice dated March 31, 2017, imposing a demand of ₹ 2,315,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 859 CAFs. Such demand was subsequently revised to ₹ 2,285,000 pursuant to a revised demand notice dated February 6, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 34 of 2018) on March 5, 2018. The matter is currently pending.

21. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of June, 2016. It issued a demand notice dated March 30, 2017, imposing a demand of ₹ 1,543,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 691 CAFs. Such demand was subsequently revised to ₹ 1,523,000 pursuant to a revised demand notice dated February 6, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 35 of 2018) on March 3, 2018. The matter is currently pending.

22. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of July, 2016. It issued a demand notice dated March 31, 2017, imposing a demand of ₹ 1,700,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 724 CAFs. Such demand was subsequently revised to ₹ 1,690,000 pursuant to a revised demand notice dated February 6, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 36 of 2018) on March 3, 2018. The matter is currently pending.

23. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of September, 2016. It issued a demand notice dated March 31, 2017, imposing a demand of ₹ 2,222,000 on account of alleged non-compliances with the Subscriber Verification Instructions and terms of the UASL in relation to 842 CAFs. Such demand was subsequently revised to ₹ 2,177,000 pursuant to a revised demand notice dated February 27, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 38 of 2018) on March 6, 2018. The matter is currently pending.

24. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of October, 2016. It issued a demand notice dated April 5, 2017, imposing a demand of ₹ 3,918,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,082 CAFs. Such demand was subsequently revised to ₹ 3,818,000 pursuant to a revised demand notice dated February 27, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 39 of 2018) on March 3, 2018. The matter is currently pending.

25. DoT conducted a CAF audit for VMSL in the North-East circle for the month of March, 2017. It issued a demand notice dated November 10, 2017, imposing a demand of ₹ 6,048,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 462 CAFs. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 59 of 2018) on April 16, 2018. The matter is currently pending.

26. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of November, 2016. It issued a demand notice dated April 5, 2017, imposing a demand of ₹ 4,158,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,106 CAFs. Such demand was subsequently revised to ₹ 3,948,000 pursuant to a revised demand notice dated May 1, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 77 of 2018) on May 9, 2018. The matter is currently pending.

27. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of December, 2016. It issued a demand notice dated April 5, 2017, imposing a demand of ₹ 4,064,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,091 CAFs. Such demand was subsequently revised to ₹ 3,914,000 pursuant to a revised demand notice dated May 1, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 78 of 2018) on September 5, 2018. The matter is currently pending.

28. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of January, 2017. It issued a demand notice dated April 24, 2017, imposing a demand of ₹ 6,612,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,364 CAFs. Such demand was subsequently revised to ₹ 6,412,000 pursuant to a revised demand notice dated May 1, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 79 of 2018) on May 9, 2018. The matter is currently pending.

29. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of February, 2017. It issued a demand notice dated July 14, 2017, imposing a demand of ₹ 5,744,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,231 CAFs. Such demand was subsequently revised to ₹ 5,696,000 and ₹ 5,436,000 pursuant to revised demand notices dated December 18, 2017 and May 1, 2018, respectively, by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 80 of 2018) on May 9, 2018. The matter is currently pending.

30. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of March, 2017. It issued a demand notice dated December 26, 2017, imposing a demand of ₹ 3,918,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,030 CAFs. Such demand was subsequently revised to ₹ 3,832,000 pursuant to a revised demand notice dated May 1, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 81 of 2018) on May 9, 2018. The matter is currently pending.

31. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of April, 2017. It issued a demand notice dated January 2, 2018, imposing a demand of ₹ 2,127,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 835 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 82 of 2018) on May 9, 2018. The matter is currently pending.

32. DoT conducted a special CAF audit for VMSL in the Karnataka circle for the month of November, 2016. It issued a demand notice dated April 21, 2017, imposing a demand of ₹ 27,710,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 751 CAFs. Such demand was subsequently revised to ₹ 27,660,000 pursuant to a revised demand notice dated May 1, 2018 by the DoT. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 83 of 2018) on May 9, 2018. The matter is currently pending.

33. DoT conducted a special CAF audit for VMSL in the Uttar Pradesh (East) circle after a raid by the Uttar Pradesh police on April 19, 2017, in which a cache of pre-activated sim cards was recovered. The DoT issued a demand notice dated March 7, 2018, imposing a demand of ₹ 15,600,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 312 pre-activated sim cards. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 76 of 2018) on May 9, 2018. The matter is currently pending.

34. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of May, 2017. It issued a demand notice dated March 21, 2018, imposing a demand of ₹ 2,857,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 981 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 102 of 2018) on June 25, 2018. The matter is currently pending.

35. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of June, 2017. It issued a demand notice dated March 26, 2018 and a revised demand notice dated June 18, 2018, imposing a demand of ₹ 2,503,000 on account of alleged non-compliances with the Subscriber Verification Instructions in

relation to 911 CAFs. Aggrieved by such demand notices, VMSL filed a petition in the TDSAT (Petition no. 103 of 2018) on June 25, 2018. The matter is currently pending.

36. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of July, 2017. It issued a demand notice dated March 26, 2018, imposing a demand of ₹ 2,294,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 681 CAFs. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 104 of 2018) on June 25, 2018. The matter is currently pending.

37. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of August, 2017. It issued a demand notice dated March 28, 2018, imposing a demand of ₹ 1,317,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 681 CAFs. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 105 of 2018) on June 25, 2018. The matter is currently pending.

38. DoT conducted a CAF audit for VMSL in the Karnataka circle for the month of September, 2017. It issued a demand notice dated March 28, 2018, imposing a demand of ₹ 964,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 604 CAFs. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 106 of 2018) on June 25, 2018. The matter is currently pending.

39. DoT conducted a CAF audit for VMSL in the North-East circle for the month of October, 2017. It issued a demand notice dated May 24, 2018, imposing a demand of ₹ 35,360,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 348 CAFs. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 147 of 2018) on August 9, 2018. The matter is currently pending.

40. DoT conducted a CAF audit for VMSL in the North-East circle for the month of July, 2017. It issued a demand notice dated May 24, 2018, imposing a demand of ₹ 15,096,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 461 CAFs and 46 cases of pre-activated simcards being sold in markets. Aggrieved by such demand notice, VMSL filed a petition in the TDSAT (Petition no. 166 of 2018) on August 9, 2018. The matter is currently pending.

41. DoT conducted a monthly audit for our Company in the Rajasthan circle for the months of September – November, 2013. It issued a demand notice dated February 27, 2014, imposing a demand of ₹ 22,874,000 for the alleged non-compliances with Subscriber Verification Instructions in relation to 3,291 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 283 of 2014) on June 19, 2014. The matter is currently pending.

42. By demand notices dated December 24, 2009, July 15, 2010, August 16, 2010 and revised demand letters dated October 11, 2013 and August 8, 2014, DoT imposed a total demand of ₹ 5,535,000 on our Company alleging delay on part of Idea Cellular Limited in providing the CAFs for the months of April - September, 2009 and March, 2010, respectively to the DoT for audit in the Mumbai circle. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 504 of 2014) on November 21, 2014. The matter is currently pending.

43. DoT conducted a CAF audit for our Company in the Madhya Pradesh circle upon receiving a public complaint in connection with defects in the CAF. It issued a demand notice dated December 3, 2014, imposing a demand of ₹ 13,116,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 350 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 14 of 2015) on January 19, 2015. The matter is currently pending.

44. DoT conducted a special CAF audit for our Company in the Gujarat circle. It issued demand notices dated February 6, 2015 and February 23, 2015, imposing a demand of ₹ 21,132,000 and ₹ 128,622,000, respectively, on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 3,153 CAFs. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 214 of 2015) on May 6, 2015. The matter is currently pending.

45. DoT conducted a CAF audit for our Company in the Madhya Pradesh circle. It issued a demand notice dated November 5, 2014, imposing a demand of ₹ 7,835,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 211 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 225 of 2015) on May 13, 2015. The matter is currently pending.

46. DoT conducted a CAF audit for our Company in the Uttar Pradesh - West circle. It issued a demand notice dated November 26, 2014, imposing a demand of ₹ 69,238,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 1,657 CAFs. Such demand was subsequently revised to ₹ 50,988,000 by the DoT pursuant to a revised demand notice dated January 5, 2015. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 236 of 2015) on May 20, 2015. The matter is currently pending.

47. DoT conducted a CAF audit for our Company in the Odisha circle for the month of November, 2014. It issued a demand notice dated July 27, 2015, imposing a demand of ₹ 31,904,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 626 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 516 of 2015) on September 17, 2015. The matter is currently pending.

48. DoT conducted a CAF audit for our Company in the Uttar Pradesh (East) circle after a raid by the Uttar Pradesh police, in which a cache of 2,036 pre-activated SIM cards of our Company was recovered. The DoT directed our Company to submit the CAFs for all such sim cards, however, the CAFs of 400 of such sim cards were not available. The DoT issued a demand notice August 5, 2015, imposing a demand of ₹ 20,000,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notice, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 583 of 2015). The matter is currently pending.

49. DoT conducted a CAF audit for our Company in the Andhra Pradesh circle. It issued a total of 17 demand notices dated July 29, 2015, August 10, 2015, August 11, 2015, August 14, 2015 and August 24, 2015, imposing a total demand of ₹ 3,429,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 646 of 2015) on December 2, 2015. The matter is currently pending.

50. DoT conducted a CAF audit for our Company in the Karnataka circle. It issued a demand notice dated March 30, 2015 and a letter dated July 27, 2015, imposing a demand of ₹ 31,904,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 647 of 2015) on December 2, 2015. The matter is currently pending.

51. DoT conducted a CAF audit for our Company in the Punjab circle. It issued a demand notice dated February 16, 2016, imposing a demand of ₹ 251,917,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 8,262 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 11 of 2016) on February 23, 2016. The matter is currently pending.

52. DoT conducted a CAF audit for our Company in the North-East circle for the month of January, 2015. It issued a demand notice dated October 10, 2015, imposing a demand of ₹ 5,312,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 31 of 2016) on April 19, 2016. The matter is currently pending.

53. DoT conducted a CAF audit for our Company in the Andhra Pradesh circle for the months of April - October, 2015. It issued five separate demand notices dated April 4, 2016 and April 12, 2016, imposing a total demand of ₹ 43,500,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 42 of 2016) on July 18, 2016. The matter is currently pending.

54. DoT conducted a CAF audit for our Company in the Rajasthan circle for the months of (i) December 2012 – March 2013; and (ii) April 2013 – June, 2013. It issued a demand notice dated November 13, 2013, imposing a demand of ₹ 56,925,000 on account of alleged non-compliances with the Subscriber Verification Instructions for the months of December, 2012 – March, 2013. A separate demand notice dated December 13, 2013, was issued by the DoT, imposing a demand of ₹ 60,646,000 on account of alleged non-compliances with the Subscriber Verification Instructions for the months of April, 2013 – June, 2013. Such demands were subsequently revised by the DoT to ₹ 4,341,000 and ₹ 4,122,000, respectively, pursuant to revised demand notices dated November 29, 2017. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 31 of 2017) on April 10, 2017. The matter is currently pending.

55. DoT conducted CAF audit for our Company in the Andhra Pradesh circle for the months of November, 2015 – December, 2016, and a special audit for the months of July – August, 2016. In connection with such audits, the DoT issued 17 separate demand notices dated March 28, 2017, April 7, 2017, May 1, 2017 and May 9, 2017, imposing a total demand of ₹ 83,802,000 on account of non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 65 of 2017) on July 26, 2017. The matter is currently pending.

56. DoT conducted CAF audit for our Company in the North East circle for the months of January, 2015 – October, 2016, and a special audit for the months of August, 2015. In connection with such audits, the DoT issued ten separate demand notices dated March 19, 2016, April 4, 2017, April 20, 2017 and April 21, 2017 imposing a total demand of ₹ 123,154,000 on account of non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 66 of 2017) on July 26, 2017. The matter is currently pending.

57. DoT conducted CAF audit for our Company in the Delhi circle for the months of June, 2015 and July, 2015. The DoT issued a demand notice dated January 29, 2016 imposing a demand of ₹ 25,768,000 on account of non-compliances with the Subscriber Verification Instructions for 1,838 CAFs in June, 2015. A separate demand notice dated May 23, 2017 was issued by the DoT imposing a demand of ₹ 17,564,000 on account of non-compliances with the Subscriber Verification Instructions for 1,677 CAFs in July, 2015. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 103 of 2017) on October 16, 2017. The matter is currently pending.

58. DoT conducted a CAF audit for our Company in the Uttar Pradesh (East) circle after a raid by the Uttar Pradesh police, in which a cache of 144 pre-activated sim cards was recovered. The DoT issued a demand notice dated December 22, 2017, imposing a demand of ₹ 7,200,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 48 of 2018) on March 19, 2018. The matter is currently pending.

59. DoT conducted CAF audit for our Company in the Delhi circle for the months of October, 2016 – April, 2017. In connection with such audit, the DoT issued seven separate demand notices dated August 10, 2018 and August 24, 2018, imposing a total demand of ₹ 6,668,000 on account of non-compliances with the Subscriber Verification Instructions for 3,308 connections. Aggrieved by such demand notices, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 218 of 2018) on October 3, 2018. The matter is currently pending.

60. DoT conducted a special CAF audit for our Company in the Uttar Pradesh East circle, after a raid by the Uttar Pradesh Police in January, 2017, in which a cache of pre-activated sim cards was seized. It issued a demand notice dated September 9, 2018, imposing a demand of ₹ 550,000. Such demand was revised to ₹ 415,000 pursuant to a revised demand notice dated September 24, 2018, by the DoT. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 231 of 2018) on December 7, 2018. The matter is currently pending.

61. Idea Cellular Limited filed a telecommunication petition (Petition no. 107 of 2018) dated June 29, 2018, challenging demand notices dated June 11, 2014, August 22, 2014, December 30, 2014, April 27, 2018 and June 21, 2018, imposing a demand of ₹ 10,721,105 towards interest for the alleged delays in payment of previously imposed CAF penalties. The matter is currently pending.

62. DoT conducted a special CAF audit for Idea Cellular Limited in the Karnataka circle for the month of March 2017. By its demand notice dated July 19, 2017 and revised demand notice dated September 6, 2017 and April 8, 2018, the DoT imposed a demand of ₹13,350,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 513 CAFs. Aggrieved by such demand notice, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 89 of 2018) dated May 18, 2018. The matter is currently pending.

63. DoT conducted a special CAF audit for Idea Cellular Limited in the Karnataka circle for the month of June 2015. By its demand notice dated February 19, 2016 and the revised demand notice dated April 4, 2017, the DoT imposed a demand of ₹16,442,000 on account of alleged non-compliances with the Subscriber Verification Instructions. Aggrieved by such demand notice, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 112 of 2018) dated July 12, 2018. The matter is currently pending.

64. DoT conducted a special CAF audit for our Company in the Andhra Pradesh circle for the month of September 2016. By its demand notice dated January 4, 2019, the DoT imposed a demand of ₹478,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 478 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 09 of 2019) dated February 20, 2019. The matter is currently pending.

65. DoT conducted a special CAF audit for our Company in the Uttar Pradesh (East) circle after a raid by the Uttar Pradesh police on September 11, 2018, in which a cache of pre-activated sim cards was recovered. The DoT issued a demand notice dated January 21, 2019, imposing a demand of ₹ 7,750,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 151 pre-activated sim cards. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 14 of 2019) on March 5, 2019. The matter is currently pending.

66. DoT conducted a special CAF audit for our Company in the Andhra Pradesh circle for the month of January 2018. The DoT issued a demand notice dated January 22, 2019, imposing a demand of ₹ 207,000 on account of on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 207 CAFs. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 11 of 2019) on February 27, 2019. The matter is currently pending.

67. DoT conducted a special CAF audit for our Company in the Andhra Pradesh circle for the month of January 2018. The DoT issued a demand notice dated January 22, 2019, imposing a demand of ₹ 259,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 259 CAFs. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 12 of 2019) on February 27, 2019. The matter is currently pending.

68. DoT conducted a special CAF audit for Idea Cellular Limited in the Delhi circle for the months of August 2015 until September 2016. By its 14 separate demand notices for this period, the DoT imposed a demand of ₹68,300,000 on account of alleged non-compliances with the Subscriber Verification Instructions in connection with 11,359 CAFs. Aggrieved by such demand notice, our Company filed a petition in the TDSAT (Petition no. 47 of 2018) dated March 19, 2018. The matter is currently pending.

69. DoT conducted CAF audits for Idea Cellular Limited in the Odisha circle for the month of September, 2014. By its demand notice dated March 9, 2015, the DoT imposed a demand of ₹ 11,474,000 on account of alleged non-compliances with the Subscriber Verification Instructions in relation to 276 CAFs. Aggrieved by such demand notice, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 167 of 2015). By its order dated March 10, 2016, the TDSAT allowed the petition. The DoT has filed an appeal in the Supreme Court of India (C.A. No. 8393 of 2016) against the order of the TDSAT. The matter is currently pending.

Electromagnetic field ("EMF") radiation matters

70. The DoT issued demand notices dated March 26, 2014, May 20, 2014, August 6, 2014 and October 9, 2014 to Vodafone Digilink Limited, imposing a demand of ₹ 47,005,000 for alleged non-compliance with the test procedure issued by the Telecom Engineering Centre and violation of EMF radiation norms, in respect of certain BTS sites in the Rajasthan circle. Aggrieved by such demand notices, Vodafone Digilink Limited

filed a petition (Petition no. 17 of 2015) in the TDSAT on January 22, 2015. The matter is currently pending.

71. The DoT issued a demand notice dated September 13, 2013 to Vodafone Digilink Limited, imposing a demand of ₹ 317,000,000 for alleged non-compliance with the test procedure issued by the Telecom Engineering Centre and violation of EMF radiation norms, in respect of certain BTS sites in the Rajasthan. Aggrieved by such demand notices, Vodafone Digilink Limited filed a petition in the TDSAT (Petition no. 175 of 2014) on March 26, 2014. The matter is currently pending.

72. The DoT issued demand notices dated February 27, 2013 and May 9, 2013, to Idea Cellular Limited, imposing a demand of ₹ 851,010,000 for delay in submission of self-certification for 138 cell sites and non-compliances with self-certification norms for 132 cell sites, in respect of certain BTS sites in the Rajasthan circle. Aggrieved by such demand notices, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 279 of 2014) on June 6, 2014. The matter is currently pending.

73. The DoT issued a demand notice dated December 3, 2013 to Vodafone India, imposing a demand of ₹ 1,000,000 for alleged non-compliance with the test procedure issued by the Telecom Engineering Centre and exceeding the radiation limits and violation of EMF radiation norms, in respect of two BTS sites in the Mumbai circle. Aggrieved by such demand notice, Vodafone India filed a petition in the TDSAT (Petition no. 281 of 2014) on June 5, 2014. The matter is currently pending.

74. The DoT issued demand notices dated July 25, 2013, January 1, 2014 May 26, 2014, June 4, 2014, June 6, 2014, June 23, 2014 and July 23, 2014 to Vodafone Digilink Limited, imposing a total demand of ₹ 1,644,175,000 for delay in submission of self-certification and non-compliances with self-certification norms, in respect of certain BTS sites across various circles. Aggrieved by such demand notices, Vodafone Digilink Limited filed a petition (Petition no. 393 of 2014) in the TDSAT on August 25, 2014. The matter is currently pending.

75. The DoT issued demand notices dated March 24, 2014 and May 20, 2014, imposing a demand of ₹5,500,000 and ₹9,005,000 on account of delay in submission of self-certification and non-compliances with self-certification norms in the period between October 2012 and March 2013, in respect of 14 BTS sites across the Rajasthan circle. Aggrieved by such demand notices, our Company filed a petition in the TDSAT (Petition no. 2 of 2015) on January 5, 2015. The matter is currently pending.

76. The DoT issued demand notice dated December 12, 2014, to our Company, imposing a demand of ₹535,000,000 for delay in submission of self-certification for 24 cell sites and non-compliances with self-certification norms for 86 cell sites, in respect of certain BTS sites in the Rajasthan circle. Aggrieved by such demand notices, Idea Cellular Limited filed a petition in the TDSAT (Petition no. 89 of 2015) on February 24, 2015. The matter is currently pending.

(d) Material Civil Litigation against our Company

As at the date of this Letter of Offer, there are no outstanding material civil proceedings initiated against our Company.

(e) Material Civil Litigation by our Company

As at the date of this Letter of Offer, there are no outstanding material civil proceedings initiated by our Company.

(f) Other Material Litigation

Vodafone India received a notice in August 6, 2007 from the Indian tax authority under section 163 of the Income Tax Act to show-cause why VIL should not be treated as a representative assesse of VIHBV. Further, a notice dated September 19, 2007 was received by VIHBV from the Indian tax authority alleging potential liability in connection with an alleged failure by VIHBV to deduct withholding tax from consideration paid to the Hutchison Telecommunications International Limited group ("**HTIL**") in respect of HTIL's gain on its disposal to VIHBV of its interests in CGP Investment (Holdings) Limited, a wholly-owned Cayman Island incorporated subsidiary, that indirectly held interests in VIL. VIHBV sought to set aside the tax demand issued by the Indian tax authority before the Supreme Court of India. In January, 2012, the Supreme Court quashed the aforesaid notices and demands issued to VIHBV in respect of withholding tax and interest by holding that the aforesaid transaction with respect to the HTIL was not taxable in India, and that consequently, VIHBV had no obligation to withhold tax from consideration paid to HTIL in respect of the transaction. Thereafter, the Finance Act 2012, enacted on May 28, 2012, amended various provisions of the Income Tax Act with retrospective effect, contained provisions intended to tax any gain on transfer of shares in a non-Indian company, which derives substantial value from underlying Indian assets. VIHBV received a letter dated January 3, 2013 from the Indian tax authorities reminding it of the tax demand raised prior to the judgment of the Supreme Court in January, 2012, and updating the interest element of such demand to ₹ 142 million, which includes principal and interest as calculated by the Indian tax authorities but does not include penalties. On February 12, 2016, VIHBV received a notice dated February 4, 2016 of an outstanding tax demand of ₹ 221 billion (which included interest accruing since the date of the original demand) along with a statement that enforcement action, including against VIHBV's indirectly held assets in India, would be taken if the demand was not satisfied. On September 29, 2017, VIHBV received an electronically generated demand in respect of alleged principal, interest and penalties in the amount of ₹ 190.7 billion. Separate proceedings in the High Court of Bombay in writ petition no. 1942 of 2007 ("**Petition**") were initiated against VIHBV seeking treatment of VIHBV as an agent of HTIL in respect of alleged tax on the aforesaid transaction and to impose penalties of up to 100% of the assessed withholding tax for the alleged failure to have withheld such taxes. The matter is currently pending.

On January 10, 2014, VIHBV served an amended trigger notice on the Indian Government under the Netherlands-India Bilateral Investment Treaty ("**Dutch BIT**"), supplementing a trigger notice filed on 17 April 2012, immediately prior to the Finance Act 2012 becoming effective, to add claims relating to an attempt by the Indian Government to tax aspects of the transaction with HTIL under transfer pricing rules. On April 17, 2014, VIHBV served its notice of arbitration under the Dutch BIT, formally commencing the Dutch BIT arbitration proceedings. In June 2016, the tribunal was fully constituted. The Government of India has raised objections to the application of the treaty to VIHBV's claims and to the jurisdiction of the tribunal under the Dutch BIT. On June 19, 2017, the tribunal decided to try both these jurisdictional objections along with the merits of VIHBV's claim in a hearing which took place in February 2019. The matter is currently pending.

II. Litigation involving our Subsidiaries

(a) Criminal Proceedings against our Subsidiaries

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against any of our Subsidiaries.

(b) Criminal Proceedings by our Subsidiaries

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by any of our Subsidiaries, other than as disclosed below.

*Connect (India) Mobile Technologies Private Limited ("**CIMPTL**")*

1. One of the distributor of CIMPTL (the "**Accused**") took handsets on credit basis for a total amount of ₹ 0.26 million and made part payment by way of a cheque for a sum of ₹ 1,73,820 which bounced. CIMTPL issued notice for recovery, and filed a complaint before the XIV Additional Chief Metropolitan Magistrate, Bangalore under Section 138 of the Negotiable Instrument Act, 1881 which convicted the Accused and imposed a fine of ₹ 0.22 million ("**Magistrate Order**"). Against the Magistrate Order, the Accused filed an appeal before Fast Track Court-III P.O. & Additional Sessional Judge, Mayo Hall Unit, Bangalore which rejected the appeal (the "**Sessions Judge Order**"). Aggrieved, the Accused has filed a criminal revision petition with the High Court of Karnataka to set aside the Magistrate Order and the Sessions Judge Order. The matter is currently pending.

2. A complaint was filed by the Assistant Director General Telecom Enforcement Resources and Monitoring Cell, ministry of Telecommunication, Government of India before the Metropolitan Magistrate, 13th Court,

Dadar, Mumbai (the "**Magistrate**") against Hutchison Max Paging Private Limited (the "**Accused**") for alleged commission of offences under Sections 4 read with Section 20 of the Indian telegraph Act, 1989 for violation of terms and conditions of Department of telecommunication for sale/rent of international roaming SIM Cards. The Magistrate pursuant to an order dated April 17, 2015, issued process against the accused (the **"Impugned Order 1"**). Subsequently, the Accused filed a revision application (the "**Revision Application**") in relation to the Impugned Order under Section 397 of CrPC. Pending Revision Application, the Accused filed a criminal miscellaneous petition before the Court of Sessions for Brihan Mumbai, *inter-alia*, for a stay on proceedings in relation to the Complaint, until the final disposal of the Revision Application. Subsequently, the Revision Application was dismissed by an order dated November 15, 2017 (the **"Impugned Order 1"**) and further, the Accused filed a petition before the High Court of Judicature at Bombay under Section 482 of CrPC and Article 227 of the Constitution (the "Petition"). The Petition is in relation to, *inter-alia*, quashing of Impugned Order 1 and Impugned Order 2 and for grant of stay of proceedings before the Magistrate. The matter is currently pending.

(c) Actions by Statutory/Regulatory Authorities involving our Subsidiaries

As at the date of this Letter of Offer, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Subsidiaries.

(d) Material Civil Litigation against our Subsidiaries

As at the date of this Letter of Offer, there is no outstanding material civil proceedings initiated against any of our Subsidiaries.

(e) Material Civil Litigation by our Subsidiaries

As at the date of this Letter of Offer, there is no outstanding material civil proceedings initiated by any of our Subsidiaries.

III. Litigation involving our Directors

(a) Criminal Proceedings against our Directors

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against any of our Directors other than as disclosed below.

Mr. Kumar Mangalam Birla

1. Ms. Ashima Das, a broking client of Aditya Birla Money Limited (ABML), had filed a complaint case against Mr. Kumar Mangalam Birla and others (A C 1804 / 2012) on 17th July, 2012. The client has alleged that she was caused a loss of ₹ 512,000/- in addition to an earlier loss of ₹ 19,00,000/- by way of unauthorised purchase and sale of securities in her trading account by a franchisee of the Aditya Birla Money Limited. The criminal case is pending on the file of the Additional Chief Judicial Magistrate, Alipore. ABML has filed criminal revision petitions (CRR Nos: 3439, 3440, 3441/ 2012) at the Kolkata High Court, seeking to quash the complaint case (A C 1804 / 2012) on 28th September, 2012 and also sought for stay of all further proceedings in the said case. The said petition has been admitted and Stay of all further proceedings in the complaint case has been granted by the Kolkata High Court.

2. Charanjeet Singh, the retail customer of erstwhile Birla Global Finance Limited had filed case no. 2339/02 against Mr. Kumar Mangalam Birla, Mr. S.K. Mitra and an ex-employee of the Lucknow Branch, Ashish Goel, the then Branch Manager in the Court of the Metropolitan Magistrate, Kanpur for cheating, mischief and causing damage under sections 417, 418, 419 and 420 of the Indian Penal Code in relation to a hire purchase transaction of the Company. The Company then filed criminal miscellaneous petition nos. 8607/03 and 8608/03 on behalf of Mr. Kumar Mangalam Birla and Mr. S.K. Mitra in the High Court at Allahabad under section 482 of the Criminal Procedure Code, 1973 against Charanjeet Singh. The Hon'ble High Court granted stay on the proceedings at the Court of the Metropolitan Magistrate, Kanpur vide its order dated October 16, 2003. The stay is still in force and there are no further developments in the case and the case is pending for hearing before the Hon'ble Allahabad High Court.

3. A criminal complaint has been filed against Mr. Kumar Mangalam Birla and others by Forest Officer in the Magistrates Court at Barbil on 3rd April 2014 for alleged violation under Section 27(3) (b) (c) r/w Section 81(4) of Orissa Forest Act, 1972. Magistrates Court has taken cognizance and passed order for issue of process. Mr. Birla, through his pleader has filed an application for personal exemption under Section 205 of Cr. PC and the same has been allowed. Subsequently, a petition under Article 226 r/w 227 has been filed before the Hon'ble High Court Orissa challenging the proceedings initiated before the Magistrates Court and the Hon'ble High Court of Orissa has granted stay of the said criminal proceedings.

4. An FIR has been lodged on 16th October 2013 by Central Bureau of Investigation (CBI) against Shri P. C. Parakh, the then Secretary, Ministry of Coal, ShriKumar Mangalam Birla, Hindalco Industries Limited, and other unknown persons/officials, in relation to allocation of Talabira II & III coal block to Hindalco Industries Limited. The Hon'ble Supreme Court vide its order dated April 1, 2015 has stayed the cognizance order passed by Special CBI Court despite closure report filed by CBI. The Hon'ble Supreme Court has also stayed further proceedings in the matter.There is no change in the status of the matter.

5. One Pankaj Kumar Misra filed an application in February 2007, before the Court of Chief Judicial Magistrate to register a FIR against the company management including Hindalco Chairman (Mr. Kumar Mangalam Birla), alleging misappropriation of Forest Transit Fees and Freight Tax by the Hindalco Industries Limited. The matter was transferred to the Court of A.C.J.M, who instead of ordering for registration of F I R, registered the application as complaint U/s 190 Cr.P.C. The matter was challenged by the Company before the Court of District & Session Judge, Sonbhadra, which directed the lower court (ACJM) to re-hear the applicant in the light of the fresh case law cited in the revision proceedings. The Company filed a Criminal Revision before the Hon'ble High Court at Allahabad and the said court has kindly admitted the revision petition and has stayed the proceedings pending before the trial court till further orders. There is no change in status of the matter.

6. Case has been filed by Assistant Commercial Tax Officer, Karaikal, Pondicherry in the court of the Hon'ble Judicial Magistrate-II AT, Karaikal U/s 10(a), 10(c) of the Central Sales Tax Act, 1956 read with Section 34 IPC and Section 409 and 477 of IPC read with Section 34 IPC for fraudulently use of C forms by the party M/s Selvam Agencies, Kariakal. Ultratech Cements Limited represented by Mr. K.M. Birla is accused at Sr. no 4 under this case and the position was clarified by the company and there should not be any liability on the company.

7. Vaddi Srinivasa Rao filed a private complaint dated May 19, 2011 before the II Additional Chief Metropolitan Magistrate at Vijayawada against our Company, our Chairman, Mr. Kumar Mangalam Birla and other officials of our Company, for offences under Sections 403, 409, 418 and 420 read with Section 34 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company - No. 5*" on page [●].

8. Gogineni Anil Kumar filed a private complaint before the II Additional Chief Metropolitan Magistrate, Hyderabad against our Company, our Chairman, Mr. Kumar Mangalam Birla, and other officials of our Company under Sections 120-B, 420, 406 and 506 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company - No. 6*" on page [●].

9. Sushil Sharma filed a complaint before the Chief Judicial Magistrate, Lucknow against Mr. Kumar Mangalam Birla, our Chairman and certain directors and officers of our Company and our then subsidiary Idea Mobile Commerce Services Limited for offences under Sections 419, 420, 467, 468, 471, 500, 504 and 506 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company - No. 10*" on page [●].

10. Hiten Chande filed a private complaint before the Chief Judicial Magistrate, First Class at Bhuj, Kachchh on May 14, 2010 against certain employees of our Company under Sections 406, 417, 420 and 114 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 30*" on page [●].

Mr. Himanshu Kapania

1. Gogineni Anil Kumar filed a private complaint before the II Additional Chief Metropolitan Magistrate, Hyderabad against our Company, Mr. Himanshu Kapania and other officials of our Company under Sections 120-B, 420, 406 and 506 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 6*" on page [●].

2. TRAI filed a criminal complaint before the Chief Metropolitan Magistrate, Tis Hazari Court, Delhi against our Company, Mr. Himanshu Kapania, and others, under Sections 190 and 200 of the Code of Criminal Procedure, 1973. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 18*" on page [●].

3. Sushil Sharma filed a complaint before the Chief Judicial Magistrate, Lucknow against Mr. Himanshu Kapania and certain directors and officers of our Company and our then subsidiary Idea Mobile Commerce Services Limited for offences under Sections 419, 420, 467, 468, 471, 500, 504 and 506 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 10*" on page [●].

4. Atul Kumar Jha filed a complaint before the Chief Judicial Magistrate, Jamshedpur against our Company and Mr. Himanshu Kapania under Sections 379, 406, 420, 120B and 34 of the IPC. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 20*" on page [●].

Mr. Ashwani Windlass

1. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 211 read with Schedule VI of the Companies Act, 1956 for financial year 2013-14 in respect of Vodafone India. The matter is currently pending.

2. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 211 of the Companies Act, 1956 read with accounting standard 18 for financial years 2011-12, 2012-13 and 2013-14 in respect of Vodafone India. The matter is currently pending.

3. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 217 read with Section 215 of the Companies Act, 1956 for financial years 2011-12, 2012-13 and 2013-14 in respect of Vodafone India. The matter is currently pending.

4. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 217 read with Companies (Particulars of Employees) Rules, 1975 for financial year 2013-14 in respect of Vodafone India. The matter is currently pending.

5. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 211 of the Companies Act, 1956 read with accounting standard 18 for financial years 2011-12, 2012-13 and 2013-14 in respect of Vodafone India. The matter is currently pending.

6. The Registrar of Companies, Mumbai has filed a miscellaneous application seeking condonation of delay in initiation of prosecution against Mr. Ashwani Windlass. This application was filed before the 40th

Metropolitan Magistrate's Court at Girgaum in relation to underlying proceedings under Section 211 of the Companies Act, 1956 read with accounting standard 18 for financial year 2013-14 in respect of Vodafone India. The matter is currently pending.

7. The South Delhi Municipal Corporation has issued a challan against Vodafone India and certain of its executives and directors, including Mr. Ashwani Windlass in respect of property located at New Delhi, alleging contravention of Sections 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 50*" on page [●].

Mr. Vivek Badrinath

1. The South Delhi Municipal Corporation has issued a challan against Vodafone India and certain of its executives and directors, including Mr. Vivek Badrinath in respect of property located at New Delhi, alleging contravention of Sections 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957. For details, see "- *Litigation involving our Company Criminal Proceedings against our Company – No. 50*" on page [●].

Mr. Debnarayan Bhattacharya

1. Following judgment of the Supreme Court cancelling allocation of coal blocks to private parties, A FIR was filed on October 16, 2013 by Central Bureau of Investigation ("CBI") against P.C.Parakh, the then Secretary, Ministry of Coal, Kumar Mangalam Birla, Hindalco Industries Limited and others. The CBI after investigation filed closure reports finding no evidence of criminal wrong doing. The Supreme Court has admitted the special leave petition against the order of the trial court order and stayed further proceedings pending before the Trial Court.

(b) Criminal Proceedings by our Directors

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by any of our Directors.

(c) Actions by Statutory/Regulatory Authorities involving our Directors

As at the date of this Letter of Offer, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Directors.

(d) Material Civil Litigation against our Directors

As at the date of this Letter of Offer, there is no outstanding material civil proceedings initiated against any of our Directors other than as disclosed below:

Mr. Kumar Mangalam Birla

1. A Public Interest Litigation has been filed in 2010 in the High Court of Orrisa by the Sarapanch of village Rengali, challenging lease of the government land of village Rengali reserved for Jawans to DFO Sambalpur in lieu of Forest land transferred to Aditya Aluminium (a division of Hindalco) without following the statutory provisions with a prayer to cancel the lease. The Chairman, Hindalco has been implicated as a party. The matter is yet to be heard by the Hon'ble Court.

2. A Public Interest Litigation has been filed in 2010 in the High Court of Orrisa by the Sarapanch of village Rengali, challenging lease of the government land of village Rengali reserved for Jawans to DFO Sambalpur in lieu of Forest land transferred by DFO to Aditya Aluminium (a division of Hindalco) without following the statutory provisions of dereservation of land preserved for jawans. The Chairman, Hindalco (Mr. Kumar Mangalam Birla) has been implicated as a party. The matter is yet to be heard by the Hon'ble Court.

3. A Public Interest Litigation has been filed in 2010 in the High Court of Orrisa by the Sarapanch of village Rengali, challenging lease of the government land of village Rengali reserved for Jawans to DFO Sambalpur in lieu of Forest land transferred by DFO to Aditya Aluminium (a division of Hindalco) without following the statutory provisions of dereservation of land preserved for jawans. The Chairman, Hindalco (Mr. Kumar Mangalam Birla) has been implicated as a party. The matter is yet to be heard by the Hon'ble Court.

4. A Writ Petition is filed in 2010 in the Gujarat High Court by the workers representative of Hindalco's Dahej Unit against the Commissioner of Labour and 5 others including the Chairman/Managing Director of Hindalco (Mr. Kumar Mangalam Birla),for unfair labour Practices and unsafe work conditions at its Dahej Unit. Matter is at final hearing stage.

5. A Writ Petition is filed in 2010 by an Ex-Employee of Hindalco, Mr. T. G. Ramchandran Nair who was working with Dahej Unit from 1998 to 2008 at the post of Sr. Technician (Smelter) against the Union of India and 6 others including Chairman/Managing Director of Hindalco (Mr. Kumar Mangalam Birla). The grievance of the petitioner is his pension is to be considered on the basis of the service with Hindalco and not on the basis from his earlier service with Hindusthan Copper, which is now Hindalco. Main relief is against the Commissioner of Employees Provident. Matter is at admission stage.

6. Mr. Md. Anwar Ali filed a complaint no. 06/2017 before the District Consumer Dispute Redressal Forum, Jamshedpur (Jharkhand) against Aditya Birla Sun Life Insurance Company Limited and others alleged for mis-selling of the insurance policy by stating triple benefits after 3 years of taking the policy. The Chairman, Chief Executive Officer of Aditya Birla Sun Life Insurance Company Limited have been included by virtue of their position in the Company. The policy was sourced in the year 2009 and the client had already paid three premium aggregating to Rs 1.50 Lakhs. The policy is already in terminated stage.

   However, the Company has already filed an application before the District Consumer Dispute Redressal Forum, Jamshedpur (Jharkhand) for deletion of names of Mr. Kumar Mangalam Birla as the Non-Executive Chairman of the Company, Chief Executive Officer of the Company as they are not involved issuing policies of the Company. The matter is yet to be heard.

7. Mr. Anil Kumar filed one defamation case against Living Media India Limited and Mr. Aroon Purie & Others. Mr. Kumar Mangalam Birla, Non-Executive Chairman of Aditya Birla Group was also made a party in the case. Mr. Birla did not hold any direct or indirect position and/or exercise any control in the affairs of the company or was in no way connected with the collection, control and selection of the news matter alleged to have been broadcasted/published, accordingly, an application has been filed and prayed to the Hon’ble Court for deleting the name of Mr. Kumar Mangalam Birla from the case. The application will come for hearing in due course.

(e) Material Civil Litigation by our Directors

As at the date of this Letter of Offer, there are no outstanding material civil proceedings initiated by any of our Directors other than as disclosed below.

IV. Litigation involving our Promoter*s*

(a) Criminal Proceedings against our Promoters

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against any of our Promoters other than as disclosed below.

<u>*Mr. Kumar Mangalam Birla*</u>

For outstanding litigation against Mr. Kumar Mangalam Birla, see “ – *Litigation involving our Directors – Criminal Proceedings against our Directors – Mr. Kumar Mangalam Birla*” on page [●].

<u>*Hindalco Industries Limited*</u>

1. An FIR as Kisko P.S. Case no.37/13 for the offence u/s 279,34 of IPC, sec. 3(2)(E) of the Prevention of Damages to public Property Act, 1984 & u/s 194 of M.V.Act was lodged by Dinesh Oraon, A.S.I. of Kisko P.S, stating therein that on 09.06.13, he was checking the over load vehicles at Dhurwa More and during the checking, he found that truck no.OR-09 E/5677 was plying with over load bauxite 15.484 tonnes which was excess from the permit.. Further, he has stated that due to over loading of the bauxite the public road is being damaged and the vehicles are being drove rashly with intension to damage public property. On demand driver of truck produced bauxite transport challan and from which it appeared that bauxite was loaded from Pakhar mine of Hindalco, aforesaid act is being done by the owner of the truck, driver and clerk of weighment house.

2. An FIR as Kisko P.S. Case no.35/13 for the offence u/s 279, 34 of IPC, Sec. 3(2)(E) of the Prevention of Damages to public Property Act, 1984 & u/s 194 of M.V.Act was lodged by Dinesh Oraon, A.S.I. of Kisko P.S, stating therein that on 08.06.13, he was checking the over load vehicles at Dhurwa More and during the checking, he found that truck no.OR-9E 5653 and truck no. OR-09 E/2048 were plying with over load bauxite 15180 and 16100 tonnes which was excess from the permit. Further, he has stated that due to over loading of the bauxite the public road is being damaged and the vehicles are being drove rashly with intension to damage public property. On demand drivers of truck produced bauxite transport challan and from which it appeared that bauxite was loaded from Pakhar mine of Hindalco, aforesaid act is being done by the owner of the trucks, drivers and clerk of weighment house.

3. An FIR report was filed in relation to an accident of Hindalco's pick up van in Jharkhand against one Shailendra Bhagat, the driver and others.

4. On 08.11.2016, the Fertilizer Inspector & Technical Officer Mr. Kalidas Haridas Devkar visited the premises of M/s. Blalaji Krushi Seva Kendra, Anala Taluka Paranda and have drawn the sample of fertilizer DAP U/s.28 (b) of FCO. Thereafter as stated in the Petition Memo they follow the procedure and it was reported that the sample drawn was not as per standard and therefore they have issued Show Cause Notice dated 01.02.2017. As per Section 32 (A) (2) of FCO we have made appeal of reanalysis of referee sample to the appellate authority and accordingly the Appellate Authority i.e. Divisional Joint Director of Agriculture, Latur admitted the appeal dated 02.08.2017. As the reply was not given by HIL, the District Superintendent Agriculture officer, Osmanabad has granted consent order for launching prosecution against defaulter on 03.08.2017.

5. On 12.04.2014 we received letter dated 28.03.2014 from the Fertiliser Inspector & Agriculture Officer, Pali that on analysis report of Birla Balwan brand DAP found to be below FCO Specifications in the sample collected from the premises of M/s. Shri Mataji Agro Agency. The said Lab Test was conducted on 14.03.2014. Pursuant to said notice HIL submitted its reply vide letter dated 12.04.2014. Thereafter re sampling was carried out but said test was also failed. Hence this proceedings has been filed.

6. Sample of our Fertiliser -DAP collected from M/s Bhawani Singh Khad Beej, Sau K Bag, Dist. Dholpur (Rajasthan) on 30.09.13. The said sample failed in Re-testing as per Failure Report dt. 18.06.2014 from Madurai Lab. CJM Dholpur sent Legal Notice to appear on 26.06.15. On 26.06.15 CJM Court, Dholpur has approved the bail for Dr. Landge. Thereafter the matter is adjourning from time to time and last listed for hearing on 02.12.2016. Next date is awaited.

7. Sample of our Fertiliser -DAP collected from M/s Mittal Khad Bhandar, Dholpur, Dist. Rajasthan was found below FCO specifications and the same was not as per Standards. Pursuant to the same we received notice from concerned Inspector vide letter dated 07.11.2013. The said notice was replied vide letter dated 21.11.2013. Testing of referee sample was done and the retesting was also failed. Thereafter summons issued by CJM Court, Bundi to appear before the Court on 26.06.2013. On 26.06.15 Dr. Landge appeared before the court and bail was granted to him. The matter is going on and adjourned to various dates. Lastly the matter was adjourned to 02.12.2016.

8. An F.I.R. was lodged by Sri Gyani Pd. Bhagat, Asst. Mining Officer, Gumla on 30.01.2000 alleging therein that on the date of occurrence the informant and the mines inspector made sudden inspection of Tutuapat and found illegal mining going on. Seeing the vehicle of the informant the persons engaged in that mining fled away. The informant party found trace marks of tyre of trucks on the place of

occurrence and so presumed that the illegal mined bauxite was being despatched for the said area and on enquiry the informant come to know that illegal mining was being done at the instance of Krishna Singh &Ors. and illegal mined bauxite was dispatched to Hindalco siding at Tori Rly. station by Krishana Singh &Ors., as such company is involved in purchasing of illegal mined out bauxite for others co-accused, committed an offence under sec.379 of IPC & 21 of MMRD Act.

9. A criminal complaint case has been filed in the SDJM court on 05.10.2009 before the court of S.D.J.M., Rayagada for violation of Sec. 46 of the Building & Other Construction Workers RE & CS Act, 1996 read with Rules 237 of the Orissa Building & Other Construction Workers RE & CS Rules, 2002 vide Case No. 87/09. The basic allegation made in the petition is that UAIL as a part of Corporate Social Responsibility is executing various developmental work like construction of road, building, drainage system at various peripheral villages without intimating to the Inspector, BOCW as per the Act. The complainant Inspector, BOCW alleges that in spite of Show Cause Notice issued by the Inspector- Cum Dist. LabUAIL Officer, Rayagada, UAIL did not respond to the same and deliberately violated the provisions of law.

10. Sample of our Fertiliser -DAP collected from M/s Baswal Khad Beej Bhandar, Deladi, Tehsil, Baswa, Dist. Dausa (Rajasthan) on 10.10.12. Sample failed in N, P & Water Soluble P2O5. Re-testing of referee sample done and it also failed in particle size. Legal Notice was issued on 27.10.14 to attend the Court on 29.10.14. Dr. Landge appeared before the court and bail was granted to him. This matter is going on and adjourned to various dates.

11. The applicant was dismissed of his service. The applicant filled a case before the labour court alleging that the reason of dismissal was illegal.

12. A Written complaint has been filed by the Assistant Director of Factories & Boilers, Rayagada against the Occupier and Manager of UAIL before the Court of Judicial Magistrate First Class, Kashipur U/Sec. 92 of the Factories Act pertaining to a burn injury accidents occurred inside the Plant site.

13. An FIR has been lodged on 16th October 2013 by Central Bureau of Investigation (CBI) against Shri P. C. Parakh, the then Secretary, Ministry of Coal, Shri Kumar Mangalam Birla,Hindalco Industries Limited, and other unknown persons/officials, in relation to allocation of Talabira II & III coal block to Hindalco Industries Limited. The Honble Supreme Court vide its order dated April 1, 2015 has stayed the cognizance order passed by Special CBI Court despite closure report filed by CBI. The Honble Supreme Court has also stayed further proceedings in the matter.There is no change in the status of the matter.

14. As per Clause 28 (i) (b) of FCO, 1985, the Fertilizer Inspector visited and inspected the premises of Saif Trading. Fertilizer stocked of HIL was stocked for sale. The Fertilizer inspector took sample of DAP of HIL as per procedure. The sample was sent for testing and the same was failed in Neutral Ammonium Citrate Soluble P2O5 and Water Soluble Phosphates P2O5 and the variation was too high than the permissible tolerance limit. Thereafter show cause notice was issued to HIL and other accused. No reply to the show cause notice was given. Therefore HIL has committed offence by contravening Clause 13 (2) and 19 (b) of FCO which is punishable U/s. 3 read with Section 7 (i) (a) (ii) of E. C. Act, 1955. Hence this matter.

15. On 17th April 2013, the deceased supervisor was engaged in the Coal shed to supervise the smooth functioning of coal feeding. While the deceased was on duty, a coal truck bearing no. OR-15-N 3109 carrying coal entered the plant premises. After initial weighment it went to the coal yard for unloading the material near Unit 3 & 4 Coal shed, where few trucks had already unloaded their material. While the said vehicle was unloading the material, the coal feeding into the ground hopper of unit 3 & 4 had already started with the help of bulldozer. The deceased supervisor was standing in the coal yard, few yards away from ground hopper to observe the bulldozer movement and caution the same to coal trucks to prevent any kind of collision. After unloading the coal, the said truck bearing no. OR-15-N 3109 took a turn in front of the shed to move out from the coal yard. While taking the turn, the trolley of the vehicle had probably hit the deceased as a result, the deceased fell down on the ground and sustained grave injury. The deceased was immediately taken to the HIL Hospital and subsequently referred to VSS Medical College Hospital, Burla, where he was declared brought dead.

16. A FIR was lodged on 20/8/2012, U/s 430 IPC by Mr. Turanta Kumar Patel, Junior Engineer, Sambalpur Canal Division alleging breach of Hindalco Ash Pond resulting in deposition of waste product along the canal bed affecting the design parameter causing public discontentment.

17. An offence report bearing no.646459 dated 25.05.1999 has been filed by one Ram Chandra Rai, forest guard, Forest office Jalim Sub bit stating therein that while he was on patrolling in the forest area of Jalim, he saw some persons illegally mining bauxite and were loading the same in a truck bearing registration no.BR-41G-0777 and on seeing them, the labourers who were carrying on illegally mining operation were fled away and the truck was seized. The said offence report was forwarded to the Range Officer, Adar and thereafter a enquiry was made and it is found that a truck was being loaded with bauxite by some labourers (not named), who on seeing the patrolling party fled from the place of occurrence. It is further stated that the alleged illegal mining was being conducted in plot no.562. In the said report, a conclusion was drawn that M/S Hindalco was carrying on mining activities illegally in the said area and Mr. S. Aikat, Mines Manager & Ors. named persons have involved in committing the offence as alleged. On 20.02.02 filed quashing Petition No. Cr. M.P. No.252 of 2002. Heard and admitted on 29.07.02 and Court stayed the proceedings of lower Court. The Honble High Court finally dismissed the petition on 20.1.2015. Now, the matter is listed for appearance of the accused person. Except Mr. Aikat & one Mr. BD Basoya , all accused are dead & Mr. Aikat is not cooperating and even not giving vakalatnama for anticipatory bail. Hence on 11.5.2016 the Lower Court issued NBW against accused persons.

18. Criminal Case (CC) (Warrant Case) before the Magistrate filed by Labour Enforcement Officer for non-payment of minimum wages.

19. In writ petition, petitioners are challenging the legality, validity and correctness of the FIR dated 09.11.2018 registered as case crime No. 125 of 2018 under Sections 147, 341, 504, 506 IPC and 7 Criminal Law (Amendment) Act, 1932, PS Anpara, District Sonebhadra. The said FIR has been lodged by Akas Khatri, Senior Officer of Hindalco Industries Ltd. and stated that from 01.11.2018 from 6 am some undesirable elements likewise Kuldip Pal, Munna Kumar, Hira Lal, Chandagi Yadav, Sanjay Pathak, Vishnudev Gupta, Ram Pravesh, Arun Mistry, Kripa Shankar Yadav, Raj Nath and Srimati Kusum Kali and 50-60 others in illegal and unauthorized way staging agitation/Dharna Pradarshan at the Gate No. 02 of the Factory by taking law in their hands stopping other labours of the company from attending duty by threatening and abusing them. Further subsequently taking shelter of their family members including children and women these undesirable elements on 03.11.2018 raises slogans during march procession in the colony premises taking flags and dandas in their hands. In this regard, Civil Judge, Junior Division, Dudhi, Sonebhadra vide order dated 02.11.2018 has prohibited entry of Kuldip Pal son of Chandrika Pal, Munna Kumar son of Ramnewal, Hira Lal son of Chandrika Prasad, Chandagi Yadav son of Hare Ram Yadav, and Kusum Kali wife of Uday Nath in the Plant premises and also barred from staging Dharna Pradarshan within 100 mtrs of Factory and also barred from interference in smooth running at Varanasi-Shakti Nagar Marg by which applicants coal transportation by Trucks and Dumfers through coal gate took place.

20. Shri Lal Bahadur Pathak, terminated employee, filed the criminal Misc. application in the Honble High Court, Allahabad, requesting to grant stay against the order passed by special chief Judicial Magistrate on 26.05.2008 in relation to eviction of company's quarter.

21. One Surendra Behera had filed a complaint on 23.04.2017 against some of our company employees (Soumya Goud, Dinesh Jha, Lambodar Swain, Satindra Yadav, Pratap Singh Gawa, Lalit Satpathy & Mishra Babu, General Manager) alleging forcible damage of his house in Ash Pond Area armed with gun, Shword, lathi and assaulted physically and threatened to kill. The complaint was registered as Katarbaga PS case no 49/2017 corresponding to GR No 1033/17.

22. One Surendra Behera had filed a complaint on 13.01.2017 against three of our company employees (Pramod Rath, Debesh Jha, Pramod Oram) came to his house with knife and pistol and tried to forcibly evict him and damage his house in Ash Pond Area and assaulted physically. The complaint was registered on 16.01.2017 as Katarbaga PS case no 09/2017 corresponding to GR No 139/17.

23. A Food Safety Officer-Dudhi, Sonbhadra filed this complaint on 27.01.2014 against the Manager of Hindalco Employees Consumer Co-Operative society shop. F.S.O has alleged that during inspection of the shop on 26.03.2013, he found adulterated Haldi (Sabut) is being sold. He took sample and for analysis send to Food Analyst-Varansi, who submitted his report dated 07.05.2013 declaring that Sample contains Lead Chromate which is injurious to health, so sample is unsafe • One sample was also sent to Referral Food Laboratory at Kolkata, which vide its report dated 12.08.2013 gave opinion that the sample does not conform to the standard laid down under FSS Act as it contains Insect Damaged Matter • higher than the prescribed limit, hence sample is unsafe. However there is contradiction in both the analyst reports. In the Report dated 07.05.2013 it has been shown that Insect damage in the sample is Nil & Test for Lead Chromate is shown as positive, whereas in the report dated 12.08.2013 it has been shown that Insect damage in the sample is 4.8% & Test for Lead Chromate is shown as negative. However there is difference of 3 months in both analyses. Accused was got bailed out on 02.09.2014 with two sureties for Rs.20,000/- each.

24. On 07.01.2014 one contract worker Mr. Tadak Nath Jaiswal S/o Shri Pannalal Jaiswal while working in Anode Storage Godown Area of the Hindalco, met with an accident, who later on in the evening died of the injury. On the day of incident Shri Tadak Nath Jaiswal was engaged in china anode unloading job from truck in anode storage area. Anode bundles were being unloaded and stacked by EOT Crane with the help of sling. He unloaded and kept one bundle of anodes (08 Nos. anodes) on floor. While removing the sling from bundle by crane operator, bundle titled due to jerk of sling and fell on the chest of deceased Tadak Nath Jaiswal who was standing just besides the stack and he received blunt injury on his chest. He was immediately shifted to First Aid Centre for treatment and after stabilizing he was referred to Heritage Hospital, Varanasi, but ambulance was stopped on way/road near Hi-Tech railway crossing by outside local leader and ambulance was diverted to the Hindalco Hospital for further treatment. Since the deceased workman was covered under the scheme of Employees State Insurance Act, 1948, a Report of the accident in Form-12 was sent to by the employer to the Insurance Medical Officer of the E.S.I-Corporation, Murdhwa, Renukoot on 07.01.2014. Smt. Sushila Devi wife of deceased Tadak Nath Jaiswal filed an F.I.R on 07.01.2014 against the Hindalco Management, before the Police Chowki-Renukoot. The F.I.R was lodged U/s 279 & 304-A I.P.C as Case Crime No. 38/2014 against the Hindalco Management at 9.50 P.M on 07.01.2014. Hindalco Management filed CMWP NO. 2114/2014 before the Honble High Court Allahabad for quashing the F.I.R lodged against the management. High Court vide its order dated 31.01.2014 has restrained from arresting the petitioners. After investigation, Investigating Officer filed Charge sheet against the Crane Operator Mr. Pramod Lal Srivastava on 26.09.2014 before the Court of C.J.M-Sonbhadra U/s 287/304A I.P.C. On the same day crane operator was bailed out through two sureties. Due to filing of Charge Sheet against the crane operator the petition CMWP NO. 2114/2014 filed by company before the Honble High Court Allahabad became infructuous and hence finally disposed off on 13.10.2014.Criminal Misc. Application No. 45627/2014 has been filed on 29.10.2014 before the Honble High Court-Allahabad by Crane Operator for quashing the charge sheet filed before the court of C.J.M-Sonbhadra, But High Court referred the matter before the mediation centre, owing to which the petition was withdrawn on 28.05.2015 At present matter is pending before the Court of C.J.M-Sonbhadra.

25. This complaint has been filed by Food Inspector against officials of Hindalco Co-Operative Society Shop, for selling adulterated Besan, thus alleging violation of Section 7/16 of Prevention of Food Adulteration Act. Both the employees have been got bailed out on 27.08.2013. However there is technical lacuna from the prosecution side, the sample for analysis was not given to the accused person for independent analysis from the approved central laboratory.

26. Mr. V.K. Mishra, E. Code No. 005969, Crane Operator in Pot Room, was also a member of Congress Party and General Secretary of HIL recognized Trade Union affiliated to INTUC for some time, later on he was removed from this post. Mr. Mishra abused and threatened two company workers in the Factory premises, for this misconduct he was charge sheeted on 06.02.2007 and after disciplinary inquiry he was terminated on 22.09.2007 from the services of the company. However he was reinstated on 07.09.2010. Mr. Mishra in collusion with Mr. Imitiyaz Ahmad, reported to be Secretary District Youth Congress Committee, concocted a false story and got filed through Imitiyaz Ahmad an application U/s 156(3) Cr.P.C, before the Court of C.J.M-Sonbhadra, for registering case of mobile theft from his shop & assault against two senior company officials and two other workers who were earlier mishandled by Mr. Mishra. On the order of the court police registered complaint and investigated the matter. Meanwhile in

aforesaid matter all the four persons obtained Stay Order against arrest during the investigation by filing Writ Petition No. 3480/07 before the Honble High Court-Allahabad. Investigation Officer finding no sufficient ground on the allegation of Imitiyaz filed, Final Report on 29.05.2007, before the C.J.M Court, which was registered as F.R. Case No. 126/07; meanwhile this case was transferred to J.M-Court. Complainant Imitiyaz filed protest petition against the Final Report which was accepted, accordingly a Complaint Case No.588/08 was registered. Court of J.M after recording evidence of Complainant and his witness passed order on 18.03.2013 summoning Mr. Anil Sinha and Bhanubali Singh U/s 379/323/504 I.P.C [Theft & assault] and Mr. S.K Trivedi & Anil Kumar Singh U/s 323/504 I.P.C [Assault & Insult] for further trial. Accordingly Court directed complainant to take steps for the issue of process against the accused on 09.05.2013. Arising out of order dated 18.03.2013, two Criminal Revisions being C.R. NO. 999/2013 Anil Kumar Sinha Vs. State of U.P & CR. NO. 1000/2013, S.K. Trivedi Vs. State of U.P were filed before the Honble High Court, Allahabad for quashing complaint & summoning order. Honble High Court stayed operation of summoning order and further proceedings of the complaint pending before the court of J.M and issued notice to the complainant.

27. It was alleged that company security guard Tribhuvan Singh by firing with company gun killed a kabari, who was trying to steal company property from the plant premises. A Case No. 50/92 U/s 302/307 & U/s 25/30 Arms Act was registered against him before the Court of Session Judge, who vide order dated 22.12.1993 acquitted him. Since the Arms Licences on behalf of company was held in the name of Shri K.K. Rathi, Joint President (Administration) , hence a criminal Case U/s 25/30 Arms Act was also registered against him. Court of C.J.M-Sonbhadra vide order dated 19.03.1991 issued summons to K.K. Rathi for appearance before the court. Against aforesaid summoning order Criminal Revision No. 454/91 was filed before the Honble High Court Allahabad. Honble High Court Allahabad vide order dated 26.03.1991 stayed the operation of the order dated 19.03.1991 of C.J.M.

28. On 24.05.2003 repairing work of company boundary wall was going on. When suddenly Mr. Shivpratap Singh and several others miscreants tried to stop the construction work. Company security guard tried to protest them, on this they instigated unruly mob to attack on the security guards who attacked and assaulted those guards. Cross F.I.R were lodged on both sides. A Criminal Misc. Writ Petition No. 3057/2003 was filed before the High Court-Allahabad which vide order dated 05.06.2003 granted stay against arrest of security officers during investigation. Charge sheet against 4 company security officers were filed under Section 147/148/149/307/504/506/427 I.P.C. Court of C.J.M-Sonbhadra vide order dated 05.08.2003 issued summons to the named security officers of the company for appearance in the court. Against aforesaid order a Criminal Revision No. 3194-2003 was filed on behalf of the accused security officers before the Honble High Court-Allahabad, which vide order dated 05.11.2003 stayed the operation of the order dated 05.08.2003 passed by the C.J.M-Sonbhadra. However the stay order granted on 5.11.03 was vacated by the High Court on 18.05.03 by holding that revisionists are misusing stay order. Yet matter is pending before High Court for disposal.

29. On 17.10.2001 at 1 A.M, company employee Shri Amrit Chaubey met fatal accident by crane being operated by Shri R.P. Chaubey in Remelt Shop. A F.I.R was lodged Mr. Nageshwar Chaubey, brother of deceased Mr. Amrit Chaubey against senior officials of the company. A stay order against the arrest of the named senior officials during the investigation was obtained by filing Criminal Application No. 4886/02 before the Honble High Court-Allahabad. After investigation I.O filed charge sheet only against the crane operator Mr. R.P. under section 287/304-A I.P.C, A criminal Application No. 2466/04 was filed by R.P. Chaubey U/s 482 Cr.P.C before the Honble High Court at Allahabad for quashing charge sheet filed against him on the ground that death had occurred solely due to negligence of the deceased. High Court vide order dated 26.03.2004 stayed the proceedings of the trial court till further order.

30. Ex-employee of company Mr. S.P. Singh had encroached company land near L-Type quarters, by illegally constructing Hut over it. On the night of 03.10.1999 Mr. S.P. Singh along with his daughter & sons attacked and assaulted two company security guards who were on patrolling duty. Cross F.I.Rs were lodged by both sides, accordingly Case Crime No. 298A/99 was lodged against company security personal and Case Crime No. 298/1999 was lodged against S.P. Singh and his family members. Renu Singh daughter of S.P. Singh had lodged F.I.R against company officials under Section 395/397 I.P.C. However after investigation charge sheet against two security personals Mr. A.K. Singh & Mr. Ramla Singh was filed under Section 323/504/506 I.P.C accordingly Case No. 2021/2000 was registered before the court of C.J.M-Sonbhadra. Meanwhile this case was transferred to the Court of J.M and the case was

renumbered as Case No. 85/08. Evidence of 6 charge sheet witnesses out of 9 has been concluded. All these witnesses have given evidence in favour of company being hostile to the allegations made by encroacher.

31. Shri Radhey Shyam Painter fell down from the height of 20' on 27.3.1978and died Factory Inspector after investigation launched the prosecution Judicial Magistrate Dudhi decided the matter in favour of accused and released them. against this order Present appeal is prefered by State.

32. A FIR was lodged on 24/8/2014, U/s 283, 341 IPC & 177,199 MV Act by Mr. Niranjan Pradhan, the then ASI of Police, Hirakud Police Station alleging that the illegal parking of the coal loaded trucks of Hindalco on the public road and on NH has led to great inconvenience for vehicular traffic and also the movement of general public.

33. On 18th June 2011at around 12.50 p.m., Ms. Surata Haripal, W/o. Sri Kalia Haripal, R/o. Tarasinghpara, P.S. - Hirakud, along with two other women entered unauthorizedly into the 235 KA expansion project area for search of scrap materials. All the three women went to the bottom of the pit which was excavated for laying the civil foundation of a structure and dug the wall of excavated area with the help of hand tools scraper by making under cut for search of scrap. Suddenly a portion of the wall of the excavated area collapsed. The victim was trapped under the earth and the two others managed to escape without injury and shouted for help. On hearing loud noise, the security personnel deployed in the area rushed to the spot and rescued the victim. The victim was unconscious and immediately rushed to the Hirakud Hospital and later referred to Burla, where the doctor declared her dead on arrival.

34. One Pankaj Mishra claiming to be Social Worker, filed an application U/s 156(3) Cr.P.C on 7.2.07, before the Court of C.J.M, for direction to P.S Anpara, for registering criminal case (F I R) against the company Management (Chairman & Others) U/s 120-B, 420, 466, 468 & 471 I.P.C, alleging misappropriation of Forest Transit Fees and Freight Tax by the company. The matter was transferred to the Court of A.C.J.M, who instead of ordering for registration of F I R registered the application as complaint U/s 190 Cr.P.C vide order-dated 7.3.07. Criminal Revision No. 17/07 U/s 397 Cr.P.C, against the said order, filed before the Court of District & Session Judge, Sonbhadra by the Applicant was allowed vide order dated 23.5.2007 with direction to the lower court (ACJM) to re-hear the applicant in the light of the fresh case law cited in the revision proceedings.

35. On 26th January15 at around 9.30 a.m., Alok Bhattacharya, a supervisor employed under M/s Focus Enterprises, was hit from behind by a fork lift while he was walking on the road near the Green Anode Plant Substation. The fork lift was being operated by Pramod Sahu, a contract employee of M/s Siddhi Engineering Corporation, to shift the reject paste from the Green Anode Plant to the Carbon Recycling Shop. Alok Bhattacharya sustained head injuries and was declared dead when he was taken to the VSS Medical College, Burla. The fork lift operator absconded after the accident.

36. The Asst. Director of Factories & Boilers filed the complaint case against Mr. Rakesh Gupta and Mr. Askaran Agarwal alleging violation of section 7A 2 c of the Factories Act, 1948 and Rule 62 B of Orissa Factories Rule, 1950 resulting in a fatal accident of a contract labour employed by Ms. Thyssen Krupp, Pune for the Fabrication and erection of the Boiler of Unit 5.

37. Complainant had filed a petition stating that Hindalco Industries Ltd had forcefully occupied his land and that the accused persons have abused him by his caste and thus committed the offence U/s 3 of The SC And The ST(Prevention Of Atrocities) Act, 1989.

38. A FIR was lodged in a fatal accident which occurred on 29/01/2013, to a contract worker Late Manoranjan Behera while he was fixing a bus bar. The post mortem report reveals death due to electrocution.

39. A FIR was lodged on 11/6/2015 U/s 143,147,341,294,506,324, 149,120(B) IPC by Mr. Mukesh Nag, R/o. Christianpada, Ps- Hirakud alleging that on the instruction of FRP officials, few residents of the locality has tried to breach peace by disrupting their agitation against the management resulting in damage of properties and injury to few local residents.

Grasim Industries Limited

1. A complaint was filed in the Magistrate Court by Avinash Tirkey, factory inspector wherein it was alleged that the petitioners who are working as occupier and senior general managers cum factory manager have not ensured the compliance of the safety appliances at the factory at Rehla as a result of which a labour namely Prabhu Choudhary who was replacing the eparatel sheet met with an accident and died on May 20, 2011. The matter is currently pending.

2. Chief Agricultural Officer Ludhiana found Bantonite sample sub standard and they filed a case under section 3 and 7 of the Environment Protection Act, 1986 and under section 21 of the Forest Conservation Act, 1980 before the Chief Judicial Magistrate Ludhiana. Though Indo Gulf is marketing this product, one of our employee along with Grasim has also received summon as responsible officer before the Chief Judicial Magistrate. The matter is currently pending.

3. A complaint dated January 18, 2012 was filed in the Magistrate Court by Parivesh Panday ex. teacher of ABPS against our officers under Section 384 of the IPC due to a death of a child by electrocution. The matter is currently pending.

4. An FIR dated August 18, 2011 was lodged by Ishak Ansari against the company officers alleging injury due to leakage of chlorine gas. Offence lodged under Sections 284,285,287, 307 read with Section 34 of the IPC in the Magistrate Court Rehla. The matter is currently pending.

5. A complaint dated May 18, 2015 was filed in the Magistrate Court Rehla for dumping hazardous chemicals in the lakes. The matter is currently pending.

6. A Labourer filed a complaint dated November 2, 2017 at the Magistrate Court for non-compliance of a labour court order. The matter is currently pending.

7. A Labourer filed complaint dated January 23, 2014 at Magistrate Court (Ujjain) under MP Industrial Relation Act, 1960 for non-compliance of labour court order in relation to re-instatement. The matter is currently pending.

8. A complaint dated Janauary 30, 2016 was filed by Anawar Mansoori before teh Magistrate Court in relation to violation of Section(s) 323,351,294,506 and 34 of the IPC. Judicial Magistrate of First Class at Nagda registered the case under Section 323 of the IPC. The matter is currently pending.

9. An FIR dated Janauary 3, 2011 was lodged by Suresh Goel, MD of M/s Cosco Sales & Services Ltd., Delhi under Section(s) 406 and 20B of the IPC, for committing offence of cheating, breach of trust, at the Magistrate Court Delhi etc. This complaint was filed for conspiracy and withholding of original title deed of the property with dishonest intensions. The matter is currently pending.

Usha Martin Telematics Limited

1.A case was filed by the Registrar of Companies, West Bengal against Usha Martin Telematics Limited ("**UMTL**"), Shilpa Mahesh Bandre and Daisy Mehta in the Second Special Court, Kolkata. The case was filed against UMTL under Section 447 of Companies Act, 2013, with the Hon'ble Magistrate / 2nd Special Court, Calcutta in respect of a show cause notice issued to UMTL. Court summons dated 15 December 2018 were received in the matter. Pursuant to an order dated March 12, 2019, the High Court at Calcutta passed a stay order staying the proceedings pending before the Hon'ble Magistrate / 2nd Special Court, Calcutta for a period of ten weeks. The matter is currently pending.

2.A case was filed by the Registrar of Companies, West Bengal against Usha Martin Telematics Limited ("**UMTL**") and Daisy Mehta in the Second Special Court, Kolkata. The case was filed against UMTL under Section 447 of Companies Act, 2013, with the Hon'ble Magistrate / 2nd Special Court, Calcutta in respect of a show cause notice issued to UMTL. Court summons dated 15 December 2018 were received in the matter, the date of personal hearing being 18 January 2019. The matter is currently pending.

(b) Criminal Proceedings by our Promoters

As at the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by any of our Promoters other than as disclosed below.

Hindalco Industries Limited

1. A custic soda container was caught containing water instead of caustic soda. Mr.Sharavanan Armugam driver was arrested based on the complaint filed before the Malmaruthi police station crime no 139/2012. The police filed chargesheet and a criminal case was registered before the JMFC II, Belagavi vide CC 796/2013.

2. The complaint has been filed against the accused under Section 138 of the NI Act for the dishonour of cheques totalling to an amount of ₹ 560,7500. ₹ 50 Lakhs from this amount is the security deposit amount which was to be refunded by the accused once the leave and license agreement for the flat which was taken from the accused by the complainant was terminated and vacant position was handed over. The remaining is the interest amount at 1.5 % per month.

3. M/s. Hi-Speed Logistics & M/s. Shiv Roadways were engaged by us for Transportation of Petcoke from M/s. RIL, Jamnagar to Dahej Plant since October, 2011. While unloading Petcoke at our plant, on 16th January, 2012 it was found that Petcoke was contaminated with Copper Slag in 7 vehicles arrived on that day. The contaminated stock consisted of about 44% of Copper Slag. FIR was lodged with the Dahej Police Station, for contaminated material received on 16th January, 2012. Subsequently, after reanalysis supplementary FIR was also lodged for contaminated stock lying in our yard.

4. The accused and others has supplied fake import licenses to Padmavati and Padmavati has further supplied those licenses to HIL. Pursuant to the same FIR was registered against accused and others for forgery. Similarly CBI has also file one such case i.e. CBI Criminal Case No.2 of 2012 against the said accused before Ahmedabad Court. The said case is going on and is at stage of Framing of Charge.

5. Some local people manhandled Mr. Kamlesh Kumar Singh, at a Mining Area in Chattishgarh. A case was filed by the State of Chattisgarh under the relevant sections of the Indian Penal Code.

6. Shri Jai Shanker Mishra, Asstt. Officer Central Stores, (Petrol Pump) found guilty for misappropriation of money / coupons in Petrol Pump, he was charge sheeted and after proper Enquiry, he was terminated from the services of the Company, He was asked to vacate Company’s quarters, but he refused, the case was filed to get vacated the quarters from him.

7. A group of workers formed Bijili Employees Union affiliated by CITU, strike in 1990, their activists forcible occupied control room in the Plant and a case was filed in the State of Uttar Pradesh by the state government.

8. A group of workers formed Bijili Employees Union affiliated by CITU, strike in 1990, their activists threatened and abused Shri D.R. Mishra, Time & payroll Office and a case was filed in the State of Uttar Pradesh by the state government under the relevant sections of the Indian Penal Code.

9. A group of workers formed Bijili Employees Union affiliated by CITU, strike in 1990, their activists blockade the road near villege Parasi and Gherao of Mr. Harlalka, Mr. V.K.Sharma and Mr. I. N. Kapoor and a case was filed in the State of Uttar Pradesh by the state government under the relevant sections of the Indian Penal Code.

10. A group of workers formed Bijili Employees Union affiliated by CITU, strike in 1990, their activists forcible occupied Control Room in Plant and a case was filed in the State of Uttar Pradesh by the state government under the relevant sections of the Indian Penal Code.

11. A group of workers formed Bijili Employees Union affiliated by CITU, strike in 1990, their activists attacked on the house of Shri G.P.Singh, DGM(HR) and Shri T.C. Prasad (C.E.) on 13.12.1990. They were suspended and later on terminated.

12. The Company senior official Mr. T.B. Mathur who was heading Public Relations & Rural Development department has filed compliant for defamation against the accused Chief Editor Mr. S.P. Pandey of Locally circulated Hindi Monthly news magazine news site. The Accused had demanded huge amount of money in the name of advertisement besides other undue demands from the complainant, which was refused by the Complainant. Aggrieved by the accused with Malafide intention and ulterior motive in order to blackmail company official published defamatory article in the June 2014 issue of his magazine. The statement of Complainant U/s 200 Cr.P.C has been recorded by the court 02.09.2014. The statement of witnesses of the complainant U/s 202 Cr.P.C was recorded on 01.10.2014

13. On 04.10.2010 contract workers working in company on instigation of Mr. Anil Singh & others gathered inside the Factory Premises and started shouting slogans & filthy languages against the management making various demands. Looking into the grave situation company informed about the grave situation being created by these workers inside the plant area endangering sabotage and other destruction of the plant & machineries by unruly mob. In response to demand made by company, District & Police administration deputed P.A.C to get vacate the factory premises from unruly mob of workers. On this move the mob of workers became violent and started throwing stones on the Police & Company officials & security persons thus damaging company property and injuring company officials. Company Lodged F.I.R on 05.10.2010 at 12.30 A.M, against the leader of miscreants Mr. Anil Singh & 11 other persons for instigating and involving in criminal activities against the company and its employees U/s 147,148,188,307,323,336,341,427,506 of I.P.C which was registered as Case Crime No. 928/10 at Police Station-Pipri. Mr. Anil Singh meanwhile filed Criminal Misc. Writ Petition No. 19714/10 before the Hon'ble High Court at Allahabad for quashing of aforesaid F.I.R & stay of arrest. Hon'ble High Court vide order dated 26.10.2010 dismissed the petition by holding that there is no sufficient ground for interfering in the investigation or staying the arrest. I.O after investigation filed charge sheet against all the accused persons named in the F.I.R under sections 147,148,188,323,336,341,427,506/120-B of I.P.C before the Court of C.J.M-Sonbhadra. Court has fixed 27.05.2011 for appearance of the accused persons. Accuse Mr. Anil Singh again filed Criminal Misc. Application No. 2039/2011 U/s 482 Cr.P.C before the Hon'ble High Court at Allahabad, for quashing the entire proceedings of Case No. 658/2011. Hon'ble High Court vide order dated 02.09.2011 finally disposed of the application with direction that accused may move application for discharge U/s 239 Cr.P.C before the trial court. Accused filed discharge application before the court of C.J.M-Sonbhadra, company has filed objection against the discharge application.

14. On 24.05.2003 repairing work of company boundary wall was going on. When suddenly Mr. Shivpratap Singh and several others miscreants tried to stop the construction work. Company security guard tried to protest them, on this they instigated unruly mob to attack on the security guards who attacked and assaulted those guards. Cross F.I.R were lodged on both sides. Charge sheet against 4 company security officers were filed under Section 147/148/149/307/504/506/427 I.P.C. This Case No. 3657/03 being cross case of the Case No. 3658/03. F.I.R was lodged by company security officer against the miscreants. Charge Sheet under Section 147/336/427/504 I.P.C has been filed against all the 3 accused.

15. Ex-employee of company Mr. S.P. Singh had encroached company land near L-Type quarters, by illegally constructing Hut over it. On the night of 03.10.1999 Mr. S.P. Singh along with his daughter Renu Singh & sons attacked and assaulted two company security guards who were on patrolling duty. Cross F.I.R's were lodged by both sides, accordingly Case Crime No. 298/99 was lodged against S.P. Singh and his family members and Case Crime No. 298A/1999 was lodged against company officials. The Company security guard Mr. A.K. Singh lodged F.I.R against Mr. S.P. Singh, his daughter & two sons. I.O filed charge sheet against them under Section 323/504/506 I.P.C. which was registered as Case No. 2022/2000 before the court of C.J.M-Sonbhadra. During pendency of the case Mr. S.P. Singh died in an accident. Meanwhile this case was transferred to the Court of J.M and the case was renumbered as Case No. 2545/07 Evidence of 4 charge sheet witnesses out of 7 has been concluded.

16. A Company employee Mr. Paras Nath working in Pot Room was dismissed from services of the company on 31.03.2013. The Company Qr.No.L-350 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM-Allahabad.

17. A Company employee Mr. Anuj Kumar working in Alumina PPT& CAL.M/ Maintenance department was dismissed from services of the company on 12.03.2013 Company Qr.No.HH-379 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM-Allahabad.

18. A Company employee Mr. Tufani Yadav working in Pot Room was dismissed from services of the company on 01.03.2011. Company Qr. No. N-196 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM-Allahabad.

19. The Company employee Mr. Ram Lakhan Mishra working in Raw Material was dismissed from services of the company on 27.03.2015. Company Qr. No. I- 170 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM.- Allahabad.

20. Company employee Mr. Satish Kumar Singh working in Raw Material was dismissed from services of the company on 29.01.2015. Company Qr. No. HH-91 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM.- Allahabad

21. The Company employee Late Ramesh Chandra Srivastava working in Rolling Mill department expired on 21.10.2014. Ramesh Chandra Srivastava was dismissed from services of the company on.25.05.06. However he has not vacated the Qtr. No. L -01 allotted to him during his employment. His wife Smt. Manju is still in illegal possession of company quarter.

22. Company employee Mr. Vinay Kumar working in Pot Room was dismissed from services of the company on 08.08.2014. The Company Qr. No. N-2583 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM.- Allahabad.

23. Company employee Mr. Satendra Singh working in Pot Room -2 was dismissed from services of the company on 29.06.2013. The Company Qr. No. P-740 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM-Allahabad.

24. Company employee Mr. Anjani Kumar working in Pot Room -2 was dismissed from services of the company on 10.01.2009. Company Qr. No. HH- 970 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM-Allahabad

25. Company employee Mr. Rajendra Mishra working in Pot Room -2 was dismissed from services of the company on 12.01.2009. The Company Qr. No. HH- 478 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM.- Allahabad.

26. Company employee Mr. Jawahar Singh working in New Cold Mill -2 was dismissed from services of the company on 23.05.2013. Company Qr. No. PC-212 allotted him during his employment was not vacated hence company filed Complaint before the court of Spl. CJM.- Allahabad.

27. Mr.Satish Kumar Dubey working in Hindalco Primary School Unit II Renukoot was dismissed from services on 03.05.2013. Quarter no. H1- 1081, allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

28. Company employee Late. Rajiv Kumar working in Billet Casting. Department expired on 08.04.2007. Company Qr. No. H-223 allotted to Late. Rajiv Kumar was not vacated by his widow; hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

29. Company employee Rajesh Singh working in Project Division owing to expiry of his sanction his services from company was dismissed on. 30.09.2001. Quarter no. I-1761 allotted him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

30. Company employee Mr. Sita Ram Thakur working in Pot Room was dismissed from services of the company on 22.12.2008. Quarter no. N-2371 allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad

31. Company employee Mr. Girija Shankar working in Rolling Mill expired on 25.08.06. Quarter No. H-238 allotted to Girija Shankar was not vacated by his widow owing to which company filed complaint before the Court of Spl. C.J.M-Allahabad. Widow of Girija Shankar filed Criminal Misc. Application No. 32906/2009 U/s 482 Cr.P.C challenging summoning Order and for quashing the complaint. This application was dismissed by high court on. 09.03.2017

32. The Company employee Mr. Damyant Singh working in Internal Transport was dismissed from services of the company on. 24.6.2004. The Quarter No. HH-24. allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad. Damyant Singh filed Criminal Misc. Application No. 7120/2005 U/s 482 Cr.P.C challenging summoning Order and for quashing the complaint. The proceedings of the Trial Court has been stayed by the High Court vide order dated 13.07.2005.

33. Company employee Mr. Ravindra Nath Tiwari working in Pot Room was dismissed from service on 01.03.1993 for encroaching Company land and making unauthorized construction. Complaint has been filed to get the company land vacated. Ravindra Nath Tiwari filed Criminal Misc. Application No. 5479/2000 U/s 482 Cr.P.C challenging summoning Order and for quashing the complaint, which was dismissed by the Hon'ble High Court on 01.08.2013.

34. Company employee Mr. Ram Lal working in Alumina Plant was dismissed from service of the Company w.e.f 02.04.1991 for encroaching Company land and making unauthorized construction. Complaint has been filed to get the company land vacated. Ram Lal filed Criminal Misc. Application No. 430/2001 U/s 482 Cr.P.C challenging summoning Order and for quashing the complaint, which was dismissed by the Hon'ble High Court on 13.05.2013.

35. Company employee Mr. Raj Kumar working in Project Division retired from service of the company w.e.f. 30.06.2011. During the course of his employment, he encroached company land by making unauthorized construction near Hindalco meeting ground. Complaint has been filed to get the company land vacated.

36. Company employee Mr. Basant Lal working in Project Division was terminated from service of the company w.e.f. 31.01.2012 due to sanction expiry. During the course of his employment, he encroached company land by making unauthorized construction near Shivapark area. Complaint has been filed to get the company land vacated.

37. Company employee Mr. Vakil Prasad working in Pot Room retired from service of the company w.e.f. 30.11.2011. During the course of his employment, he encroached company land by making unauthorized construction near Hindalco petrol pump. Complaint has been filed to get the company land vacated.

38. Company employee Mr. Raja Ram Vishwakarma working in Building Department retired from service of the company w.e.f. 28.02.2011. During the course of his employment, he encroached company land by making unauthorized construction near Hindalco meeting ground. Complaint has been filed to get the company land vacated.

39. Company employee Mr. Vijay Kumar Poddar working in Accounts Department was dismissed from services of the company w.e.f. 20.03.2009. Quarter no. I-938 allotted him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

40. Company employee Mr. Firoz Haider working in Work Shop was dismissed from services of the company w.e.f. 14.03.2009. Quarter no. H-85 allotted him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

41. Company employee Mr. Ram Bachan working in Construction Department was terminated from services of the Company on 06.08.2009. Quarter No. P- 41 allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

42. Company employee Mr. Suresh Kumar Singh working in Project Division was discharge from services of the Company w. e. f. 17.08.2008. Quarter No. Jr. 432 allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad

43. Company employee Mr. Gaya Prasad Singh working in Electrical Maintenance Department was retired from services of the company on. 31.07.2006. Quarter No.L-1104 allotted to him during his employment was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

44. Company employee Mr. Lal Bachan working in Pot Room wrongfully occupied company land lying besides the quarter No. H-1-6M allotted to him and started business of selling milk. For vacation of company land company filed Complaint before the Court of Spl. C.J.M-Allahabad.

45. Lal Bachan working in Pot was dismissed from services of the company on 20.02.2002. Company Qr. No. H-1-6M allotted to Lal Bachan was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

46. Company employee Mr. Suresh Shanker Rawat working in Alumina Plant was dismissed from services of the company on 20.02.2002. Company Qr. No. H- 140 allotted to Suresh Shanker Rawat was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad

47. Company employee Mr. Pramod Kumar Pal was working in Building Department. Due to expiry of his sanction his services form the company was terminated on 22.09.02. Company Qr. No. I-1624 allotted to Pramod Kumar Pal was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad

48. Company employee Mr. Ram Hari working in Carbon Plant was dismissed from services of the Company on 10.05.2002. Company Qr. No. P-764 allotted to Ram Hari was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

49. Company employee Mr. Vinod Kumar working in Building Department was dismissed from services of the Co. on 24.3.2001. Company Qr. No. H1- 1084 allotted to Vinod Kumar was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad

50. Company employee Mr. Vijaya Kumar Singh working as Field Supervisor in Project Division was relieved from the services of the company due to his sanction expiry on 30.9.2001. Company Qr. No. HH-559 allotted to Vijaya Kumar Singh was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

51. Company employee Mr. Katwaru Singh working in Rolling Mill was dismissed from services of the Company on 2.4.1986. Company Qr. No. L-403 allotted to Katwaru Singh was not vacated hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

52. Company employee Late. Murari Singh working in Fabrication Technical department expired on 8.8.2000. Company Qr. No. HH-378 allotted to Murari Singh was not vacated by his widow, hence company filed Complaint before the Court of Spl. C.J.M-Allahabad.

53. Company employee Mustafa khan working in Properzi of Fabrication Department was terminated from services of the Company on 22.6.2002. After dismissal Qr. No. L-1065 allotted to Mustafa khan was not vacated, hence company filed Complaint against him before the Court of Spl. C.J.M-Allahabad.

54. Company employee Purushottam working in Pot Room was dismissed from service of the company on 10.01.1978 for encroaching company land by making unauthorized construction. Hence company filed Complaint against him before the Court of Spl. C.J.M-Allahabad.

55. On the FIR lodged by Hindalco, a criminal case been filed against Mr. Kumar swamy & 2 ors U/Sec. 403, 406, 408, 420, 417, 120-B and 34 of IPC on the allegation that the accused persons were supplied substandard materials to Hindalco and the said consignments were lesser weight. The Ld. JMFC, Belagavi released the accused persons on conditional bail. The proceeding of the matter has been stayed by the

Hon'ble High Court, Dharwad Bench after hearing a Criminal Petition filed by the Accused persons U/Sec. 482 Cr.PC for quashing of FIR. The matter is pending for final hearing at Dharwad Bench vide CRLP No. 100641/2015. We are opposing the petition through our Advocate Pradeep Sawkar.

56. One Surendra Behera filed a complaint before Katarbaga PS on 16.01.2017 which was registered as PS case no 09/2017and subsequently GR case no 139/2017. Application U/s 482 Cr.P.C. has been filed before the Orissa High Court for quashing of FIR against Mr. Pramod Ku. Rath, Mr. Debesh Ch. Jha and Mr. Pramod Oram.

57. Mr. Ramayan Rai working in Auto Shop was superannuated from company w.e.f 31.05.1993. He had encroached company land during his service period. Meanwhile Ramayan Rai died and his family members continued to illegally occupy company land. Hence company filed Complaint against the family members of deceased employee Mr. Ramayan Rai, before the Court of Spl. C.J.M-Allahabad.

58. Company ex-employee Ram Dayal Rai working in Carbon Plant was dismissed from services on 17.5.96. After dismissal Qr. No. I- 354 allotted to Ram Dayal Rai was not vacated, hence company filed Complaint against him before the Court of Spl. C.J.M-Allahabad.

59. On 20.12.2013, respondent/complainant, Inspector, Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act has conducted an inspection and found several alleged breaches of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Thereafter, on 03.05.2014, the respondent has lodged a Criminal Complaint Case under Section 54 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 before Chief Judicial Magistrate, Singrauli alleging offence under Rules 72, 74, 54, 178, 179, 39, 36, 232, 209 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002 and punishable under Sections 47 & 48 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Petitioner filed this petition under Section 482 Cr.P.C.

60. The Petitioners (Officials of the Company) have filed the present writ petitions under Section 482 of the Cr.P.C. for quashing the summoning order of Learned Chief Judicial Magistrate, Singrauli. The facts of the case is as under :- On 23.07.2014, a worker namely Surjeet Cher, employed with Hindalco Industries Ltd. at its Captive Power Plant, while at work, fell from a staging and suffered injuries. While he was being taken to the hospital, he died. On 05.01.2015, the respondent No. 1 has lodged a criminal complaint case under Section 54 of the Building and other construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. on which the Chief Judicial Magistrate, Singrauli ordered the summoning of the accused, the officials of the Company. Hence the petition is filed under Section 482 Cr.P.C. for quashing the criminal proceedings pending before the CJM, Singrauli.

61. One Sanjib Kumar Pani filed a Cril. Misc. Case No. 516 of 2012 against HIL under Section 144 of the Code of Criminal Procedure with a prayer to restrain HIL from plying loaded vehicle on the road leading to Hirakud Power Plant. On being noticed, HIL filed its reply and the land in question has been described as kutcha road in major settlement records as well as the ROR and the said road which has been existing since long is being used by the public in general. On 20.03.2013 the Learned Sub Divisional Magistrate, Sambalpur without considering and/or appreciating the facts and averments made in the reply passed an order converting the petition under Section 144 Code of Criminal Procedure to 145 Code of Criminal Procedure and restrained HILfrom plying its vehicles over the said plot of land. HIL filed a Crr Rev. No.417 of 2013 and challenged the order before the Learned Sessions Judge, Sambalpur with a prayer to set aside the order passed by the Learned Sub Divisional Magistrate, in Criminal Misc. Case No. 516 of 2012. On 15.05.2013 the learned Sessions Judge Sambalpur not granted stay on the order of the Executive Magistrate and hence HIL filed the above W.P. Crl No.690 of 2013 before the Hon’ble Orissa High Court.

62. Dishonour of cheque amounting to Rs.7,23, 900 due to payment being stopped by the drawer filed by HIndalco against Hinduja Trading in the state of Dadar and Nagar Haveli.

63. Dishonour of cheque amounting to Rs.8 Lakh case filed by Hindalco against Khandelwal Caps and Closures Private Limited in the state of Dadar and Nagar Haveli. Pending litigation the party has paid the aforesaid amount except Rs one lakh which is still outstanding.

64. Dishonour of Cheque amounting to Rs.150,000 case filed by Hindalco against Anit Packaging in the state of Dadar and Nagar Haveli.

65. A case filed by Hindalco against Daman Foils Private Limited for Cheques amounting to Rs.50,12,621.11/- being dishonoured. A notice under section 138 of the Negotiable Instrument Act was sent to the accused, however, the accused failed to make the payments.

(c) Actions by Statutory/Regulatory Authorities involving our Promoters

As at the date of this Letter of Offer, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Promoters other than as disclosed below.

Grasim Industries Limited

1. In the year 2012, criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to a fatal accident in the factory. The matter is pending in the Magistrate Court (Rishra).

2. In the year 2012, criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to a fatal accident in the factory. The matter is pending in the in the District Court (Halol).

3. In the year 2010, criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to an Accidental death case. The matter is pending in the CJM Ujjain.

4. In the year 2010, criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Dead Body found in Viscose tank. The matter is pending in the CJM Ujjain.

5. In the year 2011, criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Body dis-balanced while working on top of fence causing fatal accident. The matter is pending in the CJM Ujjain.

6. In the year 2012, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Head injury case and burn injury to body. The matter is pending in the CJM Ujjain

7. In the year 2012, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to a Flash in electricity causing injury to two people. The matter is pending in the CJM Ujjain.

8. In the year 2012, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to a Flash in electricity causing injury to two people. The matter is pending in the CJM Ujjain.

9. In the year 2013, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Internal injuries to his back to a person. The matter is pending in the ACJM Ujjain

10. In the year 2013, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Internal injuries to his back to a person. The matter is pending in the ACJM Ujjain

11. In the year 2014, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to Head injury leading to death of a person on spot. The matter is pending in the CJM Ujjain.

12. In the year 2014, a criminal proceeding filed by Factory inspector under the Factories Act, 1948 due to injury leading to death caused while fabricating pipeline. The matter is pending in the CJM Ujjain

13. In the year 2011, a criminal proceeding filed by Factory inspector in Rehla for a fatal accident and the matter is pending in the District Court.

14. In the year 2017, a criminal proceeding filed by Factory inspector in Ganjam for a fatal accident and the matter is stayed by High Court.

15. In the year 2011, CCI has filed an appeal at Divisional Bench, against the order of Single Bench, Delhi High Court which gave partial relief to Grasim in a matter relating to investigation conducted by Director General, CCI. Matter stayed by Delhi High Court in favour of Grasim.

16. In the year 2016, CCI has directed the DG to conduct an investigation alleging that Grasim is abusing its dominant position in the market of VSF in India. The DG Office is conducting investigations

17. In the year 2010, there is one outstanding proceeding involving Grasim in relation to demand of premium on new tenure land initiated by the Collector, Bharuch. The High Court of Gujarat has granted a stay in favour of Grasim and this matter is pending adjudication. High Court has stayed the matter in favour of Grasim.

18. In the year 2012, there is one outstanding proceeding involving Grasim in relation claim of interest and damages initiated by the Provident Fund Commissioner, Hubli. The Employees' Provident Fund Appellate Tribunal has passed an order in the favour of Grasim and an appeal has been preferred by the concerned department to the High Court of Calcutta. This matter is pending adjudication.

19. In the year 2016, the Sub-Divisional Magistrate, Nagda has initiated civil proceedings involving Grasim for alleged cutting of trees. Appeal filed by Grasim in this matter is pending before the Collector, Ujjain for adjudication.

20. In the year 2017, there is one outstanding criminal proceeding involving Grasim initiated by the Mamlatdar in relation to alleged non-possession of poison license by a factory of Grasim. The matter is pending for adjudication before the Taluka Court, Vagra.

21. In the year 2016, there is one outstanding civil proceeding involving Grasim initiated by the Provident Commissioner, Kolkata in relation to imposition of penalty for late payment of provident fund contributions. Appeal filed by Grasim is pending for adjudication before the High Court of Calcutta.

22. In the year 1996, there is one outstanding civil proceeding involving Grasim initiated by the Divisional Controller, Junagadh in relation to accumulation of dirty domestic waste water. This matter is pending before the District and Session Court, Junagadh for adjudication.

23. In the year 1988, there is one civil outstanding proceeding involving Grasim initiated by the Circle Inspector, Mamlatdar Office, Talala in relation to encroachment of government land. This matter is pending before the District and Session Court for adjudication.

24. In the 2014 a civil proceeding initiated by Tehsildar against Grasim under section 248 of the Madhya Pradesh Land Revenue Code, 1959 in relation to alleged encroachment of BCI land stands dismissed in favour of Grasim. Revenue Board has heard the matter and passed an order in our favour on 21.12.2018. State has preferred an appeal before SC against the MP HC Order dated 03.04.18 - SLP. We have filed a caveat before SC and written to State's advocate to give us an advance copy. Matter is not listed yet for admission.

25. In the year 2004, there is a civil proceeding involving Grasim initiated by the Jute Commissioner, Kolkata in relation to alleged violation of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987. Appeal filed by Grasim in this matter is pending before the Supreme Court of India for adjudication. The said appeal is dismissed.

26. In the year 2017, there are two outstanding civil proceedings involving Grasim initiated by the Irrigation Department, State of Gujarat in relation to demand for water usage charges of 230 crores. The appeals filed by the State of Gujarat in these matters are pending before the High Court of Gujarat for adjudication. The matters are for similar subject matter. The matter will be taken up together at the High Court.

27. There is a civil outstanding proceeding involving Grasim initiated by the Water Resources Department, Government of Jharkhand ("**Department**") in relation to payment of arrears with respect to water charges.

Arbitral Tribunal, Ranchi passed an award in favour of Grasim. Aggrieved by this, the Department filed an appeal before the civil court which is pending for adjudication. Further, another proceeding of like nature for recovery of water usage charges initiated by the Department was dismissed in favour of Grasim.

28. In the year 2006, There is a criminal outstanding proceeding involving Grasim initiated by an inspector under the Essential Commodities Act, 1955 ("**Act**") for violations of the Fertilizer Control Order, 1985 ("**FCO**") and the Act in relation to samples of Di-Ammonium Phosphate collected at the dealer site allegedly failing to meet the standards prescribed by the FCO. The proceedings in this matter have been stayed by the High Court of Gujarat in favour of Grasim.

29. In the year 2012, there is a outstanding civil proceeding involving Grasim initiated by the State of West Bengal for alleged non-submission of return under the Contract Labour (Regulation and Abolition) Act, 1970. This matter is pending before the Magistrate's Court (West Bengal) for adjudication.

30. SC-5/95 a criminal proceeding involving Grasim initiated by Agriculture department (State of Punjab) in relation to alleged misbranding of pesticides. The matter is before Special Judge Moga.

31. In Year 2004 a criminal proceeding involving Grasim initiated inspector pesticides in relation to alleged misbranding of pesticides. The matter is pending before High Court-Chandigarh.

32. In Year 2006 a criminal proceeding involving Grasim initiated inspector pesticides (Jammu) in relation to alleged misbranding of pesticides. The matter is pending before Magistrate Courts (Jammu).

33. In the year 1997 an outstanding criminal proceeding filed by the Factory Inspector, Junagadh involving Grasim initiated by authorities in Gujarat in relation to a gaseous chorine leakage from the factory. The matter is pending before the Magistrate Court.

34. In the year 1997 an outstanding criminal proceeding filed by the Police Inspector, Veraval involving Grasim initiated by authorities in Gujarat in relation to a gaseous leakage from the factory. The matter is pending before the Magistrate Court.

35. In the year 1986, there are two civil outstanding proceedings involving Grasim initiated by the Jharkhand State Electricity Board in relation to demand of annual minimum guarantee of Rs 2.14 Crores. On 05.11.2004 the order resulted into a refund to us a sum of ₹17.80 lacs. JSEB being aggrieved by the above order moved the petition before Court. Hence one more civil proceeding pending is pending as JSEB has filed an appeal in the High Court.

36. In the year 2001, there are one civil outstanding proceedings involving Grasim initiated by the Jharkhand State Electricity Board in relation to demand Fuel Surcharge. These matters are pending before the High Court of Jharkhand for adjudication.

37. In the year 2012, there are two outstanding civil proceedings involving Grasim initiated by the State of Madhya Pradesh for levy of energy development cess. These matters are pending before the High Court of Madhya Pradesh for adjudication. These are related matters.

38. In the year 2015, there is one outstanding civil proceeding involving Grasim initiated by the State of Jharkhand for alleged violations of the Drugs and Cosmetics Act, 1940. This matter is pending before the High Court of Jharkhand for adjudication.

39. In the year 2017, there are one criminal proceedings Complaint filed by Pollution control board, Ujjain against the company and its very senior officers for alleged violation of Section 44 and 47 of the Water (Prevention And Control of Pollution) Act, 1974. The matter is pending before CJM Ujjain.

40. In the year 2015, there are one criminal proceedings Complaint filed by Pollution control board, Ujjain against the company and its officers for alleged violation of Section 37, 38, 39 and 40 of the Air (Prevention And Control of Pollution) Act, 1981. The matter is pending before CJM Ujjain.

41. In the year 2013, MPSEB (State of UP) raised a demand on account of Cess Charges on Open Access against the Chemical unit Renukoot. Grasim has filed a Writ in the High Court to challenge the said demand raised. Writ is pending in the High Court.

42. In the year 2011 a Writ Petition was filed Quashing the letter dated 13.10.2011 issued by the Jharkhand Renewable Energy Development Agency directing Grasim (Rehla) to purchase renewable energy in terms of regulation 5.2 of the Jharkhand State Electricity Regulatory Commission Ranchi (Renewable Purchaser Obligation and its compliance) Regulations, 2010) by making an obligated entity. The said Writ filed by Grasim is pending in High Court.

43. In the year 2012, a Writ filed by Grasim against the Demand of Interest on Cess amount against the State of UP. Company's Writ pending in High Court.

44. In the year 2009, Demand for cess on coal by Shaktinagar Special Area Development Authority under the Uttar Pradesh Special Area Development Authorities Act, 1986. The same was challenged by Grasim. The matter is not pending at the Supreme Court.

45. In the year 2018, a demand by the DM under section 47A of Stamp Act for deficiency of stamp duty, an order computing deficiency of ₹ 5.09 crores with penalty of Rs.1 crore taking the enhanced valuation of land and wrong calculation. Grasim filed writ in Allahabad High Court and the matter is remanded back to the lower court. Now the matter is at District Magistrate.

46. In the Year 2005, there are one criminal complaints filed by Sub Divisional Magistrate against the Indian Rayon unit, regarding violation of the CRZ boundary and noise standard norms from power plant. The matter is pending before the Sub- Divisional Magistrate.

47. In the year2017, One Criminal Complaint has been filed by the Labour Officer against the Indian Rayon unit, regarding violation Unfair Labour Practice under section 25(U) & 25(T) of ID Act 1947. The matter is pending before the Magistrate Court (Veraval).

48. In the year 2018, the Karnataka Urban Water Supply & Drainage Board has raised a demand against the Chemical unit at Karwar for the past water charges due, against which Grasim has filed a Writ Petition before the Hon'ble High Court of Karnataka.

<u>Hindalco Industries Limited</u>

1. An FIR as Kisko P.S. Case no.37/13 for the offence u/s 279,34 of IPC, sec. 3(2)(E) of the Prevention of Damages to public Property Act, 1984 & u/s 194 of M.V.Act was lodged by Dinesh Oraon, A.S.I. of Kisko P.S, stating therein that on 09.06.13, he was checking the over load vehicles at Dhurwa More and during the checking, he found that truck no.OR-09 E/5677 was plying with over load bauxite 15.484 tonnes which was excess from the permit.. Further, he has stated that due to over loading of the bauxite the public road is being damaged and the vehicles are being drove rashly with intension to damage public property. On demand driver of truck produced bauxite transport challan and from which it appeared that bauxite was loaded from Pakhar mine of Hindalco, aforesaid act is being done by the owner of the truck, driver and clerk of weighment house.

2. An FIR as Kisko P.S. Case no.35/13 for the offence u/s 279, 34 of IPC, Sec. 3(2)(E) of the Prevention of Damages to public Property Act, 1984 & u/s 194 of M.V.Act was lodged by Dinesh Oraon, A.S.I. of Kisko P.S, stating therein that on 08.06.13, he was checking the over load vehicles at Dhurwa More and during the checking, he found that truck no.OR-9E 5653 and truck no. OR-09 E/2048 were plying with over load bauxite 15180 and 16100 tonnes which was excess from the permit. Further, he has stated that due to over loading of the bauxite the public road is being damaged and the vehicles are being drove rashly with intension to damage public property. On demand drivers of truck produced bauxite transport challan and from which it appeared that bauxite was loaded from Pakhar mine of Hindalco, aforesaid act is being done by the owner of the trucks, drivers and clerk of weighment house.

3. An FIR report was filed by State of Jharkhand against the employees of Hindalco in relation to an accident of the pick up van.

4. On 08.11.2016, the Fertilizer Inspector & Technical Officer Mr. Kalidas Haridas Devkar visited the premises of M/s. Blalaji Krushi Seva Kendra, Anala Taluka Paranda and have drawn the sample of fertilizer DAP U/s.28 (b) of FCO. Thereafter as stated in the Petition Memo they follow the procedure and it was reported that the sample drawn was not as per standard and therefore they have issued Show Cause Notice dated 01.02.2017. As per Section 32 (A) (2) of FCO we have made appeal of reanalysis of referee sample to the appellate authority and accordingly the Appellate Authority i.e. Divisional Joint Director of Agriculture, Latur admitted the appeal dated 02.08.2017. As the reply was not given by HIL, the District Superintendent Agriculture officer, Osmanabad has granted consent order for lauching prosecution against defaulter on 03.08.2017.

5. On 12.04.2014 we received letter dated 28.03.2014 from the Fertiliser Inspector & Agriculture Officer, Pali that on analysis report of Birla Balwan brand DAP found to be below FCO Specifications in the sample collected from the premises of M/s. Shri Mataji Agro Agency. The said Lab Test was conducted on 14.03.2014. Pursuant to said notice HIL submitted its reply vide letter dated 12.04.2014. Thereafter re sampling was carried out but said test was also failed. Hence this proceedings has been filed.

6. Sample of our Fertiliser -DAP collected from M/s Bhawani Singh Khad Beej, Sau K Bag, Dist. Dholpur (Rajasthan) on 30.09.13. The said sample failed in Re-testing as per Failure Report dt. 18.06.2014 from Madurai Lab. CJM Dholpur sent Legal Notice to appear on 26.06.15. On 26.06.15 CJM Court, Dholpur has approved the bail for Dr. Landge. Thereafter the matter is adjourning from time to time and last listed for hearing on 02.12.2016. Next date is awaited.

7. Sample of our Fertiliser -DAP collected from M/s Mittal Khad Bhandar, Dholpur, Dist. Rajasthan was found below FCO specifications and the same was not as per Standards. Pursuant to the same we received notice from concerned Inspector vide letter dated 07.11.2013. The said notice was replied vide letter dated 21.11.2013. Testing of referee sample was done and the retesting was also failed. Thereafter summons issued by CJM Court, Bundi to appear before the Court on 26.06.2013. On 26.06.15 Dr. Landge appeared before the court and bail was granted to him. The matter is going on and adjourned to various dates. Lastly the matter was adjourned to 02.12.2016.

8. An F.I.R. was lodged by Sri Gyani Pd. Bhagat, Asst. Mining Officer, Gumla on 30.01.2000 alleging therein that on the date of occurrence the informant and the mines inspector made sudden inspection of Tutuapat and found illegal mining going on. Seeing the vehicle of the informant the persons engaged in that mining fled away. The informant party found trace marks of tyre of trucks on the place of occurrence and so presumed that the illegal mined bauxite was being despatched for the said area and on enquiry the informant come to know that illegal mining was being done at the instance of Krishna Singh &Ors. and illegal mined bauxite was dispatched to Hindalco siding at Tori Rly. station by Krishana Singh &Ors., as such company is involved in purchasing of illegal mined out bauxite for others co-accused, committed an offence under sec.379 of IPC & 21 of MMRD Act.

9. A criminal complaint case has been filed in the SDJM court on 05.10.2009 before the court of S.D.J.M., Rayagada for violation of Sec. 46 of the Building & Other Construction Workers RE & CS Act, 1996 read with Rules 237 of the Orissa Building & Other Construction Workers RE & CS Rules, 2002 vide Case No. 87/09. The basic allegation made in the petition is that UAIL as a part of Corporate Social Responsibility is executing various developmental work like construction of road, building, drainage system at various peripheral villages without intimating to the Inspector, BOCW as per the Act. The complainant Inspector, BOCW alleges that in spite of Show Cause Notice issued by the Inspector- Cum Dist. LabUAIL Officer, Rayagada, UAIL did not respond to the same and deliberately violated the provisions of law.

10. Sample of our Fertiliser -DAP collected from M/s Baswal Khad Beej Bhandar, Deladi, Tehsil, Baswa, Dist. Dausa (Rajasthan) on 10.10.12. Sample failed in N, P & Water Soluble P2O5. Re-testing of referee sample done and it also failed in particle size. Legal Notice was issued on 27.10.14 to attend the Court on 29.10.14. Dr. Landge appeared before the court and bail was granted to him. This matter is going on and adjourned to various dates.

11. Jaydev Naik and two others, claiming to be the office bearers of an association formed under the name and style of 'Displaced Persons, Land Disputed Persons And Affected Persons Welfare Association have filed an application by alleging inter alia, that UAIL in the course of its operation has caused environment pollution which has affected the residents of 24 villages in Rayagada District.

12. Asst. Mining officer, Gumla has filed certificate case in the court of certificate officer, South Chhotanagpur Anchal, Ranchi for realization of Rs.6,013,135 against cost of mineral bauxite allegedly illegally mined and dispatched from out of the lease area of Jalim & Sanai Mines.

13. Notice issued under Section 7 of P.D.R. Act. Asst. Mining officer, Lohardaga filed certificate case in the Court of Certificate Officer, South Chhotanagpur Anchal, Ranchi for realization of Rs.1,28,74,549/- towards Hindalco and Rs.67,24,400/- towards Min. & Min Ltd. against royalty due on vanadium mineral for the period 1991-92 to 2000-01.

14. Ganesh Prasad has filed a writ petition against Hindalco and others before whereby the petitioner is challenging the impugned order dated July 30, 2014, passed by the Collector rejecting the claim of the petitioner.

15. Petitioner, who was allotted the land Khasra No. 23 vide order 29.05.1989 filed the petition before the Hon'ble High Court against the respondent as not giving the compensation of the land so acquired and other benefit as provided under the Ideal Rehabilitation Scheme 2002. The Hon'ble Court directed the Collector to consider and decide the case of the petitioner in accordance with the land policy of the State Government within two months. The Collector while admitting that the land in question allotted to the petitioner which was acquired as per report of the Tehsildar and Sub Divisional Officer as inquired by him but ignoring the reports and documentary evidence under misconception rejected the claim of the petitioner.

16. An FIR has been lodged on 16th October 2013 by Central Bureau of Investigation (CBI) against Shri P. C. Parakh, the then Secretary, Ministry of Coal, Shri Kumar Mangalam Birla,Hindalco Industries Limited, and other unknown persons/officials, in relation to allocation of Talabira II & III coal block to Hindalco Industries Limited. The Hon'ble Supreme Court vide its order dated April 1, 2015 has stayed the cognizance order passed by Special CBI Court despite closure report filed by CBI. The Hon'ble Supreme Court has also stayed further proceedings in the matter.There is no change in the status of the matter

17. The petitioner is challenging the order dated 20.11.2016 of the Collector cum Land Acquisition Officer, Singrauli, whereby the representation submitted by the petitioner has been rejected for compensation amount of house of the petitioner. That, earlier the petitioner had filed a writ petition No. 18829 of 2014 disposed of the said petition with direction to decide the representation of the petitioner within a period of two months in accordance with law. Petitioner submitted representation along with certified copy of the order dated 04.12.2014 before Corrector but the Collector has rejected the said representation of the petitioner vide its impugned order dated 20.10.2016 on the apprehension that the house would have been built by the petitioner after proceedings of the Land Acquisition.

18. Rajendra Prasad has filed a complaint against Hindalco Industries Limited. Applicant is a PAP. He is working as an Operator under Hindalco Industries Ltd. He is involved in illegal activity against Company.

19. As per Clause 28 (i) (b) of FCO, 1985, the Fertilizer Inspector visited and inspected the premises of Saif Trading. Fertilizer stocked of HIL was stocked for sale. The Fertilizer inspector took sample of DAP of HIL as per procedure. The sample was sent for testing and the same was failed in Neutral Ammonium Citrate Soluble P2O5 and Water Soluble Phosphates P2O5 and the variation was too high than the permissible tolerance limit. Thereafter show cause notice was issued to HIL and other accused. No reply to the show cause notice was given. Therefore HIL has committed offence by contravening Clause 13 (2) and 19 (b) of FCO which is punishable U/s. 3 read with Section 7 (i) (a) (ii) of E. C. Act, 1955. Hence this matter.

20. On April 17, 2013, the deceased supervisor was engaged in the Coal shed to supervise the smooth functioning of coal feeding. While the deceased was on duty, a coal truck bearing no. OR-15-N 3109 carrying coal entered the plant premises. After initial weighment it went to the coal yard for unloading the material near Unit 3 & 4 Coal shed, where few trucks had already unloaded their material. While the said vehicle was unloading the material, the coal feeding into the ground hopper of unit 3 & 4 had already started with the help of bulldozer. The deceased supervisor was standing in the coal yard, few yards away from ground hopper to observe the bulldozer movement and caution the same to coal trucks to prevent any kind of collision. After unloading the coal, the said truck bearing no. OR-15-N 3109 took a turn in front of the shed to move out from the coal yard. While taking the turn, the trolley of the vehicle had probably hit the deceased as a result, the deceased fell down on the ground and sustained grave injury. The deceased was immediately taken to the Company Hospital and subsequently referred to VSS Medical College Hospital, Burla, where he was declared brought dead.

21. A FIR was lodged on 20/8/2012, U/s 430 IPC by Mr. Turanta Kumar Patel, Junior Engineer, Sambalpur Canal Division alleging breach of Hindalco Ash Pond resulting in deposition of waste product along the canal bed affecting the design parameter causing public discontentment.

22. An offence report bearing no.646459 dated 25.05.1999 has been filed by one Ram Chandra Rai, forest guard, Forest office Jalim Sub bit stating therein that while he was on patrolling in the forest area of Jalim, he saw some persons illegally mining bauxite and were loading the same in a truck bearing registration no.BR-41G-0777 and on seeing them, the labourers who were carrying on illegally mining operation were fled away and the truck was seized. The said offence report was forwarded to the Range Officer, Adar and thereafter a enquiry was made and it is found that a truck was being loaded with bauxite by some labourers (not named), who on seeing the patrolling party fled from the place of occurrence. It is further stated that the alleged illegal mining was being conducted in plot no.562. In the said report, a conclusion was drawn that M/S Hindalco was carrying on mining activities illegally in the said area and Mr. S. Aikat, Mines Manager &Ors. named persons have involved in committing the offence as alleged. On 20.02.02 filed quashing Petition No. Cr. M.P. No.252 of 2002. Heard and admitted on 29.07.02 and Court stayed the proceedings of lower Court. The Hon'ble High Court finally dismissed the petition on 20.1.2015. Now, the matter is listed for appearance of the accused person. Except Mr. Aikat & one Mr. BD Basoya , all accused are dead & Mr. Aikat is not cooperating and even not giving vakalatnama for anticipatory bail. Hence on 11.5.2016 the Lower Court issued NBW against accused persons.

23. Labour Enforcement Officer in Gujarat has filed a criminal case (warrant case) before the Magistrate for non payment of minimum wages.

24. Bajranj Lal Agarwal has filed a complaint against Hindalco Industries Limited in a land related issue. Applicant is not satisfied with awarded compensation and filed the case before Land Acquisition Officer reg. reference. Land Acquisition Officer has referred the case to District Court under Section 18 of Land Acquisition Act.

25. Nand Lal has filed a complaint against Hindalco Industries Limited in a land related issue in the state of New Delhi as the applicant was not satisfied with the purchase of private land and filed a case before ADJ for setting a side the registry process is pending.

26. Manmohan Singh has filed a complaint against Hindalco Industries Limited in a land related issue. Applicant is a displaced person and wants R&R Benefit.

27. Matter is related to R&R Benefits. The petitioner is challenging the impugned order dated 24.07.2014, 21.08.2012 and 27.05.2011 passed by the respondent No. 2 and 3 rejecting the claim of the petitioner for grant of Rehabilitation and Resettlement Policy, 2002 and its amendment dated 18.02.2009.

28. Being aggrieved by the award dated 05.08.2015, passed by the Additional District Judge, Deosar, in Misc. Civil Case No. 16/2015, arising out of reference order dated 16.10.2012, the appellant filed the present appeal. Appellant was owner of the land bearing Khasra No. 264 having area 0.37 Hec. at village Barokhar, Tehsil Deosar, District Singrauli.

29. Kemla Prasad filed a case against Hindalco and others for demand of compensation and employment in relation to a land related issue in Odisha.

30. Raju Bhartiya filed a case for against Hindalco and others for demand of employment in relation to a land related issue in Odisha.

31. Devendra Pathak filed a miscellaneous application against Hindalco and others demanding compensation regarding pipe line in Odisha.

32. One Bhaiya Lal Bais S/o Sri Tulsi Ram Bais R/o Vill Ghinhagaon, Tehsil Deosar, District Singrauli has filed the petition against the order dated 14.03.2012 passed by the Collector, Singrauli dismissing the claim of the petitioner for the grant of compensation for the ownership of alleged land situated in Vill. Majhigawan, where our R&R colony is situated.

33. On 30.03.2011, The Gujarat Green Cess Act, 2011 was published in the Gujarat Government Gazette Extraordinary. The introduction to the Act provides as under: the ACT to provide for levy of cess on generation of electricity other than renewable energy for creation of a fund for protecting environment and promoting the generation of electricity through renewable sources in the State of Gujarat and for the matters connected therewith and incidental thereto. On 28.07.2011, The State Government published the Gujarat Green Cess Rules, 2011 in the Gujarat Government Gazette. Rule 3 of the Rules pertains to manner, rate and payment of tax and sub-rule (1) provides as under: (2) There shall be levied and collected a cess on generation of electricity at the rate of two paisa per unit of the electricity generated except on generation of renewable energy by the generating company at the generating station or at the captive generating plant or the stand by generating plant. We, purportedly fall within the purview of the Gujarat Green Cess Act, 2011 ("the Act'') and the Gujarat Green Cess Rules, 2011 (the "Rules") and is prejudicially affected by the provisions of the Act and the Rules. On 09.09.2011, The Collector of Green Cess & Chief Electrical Inspector, published notices/advertisements in newspapers to the effect, inter alia, that all generating companies in the State are liable to pay Green Cess @ 2 paise per unit of electrical energy generated with effect from 1st August 2011 and that such green cess is payable for each calendar month by the 10th day of the next month. On 01.11.2011, The Collector of Green Cess & Chief Electrical Inspector, issued show cause notice to us alongwith other industries, inter alia directing to make payments of green cess at the @ 2 paise per unit of electricity generated, by the 10th day of next month for which it is due. The Collector of Green Cess & Chief Electrical Inspector also inter alia stated that the rate of interest on delayed payment of green cess shall be at the rate of 18% per annum. The said action of State Government was challenged by way of writ petition being Special Civil Application No.6630 of 2012 before the Hon'ble High Court of Gujarat by us alongwith other several industries separately. The Hon'ble Court was please to disposed of all the petitions with further direction that the cess already paid by the petitioners would be refunded after verifying that the burden thereof has not already been passed on the ultimate consumers. For the purpose of considering refund of cess already paid by the petitioners after verifying the question of unjust enrichment, the Collector of Electricity Duty and the Chief Electrical Inspector would be competent authority to take a decision as provided above. He shall also grant refunds as found due and payable. This shall be done preferably within four months from the date of receipt of copy of the said order dated 21/22 January, 2013 with simple interest @8% after three months of the collection till the actual payment. It was further clarified that any further action taken for collection of cess under the Act would be invalid. The said Judgment dated 21/22 January, 2013 was challenged by State Government before the Apex Court by way of Special Leave Petition No. 18512 now numbered as Civil Appeal No.5154 of 2013.

34. Santosh Kumar Saket has filed a complaint in Permanent Lok Adalat against Hindalco Industries Limited. Applicant is a non PAP and wants employment on mercy ground.

35. Kailsah Panika has filed a complaint against Hindalco Industries Limited in a land related issue. Applicant wants compensation & employment in the state of Odisha.

36. Ramrati has filed a complaint against Hindalco Industries Limited in a land related issue. Applicant demands employment and R&R benefits in the state of Odisha.

37. The application was by Manbodh Biswal under Section 18 read with Sections 14 and 15 of the National Green Tribunal Act, 2010 alleging the violation of the conditions of Environment Clearance (EC) granted to Talabira Coal mines and also challenged the transfer of the EC in favour of GMR and for damages caused to environment etc.

38. A writ petition under sec 226/227 challenging the transfer of forest land to Aditya Aluminium without following the proper procedure for Environmental clearance of the land in question. The petitioner is the Sarpanch of Rengali Gram Panchayat in the District of Sambalpur, Orissa. A counter affidavit has been filed by Moef stating that environmental clearance has been accorded to Aditya Aluminium through proper procedure. Thereafter, the matter has not been listed.

39. A writ petition under sec 226/227 has been filed for the purpose of issuance of a writ cancelling the lease of the Government Lands which have been sanctioned in the favour of Forest and Environment Department, Government of Orissa for undertaking compensatory afforestation in lieu of the land provided to Aditya Aluminium. The petitioner is the Sarpanch of Rengali Gram Panchayat in the District of Sambalpur, Orissa.

40. SDM, Dudhi issued notice U/S 133 Cr.P.C to Hindalco on 7.12.2001 alleging Company has blocked public canal by constructing boundary wall & same to be removed by the Company. Company has filed its objection on 15.3.2002

41. Praying the Hon'ble Court to direct respondents 2 & 3 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees' Pension Scheme, 1995 to provisionally quantify the pensionary contribution in the Employees' Pension Scheme accounts on the basis of their actual pay exceeding the ceiling limit in order to revise the pension pay to the petitioners. The matter is pending for hearing.

42. The case has been filed by challenging the Order passed by the Ld. Collector, Rayagada (O.P. No. 3) for rejecting the representation filed by the Petitioners to declare the villagers of Dwimundi as Displaced Persons and to provide alternative housing accommodation

43. A case has been filed before the National Green Tribunalby alleging that UAIL is doing illegal mining activities in Baphilimali Mines without forest clearance.

44. The petition has been filed by State Load Dispatch Centre (SLDC) for devising a mechanism for recovery of compensatory charges from entity (ies) who are deviation to schedule and for whom a generating station of any entity is scheduled by SLDC to ensure over drawal/under drawal at regional periphery as stipulated by the Central Commission. The Central Commission through notification dated 5.03.2012 has decided, the deviation limit (150 MW or 12% of schedule, whichever is lesser) when frequency is lower than 49.80 Hz. Pursuant to the grid disturbance in July, 2012, the Central Commission has narrowed down the limits for deviation and the frequency band was narrowed (49.80 Hz to 50.10 Hz) through notification of Deviation Settlement Mechanism Regulation 2014 effective from 17.02.2014. On repeated violation of specified limits, RLDC issues notice to SLDC and takes up the matter with the Central Commission. The Central Commission can take action under Section 142 of the Act for contravention of the limits of over- drawal/under drawal or under-injection/over-injection as specified in the regulations. The said deviation limits are at Regional Periphery i.e. interconnection point between CTU Network and STU Network. Accordingly, the deviation limits is inclusive of all the intra-state transactions. The regional entities are required to change their deviation position from schedule in the 13th time block (after every 3 hours), meaning thereby that if the entity is overdrawing for 12 consecutive time blocks then it will have to under draw in the 13th time block or vice versa. Moreover, Deviation Settlement Mechanism charges are to be paid by regional entities i.e. for under injection and over drawl up to frequency 50.05 Hz and for under drawl and over injection at frequency above 50.10 Hz. Under these circumstances, SLDC is required to maintain the drawl of electricity within stipulated limits at regional periphery. Because of this additional burden was imposed on SLDC, GUVNL/Discoms this petition is preferred for seeking directions for compensating the intra-state grid entities for extra cost in implementing directions of SLDC.

45. A FIR was lodged on 11/6/2015 U/s 143,147,341,294,506,324, 149,120(B) IPC by Mr. Mukesh Nag, R/o. Christianpada, Ps- Hirakud alleging that on the instruction of FRP officials, few residents of the locality has tried to breach peace by disrupting their agitation against the management resulting in damage of properties and injury to few local residents.

46. Hindalco has challenged: 1. The validity of the Demand Notices issued by the General Manager, Northern Coalfields Limited vide Notices No NCL:SGR:Sales:SR:02; 260 & 261 both dated 1.3.2002, Notice No JRD/AFM/Supply.bill/Transp.Fee/2001-02/962 dated 23/27.3.2002, Notice No JRD/AFM/Supply.bill/Transp.Fee/2002-03/218 dated 19/22.06.2002, Notice No JRD/AFM/Supply.bill/Transp.Fee/2001-02/219 Dated 19.06.2002, Notice No Coal/credit/Transit Fee/RSTPP/2002-2003 dated 10.06.2002, Notice No Coal/credit/Transit Fee/RSTPP/2002-2003 dated 10.06.2002, Notice No Coal/credit/Transit Fee/RPD/2002-2003 dated 10.07.2002, demanding a sum total of Rs 30313772.26 towards transit fee (at the rate of Rs 7 per tonne of coal extracted from coalmines together with sale tax @ 4% thereon) on coal supplied to Renusagar Power Division of Hindalco Industries Ltd., the petitioner No.1 herein (hereinafter referred to as "Hindalco") from its Projects namely Jhingurda Project (Rs 28584076.00 vide Bill Nos JRD/AFM/Supply.bill/Transp.Fee/2001-02/962 dated 23/27.3.2002, JRD/AFM/Supply.bill/Transp.Fee/2002-03/218 dated 19/22.06.2002, and No JRD/AFM/Supply.bill/Transp.Fee/2001-02/219 dated 19.06.2002,) during the period 1.6.2001 to May,2002 and Amlohri Project (Rs 17,29.696.26 vide Bill Nos Coal/credit/Transit Fee/RSTPP/2002-2003 dated 10.06.2002, Coal/credit/Transit Fee/RSTPP/2002-2003 dated 10.06.2002, and No. Coal/credit/Transit Fee/RPD/2002-2003 dated 10.07.2002) during the period 1.10.2001 to 30.06.2002. The aforesaid impugned Demand Notices alleged to have been issued by Northern Coalfields Ltd. on the basis of directions issued by State of Madhya Pradesh, purportedly under the provisions of the Madhya Pradesh Transit (Forest Produce) Rules, 2000. The said demand is, inter alia, illegal, arbitrary and without jurisdiction inasmuch as the entire field regarding minerals is fully occupied by the provisions of Mines and Minerals (Development & Regulation) Act, 1957 (hereinafter called "MMDR Act") and the Rules made there under, as amended upto date. 2. The validity, constitutionality and vires of (a) the order No F-5/9/10-3/2001 dated 28.5.2001 issued by the respondents No 2 and 3 to the Chief Conservator of Forests, Madhya Pradesh, Bhopal, (b) Notification dated 28.5.2001 issued by the State Government fixing rate of transit fee on coal and (c) letter No 327/Sidhi dated 2.2.2002 of the respondent No. 5, as illegal, arbitrary, and without jurisdiction. 3. Without prejudice to the above and in the alternative, the Company has also challenged the validity, constitutionality and vires of the Madhya Pradesh Transit (Forest Produce) Rules, 2000, inasmuch as they seek to levy a transit fee on coal, which is a mineral and not a forest produce, @ Rs 7 per tonne of the minerals mined and transported, inter alia on the ground that the levy is without jurisdiction, unconstitutional and ultra vires in view of the provisions of the Mines and Minerals (Development & Regulation) Act, 1957 and the Rules made thereunder and also the provisions of the Forest (Conservation) Act, 1980. Without prejudice to the above and in the alternative, the Company has further challenged the validity, constitutionality and virus of section 2 (4) (b) (iv) and section 41 of the Indian Forest Act, 1927. The Hon'ble Jabalpur HC vide its judgment & order dated 14.5.07 quashed the notification and directed that the amount so collected be refunded in a phased manner within a period of five years from the date of the judgment. The State of M.P. filed an SLP before the Hon'ble Supreme Court against the order of the Jabalpur High Court and the Hon'ble Supreme Court vide its order-dated 4.4.2008 has stayed the order. The Counter affidavit in the matter has been filed on 29th September 2009. Rejoinder has also been filed by the State. Last listed for hearing on 29.10.2013 before the Hon'ble Supreme Court of India along with a similar matter of Kanhaiya Singh (SLP(C) No. 11367 of 2007) and now being listed along with State of Uttaranchal & Others Vs. M/s Kumaon Stone Owners (SLP (c) No. 19445 of 2004).

47. A writ petition has been filed by Lal Ji Vais against Hindalco and others in the state of Madhya Pradesh challenging the order impugned dated August 4, 2014 passed by the collector rejecting the claim of the petitioner.

48. In exercise of powers conferred by Section 8-A of the National Highways Act, 1956, the respondent No. 1 issued a notification dated 30.12.2014, whereby respondent No. 5, Vindhyachal Expressway Pvt. Ltd. was authorized to levy and collect fees on mechanical vehicles for the use of Rewa/MP-UP boarder National Highway No. 07. In the said notification, it was specifically postulated that the drivers

or owners or a person in-charge of a mechanical vehicle which is loaded in excess of permissible load shall be liable to pay fee for entering overloaded vehicle on the National Highway. The respondent No. 5 is collecting ten times of the fee on overloaded vehicles but is not ensuring removal of excess load from the vehicle. The respondent No. 5 is thus permitting plying of overloaded vehicle on Rewa/MP-UP boarder National Highway No. 07, in utter violation of terms and conditions of notification dated 30.12.2014.

49. Mr. Jago Majhi and Mr. Salem Majhi have filed Petition challenging acquisition of their land by the Govt. which is completely illegal being violative of the mandatory provisions of the Orissa Scheduled Areas Transfer of Immovable Property (By Scheduled Tribes) Amendment Regulation 2000 and seeking for a direction for the OPs to restore the case lands to the petitioners in its original form and pay the compensation for illegally damaging the crops raised thereon.

50. Mr. Gopal Naik and 186 others have filed a writ petition challenging that the acquisition of their land under Land Acquisition Act is completely illegal and it violates the provisions of Odisha Schedule Area Transfer of Immovable Property (By Scheduled Tribes) Amendment Regulation- 2000 and Articles 14,21,38,39 and 46 of the Constitution of India. They have prayed the Court to direct the Ops to restore the lands of the Petitioners or to provide appropriate rehabilitation package and suitable housing accommodation as “displaced persons”.

51. Mr. Kasti Dambo and 4 others have filed a Writ petition before the Odisha High court challenging the action of the opposite parties in not taking into consideration of the grievances of the Petitioners for providing employment and adequate compensation for the Gharabari and Ghara Kisam of land and to provide employment and other benefits as per the Rehabilitation package as enunciated by the State Govt. of Odisha.

52. The Hon’ble Supreme Court of India vide its judgment dt. 31 January 2014 in W.P. civil No. 79 of 2005 in the matter of Occupational Health and Safety Association Vs. Union of India and Ors directed to comply with the safety standards and the rules and regulations relating to the health of the employees working in various CFTPPs throughout the Country. The Hon'ble Apex Court directed all the High Courts to examine whether there is adequate and effective health delivery system is in place and whether there is any evaluation of occupational health status of workers. Further the Court directed to check whether any effective medical treatment is meted out to the workers working in CFTPPs Coal Fired Thermal Power Plants. In compliance to the judgment of the Hon'ble Supreme Court the Hon'ble Orissa High Court initiated a suo motto PIL, W.P. c PIL No. 3028 of 2014 and issued notice to State of Orissa and 59 Companies CPP/PPP operating in the state of Orissa to appear and file their reply.

53. The Petitioners have alleged that the Company is forcefully blasting over their ancestral plot land without acquiring the said land and paying compensation as per Land Acquisition Act as well as R & R Packages whereas they are in possession of the said land for the last five generations. The case land has already been transferred to Utkal Alumina for its Mining Project in the year 2000. The Petitioners are forcefully entered and constructed temporary huts over our leasehold land claiming that they have the right & title over the said land.

54. The Surface Right has been granted by the Collectors of Rayagada and Kalahandi districts over the Baphalimali Bauxite Mines leasehold land infavour of Utkal Alumina with certain terms & conditions. The Environment Clearance has been granted infavour of Utkal Alumina on conditions. There was no Palli Sabha was conducted in any village for obtaining Environmental clearance. There is a violation of the right to live in a pollution free environment and to live with dignity.

55. On the requisition filed by the OMCL, the Govt. of Odisha granted Mining lease and leased out to OMCL for 30 years wef 17.02.1998. Subsequently, the said lease area has been transferred to Utkal Alumina covering 895.92 Ha. from Rayagada district and 492.82 Ha. from Kalahandi district. Both the district Collectors have granted Surface Right for the Mining leasehold land. Basing on the documents filed by Utkal, the MOEF granted Environmental Clearance for the Mining Project on the observation that “no forest land is involved”. In the year 2015, it is came to know that Mining lease area covers some forest land which is not permissible under Law. Hence the Petitioners prayed to revoke the Environmental clearance granted in favour of Utkal Alumina.

56. In this petition, petitioners are challenging the legality, validity and correctness of the FIR dated 09.11.2018 registered as case crime No. 125 of 2018 under Sections 147, 341, 504, 506 IPC and 7 Criminal Law (Amendment) Act, 1932, PS Anpara, District Sonebhadra. The said FIR has been lodged by Akas Khatri, Senior Officer of Hindalco Industries Ltd. and stated that from 01.11.2018 from 6 am some undesirable elements likewise Kuldip Pal, Munna Kumar, Hira Lal, Chandagi Yadav, Sanjay Pathak, Vishnudev Gupta, Ram Pravesh, Arun Mistry, Kripa Shankar Yadav, Raj Nath and Srimati Kusum Kali and 50-60 others in illegal and unauthorized way staging agitation/Dharna Pradarshan at the Gate No. 02 of the Factory by taking law in their hands stopping other labours of the company from attending duty by threatening and abusing them. Further subsequently taking shelter of their family members including children and women these undesirable elements on 03.11.2018 raises slogans during march procession in the colony premises taking flags and dandas in their hands. In this regard, Civil Judge, Junior Division, Dudhi, Sonebhadra vide order dated 02.11.2018 has prohibited entry of Kuldip Pal son of Chandrika Pal, Munna Kumar son of Ramnewal, Hira Lal son of Chandrika Prasad, Chandagi Yadav son of Hare Ram Yadav, and Kusum Kali wife of Uday Nath in the Plant premises and also barred from staging Dharna Pradarshan within 100 mtrs of Factory and also barred from interference in smooth running at Varanasi-Shakti Nagar Marg by which applicants coal transportation by Trucks and Dumfers through coal gate took place.

57. Railway made a demand of extra freight and instead of charging freight from Meralgram siding to Renukoot they proposed to charge from SAIL siding situated at Bhavnathpur siding to Renukoot thus a distance of around extra distance of 35 kms was proposed.

58. Company was allotted 5.19 acres of plot at Meralgram railway sidings. However the plot rent/license fee fixed was arbitrarily high and not based on the market value. The company has challenged the unreasonable rent/license fee before the Railways Rates Tribunal which by order dated 11.08.2005 directed the railway to fix the license fee reasonably. Against the said order railways have preferred the said Writ.

59. The matter has been filed challenging the notice issued by the Opposite Parties as the OPs vide their notice stated that the Judgment of Supreme Court in SLP @ 3302/2015 shall be restricted to the subscribers from the non-exempted establishments only and that the subscribers from the exempted establishments are not intended to be covered by the order of the Supreme Court as Hindalco is an exempted establishment as they have their own provident fund trust hence the same is not applicable to the Petitioners.

60. A Writ Petition has been filed challenging the award passed by the Labour Court, Ernakulam that the three Petitioners represented by the Union are not entitled to any benefit

61. Provident Fund Pensioners Association filed a writ petition for enhancing pension under the Employees' Pension Scheme 1995 in the Employees Provident Fund & Miscellaneous Provisions Act 1952. Union of India is the first respondent and the fifth respondent is Hindalco Industries Ltd. Sixth respondent is Hindalco Industries Limited Provident Fund - II c/o Hindalco Industries, Kolkata.

62. Three recognized unions of Hindalco Industries filed a writ petition for enhancing pension under the Employees' Pension Scheme 1995 in the Employees Provident Fund & Miscellaneous Provisions Act 1952. Union of India is the first respondent and the fifth respondent is Hindalco Industries Ltd. Sixth respondent is Hindalco Industries Limited Provident Fund - II c/o Hindalco Industries, Kolkata.

63. A writ petition has been filed for engagement/ permanent employment in the state of Odisha as he is not entitlement for employment due to re-marriage of his mother.

64. Appellant (Spl. Officer, Lohardaga Municipality) has filed this Appeal against the judgment dt. 08.04.05 passed by the Sub-judge-2,Lohardaga, whereby and where under court (Sub-judge-2,Lohardaga) has been passed order i.e. the Suit is decreed in favour of the Plaintiff(Hindalco) & order dt. 24.04.1998 passed by the defendant No. 2 (Spl. Officer, Lohardaga Municipality) enhancing the annual valuation regarding holding tax, lighting tax, latrine tax and water tax in respect of building situated in the suit premises(Hindalco Complex, Lhd.) is illegal and ultravires& it is not enforceable.

The defendant (Lhd. Municipality) is to be also restrained from demanding the enhance tax on the basis of the order dt.24.04.1998 passed by the Spl. Officer, Lohardaga Municipality.

65. Appellant (NCMI) has filed this appeal against the judgment dt.22nd December,2005 passed in Title Suit No. 27 of 1988 by Sub-Judge VI, Ranchi, whereby and where under court(Sub-judge VI, Ranchi) has been pleased to dismiss the suit filed by plaintiff(NCMI). Claiming title over original leases granted by the Ex. Maharaja Chhotanagpur between the periods 1914 to 1948.

66. The respondent No. 4 applied for acquisition of land Khasra No. 306 under the Land Acquisition Act, 1894. It included 0.90 Hec. of land belonging to the petitioner. An award of ₹ 44283/- was passed in favour of the petitioner. He was not yet received the amount of award. After receiving the notice under Section 12(2) of the Land Acquisition Act, 1894, he submitted an application under Section 18 of LA Act for referring the matter for adjudication to District Court. By the impugned order, the application was rejected. Petitioner is challenging the order of Collector dated 15.12.2012.

67. Tahasildar Rengali has demanded royalty for unauthorised excavation of 9,00,000 cum of earth (Minor Mineral)s during the construction of the project.

68. Tahasildar Rengali has demanded royalty for unauthorised excavation of 15,00,000 of earth (Minor Minerals) during the construction of the project.

69. Tahasildar Rengali has demanded royalty for unauthorised excavation of 10,00,000 cum earth (Minor Minerals) during construction of the project.

70. Writ Petition has been filed For quashing the order dt.06.10.12 passed in Permission case no.16/10-11 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.22.01.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

71. For quashing the demand raised by Asst. Mining officer, Lohardaga as contained in memo nos.448/M dated 02.09.05,22/M dated 06.01.06 and 594/M dated 08.06.06, whereby surface rent has been demanded from the petitioner (M & M Ltd.) in terms of the Resolution dated 17.06.05,AND for issuance of further writ(S) / order (S) / direction (S) to refund the amount of Rs.74,508/- which the concerned respondent has received from the petitioner pursuant to the demand as contained in memo no. 448/M dated 02.09.05 and 22/M dated 06.01.06,AND for issuance of further writ (S) / order (S) / direction (S) not to take any coercive steps against the petitioner in respect of demand dated 08.06.06 as contained in memo no. 594/M.

72. Mr. Kandarp Raj Sidar and Mr. Gopi Chand Sidar filed the present Writ Petition alleging therein that they have been deprived of suitable and proper compensation and other benefits provided in the Rehabilitation Policy of 2007 in respect of their land leased out to the Respondent No. 5 and 6 (i.e. M/s Hindalco and m/s Jaiswal Neco, the prior allotee respectively) for mining operation and further prayed for the recalculation of the amount of compensation for the land

73. Proceedings U/s 4 of Indian Forest Act, initiated by the forest department in respect of certain land over which opposite parties are claiming their possession, whereas Hindalco claims the title on the basis of the sale-deed dated 29.1.85 executed by the Govt. of U.P Rajpati has already accepted Hindalco's title over the land in question and an application to this effect has already been filed in the court. Evidence of other parties has been concluded. Matter is now fixed final argument. At present matter is pending before F.S.O-Dudhi-Court for disposal.

74. This suit has been filed by the State of U.P through collector U/s 33/39 of L.R Act, for rectification of records in respect of land under Khatauni Khata No. 34 in Village Tharpather relating to Plot No. 286, 214 M, 300, 285, 245, 282, 283, 284, 281, 248, 249, 250M, 301, total 13 plots. That forest dept. had filed case no. 16/86 against Hindalco before F.S.O. alleging company has encroached forest land also, but F.S.O vide his order dated 21.2.87, found the company to be in possession of 1093.35 Acres land as transferred by Forest Land. That on aforesaid order Hindalco moved application before Tehsildar for entry of its name over the plots. Tehsildar- Dudhi vide his order dated 8.9.88 allowed the same. But the name of the company was not mutated and name of the State continued over the Plots. That during

Survey Operation company came to know that its name has not been entered, and applied to the survey officer for entry, who directed to approach Tehsildar since the Survey Operation has been concluded. Hindalco again moved application before the Tehsildar, who on the basis of order dated 8.9.88 passed by erstwhile Tehsildar, passed order dated 7.9.95 for entry of company name over the plots, accordingly name of Hindalco was mutated over these plots on 19.09.95. The State of U.P filed this Case U/s33/39 of U.P. Land Revenue Act alleging that on 19.09.95 without any order of competent court the land in question has been recorded in favour of Hindalco in revenue record after deleting the name of State. S.D.M-Dudhi vide his order dated 19.02.2004 instructed Tehsildar-Dudhi to make inquiry and report thereof. Hindalco filed its Written Replies on 22.01.2004 & 31.07.2007 inter alia stating that the issue has been finally settled by the High Court on the basis of Compromise entered between Hindalco & Forest Department. Tehsildar-Dudhi without considering objection of the company and without hearing Forest Department forwarded his report to S.D.M-Dudhi on 16.12.2010 against the contentions of the company and send back the case file to S.D.M Court for final disposal. On the application of Company S.D.M made Forest Department party to the suit. Forest Department filed its reply admitting contentions made by the Company. In the absence of Govt. Counsel on 20.07.2017 Court dismissed the Case. Govt. counsel has filed application for restoration of the case. At present matter is pending before S.D.M-Court for disposal.

75. The petitioners alleged to be belongs to schedule caste and have been thrown away form the land in question without providing them compensation by Mahan Pariyojna and sought relief that the record of the case of the petitioners may be called and the respondents may be directed to call the record the benefit of compensation and other benefits may be given.

76. Food Safety Officer-Dudhi, Sonbhadra filed this complaint on 27.01.2014 against the Manager of Hindalco Employees Consumer Co-Operative society shop. F.S.O has alleged that during inspection of the shop on 26.03.2013, he found adulterated Haldi (Sabut) is being sold. He took sample and for analysis send to Food Analyst-Varansi, who submitted his report dated 07.05.2013 declaring that Sample contains Lead Chromate which is injurious to health, so sample is unsafe One sample was also sent to Referral Food Laboratory at Kolkata, which vide its report dated 12.08.2013 gave opinion that the sample does not conform to the standard laid down under FSS Act as it contains Insect Damaged Matter higher than the prescribed limit, hence sample is unsafe. However there is contradiction in both the analyst reports. In the Report dated 07.05.2013 it has been shown that Insect damage in the sample is Nil & Test for Lead Chromate is shown as positive, whereas in the report dated 12.08.2013 it has been shown that Insect damage in the sample is 4.8% & Test for Lead Chromate is shown as negative. However there is difference of 3 months in both analyses. Accused was got bailed out on 02.09.2014 with two sureties for ₹20,000/- each.

77. This complaint has been filed by Food Inspector against officials of Hindalco Co-Operative Society Shop, for selling adulterated Besan, thus alleging violation of Section 7/16 of Prevention of Food Adulteration Act. Both the employees have been got bailed out on 27.08.2013. However there is technical lacuna from the prosecution side, the sample for analysis was not given to the accused person for independent analysis from the approved central laboratory.

78. Shri Radhey Shyam Painter fell down from the height of 20' on 27.3.1978 and died Factory Inspector after investigation launched the prosecution Judicial Magistrate Dudhi decided the matter in favour of accused and released them against this order Present appeal is preferred by State.

79. The Hon’ble Supreme Court in the State of West Bengal vs. Kesoram Industries Limited and Ors. 2004(1) SCALE 425 Constitution Bench has discussed the inter play of entries of List I and II of Schedule 7 of the Constitution in the light of the declaration contained in Section 2 of MMDR Act. The said judgment has unsettled various grounds, which were available to the benefit of the industry in as much as it has inter alia held that the power of regulation and control is separate and distinct from the power of taxation, and so are the two fields for purposes of legislation. A State legislation which makes provisions for levying a cess/fee/tax to augment the revenue resources of the State but without any intention of regulating and controlling the subject of the levy cannot be said to have encroached upon the field of regulation and control belonging to the Central Government. State of Orissa enacted ORISED Act by following the dictum of Kesoram Case. The State of Orissa imposed Rural Infrastructure and Socio Economic Development tax by enacting The Orissa Rural Infrastructure and

Socio Economic Development Act, 2005 (ORISED Act) on mineral and coal bearing lands. By the aforesaid Act, the State Government seeks to levy a rural infrastructure and social development tax purportedly on mineral and coal bearing land by reference to the annual value of the minerals produced and sold. The Constitutional Validity of the Act read with the Orissa Rural Infrastructure and Social Economic Development Rules, 2005 (ORISED Act and Rules) and the Notification dated 25.05.05-purportedly issued Under Section 3(2) of ORISED Act was challenged by filing of Writ Petition No. 8228/2005 before the Hon'ble Orissa High Court at Cuttack as being opposed to the Article 14, 19 and 21 of the Constitution of India and beyond the competence of the State Legislature.

80. A FIR was lodged in a fatal accident which occurred on 29/01/2013, to a contract worker Late Manoranjan Behera while he was fixing a bus bar. The post mortem report reveals death due to electrocution.

81. Mr.Laxman Majhi and Mr. Maheswar Hikaka have filed a petition before the District Consumer Disputes Redessal Forum, Rayagada u/s 12 of the Consumer Protection Act, 1986 seeking for a direction for the OPs to purchase the land @ 8 lacs per Acre., Identity Card to each Displaced Person, employment to PAPs and payment of land compensation in 6 times more than the present market value.

82. On 26th January15 at around 9.30 a.m., Alok Bhattacharya, a supervisor employed under M/s Focus Enterprises, was hit from behind by a fork lift while he was walking on the road near the Green Anode Plant Substation. The fork lift was being operated by Pramod Sahu, a contract employee of M/s Siddhi Engineering Corporation, to shift the reject paste from the Green Anode Plant to the Carbon Recycling Shop. Alok Bhattacharya sustained head injuries and was declared dead when he was taken to the VSS Medical College, Burla. The fork lift operator absconded after the accident.

83. The Director General notified by Notification No D-22011/46/2008 dated 27/01/2009 that the Specific Safeguard Duty on imports of Aluminium Products would be 21% ad voleram duty on all Aluminium Flat Rolled Products and at 35% on all goods falling under the headings of Aluminium Foils. The Aluminium Association of India and Hindalco has made a representation to the Director General for imposition of the duty.

84. The Petitioner has filed the Writ by alleging that he has not paid the balance land acquisition amount by the Authority. Whereas the Petitioner has already received all his award land amount from the Collector and delivered his land without any objection in the year 1995.

85. The Asst. Director of Factories & Boilers filed the complaint case against Mr. Rakesh Gupta and Mr. Askaran Agarwal alleging violation of section 7A 2 c of the Factories Act, 1948 and Rule 62 B of Orissa Factories Rule, 1950 resulting in a fatal accident of a contract labour employed by Ms. Thyssen Krupp, Pune for the Fabrication and erection of the Boiler of Unit 5.

86. A FIR was lodged on 24/8/2014, U/s 283, 341 IPC & 177,199 MV Act by Mr. Niranjan Pradhan, the then ASI of Police, Hirakud Police Station alleging that the illegal parking of the coal loaded trucks of Hindalco on the public road and on NH has led to great inconvenience for vehicular traffic and also the movement of general public.

87. On 18th June 2011at around 12.50 p.m., Ms. Surata Haripal, W/o. Sri Kalia Haripal, R/o. Tarasinghpara, P.S. - Hirakud, along with two other women entered unauthorizedly into the 235 KA expansion project area for search of scrap materials. All the three women went to the bottom of the pit which was excavated for laying the civil foundation of a structure and dug the wall of excavated area with the help of hand tools scraper by making under cut for search of scrap. Suddenly a portion of the wall of the excavated area collapsed. The victim was trapped under the earth and the two others managed to escape without injury and shouted for help. On hearing loud noise, the security personnel deployed in the area rushed to the spot and rescued the victim. The victim was unconscious and immediately rushed to the Hirakud Hospital and later referred to Burla, where the doctor declared her dead on arrival.

88. Pitabasa Tulo has filed a writ petition to restore the Bhoodan Land of Dwimundi village which has been acquired by the government of Odisha for UAIL in the year 1994.

89. K.S. Radhu has filed a miscellaneous appeal petition relating to Pension Scheme was sound up following a conciliation settlement after getting approval from Income Tax and LIC in the state of Kerala.

90. The FAFO is filed against the judgment dated 24.10.2018, passed by Shri Sarju Ram Employee's Compensation Commissioner and Deputy Labour Commissioner, Mirzapur Region, Papri, Sonebhadra in W.C. Case No. 54/2016 between Sri Kameshwar Singh Vs. M/s. Deepak & Company and others directing the appellant to pay Rs.1,98,904/- as penalty under Section 4A of the Act of 1923 without assessing any reason. Appellant is partly challenging the judgement and order whereby Learned Commissioner passed an order that Appellant and Respondent No. 2, M/s. Deepak & Company each shall be liable to pay penalty of Rs.1,98,904/- and insurance company shall be liable to pay compensation amounting to Rs.7,95,614/- and interest @ 12% to the date of payment.

91. HIL was consuming electricity as per the contract demand under the agreements executed with the KSEB. Due to steep increase in the tariff made the company totally uneconomic and impossible to carry on the smelting operation. The company had made various representations with respect to the reduction of contract demand. The State Government vide order dated 24/4/2003 granted relief to the HIL for a sum of ₹ 1 crore per month for a period of 3 months starting from January 2003. KSERC by an order dated 30.04.2004 has declared that the order dated 24.04.2003 is void without hearing the company and even the company was not arrayed as a party and the order dated 30/4/2003 was passed in gross violation of principles of natural justice, since HIL was not granted any opportunity of being heard. Even, the company was not aware of the said order and the Petitioner became aware of the aforesaid order when it received the demand letter dated 5.02.2008. The Board issued demand letter on 5/2/2008 to the HIL for the following:- (i) Demand charges for the period 1st August, 2003 to 3rd October, 2003 on the basis of the former contract demand before reduction along with interest up to 31st January, 2008 for an amount of Rs.1,94,23,718/-. (ii) An amount of Rs.6,48,30,037/- on account of the Government order dated 24th April, 2003 being declared null and void by the Regulatory Commission order dated 11th May, 2004 along with interest up to 31st January, 2008. (iii) A demand of Rs.6,90,88,806/- being arrears of current charges for the period February, 1998 to July, 1998 pursuant to an order passed by the Board rejecting the claim of the Petitioner for the facility of clubbing for the period August, 1986 and from February to July, 1988. (iv) A demand of Rs.16,42,386/- on account of short remittance for the aforesaid period. A common order passed in the three writ petitions filed by the company on 31/3/2014, whereby the High Court granted partial reliefs but did not grant relief with regards to demand of Rs.1,94,23,718 and claim for refund of ₹ 3.00 crore, which is challenged by way of filing SLP. Interim stay granted subject to deposit of Rs.2.00 crs, which has been complied with. The Supreme Court vide its Order dated 9.11.16 has further transferred this case to APTEL and the same is pending final hearing.

92. UAIL has filed an Appeal petition before the Appellate Tribunal for Electricity, New Delhi against the order passed by the Odisha Electricity Regulatory Commission (OERC), Bhubaneswar dated 30.07.2016 passed in Case No 36 of 2015 filed by UAIL seeking clarification of it being an obligated entity whereby the OERC has disposed of the said case by holding that the Appellant UAIL is an obligated entity and has to comply with the renewable purchase obligations mandated under the RCPO Regulations, 2010 subject to final outcome on the issue by the Hon'ble High Court and Hon'ble Supreme Court of India in the above appeals.

93. Against the order dt.16.10.01 of Certificate Officer, Ranchi in Certificate Case no.01 (RL)/01-02 whereby and where under the certificate officer has been pleased to reject the objection filed by the Appellant. Certificate proceeding was initiated as against the Appellant for payment of Royalty on vanadium mineral (₹ 5,89,671.80 for the period 1991-92 to 1999-2000).

94. District Mining Officer, Gumla raised the demand of Rs.36,88,30,685/- on the basis of Common cause judgment on Gurdari (1568.70 acres) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

95. Pursuant to charter of demand dated 01.02.2000 of the R2 Rajya General Kamdar Mandal Union, the conciliation proceedings being Conciliation Case No.7 of 2010 were initiated before the Assistant

Commissioner of Labour, Bharuch under the provisions of ID Act, 1947. HIL has participated in the conciliation proceedings and it had filed replies dated 24.02.2010, 10.03,2010 and 05.05.2010 before the Conciliation Officer. In the afore said replies, HIL had categorically stated that the petitioner company had entered into 4 years agreement/settlement in the year 2008 with its workmen, which has been implemented and is in operation till 2012; that the R2 union is not connected with the Birla Copper Unit of HIL nor does it represent the workmen of HIL. That the said union had no locus standi for raising any industrial dispute relating to Birla Copper Unit of HIL or its workmen. The Conciliation Officer had thereafter submitted a failure report dated 17.05.2010 with regard to conciliation case No.7 of 2010 to the R1. The R1 then considering the facts and circumstances of the case had passed the order dated 18.09.2010 refusing to refer the industrial dispute regarding aforesaid demands of union. Union being aggrieved by and dissatisfied with the said order had approached Hon'ble High Court of Gujarat by way of SCA No.5764 of 2011. The HC without issuing the notice to respondents had passed the order dated 02.05.2011 directing the appropriate Government to re-consider its decision in the said order dated 18.09.2010. Thereafter on the basis of aforesaid order of HC dated 02.05.2011, the Commissioner of Labour, after considering the representation of the Union, had reconsidered its decision in order dated 18.09.2010 without hearing HIL and had passed the order of reference dated 14.07.2011. By way of this writ petition HIL has challenged the said order dated 14.07.2011 on various grounds mentioned in the petition.

96. The HIL has furnished PBG for Kathautia Coal Mines for ₹ 267,88,80,000/-as per Coal Mining Development and Production Agreement (CMPDA) to the Nominated Authority, Ministry of Coal, Govt. of India (N.A.) . However, N.A. vide notice dated 25.4.2018 has illegally and unjustly appropriated 20% of the said amount of ₹ 535776000/- in the pretext about the shortfall in the performance parameters and it was also directed to top up the said PBG under the threat of termination of CMPDA.

97. Company received notice from DC and DFO Palamau alleging therein that as the Kathautia coal mine lease area consist of 344.16 acres Jungle Jhadi Land and hence mining operations should be stopped forthwith and can only be resumed after obtaining the prior permission of Central Government under Section 2 of FC Act. Company has challenged the said notices by filing writ petition.

98. The appellant set up a mega Greenfield copper smelting and refining unit, viz. Birla Copper at Dahej in Bharuch district. At the said unit, the appellant uses a process whereby waste heat recovery' is undertaken. The appellant also uses the technology of co-generation at the said unit, wherein copper concentrate is put in smelters, and then mixed with chemicals to create an exothermic reaction, because of which, heat is generated, which heat is passed through heat exchanger for cooling down the heat, whereby steam is generated. Such steam is used by the appellant for the process in its unit and also to generate electricity through turbines. The appellant, as a vital step towards making its aforesaid unit self sufficient in its energy requirements and for uninterrupted supply of power, has installed a Captive Power Plant (the "CPP") at the said unit. The said CPP came up during the time when the State of Gujarat was facing severe electricity shortage and unreliable electricity supply to the industries. As a result, to overcome the shortage and unreliable power supply crisis, the State of Gujarat decided to promote CPPs and also encouraged co-generation. Indo Gulf Corporation Limited, which was subsequently merged into the appellant, availed electricity duty exemption till 21.3.2012 under Section 3(2)(vii)(a)(1) of the Bombay Electric Duty Act, 1958, for a period of 15 years, on account of cogeneration, with effect from 11.11.1998. The respondent issued the Gujarat Electricity Regulatory Commission (Power Procurement from Renewable Sources), 2005 (hereinafter referred to as the2005 Regulations). The said 2005 Regulations imposed minimum power purchase obligation on Distribution Licensees to purchase a defined minimum quantum of its total consumption of electricity during a year from renewable sources. Challenging the same various applications/litigations were filed by various affected parties. On 17.4.2010 The respondent passed and order, setting aside all the contentions raised by the various CPPs, and on the same date notified the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 (hereinafter referred to as the 2010 Regulations) The 2010 Regulations qua the CPPs were not implemented in view of clause 1(iv) of the 2010 Regulations, which provides that Clause 8 of the 2010 Regulations dealing with the imposition of Renewal Purchase Obligation (the "RPO") upon the CPPs, would come into force from a date separately notified by the respondent. 16.7.2010. The respondent passed an order, being Order No.7 of 2010 and a notification, being Notification No.4 of 2010, thereby designating the Gujarat

Energy Development Agency (the "GEDA") as the State Agency for the purpose of the 2010 Regulations. 14.12.2010. Being aggrieved by order dated 17.4.2010 passed by the respondent and the 2010 Regulations, the appellant filed a writ petition before this Hon'ble Court, being Special Civil Application No.171 of 2011. On or around 4.7.2013 The Special Civil Application No.171 of 2011 and other cognate matters were heard by the Learned Single Judge of this Hon'ble Court, and thereafter reserved for pronouncement of final judgment. 12.3.2015 The Learned Single Judge of this Hon'ble Court, on the basis on the Ambuja Cements judgment, passed a common CAV judgment and order, thereby dismissing the said Special Civil Application No.171 of 2011. The Learned Single Judge further granted status quo as on 12.3.2015 qua the Gujarat Electricity Regulatory Commission (Procurement of Power from Renewable Sources) Regulations, 2010 (hereinafter referred to as the 2010 Regulations) till 23.4.2015, after considering the overall facts and circumstances of the case. By the said impugned common CAV judgment and order dated 12.3.2015, the Learned Single Judge, inter alia, also rejected the aforesaid Civil Application No.9031 of 2011 filed by the Indian Wind Energy Association and Civil Application No. 11848 of 2011 filed by the respondent. Hence, the present appeal.

99. Assistant Mining Officer, Lohardaga raised the demand of Rs.103,00,80,703/- on the basis of Common cause judgment on Bhusar (209.47 acres) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

100. District Mining Officer, Gumla raised the demand of Rs.12,07,55,570/- on the basis of Common cause judgment on Shrendag (995 acres) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

101. District Mining Officer, Gumla raised the demand of Rs.7,01,05,041/- on the basis of Common cause judgment on Jalim Sanai (95 acres) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

102. District Mining Officer, Gumla raised the demand of Rs.97,85,066/- on the basis of Common cause judgment on Amti Pani (471.84 acres) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

103. District Mining Officer, Lohardaga raised the demand of Rs 4,80,73,000/- on the basis of Common cause judgment on Pakhar (121 ha) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

104. District Mining Officer, Lohardaga raised the demand of Rs 10,27,04,852/- on the basis of Common cause judgment on Hisri-old (13.38 ha) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

105. District Mining Officer, Lohardaga raised the demand of Rs 2,83,82,326/- on the basis of Common cause judgment on Pakhar (34.15 ha) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

106. District Mining Officer, Lohardaga raised the demand of Rs 10,82,99,865/- on the basis of Common cause judgment on Pakhar (87.13 ha) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

107. District Mining Officer, Lohardaga raised the demand of Rs 25,05,01,919/- on the basis of Common cause judgment on Pakhar (115.13 ha) bauxite mine. The company has challenged the said demand by filing writ petition and Hon'ble High Court of Jharkhand has granted the stay on demand.

108. The present petition is being filed by the Petitioner seeking, inter alia, an order of declaration declaring notice dated 25/26.04.2018. Purportedly issued by the Respondent No.2 (impugned notice) inter-alia, whereby an amount of Rs.73,70,80,000/-(Seventy three crores seventy laces and eight thousand only) has been illegally and unjustly appropriated from the performance Bank Guarantee dated 18.03.2015(as extended from time to time with the latest PBG being dated 17.03.2218) entrusted by the Petitioner to the Respondent No.2 and the Petitioner has been directed to top up the PBG within 15 business days of

the receipt of the impugned notice under threat of termination of the Coal Mine Development & the Production Agreement between the petitioner and Respondent no. 2. The petitioner is also seeking orders directing Respondent No. 2 to refund the appropriated amount along with interest as on date, as well as compensation for the losses caused to the petitioner on account of the acts of omission and commission of all the Respondents. On the direction of order of the Hon'ble Delhi High Court which granted stay on 2.5.2018, the matter is filed before the Tribunal. Stay in operation.

109. The petition is filed by HIL seeking an order of declaration declaring notice dated 25.04.2018 is arbitrary and liable to be quashed. Purportedly issued by the Respondent No.2 (impugned notice), whereby the Petitioner was called upon to pay an amount of Rs.63.68,80,000/-(Sixty three crores Sixty Eight lakhs and Eighty thousand only) i.e. an amount equivalent to 20%of the Performance Bank guarantee of the Petitioner illegally and without Basis. After release of the Performance Bank Guarantee by the Respondent No.2 on 19.02.2017. On the direction of order of the Hon'ble Delhi High Court which granted stay on 2.5.2018. The matter is filed before the Tribunal. Stay in operation.

110. Hindalco filed appeal challenging the order passed by the Dy. Labour Commissioner, Belagavi in the case filed by the Union in DLCB/SO/CR-01/2018. In the said case the Dy. Labour Commissioner allowed the amendment to the retirement clause of the certified standing order by enhancing the superannuation/retirement age from 58 to 60 years in respect workmen employed by Hindalco

111. By Order dated 31.12.2013, MP Electricity Regulatory Commission (MPERC) in suo motu petition no. 73/2012 fixed Rs.20/- per KVA per Month charges on Parallel Operation Charges on CPP connected with Grid (m after deducting load pertaining to auxiliary consumption). Accordingly Bill demanding Grid support/Parallel Operation Charges issued by MP Power Transmission Company Limited (MPPTCL) for the month of January 2013 to February'2013 for ₹ 68,62,520/- and for the month of March 2013 for ₹ 34,31,260/- to our Mahan Aluminium Project . The bill was not received at our end but the record of the MPPTCL showed that they have posted it. Looking to the contingency and the issuance of the demand notices, the Appeal under Section 41 of the MP Viduy Sudah Adhiniyam, 2000 along with the application for the condonation of delay. The appeal was preferred before the Hon'ble MP High Court at Jabalpur to challenge the impugned order dated 31.12.2012 passed by MPERC imposing Parallel Operation Charges and consequent Demand Order Bill dated 25.03.2013 and 08.04.2013 inter alia on the ground that MPERC order is illegal and beyond the jurisdiction. The Hon'ble High Court passed interim order for the payment of 50% of the demand and stayed the further demands The matter came up for final hearing and the Single Judge Hon'ble Mr. Justice Sanjay Yadav, of the MP High Court at Jabalpur heard the matter again on 09.05.2016 only on maintainability and vide order dated 23.05.2016 ruled that since the constitutional validity of a Regulation is not questioned, it is only the order passed by the State Commission which is being challenged, the remedy, in the considered opinion of this Court, lies under Section 111 of 2013 Act and upheld the objection to the maintainability of the appeal under Section 41 of the Adhiniyam, 2000 and consequently the appeals are disposed of finally with liberty to avail efficacious statutory remedy of appeal under Section 111 of 2003 Act. The appellant has filed the instant appeal on 11.07.2016 before the APTEL, New Delhi under sub-Section (1) & (2) of Section 111 of the Electricity Act, 2003 along with an application for condonation of delay and stay of the impugned order and consequent demands.

112. The Petitioner is challenging the Order dated 15/09/2017 of the Collector, Singrauli passed under the provisions clause 21.2 of Madhya Pradesh Ki Adarsh Purnawas Neeti 2002, whereby the Collector has held that the private respondent No. 3 namely Sh. Girija Prasad is a land oustee and has directed the petitioner to pay compensation to the respondent.

113. The Petitioner is challenging the Order dated 23/10/2017 of the Collector, Singrauli passed under the provisions clause 21.2 of Madhya Pradesh Ki Adarsh Purnawas Neeti 2002, whereby the Collector has held that the private respondent No. 3 namely Ms. Sukhwanti is a land oustee and has directed the petitioner to pay compensation to the respondent.

114. DMO Office demanded Development Cess and Environment Cess to be paid in addition to Royalty after implementation of Online Payment System from July'17 Onwards for GP IV/4 Mines. Royalty for coal is being paid as per the Gazette notification from Ministry of Coal, New Delhi dated 10th May 2012 (copy enclosed as annexure I). The Notification mentions that the royalty rate on coal shall be @

Rs.14% ad-valorem on price of coal, as reflected in invoice, excluding taxes, levies and other charge. The Clause A (4) reads as under “For the states other than West Bengal, for the levy of cess or other taxes specific to coal bearing lands, the royalty allowed shall be adjusted for the local cesses or such taxes, so as to limit the overall revenue yield. (IV/4)”. HIL has challenged the said Demand by way of the present Writ petition. Interim relief in favour of HIL on 13/10/2017.

115.DMO Office demanded Development Cess and Environment Cess to be paid in addition to Royalty after implementation of Online Payment System from July'17 Onwards for GP IV/5 Mines . Royalty for coal is being paid as per the Gazette notification from Ministry of Coal, New Delhi dated 10th May 2012. The Notification mentions that the royalty rate on coal shall be @ ₹14% ad-valorem on price of coal, as reflected in invoice, excluding taxes, levies and other charge. The Clause A (4) reads as under “For the states other than West Bengal, for the levy of cess or other taxes specific to coal bearing lands, the royalty allowed shall be adjusted for the local cesses or such taxes, so as to limit the overall revenue yield. (IV/5)”. HIL has challenged the said Demand by way of the present Writ petition. Interim relief in favour of HIL on 13/10/2017.

116. The Petitioner is challenging the Order dated 15/09/2017 of the Collector, Singrauli passed under the provisions clause 21.2 of Madhya Pradesh Ki Adarsh Purnawas Neeti 2002, whereby the Collector has held that the private respondent No. 3 namely Sh. Uma Shankar is a land oustee and has directed the petitioner to pay compensation to the respondent.

117. The Petitioner is challenging the Order dated 15/09/2017 of the Collector, Singrauli passed under the provisions clause 21.2 of Madhya Pradesh Ki Adarsh Purnawas Neeti 2002, whereby the Collector has held that the private respondent No. 3 namely Sh. Ganga Prasad is a land oustee and has directed the petitioner to pay compensation to the respondent.

118. That, on 27.03.2015 the petitioner company was served with a notice by the O.P. vide No. OR/44000012610000606/REV-I-748 dt 27.03.2015 claiming an amount of Rs 1,35,272/- Rupees one lakh thirty five thousand two hundred seventy two purportedly towards balance contribution payable for the period from 01/2010 to 10/2014. Without giving any opportunity of being heard, the O.P. issued recovery certificate vide letter No. OR/44000012610000606/REV-I-854 dt 21.04.2015 for realization of an amount of Rs 1,35,272/-,

119. Supritending Engineer cum Electrical Inspector, Sambalpur had filed a certificate against HIL for Rs. 27,47,73,802/- on account of electricity dues before the collector U/s 4 of the Orissa Public Demands Recovery Act,1962. We have filed our objection cum reply denying the liability on the ground that our application for considering the exemption on electricity duty is pending before the Empower Committee.

120. Pradumn Saket son of Lolar Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon’ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon’ble Single Judge sought some documents to substantiate our writ. The same has been filed.

121. Ram Prasad son of Buddhu Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon’ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon’ble Single Judge sought some documents to substantiate our writ. The same has been filed.

122. Ram Barib son of Kanti Saket of Vill. Ghinha Gaon has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

123. Budhram Panika son of Nanhu Panika of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

124. Sundarman Jaiswal son of Ram Baran Jaiswal of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

125. Ram Niwas Jaiswal son of Ram Badan Jaiswal of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

126. M/s. Ram Kewal and 14 Others of Vill. Majhigawan have filed an application for the payment of compensation and other benefits to them as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in their favour rejecting similar prayers of other persons. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

127. The petition has been filed by Hindalco Industries Limited challenging the impugned order of Collector, Singrauli dated 04.08.2014 in which the Collector proceeded on erroneous finding that in the award dated 05.06.2009 the respondents No.3 to 5 to be owners of land which is residential modifying the award to that extent and also declaring the respondents No. 3 to 5 as eligible for rehabilitation as per the provisions of Madhya Pradesh Ki AdarshPunarwasNeeti 2002.

128. Hindalco challenged 73 assessment orders of Cess Assessment Officer involving an amount of Rs.1.15 crore inter alia on the ground that the assessment officer failed to make assessment keeping in mind the exceptions provisions laid down in section 3 of Building and Other Construction Workers Cess act. 1996. The payment has been deposited under protest. Pending for hearing

129. Hindalco challenged 48 assessment orders of Cess Assessment Officer involving an amount of Rs.1.17 crore inter alia on the ground that the assessment officer failed to make assessment keeping in mind the exceptions provisions laid down in section 3 of Building and Other Construction Workers Cess act. 1996. The payment has been deposited under protest. Pending for hearing.

130. Santosh Kumar Saket son of late Moti Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

131. Ram Subhag son of Buddhu Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

132. Hari Prasad Saket son of Lolar Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

133. Sudama Prasad Saket son of Lolar Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

134. Dadau Saket son of Lolar Saket of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for

hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

135. The respondent no. 3, Shanti Sahu made an application on 26.9.2013 before the Collector stating that the land owned by her had been acquired for which she has received compensation from HIL but she was not provided the job in spite of the fact that she approached to HIL. On the application of the Respondent no. 3, the Collector passed the impugned order. Our Company has challenged the order dated 24.06.2014 of the Collector cum Land Acquisition Officer, Singrauli who without giving adequate opportunity to HIL to file its reply and without closing its right to file reply the impugned order has been passed which violate the principal of natural justice.

136. The respondent no. 3 Subhagiya made an application on 26.9.2013 before the Collector stating that the land owned by her had been acquired for which she has received compensation from HIL but she was not provided the job in spite of the fact that she approached to HIL. On the application of the Respondent no. 3, the Collector passed the impugned order. Our Company has challenged the order dated 4.8.2014 of the Collector cum Land Acquisition Officer, Singrauli who without giving adequate opportunity to HIL to file its reply and without closing its right to file reply the impugned order has been passed which violate the principal of natural justice.

137. The petitioners (Hindalco Industries Limited) are challenging the order dated 04.08.2014 of the Collector cum Land Acquisition Officer Singrauli changing the nature of the acquired tenement of the respondents No. 3 to 10 from non-residential to residential and consequently declaring the respondents No. 3 to 10 qualified for the rehabilitation scheme. The said tenement of the respondent No. 3 to 10 was acquired by award dated 20.05.2009 by treating it to be a non-residential property. The respondent No. 2 Collector is modifying the award after 5 years, which course of action is not permissible under section 13-A of the Land Acquisition Act, 1894 and the impugned order is without jurisdiction.

138. The petitioners (Hindalco Industries Limited) are challenging the order dated 06.08.2014 of the Collector cum Land Acquisition Officer Singrauli changing the nature of the acquired tenement of the respondents No. 3 to 7 from non-residential to residential and consequently declaring the respondents No. 3 to 7 qualified for the rehabilitation scheme. The said tenement of the respondent No. 3 to 7 was acquired by award dated 20.05.2009 by treating it to be a non-residential property. The respondent No. 2 Collector is modifying the award after 5 years, which course of action is not permissible under section 13A of the Land Acquisition Act 1894 and the impugned order is without jurisdiction.

139. The petitioners (Hindalco Industries Limited) challenged the order dated 25.06.2014 of the Collector cum Land Acquisition Officer, Singrauli holding that the residential house situated on Khasra No 609 Village Barenia was in the ownership of the respondents No. 3 to 7 and therefore the respondents No. 3 to 7 are entitled for benefit under the rehabilitation policy. The award was passed on 20.05.2009 and the petitioners have satisfied the award fully and granted all benefits to the respondent No.8.who as per the award was owner of land. The tenement was marked as non-residential. The respondent No. 2 Collector has modifying the award after 5 years by in as much as declaring ownership which course of action is not permissible under section 13A of the Land Acquisition Act 1894 and the impugned order is without jurisdiction.

140. The petition has been filed by Hindalco Industries Limited challenging the order of Collector, Singrauli dated 06.08.2014 in which the respondent No.2 Collector has most erroneously held that 0.66 acres out of the total acquired area of 1.71 hectares was in the ownership of the respondent's No. 3 and therefore he is paid compensation. Thus by the impugned order, the respondent No.2 has corrected the award itself and changed the nature of the ownership of the land as against what was held in the award itself. It was also prayed that such a modification/correction of an award after 5 years of passing of the award on 20.05.2009 is beyond the competence of the Collector and is illegal in view of the provisions of Section 13-A of the land Acquisition Act 1894.

141. The petitioner is challenging the order dated 03.07.2016 of the Collector cum Land Acquisition Officer, Singrauli declaring the respondents No. 3 to 8, as having a residential tenement even though the award has recorded a finding that the tin shed was non-residential. The respondent No. 2 Collector

has held in the impugned order that the error committed at the time of the award needs to be corrected and benefits granted to the respondents No. 3 to 8. The respondent No. 2 Collector is modifying the award after 7 years, which course of action is not permissible under Section 13-A of the Land Acquisition Act, 1894 and the impugned order is without jurisdiction.

142. That by way of this application the Petitioner prays for an appropriate order tagging / referring /transferring the present Writ Petition along with W P (C) No 7286 of 2017 and WP (C) no 7318 to 7327 of 2017, referred by this Hon'ble Court to the Hon'ble Chief Justice vide order dated 21.02.2018 in the said matter and in the meantime directing stay of proceeding before the Committee constituted by Director of Mines, Jharkhand vide Memo no - 107/M Ranchi dated 11.01.2018.

143. The present Writ Petition is preferred by the Petitioners for issuance of a suitable writ, order or a direction by this Hon'ble Court against the notification being G.S.R. 837 (E) dated 31.08.2016 issued by the Respondent No. 1 ("Impugned Notification") whereby Rule 3 of the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 ("DMF Rules") notified vide the Notification dated 20.10.2015 have been amended. It is submitted that the effect of the Impugned Notification is that the DMF Rules have been made applicable with retrospective effect when in fact there is no provision in the Mines & Minerals (Development and Regulation) Act, 1957 ("MMDR Act") which gives power to the Respondents to make such Rules with retrospective effect. Impugned DMF Notices as well as the action of the Respondents for enforcing a demand in relation to DMF w.e.f. 12.01.2015 is arbitrary, unreasonable and de hors the MMDR Act. It is submitted that Section 9B of the MMDR Act merely mandates that a State Government shall by notification establish a trust to be called District Mineral Foundation, without fixing the time and manner in which contribution is to be paid to such District Mineral Foundation. Therefore, the MMDR Act does not confer power to legislate or levy retrospectively. Thus, the Impugned DMF Notices, which seek contribution towards DMF retrospectively w.e.f. 12.01.2015 is bad in law. It is therefore submitted that the Impugned DMF Notices are violative of Article 14 and 19(1)(g) of the Constitution of India, 1951 (Constitution of India) and ought to be set aside. On 8th March, 2017 the Court declined to grant interim relief, as prayed for by HIL. HIL has filed Special Leave Petition against the impugned order passed by the Court.

144. HIL filed Writ pursuant to the order of SC seeking permission for lifting of mined bauxite from Kasarsada mine and also challenged the order of Govt. of Maharashtra rejecting application for lifting of mined bauxite.

145. An order was passed by Tahasildar, Rengali for alleged extraction of 400,000/- cum of earth without issuing any show cause notice. Proceeding under the Orissa Public Demand Recovery Act, 1962 raising a demand of Rs.14,508,000/- by way of an incomplete certificate of public demand seeking to recover the alleged dues . Warrant of attachment dated 18.08.2014 seeking to attach the account of the Petitioner vide Certificate Case No.22/2013-14 raising a demand of Rs.14,508,000/- was also issued. The Hon'ble High Court granted interim stay of the show cause notice and further proceedings of the recovery proceeding, in favour of HIL vide order dated 29/9/014.

146. Company challenged the applicability of ESI Act to Aditya Aluminium project from 1999 to 2002 before the Dist Court Cum ESI Court Bhubaneswar. On 10 March 2014 the ESI Court dismissed our ESI Misc. Case No. 338 of 2004.Company challenged the above matter before the Orissa High Court and obtained stay on the operation of the order of ESI Court.

147. The Department Of Water Resources, Government of Odisha, acting on the basis of the State Cabinet's approval, passed a Resolution dated 18th May'15 whereby it mandated realization of a one time contribution from Industries who have been allocated water in excess of one cusec @ Rs.2.5 Crore for every cusec of water allocated to them. Such contribution is intended to create a corpus for a Water Conservation Fund to be utilized for implementing different water conservation projects with the objective of mitigating water scarcity during the non - monsoon lean period demand for irrigation and other uses. In terms of the said resolution, Aditya has received demands dated 15th July'15 2015 for contribution of Rs.138 Crores on the basis of allocation of 50 Cusecs. Company challenged the demand before Odisha High Court.

148. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the month of March, 2016, an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose.HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction.

149. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the month of February, 2016 an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose. HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction.

150. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the months of April to June 2015, an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose.HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction.

151. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the months November 2014 to March 2015, an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose. HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction. The penal demand charges at 2 x Rs. 250/- Rs.500/KVA have already been billed in the monthly bills for exceeding the contract demand beyond the permissible limit and the same has been paid by the Unit.

152. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the months May and June 2014, an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose. HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction.

153. Aditya Aluminium has a power supply agreement with WESCO for drawal of operational power with contract demand of 55,556 KVA (50 MW). Aditya Aluminium has been categorized as a Extra High Tension Consumer (drawing supply at voltage exceeding 33,000 volts) belonging to the classification of a Power Intensive Industry. For the months March and April 2014, an assessment under section 126 of the Electricity Act can be can be carried out only by such officer of the State Government or Board or Licensee who is designated as an 'assessing officer' by the State Government for the said purpose.

HIL has received final assessment order under Section 126(3) of the Electricity Act 2003 for alleged unauthorised use of electricity and consequential disconnection notice. Company challenged the above assessment on the ground that it was done without jurisdiction. The penal demand charges @ 2 x Rs. 250/- Rs.500/KVA have already been billed in the monthly bills for exceeding the contract demand beyond the permissible limit and the same has been paid by the Unit.

154. Hindalco has filed a petition in the Karnataka High Court challenging the demand notices and GO dated 20/7/2011 issued by the water board on various grounds including that (i) G.O dated 20/7/2011 and Demand Notice /bill issued on the basis of revised rates, does not have the sanction of law and is contrary to the agreement executed with the Authorities. (ii) The demand was with retrospective effect and without authority of law. (iii) No opportunity of personal hearing was granted in spite of our request which is against principles of natural justice. HIL received Demand Notice dated 15.10.2014 for first time after the GO 20/7/2011 enhancing water charges. The Hon'ble High Court after hearing the parties has passed an order dated 22/4/2015 staying the demands and operation of the GO dated 20/7/2011 subject to deposit of 25% demanded amount, which has been complied with.

155. Some local people manhandled Mr. Kamlesh Kumar Singh, at Mining Area.

156. Hindalco had challenged levy of transportation Fee by Zila Panchayat Sonbhadra on the trucks transporting minerals (coal) from the mines situated in the Rural Arreas of District Sonbhadra. The writ petition filed by Hindalco (WP (tax) No. 587 of 2003) was dismissed on 25.05.2012. Aggrived Hindalco preferred SLP against the order before Hon'ble Supreme Court, which is pending. Meanwhile HIL has been served with show cause notice dated 30/4/2016 issued by the Zila Panchayat demanding an amount of Rs.54.44 crores. HIL vide its letter dated 13/5/2016 replied in detail and informed to the authority that HIL is not liable to pay any amount of transport fee and in view of the findings of the Hon'ble High Court, the same is to be paid by the transporter. Since HIL has not received any communication from the Authority. HIL vide its letter dated 9/1/2017 requested the Authority to provide the details based on which the demand has been raised and also requested to grant an opportunity of personal hearing. HIL further requested not to take any coercive action without supplying the basis data/ details and without affording an opportunity of being heard. Company received the response with reference to letter dt. 9.1.2017 to appear in jila panchyat office on 20/5 2017, since matter could not be resolved on 20/5/17. next date of hearing fixed on 14/6/17. Meanwhile jila panchyat had started recovery proceeding with respect to the demand through district authorities and initiated coercive measure by attachment of our one bank account on 8th june 2017. Aggrieved Hindalco challenges the demands well as the attachment order before Hon'ble High court (Alld.) by filing WP No. 26964 of 2017. Hon'ble High Court vide its interim order dated 14/6/2017 stayed the attachment order and directed that no further coercive measure may be taken with regard to any recovery relating to demand dated 30.4.2016 raised by the Zila Panchyat.

157. As per Rule 4 of the U.P. Employees' Insurance Courts Rules, 1952, State Govt. may constitute any presiding officer of Civil Court as Court under E.S.I Act, Accordingly Court of Civil Judge (Sr. Division)-Mirzapur has been notified as Employees Insurance Court for the Renukoot Region. Dy. Director, ESI, Kanpur vide order dated 12.08.2005, confirmed a demand of Rs. 20,51,235/- lacs on account of payments made for Hindalco Diary, Vishram Griha (Allahabad) and Building Construction Department vide order dated 12.8.2005. Company challenged said demand by filing Misc. Case No. 1328/2005 under Section 76 & 77 of E.S.I. Act, 1948, before the ESI Court at Mirzapur after depositing 50% of the demand amount amounting Rs.10,25,618/- through Bank Draft in compliance to Section 75(2-B) Meanwhile the Recovery Officer has also issued Recovery Notice dated 26.9.2005 (received on 8.10.05) for recovery of said amount along with interest of Rs. 22.92 lacs. Court vide order dated 19.10.2005 granted interim injunction against recovery order by holding that since Claim has been raised for the period 1990 & 1992 which has been claimed after more than 5 years, and which as per section 77(b) no claim shall be made by the Corporation after five years of the period to which the claim relates. Company filed this application for quashing the demand notice dated 12.08.2005.

158. The Responded No. 3 &4 where the workmen engaged by responded no. 5 & 6, the registered contractors. After they left employment, they filled complaints before RPFC, Varanasi, for non

payment of PF. the RPFC passed an order dated 13.04.2011 in favor of respondent no. 3 & 4 against which company filled the writ to stay the operation of order dated 13.04.2011.

159. A case has been filed against Renuka Investment & Finance Ltd. under section 47A of Stamp Act before Collector Sonbhadra by Sub-Registrar Duddhi alleging that the deficient stamp duty has been paid on the conveyance. It appears that the said show-cause notice was issued on the basis of audit observations stating that the stamp duty of conveyance date has been paid on the rate applicable for agricultural land whereas it should have been paid as per rate applicable for industrial land. 1. The Collector confirmed the demand of Rs.3,66,390/- including penalty. The demand was confirmed ignoring the factual and legal aspects including limitation period. 2. An appeal was filed before the Commissioner by depositing one third of the demand notice. However, the Commissioner rejected the appeal by order dt.07.11.2011. Against the said dismissal of appeal a writ petition was filed before the Hon'ble Allahabad High Court in February,2011 inter alia on the grounds that: i) That the demand is barred by the law of limitation since the date of audit inquiry or report could not be taken as the date for recovery. ii) That the land in question was always recorded in the Revenue Records as agricultural bhumidhari land which fact has been denied. The observation for the order that the land was purchased for industrial purpose and that the petitioner has some how got information about the audit objection and hence did not do anything on the said land are conjunctures and it could not be made basis for rejecting the appeal. iii) That the land continued to be recorded as agricultural land even before the date of sale of land in question and till date no declaration has been made by the Assistant Collector under section 143 of the UPZA & LR Act for converting it into the Abadi and industrial land. The order of Collector conforming the demand does not record any findings as of the status and valuation of the land as on the date of transfer. iv) That the fact whether the said agricultural properties was fit to be cultivable or not would not make the said property as residential and industrial property. v) That the writ petition was admitted and order of Commissioner rejecting the appeal was stayed subject to deposit of 50% of the demand amount. Since 33% of the amount was already deposited, remaining amount was deposited bringing total amount of Rs.1,83,195/-.

160. One Surendra Behera filed a complaint before Katarbaga PS on 16.01.2017 which was registered as PS case no 09/2017and subsequently GR case no 139/2017. Application U/s 482 Cr.P.C. has been filed before the Orissa High Court for quashing of FIR against Mr. Pramod Ku. Rath, Mr. Debesh Ch. Jha and Mr. Pramod Oram.

161. Rajan son of Ram Sundar Chamar of Vill. Majhigawan has filed an application for the payment of compensation and other benefits to him as displaced person from our Mahan Project. The Application was made before the Collector, Singrauli. As the matter was related to Vill. Majhigawan and land was directly taken from the State Govt. HIL denied the same. However, Collector, Singrauli granted compensation in his favour rejecting the prayer. Company has filed a review application before the Collector, Singrauli, which was also rejected. Against the said order of separate rejection, Company preferred a Writ Petition before the Hon'ble High Court of MP at Jabalpur. The matter came up for hearing on 17.12.2011 and the Hon'ble Single Judge sought some documents to substantiate our writ. The same has been filed.

162. Tax imposed by State of Chattissgarh towards Adhosanranchana Vikas Evem Upkar Adhiniyam 2005 @ 5% as environment Tax on Royalty plus 5% as development Tax on Royalty.

163. Demand of forest Transit Fee on Transportation of Bauxite under CG Transit (Forest Produce) Rules 2001.Several demand letters were issued to HIL by the forest authorities stating the details of Bauxite Transported by HIL from its mining area for the period from 01.11.2012 to 31.12.2014.@ of Rs. 7/- Per ton.

164. State Government of Jharkhand under the purported exercise of the Power under MM (DR) Act changed the rate and mode of calculation of surface rent for the area used by the lessee for the mining purpose through memo No. 1055 dated 17.6.2006 by resolving that the calculation of surface rent would be for the entire land under the lease for mining purpose at commercial value and 5% of the valuation so arrived will be charged as surface rent. HIL has filed a Writ Petition No. 1930 of 2007 before Ranchi High Court for quashing the Resolution and demand raised by Mining Officers of Gumla, Lohardaga and Latehar in terms of the said resolution and for refund of the amount of surface

rent which has been realized from HIL earlier in terms of the Resolution. Similar Writ Petitions filed by other parties challenging the Resolution has been decided and the notification has been quashed on 7.5.2007. State of Jharkhand filed SLP against the order-dated 7.5.07 of the Hon'ble High Court passed in other similar petition. Our Writ Petition is pending for hearing before Ranchi High Court. The Hon'ble Supreme Court of India vide its order dated 13.7.2010 set aside the order quashing the resolution fixing the surface rent and remanded the matter back to the Hon'ble High court for fresh consideration. Hearing concluded on 25.8.2011 and the Hon'ble High Court vide its judgment dated 25.8.2011 allowed the petition and quashed the resolution of State of Jharkhand dated 17.6.2006 holding that the State Govt. can not charge surface rent beyond the maximum limit of land revenue applicable for the area in which Mines are situated.

165. Several demand letters were issued to HIL (31.10.2012, 12.4.2013, 4,5,2013, 10,6,2013 9,7,2013 and 23.11.2013) by the Forest authorities stating the details of Bauxite transported by HIL form its mining area for the period 1.11.2012 to 31.12.2014 at the rate of Rs.7/- per ton . The demand as well as the Rules have been challenged by way of present writ petition on 26.2.2015 before Hon'ble Chhattisgarh High Court at Bilaspur on the ground that the inter-alia state has no power to impose tax on minerals i.e. bauxite . On the similar demand M/s BALCO has earlier challenged the levy and prayed for stay. However, no stay has been granted by the Hon'ble high Court. The matter was listed for hearing and on the last hearing the Hon'ble Court directed the respondents to file the counter

166. Chattissgarh Sate enacted Rural Infrastructure and Social development act 2005. The similar act enacted by Orissa Sate Govt., writ was filled against above act in Supreme Court of India in constitution bench. Similar act was also enacted by CG Govt. We have also filled writ against validity of the case.

167. Hindalco Industries Ltd vs UPPCL (Appeal No. 291 of 2017 against order in Petition No 925 of 2013 and Appeal No 292 of 2017 against order in Petition No. 1030 of 2013) Petition No. 925 of 2013 -HIL is having an agreement with UPPCL under which Company is banking its surplus energy with UPPCL, to be drawn at some later stage. Under the terms of the agreement, Hindalco is allowed to withdraw banked energy during peak hours without any restriction. However, pursuant to the CAG objection, UPPCL raised a demand of Rs. 40.77 Crores on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The demand raised by UPPCL with retrospective effect from 1.4.2009. HIL challenged the above bills and order by filing the petition before UPERC on 27.12.2013 under section 86(i) (f) read with other relevant provisions of electricity Act, 2003 and UPERC and CNCE Regulations seeking quashing/setting aside the demand of UPPCL/PVVNL. Hindalco also filed separate Petition No. 1030 of 2015 for approval of PPA effective from 2009 as the same was not submitted by UPPCL for approval before UPERC,. Both the above petitions are clubbed and heard together. UPERC vide its order dated 22.8.2017 disposed of our both the petition holding interalia that the said PPA has been submitted after lapse of the period of the agreement and so far as disputed demand is concerned, directed the parties to go for arbitration. Meanwhile, PuVVNL has issued notice for recovery of Rs.80.81 crore and initiating the process for recovery as arrears under land revenue. Hindalco Industries Ltd vs UPPCL (Appeal No. 291 of 2017 against order in Petition No 925 of 2013 and Appeal No 292 of 2017 against order in Petition No. 1030 of 2013) Petition No. 925 of 2013 -HIL is having an agreement with UPPCL under which Company is banking its surplus energy with UPPCL, to be drawn at some later stage. Under the terms of the agreement, Hindalco is allowed to withdraw banked energy during peak hours without any restriction. However, pursuant to the CAG objection, UPPCL raised a demand of Rs. 40.77 Crores on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The demand raised by UPPCL with retrospective effect from 1.4.2009. HIL challenged the above bills and order by filing the petition before UPERC on 27.12.2013 under section 86(i) (f) read with other relevant provisions of electricity Act, 2003 and UPERC and CNCE Regulations seeking quashing/setting aside the demand of UPPCL/PVVNL. Hindalco also filed separate Petition No. 1030 of 2015 for approval of PPA effective from 2009 as the same was not submitted by UPPCL for approval before UPERC,. Both the above petitions are clubbed and heard together. UPERC vide its order dated 22.8.2017 disposed of our both the petition holding interalia that the said PPA has been submitted after lapse of the period of the agreement and so far as disputed demand is concerned, directed the parties to go for arbitration. Meanwhile, PuVVNL has issued notice for recovery of Rs.80.81 crore and initiating the process for recovery as arrears under land revenue. Hindalco

Industries Ltd vs UPPCL (Appeal No. 291 of 2017 against order in Petition No 925 of 2013 and Appeal No 292 of 2017 against order in Petition No. 1030 of 2013) Petition No. 925 of 2013 -HIL is having an agreement with UPPCL under which Company is banking its surplus energy with UPPCL, to be drawn at some later stage. Under the terms of the agreement, Hindalco is allowed to withdraw banked energy during peak hours without any restriction. However, pursuant to the CAG objection, UPPCL raised a demand of Rs. 40.77 Crores on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The demand raised by UPPCL with retrospective effect from 1.4.2009. HIL challenged the above bills and order by filing the petition before UPERC on 27.12.2013 under section 86(i) (f) read with other relevant provisions of electricity Act, 2003 and UPERC and CNCE Regulations seeking quashing/setting aside the demand of UPPCL/PVVNL. Hindalco also filed separate Petition No. 1030 of 2015 for approval of PPA effective from 2009 as the same was not submitted by UPPCL for approval before UPERC. Both the above petitions are clubbed and heard together. UPERC vide its order dated 22.8.2017 disposed of our both the petition holding inter-alia that the said PPA has been submitted after lapse of the period of the agreement and so far as disputed demand is concerned, directed the parties to go for arbitration. Meanwhile, PuVVNL has issued notice for recovery of Rs.80.81 crore and initiating the process for recovery as arrears under land revenue.

168. The petitioner is challenging the order dated 04.07.2016 of the Collector cum Land Acquisition Officer, Singrauli declaring the respondent No. 3, Gujaratiya, as resident of village Gidher even though her name does not figure in the Family Survey and Final Award dated 26.02.2010 and thereby declaring her as qualified for the rehabilitation scheme. The respondent No. 2 Collector has held in the impugned order that the error committed at the time of the award needs to be corrected and benefits granted to the respondent No. 3.The respondent No. 2 Collector is modifying the award after 6 years, which course of action is not permissible under Section 13-A of the Land Acquisition Act, 1894 and the impugned order is without jurisdiction.

169. In the year 1978 Hindalco as welfare measure for the employees after obtaining approval of the State Govt. gave UP Chalchitra Nigam Limited (UPCNL) its land on lease for setting up Cinema Hall. Lease rent of Rs.600/- annually was paid by UPCNL to Hindalco. During the year 1988-89, owing to huge losses suffered by the UPCNL its entire operations was terminated. Hindalco requested State Govt. to return the plot leased to the UPCNL. As per G.O dated 24.03.1993 to pay off the liabilities of UPCNL, Govt. decided to transfer the assets of UPCNL, accordingly said cinema Hall was sold to one Mr. Panna Lal Jaiswal on 01.11.1993 by UPCNL with clause in the sale agreement that purchaser shall obtain lease of the plot from Hindalco. Accordingly UPCNL requested Hindalco for transfer of lease of plot of cinema Hall in favour of Panna Lal. Hindalco approached State Govt. for giving the possession of the said plot as it was of no use to the UPCNL. District authorities also gave report that Cinema Hall is situated on land Plot No. 153 recorded in the name of Hindalco. Inspite of several letters/representations by Hindalco to the authorities concerned nothing was done for giving back the possession of said plot. Owing to this Hindalco filed Writ Petition No. 3588/2011 on 19.01.2011 for the redressal of its grievances praying for direction to authorities to decide the letters/representations. Hon’ble Court vide order dated 21.01.2011 passed direction to HIL to make fresh representation to the authorities who shall decide within 3 months from the date of receipt. Accordingly company moved its representation on 08.02.2011 which was rejected by UPCNL after a gap of 6 months on 24.08.2011 by holding that as per G.O dated 24.03.1993 the Forest Department has been shown as owner of the land in question. Whereas said land has been sold to Hindalco by the State Govt. Forest Deptt. under Govt. Grant Act. Company has filed Writ Petition No. 60438/2011 for quashing aforesaid order dated 24.08.2011 passed by UPCNL and for commanding authorities to hand over the possession of said land.

170. Hindalco has filed the Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.19/11-12 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.26.11.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

171. Hindalco has filed the Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.11/10-11 by the D.C., Lohardaga whereby and where under he reviewed his earlier order

dt.22.01.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

172. Hindalco has filed the Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.18/11-12 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.29.11.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

173. Hindalco has filed Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.14/10-11 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.22.01.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

174. Hindalco has filed Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.15/10-11 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.29.11.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

175. Hindalco has filed the Writ Petition for quashing the order dt.06.10.12 passed in Permission case no.19/10-11 by the D.C., Lohardaga whereby and where under he reviewed his earlier order dt.27.01.11 suomoto and reduced the period of lease from 20 years to 5 years without giving notice to the parties.

176. For Quashing the letter dated 02.01.12 of Sri ShishirTopo, chairman, Municipality, Lohardaga, whereby he has held that the boundary wall of the Lohardaga campus of Hindalco is an encroachment and directed us to remove the same or else there will be a public outrage against the Hindalco. Partly heard on 30.01.12, and the Hon`ble Court issued notice to the parties and directed not to take any coercive steps against the writ petitioner pursuant to the letter dated 02.01.12.

177. In relation to Tori siding accident claim for compensation case being C.W.C. No.11/06, for quashing the order dt.25.04.09 passed by Dy. Labour Commissioner-cum Commissioner under Workmen’s Compensation Act, Ranchi, whereby & where under he had directed to pay a sum of Rs.3,36,000/- to the claimants. Heard & admitted on 01.11.12, issue notice to opposite parties

178. Hisri (New) bauxite mine of Hindalco Industries Limited was directed to close its mining operation vide order of AMO Lohardaga dated 9.9.2014 on the ground of amendment in MCR, 1960 relating to deemed renewal for second and subsequent renewals of mining lease. Thereafter, on 12.1.2015 an Ordinance was promulgated amending the provisions of MMRD Act (Later changed to Act) whereby provisions were made for deemed extension of lease till 2030 subject to that the conditions of lease are being complied with. We applied to mining authorities to issue formal order in this regard and allow us resume the mining operations. State Government instead raised a demand of Rs. 20,31,84,896.29 and treating the demand as non-compliance to the condition of lease did not issue the order for resumption of mining operation. Aggrieved, we approached Hon’ble High Court of Jharkhand by way of instant writ petition. Matter was heard by the court on 30.7. 2015, however, no interim order was passed. Subsequent to the filing of the petition it was discovered that prior approval for renewal was already granted way back in the year 1998 (16.6.1998) by Central Government. we brought this fact before Hon’ble Court by filing a supplementary affidavit. During the hearing on the matter it was contended on our behalf that since the prior approval was already granted in the matter therefore, the order dated 9.9.14 directing closure of mine is bad. During the hearing on 16.9.2015 we agreed before Hon’ble court to confine our petition to the challenge to letter dated 9.9.2014 so that mining operationcan continue. Thereafter on 16.9.2009 itself, Hon’ble court observed that that in view of letter dated 16.6.1998 the letter dated 9.9.2014, which appears to have been issued after judgment of Hon’ble Supreme Court in Goa Foundation Vs. Union of India, is apparently arbitrary and not sustainable. With these observations Hon’ble court allowed time to State counsel to seek instructions from the State. And fixed the matter for hearing on 14.10.2015. Matter was heard on 4.11.2015 when the court as an interim measure directed resumption of mining operation subject Hindalco depositing the price of mineral for the period w.e.f date of order of Hon’ble Supreme Court in the matter of Goa foundation till the date of closure notice in sept, 2014. Next date fixed as 12.1.2015. We have

deposited the amount in compliance of order and mining operation are resumed. We are in the process of filing an application before the Hon’ble High Court for the refund of the deposited money.

179. A revision petition has been filed before the Tribunal Mines, Department of Mines, New Delhi challenging the order passed by the District Mining Officer, Kolhapur directing Hindalco to deposit Royalty amount for 32.346 MT bauxite to the Government.

180. A writ petition has been filed by Hindalco before the Kerala High Court challenging the notices issued by the Secretary, Municipality to stop the construction of boundary wall. After hearing the matter, the Hon'ble High Court was pleased to grant stay on the operation of the Notices issued by the Municipality and as an interim measure permitted to construct the boundary wall.

181. The Water Resources Dept. submitted its report erring letter no 1223 dated 03.09.2005. On scrutiny of report and other aspects, it came to notice that the petitioner company ever since inspection has been using water but it is not paying the water rent to the State Govt. Based on physical verification of work site the committee calculated the water rent dues amounting to Rs. 1.76 crore for the period from 01.04.1985 to 31.03.2005. The report was sent to the petitioner company for making payment of the said arrear water rent as well as to sign an agreement with the Water Resources Department for future drawl of water from Subarnarekha River vide letter no 28 dated 10.01.2017

182. Jharkhand Renewable Energy Development Agency directed HIL to purchase renewable energy in terms of Regulation 5.2 of Jharkhand State Electricity Regulatory Commission, Ranchi and HIL was made obligated entity. HIL challenged the same by filing writ petition.

183. The Department Of Water Resources, Government of Odisha, acting on the basis of the State Cabinet's approval, passed a Resolution dated 18th May'15 whereby it mandated realization of a one time contribution from Industries who have been allocated water in excess of one cusec @ Rs.2.5 Crore for every cusec of water allocated to them. Such contribution is intended to create a corpus for a Water Conservation Fund to be utilized for implementing different water conservation projects with the objective of mitigating water scarcity during the non - monsoon lean period demand for irrigation and other uses. In terms of the said resolution, Hirakud has received demands dated 15th July'15 and 6th August'15 for contribution of Rs.50 Crores on the basis of allocation of 20 Cusecs.

184. Based on the failure report dated 25/06/2011 of the conciliation officer, the Appropriate Govt. rather than making a single reference has made 13 separate references U/sec 10 (1) (d) read with Sec 12(5) of the Industrial Dispute Act. These references were the outcome of the 23 points charter of demand dated 14/03/2011 raised by Hindalco Staff Association Union. The State Govt. referred the matter to the Ld. Industrial Tribunal at Bhubaneswar by framing 13 separate alleged disputes based upon the said Charter of demands for adjudication vide Order dated 10/05/2012. The Industrial Dispute Cased No. 23 of 2012 pertains to the status of a protected workmen to seven executive members of the staff association. The Hindalco Staff Association instead of filing the claim petition has filed a petition for return of the reference. The petitioner filed it’s reply /objection to the said petition of the Association. The Petitioner also filed an Application dated 21/12/2012, for preliminary hearing on the issue of maintainability. The Ld. Presiding Officer vide Composite order dated 10/10/2013 had rejected the petition of the petitioner on the issue of maintainability and allowed the petition of the Staff Association on the issue of returning the reference. Against the said Order, we have filed a Writ petition before the High Court and obtained an Interim stay vide Order dated 21/11/2013

185. Based on the failure report dated 25/06/2011 of the conciliation officer, the Appropriate Govt. rather than making a single reference has made 13 separate references U/sec 10 (1) (d) read with Sec 12(5) of the Industrial Dispute Act. These references were the outcome of the 23 points charter of demand dated 14/03/2011 raised by Hindalco Staff Association Union. The State Govt. referred the matter to the Ld. Industrial Tribunal at Bhubaneswar by framing 13 separate alleged disputes based upon the said Charter of demands for adjudication vide Order dated 10/05/2012. The Industrial Dispute Cased No. 23 of 2012 pertains to the status of protected workmen to seven executive members of the staff association. The Hindalco Staff Association instead of filing the claim petition has filed a petition for return of the reference. The petitioner filed its reply /objection to the said petition of the Association. The Petitioner also filed an Application dated 21/12/2012, for preliminary hearing on the issue of

maintainability. The Ld. Presiding Officer vide Composite order dated 10/10/2013 had rejected the petition of the petitioner on the issue of maintainability and allowed the petition of the Staff Association on the issue of returning the reference. Against the said Order, we have filed a Writ petition before the High Court and obtained an Interim stay vide Order dated 21/11/2013

186. State of MP has enacted Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 (MPGATSV Act). By the aforesaid Act the State Government seeks to levy a œrural infrastructure and roads development tax purportedly on mineral bearing land by reference to the annual value of the minerals produced and sold. HIL has filed present writ appeal being aggrieved by the judgment and order dated 18-05-2011 passed by the Hon’ble Single Bench of MP High Court dismissing the writ petition no. 8194 of 2011 filed by HIL challenging the Notices of Demand dated 11.2.2011 for Rs, 1,31,17,703/-, issued by M/s Katni Bauxite Private Limited (KBPL) consequent to demand notice issued by the Collector, District Anuppur for Rs. 18993812.50 upon MP State Mining Corporation (MPSMC) and also the demand notice dated 9/03/2011 issued by the M.P. State Mining Corporation (MPSMC) on KBPL. The tax assessment Authorities under the MPGSTV Act had issued the said demand on MPSMC who in turn raised a similar demand on KBPL, for depositing MPGATSV Tax @ of 5% on basic value of bauxite purportedly under MPGATSV Tax, 2005. The MPSMC on the basis of Demand of the Collector, Anup pur issued the said demand notices on KBPL and the KBPL in turn demanded the said amount of Tax from HIL.

187. State of MP has enacted Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 (MPGATSV Act). By the aforesaid Act the State Government seeks to levy a rural infrastructure and roads development tax purportedly on mineral bearing land by reference to the annual value of the minerals produced and sold. NCL raised a demand of the entire due amount under MPGATSV Act on the basis of the order passed by the Hon’ble Supreme Court in Jay Prakash Matter, HIL filed a Writ Petition before the Hon’ble MP High Court at Jabalpur interalia on the ground that amount of MPGATSV tax is to be adjusted against the royalty payment of coal as per the notification fixing the royalty on coal, However, the Writ Petition, was dismissed by the Hon’ble MP High Court at Jabalpur on the sole ground that the matter is pending before the Hon’ble Supreme Court. Against the said order HIL has preferred an SLP before the Hon’ble Supreme Court of India.

188. State of MP has enacted Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 (MPGATSV Act). By the aforesaid Act the State Government seeks to levy a Rural Infrastructure and Roads Development Tax purportedly on mineral bearing land by reference to the annual value of the minerals produced and sold. 1. HIL has challenged the validity of Notice issued by Dy. Chief Sales Manager, Northern Coalfields Limited, vide notice no. NCL/SGR/06/2521 dated 20.3.2006 and Demand Notice issued by Area Finance Manager, Jhingurdah Project, Northern Coalfields Limited, on Renusagar Power Division of Hindalco Industries Limited demanding a sum of Rs.4,43,45,795.56 (Rs. Four Crores Forty three Lacs Fortyfive Thousand seven hundred ninety five and Paise fifty six only) towards Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Tax (at the rate of 5% on basic value of coal despatched from 30.9.2005 to 28.2.2006 together with C.S.T. @ 4% thereon) and has also raised a supplementary bill dated 23.3.2006 for the standing advance due to impact of MPGATSV Act on the basic value of despatch of coal for five days @ 5% amounting to Rs. 19,16,235.00 and Demand Notice No. JRD/AFM/Supple.Coal Bill/ MPGATSVA-2005/2005-2006 dated 28.3.2006 issued by Area Finance Manager, Jhingurdah Project, Northern Coalfields Limited, on Hindalco Industries Limited,Renukoot demanding a sum of Rs.20,84,055.40(Rs. Twenty Lacs Eighty four Thousand Fifty-five and Paise forty only) (at the rate of 5% on basic value of coal despatched from 01.03.2006 to 27.03.2006 together with C.S.T. @ 4% thereon) purportedly under Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam,2005 (MPGATSV Act) on the coal supplied to Renusagar Power Division of Hindalco Industries Limited, and Hindalco Industries Limited, Renukoot respectively, the petitioner no.1 herein (hereinafter referred to as Hindalco) from its Jhingurdah Project. The said demand is inter alia, illegal, arbitrary, without jurisdiction in as much as the entire field regarding minerals is fully occupied by the provisions of Mines & Minerals (Development and Regulation) Act, 1957 (Hereinafter referred to as MMDR Act) and the Rules made thereunder, as amended up to date. 2. HIL has challenging the validity and constitutionality of MPGATSV Act and Madhya Pradesh Gramin Avsanrachna and Gramin Vikas Niyam, 2005 purportedly made in exercise of power under Section 11(1) of the MPGATSV Act and notification no. F.19-60-2004-XII-1 dated 30.9.2005 purportedly issued under Section 3(2) of the MPGATSV Act

notifying the rates of tax as being beyond the legislative competence of the State legislature interalia on the ground that the enactment is without jurisdiction, unconstitutional and ultra vires in view of the provisions of the Mines and Minerals (Development and Regulation) Act , 1957 and Rules made there under and /or violative of the petitioner's fundamental rights guaranteed under Article 14,19(1) (g) of the Constitution of India.

189. UAIL has filed a Writ challenging the constitutional validity of the Resolutions passed by the Govt. of Odisha towards Water Conservation Fund and subsequent demand to UAIL to deposit a sum of Rs. 4.5 crores as First instalment. The Orissa High Court granted interim stay directing no coercive steps to be taken for recovery of the said demand.

190. AS pointed by AG Audit the DDM, Sambalpur issued Show Cause to HIL on 09.01.2013 for payment of Rs. 97 lakhs for short leavy of coal royalty

191. Company challenged the provisional assessment as well as final assessment order of WESCO U/s 126 of Electricity Act 2003 to Hirakud Plant from July 2013 to August 2014.

192. Vide letter dated 1.10.2013 issued executive instruction to all Industrial units in the State to sign supplementary Agreement with Orissa Hydro Power Corporation Ltd OHPC and to pay compensation for loss of energy. We have challenged the legality of the Executive instruction and the demand and also challenged the basis of demand of 20 cusecs water where as we have enter into an agreement with OHPC for drawl of 10 cusec of water from Hirakud reservoir before the Orissa High Court and vide its order dated 22.12.2014 and 21.01.2015 granted conditional stay on the demand. We have deposited Rs.52 lakhs as per order of the High Court and the matte is pending for hearing.

193. Deputy Director, Mines, Sambalpur vide its communication dated 18.02.2010 directed HIL to pay penalty to the tune of Rs.3,76,66,000/- for illegally transported 37291.840 MT of coal with effect from 13.11.2009 to 18.11.2009 from its Talabira-I Captive Coal Mine by misusing two numbers of T.P. Books. The aforesaid direction of DDM, Sambalpur has been challenged before the Hon'ble High Court on the ground that the demand is illegal, arbitrary, passed in violation of the principles of natural justice, contrary to the provisions of the Orissa Minerals Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation Rules, 2007, not based on any evidence, suffer from the vice of non-application of mind, hit by Articles 14 and 19 1 g of the Constitution of India and therefore liable to be quashed.

194. The Writ Petitioner has been filed against IDCO & GMR before the Orissa High Court challenging the arbitrary calculation of the amount to be paid in respect of Land and Mine Infrastructure • to HIL in respect of Talabira-I Coal Mines pursuant to the auction conducted under the Coal Mines Special Provisions Second Ordinance, 2014 and Coal Mines Special Provisions Rules, 2014

195. UAIL has filed the Petition before the State Commission challenging the order passed by the District Consumer Forum in the CC No. 221 of 2013 filed by Mr. Lalu Majhi as his land is utilised by HIL for laying water pipe line and he has not given land value. As HIL has not acquired or encroached any land from the Complainant and hearing our Petition, the State Commission has suspended the order passed by the District Forum against the Dist. Collector and UAIL. Our Appeal Petition is pending for hearing.

196. UAIL has filed the Petition challenging the order passed by the District Consumer Forum, Rayagada in a case filed by one Banamali Majhi U/s 12 of the Consumer Protection Act, 1986 against UAIL. L& T Ltd and the Collector, Rayagada on the ground that the people should be adequately compensated for their land and HIL should appoint one person from one family. After hearing our Appeal Petition, the State Commission suspended the order passed by the District Forum against UAIL and the Dist. Collector. Our Appeal Petition is pending for final hearing

197. UAIL has filed the Appeal petition before the State Commission against the order passed by the Dist. Consumer Forum, Rayagada in a case filed by Mr. Subas Chandra Bidikawho was working as an Ex-Forest Consultant of UAIL after his retirement from Govt. service for seeking a direction for UAIL to extend his consultancy period and allow him to continue the service for a further period of 5 years and

pay the remuneration for the period of service rendered by him as per terms and conditions laid down earlier. As per the appeal made by UAIL, the State Commission has suspended the order passed by the District Forum against UAIL. Our Appeal Petition is pending for hearing.

198. Deputy Director, Mines, Sambalpur vide its communication dated 18.02.2010 directed HIL to pay penalty to the tune of Rs.3,76,66,000/- for illegally transported 37291.840 MT of coal with effect from 13.11.2009 to 18.11.2009 from its Talabira-I Captive Coal Mine by misusing two numbers of T.P. Books. The aforesaid direction of DDM, Sambalpur has been challenged before the Hon'ble High Court on the ground that the demand is illegal, arbitrary, passed in violation of the principles of natural justice, contrary to the provisions of the Orissa Minerals Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation Rules, 2007, not based on any evidence, suffer from the vice of non-application of mind, hit by Articles 14 and 19 1 g of the Constitution of India and therefore liable to be quashed.

199. On 28/06/2002, INDAL now merged with HIL entered into an agreement with HIW to use their 12 km long railway track and 3 locomotives, valid for a period of 20 years i.e. till 31/05/2022 on payment of Rs.40.00 lacs p.a. A part of this stretch of 12 km of land is owned by HIW and the rest by East Coast Railways. On 28/09/2005, the East Coast Railways entered into an agreement with HIW for Railway siding. As per the clause 15 b of the said agreement, HIL as co-user of the siding would be governed by the same rules and regulations as applicable to the siding owner. Thereafter, HIW failed to clear its statutory dues to PF and Income Tax authorities and non-statutory dues such as that of East Coast Railways. PF and Income Tax authorities and East Coast Railways sent letters to HIW asking it to pay up and when HIW failed to clear its commitment, HIL was asked to pay up. HIL paid up dues of HIW owed to PF authorities and East Coast Railways in order to have an uninterrupted access to the railway siding, tracks and locomotives. However, fearing similar demands in future, a decision was taken to file this writ petition.

200. HIL the legality and validity of the arbitrary decision of the State Pollution Control Board, Odisha to pay penalty to the tune of Rs.13.77 crores for disposal of 11468.515 tonnes of anode butts in violation of Rule 4 of the Hazardous Wastes Management, Handling and Trans-boundary Movement Rules, 2008, without taking prior approval of the Central Pollution Control Board as provided for under Rule 25 2 of the Hazardous Wastes Management, Handling and Trans-boundary Movement Rules, 2008.

201. The Deputy Director, Mines, Sambalpur vide communication dated 27.10.2006 intimated HIL that it had despatched 4140.625 MT and 4045.199 MT of Coal from Stack No.193/06 and 194/06 respectively without obtaining valid transit permit which violates the Transit Permit Regulations, 1973 and directed HIL to show cause as to why actions as deemed fit will not be initiated against it for such violations. Company Challenged the legality and validity of the letter No.19654/Mine dated 15.12.2011 issued by the Deputy Director, Mines, Sambalpur Circle, directing HIL to deposit cost of ore to the tune of Rs.81.85 Lakhs under Rule 21 5 of Mineral Concession Rules, 1960 for transportation of 8185.824 MT of coal from Talabira-I Coal Mine in October 2006 violating the Transit Permit Pass Regulations, 1973.

202. The Deputy Director, Mines, Sambalpur vide communication dated 27.10.2006 intimated HIL that it had despatched 4140.625 MT and 4045.199 MT of Coal from Stack No.193/06 and 194/06 respectively without obtaining valid transit permit which violates the Transit Permit Regulations, 1973 and directed HIL to show cause as to why actions as deemed fit will not be initiated against it for such violations. Company Challenged the legality and validity of the letter No.19654/Mine dated 15.12.2011 issued by the Deputy Director, Mines, Sambalpur Circle, directing HIL to deposit cost of ore to the tune of Rs.81.85 Lakhs under Rule 21 5 of Mineral Concession Rules, 1960 for transportation of 8185.824 MT of coal from Talabira-I Coal Mine in October 2006 violating the Transit Permit Pass Regulations, 1973.

203. As per the Govt. of India Gazette Notification No. G.S.R 522 E dt. 01 August 2007 royalty on coal is revised w.e.f. 1st August 2007 on ad valorem basis. As per the new notification, we were directed by the Mining Directorate, Govt. of Orissa to deposit royalty @Rs.79/- PMT w.e.f. 01.08.2007 for the coal we produce for our captive coal mines, Talabira-I. We had been paying the same since then under protest. The above gazette notification says that ad valorem royalty shall be calculated by the

formulae : a+bP Where : P is the basic pithead price of ROM coal as reflected in the invoice, excluding taxes, levies and other charges a is the fixed component b is the variable component. As per the notification, for grade-F/G coal a is Rs.55/- per tonne b is 5% of P . Deputy Director Mines Sambalpur conventionally considered the price of M/s Mahanadi Coalfields Limited MCL as the basic pithead price for calculation of ad valoram royalty. The basic pithead price for F/G grade coal as notified by CIL is Rs.440/-PMT. We filed writ petition before the Orissa High Court in July 2009 and challenged the imposition of royalty on Hindalco as it is wrongful, illegal and contrary to the provisions of the said Gazette Notification and seek direction to refund excess royalty realized from Hindalco together with interest.

204. The mining lease of Udgiri and Dhangarwadi, Bauxite deposit was granted to R. M Mohite.

205. NCL started recovering UP forest transit fee on coal purchased through e auction from Krishnashilla Mine and transported by Rail to Renukoot, Renusagar and Mahan plants w.e.f 27.8.2015. NCL also issued some supplementary invoice for UP Forest Transit Fee for earlier period from Krishnashilla and Bina mines of NCL and adjusted the amount from the refund due from NCL. Total amount recovered by NCL from HIndalco till Jan, 2016 is Rs. 79,69,902.94 Since transportation by rail not specifically mentioned in the relevant Rule for charging transit fee, a Petition challenging the levy of Transit Fee on transportation by rail has been filed on 17.02.2016. On 19.2.2016. Hon'ble High Court after hearing our Advocate passed an interim order directing NCL and Forest Authorities to not to Charge any Transit Fee from Petitioner(Hindalco) for transportation of coal through railway rakes from coal mines of NCL to the Petitioner's works and Plants at Renukoot and Renusagar Power Division, District Sonbhadra, UP and Mahan. Hon'ble Court has further directed this matter to be tagged with pending petition relating to BPC System. Matter is pending

206. NCL issued a demand of Forest Transit Fee on the quantity of coal transported through Belt Pipe Conveyer System cum Ariel Rope Way (BPC System) from its Krishnashila Mine to Thermal Power Plant of Hindalco at Renusagar. Hindalco denied the liability on the ground that Rule for levy of transit fee does not provide for levy of transit fee on transportation through BPC System. NCL threatened to adjust the amount of alleged transit from the deposit made by Hindalco for purchase of Coal. Left with no other option Hindalco deposited the transit fee with NCL for the period June 2015 till October 2015. The deposit, however, was made under protest and without prejudice to Hindalco's rights. Thereafter, Hindalco approached Hon'ble Allahabad High Court by way of instant Writ Petition challenging demand of Transit Fee being illegal as Rules do not contemplate or specify any rate of forest transit fee on transportation of coal by BPC System.

207. CA No. 4649-4650 of 2012 {SLP (C) No. 8856-8857 of 2012} arising out of Writ Petition (Tax) Nos. 1891 of 2006 and 382 of 2007, Hindalco Vs. State of U.P. & Ors. Entry tax on coal etc. (Renusagar) Writ Petition (Tax) No. 1891 of 2006 The State of U.P. had imposed Entry Tax on the specified goods entering into Local Area for consumption. The levy was challenged before the Allahabad High Court and was quashed on the ground that there is no Presidential assent as required under Article 304 of the Constitution of India. The State of U.P. had gone into appeal before Supreme Court and Supreme Court remitted the matter to the High Court for deciding on the issue of compensatory tax. The High Court has decided that the tax is not compensatory and the matter is now pending before the Supreme Court. Since the levy has been quashed, HIL has also been advised to challenge the same by filing a Writ Petition to claim the benefit. Writ Petition (Tax) No. 382 of 2007 The Dy. Commissioner, Trade Tax has made provisional assessment of Entry Tax under Rule 4(5) of the Trade Tax Rules for the months of April 06 to November 06 by imposing additional trade tax of Rs. 21,34,383/- for each month (totaling Rs. 1,70,75,064/-) by adding the expenses incurred on transportation of coal of Rs. 10,67,19,157/- each month into the value of coal purchased each month in respect of Renusagar Power. HIL received the assessment orders passed on 31.1.2007 on 6.3.2007. A writ petition has been filed challenging the provisional assessment orders on the ground that no transportation charges are being paid to third parties and expenses are being incurred on internal arrangement. Therefore, not includable in the value of the goods. The Writ Petitions filed by the Co. came up for admission on 28.3.2007. The WP has been admitted and notice has been issued to Opposite parties and an interim order on the lines of the order passed by Hon'ble Supreme Court in the case of Indian Oil Co. has been made applicable in the present case on same terms and conditions, i.e. the amount of entry tax shall be deposited and will be kept by the Respondents in separate interest bearing account. The

amount has been deposited on 29.3.2007. The matter was finally heard along with other 2700 similar petitions in the month of November, 2011 and the Hon'ble High Court vide its Judgment and order dated 23.12.2011 dismissed all the petitions and upheld the validity of Entry Tax. A common SLP has been filed against the order of the Hon'ble Allahabad High court before the Hon'ble Supreme Court of India. The leave granted on 10.5.2012 and Appeal admitted. On the basis of assessment /re-assessment for the period 2001-02 to 2008-09 and returns filed for 2009-10 to 2011-12 the liability was reassessed at Rs. 188.04 Crores. Accordingly Rs.94.02 Crores deposited commonly faor this and Above Petition and BG for the equal amount submitted in terms of the interim order of the Apex court dated 10.2.2012. BG is renewed from time to time. The Tax after November'2011 is being deposited as per aforesaid interim order. The matter is to be listed before the Nine Judges Bench of Hon'ble Supreme Court of India

208. Brief Particulars: UP Entry Tax Act, 2007 A notice dated 27-09-07 issued informing HIL that Uttar Pradesh Tax on Entry of Goods in to Local Areas Ordinance, 2007(Entry Tax Ordinance, 2007) has become applicable and that the industrial township of HIL is included in the definition of a local area • and further demanding payment of Entry on the Scheduled Goods entering the Industrial Township since 01-11-1999. The constitutional validity of the Entry Tax Ordinance, 2007 promulgated by the Governor on 24.9.2007 with retrospective effect from November 1, 1999 and notice issued to Company in pursuance of the Ordinance has been challenged in the Writ Petition on the grounds inter alia that it is an unreasonable restraint on trade and commerce being free movement of goods is restricted, does not and cannot remove the defects of earlier Entry Tax Act held unconstitutional and premises of Hindalco can not be included into Local Area as defined in the new Act. Hon'ble High Court vide its order dated 25.10. 2007 stayed the notice subject to Company furnishing security other than cash and bank guarantee for the period prior to the date of issue of Ordinance and to furnish bank guarantee for the transactions subsequent to the date of Ordinance. The conditions have been complied with. Matter being heard along with other similar petitions and is at the final state of hearing. The matter was finally heard along with other 2700 similar petitions in the month of November, 2011 and the Hon'ble High Court vide its Judgment and order dated 23.12.2011 dismissed all the petitions and upheld the validity of Entry Tax. An SLP has been filed against the order of the Hon'ble Allahabad High court before the Hon'ble Supreme Court of India. The leave granted on 10.2.2012 (CA No. 289 of 2012) and Appeal admitted. The conditional stay was granted subject to depositing of 50% amount of the accrued liability and furnishes BG for the remaining amount. And in case the State of UP loses the case it shall refund the amount(s) deposited with interest. HIL shall continue to pay the tax at the prevailing rate(s) and after fulfilling the same the department will not take any coercive steps to recover the amount. On the basis of assessment /re-assessment for the period 2001-02 to 2008-09 and returns filed for 2009-10 to 2011-12 the liability was reassessed at Rs. 188.04 Crores. Accordingly Rs.94.02 Crores deposited and BG for the equal amount submitted in terms of the interim order of the Apex court dated 10.2.2012. BG is renewed from time to time. The tax after November'2011 is being deposited as per aforesaid interim order. The matter is to be listed before the Nine Judges Bench of Hon'ble Supreme Court of India from 18.7.2016.

209. UPERC has framed UPERC (Promotion of Green Energy through Renewable Purchase obligation), Regulation, 2010 inter alia mandating purchase of minimum percentage of total consumption of electricity by an Obligated Entity from Renewable Energy Source. Hindalco challenged the validity of Regulation so far it relates Captive User interalia on the grounds that it is voilative of Art. 14 &19(1)(g) of the Constitution of India and ultra vires the Electricity Act, 2003

210. Prescribed Authority under Minimum Wages Act vide its order dated 19.9.2008 imposed liability of wages and penalty amounting to Rs. 58 lacs in 7 claims, petitions filed by Labour Enforcement Officer in respect of 91 workmen employed by Contractor M/s AARKAY Traders. Contractor and Hindalco challenged the aforesaid order, inter alia, on the ground that the circular on the basis of which alleged differential amount has been arrived are not applicable to the industry.

211. Refund of Cess on Royalty under MM (DR) Act, 1957 Hindalco filed Writ Petition CWJC No. 2945/96 before Ranchi High Court for refund of excess cess on royalty paid @ 500% instead of 133.33% between 21.6.85 to 30.4.88 by Hindalco (Rs. 2.47 crores). Ranchi High Court delivered judgment on 23.12.2003 dismissing the above Writ Petition filed by Hindalco and similar Writ

Petition CWJC No. 2943/96 filed by Minerals & Minerals. (Rs. 0.21 crores M&M). Against the judgment dated 23.12.2003 Hindalco and M&M filed SLP before Supreme Court On 8.7.2004 the Hon'ble Supreme Court admitted our SLPs and ordered to issue notice to the Respondents. Respondents have filed the counter and Rejoinder has been filed on behalf of Hindalco. Matter was listed for hearing on 29-01-08 and Court ordered it to be listed after 6 weeks of the hearing in ORISED matter.

212. Cess on coal by SSADA imposed under the Shaktinagar Special Area Development Authority (Cess on Mineral Rights) Rules, 1997 enacted under Uttar Pradesh Special Area Development Authorities Act. 1986 The State of Uttar Pradesh has passed the Uttar Pradesh Special Area Development Authorities Act. 1986 (U. P. Act No. 9 of 1986), which received the assent of the President of India on March 19. 1986 and has been published in the U. P. Gazette on that very day under which the Shaktinagar Special Area Development Authority (Cess on Mineral Rights) Rules, 1997 (hereinafter referred to as the Cess Rules) having been promulgated through publication in the U. P. Gazette. Under the said Rules, Shakhtinagar Special Area Development Authority has imposed Rs. 5 per ton of cess on coal purchased by Hindalco from NCL. NCL in turn has demanded the same from Hindalco, which Hindalco has challenged inter alia on the ground that State has no power to tax the mineral since this field is covered under MMDR Act, 1957. Amount Paid (i) Rs.17.76 lacs Renukoot (ii) Rs. 6.07 lacs Renusagar upto December'1997 before the demand was stayed. The demand was stayed on 19.12.97 by Hon'ble Allahabad High Court to the effect that until further orders Respondents are directed not to press their demand for the impugned coal cess in pursuance of the bills raised and also not to raise any fresh demand for the said coal cess pending further orders. Counter of Govt. of U.P. has been filed. Our Rejoinder has been prepared and will be filed as and when required. The matter was listed on 28.7.2005 and was adjourned with the direction to list the same after decision of the larger Bench in reference matter in Zila Panchayat Toll tax matter. The reference has been decided and the matter is being listed from time to time. A similar matter (Ram Dhani Singh "Minor Minerals) has been decided by the Hon'ble Allahabad High Court and levy has been upheld. An appeal in the Supreme Court was filed by the affected parties. Appeal was tagged with Kesoram Industries Ltd case in which Good Rick was referred to Constitution Bench. The Hon'ble Supreme Court in State of West Bengal Vs. Kesoram Industries Ltd. has upheld and affirmed the judgment of Hon'ble Allahabad High Court. A Transfer Petition has been filed before the Hon'ble Supreme Court of India, which is tagged with the ORISED Matter. The matter will be taken up with the ORISED matter after the formation of Nine Judges bench. The matter was listed before the Hon'ble Allahabad High Court from time to time. However, an order was passed by the Hon'ble Court that the matter be posted only after the decision by the Hon'ble Supreme Court. The Advocate of the petitioner will inform the same to the Hon'ble High court. On 31.1.2015, the matter was listed before the Hon'ble High Court when the Hon'ble Court observed that in the absence of any specific direction on TP, no adjournment can be granted. Company approached the Hon'ble Supreme Court which by order dated 27.3.2015 stayed the proceedings in WP No. 791of 1997 pending before the Hon'ble high Court.

213. Zila Panchayat Toll Tax imposed under U.P. Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 Transport/toll tax on the transportation of minerals by Zila Panchayat, Sonbhadra is imposed under U.P. Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961. Levy is challenged by HIL inter alia on the ground that Zila Panchayat has no power to impose such levy under U.P. Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 and that the Zila Panchayat is incompetent to impose the same in view of the declaration in Section 2 of the MM (DR) Act. The Hon'ble HC on 10.4.2003 restrained the Respondents from realizing toll tax on the transportation of coal by Hindalco from the collieries to its factory at Renukoot and Renusagar. Vide Order dated 22.5.2003 the Hon'ble HC connected the matter with Civil Misc WP No. 18035 of 2003 and referred the matter to Hon'ble Chief Justice to form a larger Bench to decide whether the case of Okhla Sand Supply Company and another Vs. State of U.P. lays down the correct legal position. The reference was answered by order and judgment dated 20.7.2007 on the basis of Kesoram case by holding that (i) the view taken in para 6 of the judgment of the Division Bench in Okhla Sand Supply Company case does not lay down the correct legal position and (ii) Section 142(1) of the Zila Panchayat Act read with Section 239(1) of the Zila Panchayat Act entitles the Zila Panchayat to frame the bye-laws and levy the impugned fee. This has taken away the very basis of legal challenge to this levy. The arguments based on the facts still survive and will be impressed before the Division Bench. As opined by Dr. A.M. Singhvi, Senior Advocate, an SLP has been filed on 7.9.2007 (Diary No. 16101/2007) before Supreme Court challenging the order of 3

Judges Bench allowing the references which was admitted on 30-11-07. The appeal is filed before SC because of the judgment of Supreme Court in Kesoram holding that the State has a plenary power to tax, which is likely to be reviewed in ORISED Case. The appeal is likely to be listed for hearing along with ORISED matter. The matter was last listed on 3.3.2008 at the Hon'ble High Court. Since the record of the case was called and sent to Hon'ble Supreme Court, the matter was adjourned till the record comes back. However, on the application of the Respondent the Hon'ble Supreme Court vide order dated 16.12.2011 has made direction for returning the documents back to the Hon'ble Allahabad High Court. The matter was listed before the Hon'ble Allahabad High Court on 21.2.2012 and 23.2.2012, HIL filed an amendment application to the effect that coal is coming from the mines of the NCL, which do not and can not be part of rural area in District Sonbhadra . After completing the pleadings, the matter was finally heard and dismissed on 25.5.2012;

214. Terminal Tax imposed by Nagar Palika, Singrauli (M.P.) under the M.P. Municipalities Act, 1960 Nagar Palika, Singrauli, District Sidhi, (Now District Singrauli) Madhya Pradesh in purported exercise of power u/s 132 of the M.P. Municipalities Act, 1960 imposed a Terminal Tax inter alia on export of coal @ Rs. 5/- per tonne. Initially the demands were raised on NCL. However, NCL declined to pay. The Nagar Palika, Singruli put up the barriers on the road for the purpose of collection of terminal tax and stopped all the trucks carrying coal for Renusagar Power Division of HIL. A Writ Petition was filed at Hon'ble High Court of M.P. at Jabalpur challenging the imposition of terminal tax on coal. The Hon'ble High Court vide its order dated 25.1.2006 has ordered that trucks carrying coal will not be detained at the check posts subject to the condition that terminal tax shall be paid on the coal obtained from NCL Singrauli. Although there is no provision for payment of tax in advance HIL had paid an advance of Rs. 1.11 Crores up to December '2011 as a goodwill gesture and in the spirit of order dated 25.1.06 of Hon'ble High Court of Madhya Pradesh at Jabalpur which directs payment of terminal tax on coal taken from NCL, Singrauli. High Court of Madhya Pradesh at Jabalpur vide its order dated 21.1.2010 dismissed the Writ Petition. Therefore, an SLP against the order of the Hon'ble High Court has been preferred before the Supreme Court of India.

215. Imposition of Pariwahan Kar M.P. under M.P. Panchayat Raj Adhiniyam 1993 Janpad Panchayat, Kusmi, Dt. Surguja vide Resolution dt 11.2.99 has imposed tax @ Rs.5/- per tonne u/s 77 of M.P. Panchayat Raj Adhiniyam 1993 on transportation of bauxite from bauxite mines situated in Tehsil Kusmi, w.e.f. 1.1.1999. The validity of the levy by Panchayat has been challenged by filing a writ petition inter alia on the grounds that State Govt. is incompetent to enact the same in view of the declaration in Section 2 of the MM (DR) Act, no tax can be imposed under Section 77 (2) read with Schedule II of the MP Panchayat Raj Adhiniyam, 1993 by filing Writ Petition. The case has been transferred from Jabalpur High Court to Bilaspur High Court after creation of the State of Chattisgarh. Pleadings completed. The matter was listed before the Hon'ble Chhattisgarh High Court at Bilaspur in the last week of February 2004 but could not be taken up for hearing. The case has been transferred to Supreme Court on our Transfer Petition No. 906/07 filed by HIL before SC because of the judgment of Supreme Court in Kesoram holding that the State has a plenary power to tax, which is likely to be reviewed in ORISED Case. The Transfer Petition is referred to the bench of Hon'ble Nine Judges of Supreme Court of India as enumerated herein before. To be listed for hearing along with the referred ORISED matter. The case has been transferred from Jabalpur High Court to Bilaspur High Court after creation of the State of Chattisgarh. Pleadings completed. The matter was listed before the Hon'ble Chhattisgarh High Court at Bilaspur in the last week of February 2004 but could not be taken up for hearing

216. Tax imposed by State of Chhatisgarh towards Adhosanrachna Vikas Evam Upkar Adhiniyam 2005 @ 5% as environmental tax on royalty plus 5% as development tax on royalty. The State of Chhatisgarh enacted Chhattisgarh (Adhsosanrachna Vikas Evam Paryavaran) Upkar Adhiniyam, 2005 imposing environment/development tax @ 5% on the annual value of royalty. The Office of Collector, Sarguja (Mines Branch) through Asst. Mining Officer, Ambikapur, Dist: Surguja raised on Samri Bauxite Mines a demand of Rs. 30,08,306 under Chhattisgarh (Adhsosanrachna Vikas Evam Paryavaran) Upkar Adhiniyam, 2005 vide letter dated 13.2.2006 for the period 27.5.2005 to 31.12.2005 towards Vikas Upkar and Pariyavaran Upkar @ 5% on the annual value of royalty paid on bauxite. HIL denied the said demand. Nayab Tehsildar has issued a Recovery Certificate in Form under Sec. 146 of Madhya Pradesh Land Revenue Act, Kusmi dated 6.3.2006 of Rs. 30,08,311/-. The reply of the demand has been submitted on 20.3.2006 but the Nayab Tehsildar, Kusmi, has again made the

demand on 25.3.2006. A Writ Petition before Hon'ble Chhattisgarh High Court at Bilaspur challenging the above Act/Rules/Notification and the demand made there under has been filed.

217. With effect from Month of December'2012 UPPCL started billing for the Electricity duty even on the energy which was drawn by Company out of its own Banked energy with UPPCL. Company represented and protested against such levy of duty as energy consumed from own source of generation is exempted from levy of Electricity duty. Company paid the bill after deducting the amount of Electricity Duty and represented with UPPCL for correction of bills. UPPCL, however, did not paid any heed to the protest of HIL and kept on showing the amount of electricity Duty on energy drawn from Banked energy as arrears in the subsequent bills. Aggrieved by the action of the UPPPCL HIL filed the present Writ Petition before the Hon'ble Allahabad High Court.

218. Retrospective Revision of Water Rates U.P. Jal Vidyut Nigam Limited (UPJVNL) has revised the water charges with retrospective effect and claimed additional water charges on account revision of water charges for water drawn from upstream and down stream of Rihand Reservoir for the period and has claimed arrears due to retrospective revision of water charges for water drawn from Upstream and down stream of Rihand Reservoir from 14.1.2000 to 31.1.2001. The revision of water charges was challenged by writ petition on the same grounds on which earlier writ is filed.

219. The U.P. State Electricity Board has revised the water charges with retrospective effect and claimed additional water charges on account revision of water charges for water drawn from upstream and down stream of Rihand Reservoir for the period from 1989-90 to 1992-93.The revision of water charges was challenged by writ petition inter alia on the grounds that the UPSEB has no power to fix the rates since power lies with State Government under Northern India Canal & Drainage Act, rates cannot be fixed retrospectively, fixation of rates is on extraneous grounds and that the rates cannot be higher than the rates fixed for non agricultural purposes.

220. District Magistrate & Collector Stamps, Kanpur City registered a Stamp Case No. 38/2006-07 u/s 33/47A of Stamp Act and issued notice dt. 24.3.2007 raising a demand of stamp duty for Rs. 2529.5 Million on order of Allahabad High Court dt 18.11.2002 sanctioning Scheme of Arrangement between IGCL, IGFL and Hindalco by treating the Order as conveyance. The said show cause notice is similar to the notice-dated 25.11.2006 issued earlier on same cause. A Writ Petition challenging the earlier notice was filed before Allahabad High Court inter alia on the ground that the notice is beyond a period of 4 years and therefore barred by the limitation. The Collector Stamps withdrew the earlier notice during the course of the hearing as being hit by limitation period of 4 years. The present notice has been issued after taking permission from the State Govt. thereby enhancing the period of limitation by another 4 years. HIL has filed a Writ Petition No. 22187/2007on 5.5.2007 before Allahabad High Court on similar grounds taken in the earlier writ except that of limitation. The other important grounds taken are non-compliance of principle of natural justice and Malafide.

221. Obligation to purchase Green Energy under M.P. Electricity Regulatory Commission (Co-generation and Generation of electricity from Renewable Source of Energy) (Revision-1), Regulation, 2010 MPERC has framed M.P. Electricity Regulatory Commission (Co-generation and Generation of electricity from Renewable Source of Energy) (Revision-1), Regulation,2010 inter alia mandating purchase of minimum percentage of total consumption of electricity by an Obligated Entity from Renewable Energy Source. Hindalco challenged the validity of Regulation so far it relates Captive User inter alia on the grounds that it is violative of Art. 14 &19(1)(g) of the Constitution of India and ultra vires the Electricity Act, 2003.

222. HIL made an application for Prospecting License for an area of 361.739 hectares in Village Girumine, Tehsil Sirmour, Distt. Rewa. Vide order dated 04.10.2013 (a complete copy of which was received by HIL on 21.2.2014); the Under Secretary Govt. of MP has recommended to the Central government for grant of Prospecting Licence over an area of 361.736 in Vill. Gerumine District Rewa (MP) in favour of M/s Jay Praksh Associates . Against the said order HIL has filed the present revision petition on the ground that the impugned order has been passed in gross violation of the principals of natural justice and the same is contrary to the facts and law and the order is passed in utter violation of the provisions of the Mines and Minerals Act.

223. Revision in mode of calculation of Surface Rent under MM (DR) Act State Government of Jharkhand under the purported exercise of the Power under MM (DR) Act changed the rate and mode of calculation of surface rent for the area used by the lessee for the mining purpose through memo No. 1055 dated 17.6.2006 by resolving that the calculation of surface rent would be for the entire land under the lease for mining purpose at commercial value and 5% of the valuation so arrived will be charged as surface rent. HIL has filed a Writ Petition No. 1930 of 2007 before Ranchi High Court for quashing the Resolution and demand raised by Mining Officers of Gumla, Lohardaga and Latehar in terms of the said resolution and for refund of the amount of surface rent which has been realized from HIL earlier in terms of the Resolution. The grounds of challenge inter alia are: The resolution is contrary to the provisions of Rule 27(i) (d) of MC Rules which provides that surface rent is leviable only on the area under mining and not on the area of entire lease and also that the surface rent cannot exceed the amount of the land revenue. Similar Writ Petitions filed by other parties challenging the Resolution has been decided and the notification has been quashed on 7.5.2007. State of Jharkhand filed SLP against the order-dated 7.5.07 of the Hon'ble High Court passed in other similar petition. Our Writ Petition is pending for hearing before Ranchi High Court. The Hon'ble Supreme Court of India vide its order dated 13.7.2010 set aside the order quashing the resolution fixing the surface rent and remanded the matter back to the Hon'ble High court for fresh consideration. Hearing concluded on 25.8.2011 and the Hon'ble High Court vide its judgment dated 25.8.2001 allowed the petition and quashed the resolution of State of Jharkhand dated 17.6.2006 holding that the State Govt. can not charge surface rent beyond the maximum limit of land revenue applicable for the area in which Mines are situated. Our petition is pending and likely to be listed soon. HIL also expects the similar order to be passed in our petition. To be listed for hearing.

224. Demand of Forest Transit Fee on Transportation of Bauxite under C.G. Transit (Forest Produce) Rules, 2001 Several demand letters were issued to HIL (31.10.2012, 12.4.2013, 4.5.2013, 10.6.2013, 9.7.2013 and 23.11.2013) by the Forest authorities stating the details of Bauxite transported by HIL form its mining area for the period 1.11.2012 to 31.12.2014 at the rate of Rs.7/- per ton . The demand as well as the Rules have been challenged by way of present writ petition on 26.2.2015 before Hon'ble Chhattisgarh High Court at Bilaspur on the ground that the interalia state has no power to impose tax on minerals i.e. bauxite . On the similar demand M/s BALCO has earlier challenged the levy and prayed for stay. However, no stay has been granted by the Hon'ble High Court

225. Hisri (New) bauxite mine of Hindalco Industries Limited was directed to close its mining operation vide order of AMO Lohardaga dated 9.9.2014 on the ground of amendment in MCR, 1960 relating to deemed renewal for second and subsequent renewals of mining lease. Thereafter, on 12.1.2015 an Ordinance was promulgated amending the provisions of MMRD Act (Later changed to Act) whereby provisions were made for deemed extension of lease till 2030 subject to that the conditions of lease are being complied with. We applied to mining authorities to issue formal order in this regard and allow us resume the mining operations. State Government instead raised a demand of Rs. 20,31,84,896.29 and treating the demand as non compliance to the condition of lease did not issue the order for resumption of mining operation . Aggrieved, we approached Hon'ble High Court of Jharkhand by way of instant writ petition. Matter was heard by the court on 30.7. 2015, however, no interim order was passed. Subsequent to the filing of the petition it was discovered that prior approval for renewal was already granted way back in the year 1998 (16.6.1998) by Central Government. we brought this fact before Hon'ble Court by filing a supplementary affidavit. During the hearing on the matter it was contended on our behalf that since the prior approval was already granted in the matter therefore, the order dated 9.9.14 directing closure of mine is bad. During the hearing on 16.9.2015 we agreed before hon'ble court to confine our petition to the challenge to letter dated 9.9.2014 so that mining operation can continue. Thereafter on 16.9.2009 itself, hon'ble court observed that that in view of letter dated 16.6.1998 the letter dated 9.9.2014, which appears to have been issued after judgement of Hon'ble Supreme Court in Goa Foundation Vs. Union of India, is apparently arbitrary and not sustainable. With these observations Hon'ble court allowed time to State counsel to seek instructions from the State. And fixed the matter for hearing on 14.10.2015. Matter was heard on 4.11.2015 when the court as an interim measure directed resumption of mining operation subject Hindalco depositing the price of mineral for the period w.e.f date of order of Hon'ble Supreme Court in the matter of Goa foundation till the date of closure notice in sept, 2014. Next date fixed as 12.1.2015. We have deposited the amount in compliance of order and mining operation are resumed.

226. On 20.12.2013, respondent/complainant, Inspector, Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act has conducted an inspection and found several alleged breaches of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Thereafter, on 03.05.2014, the respondent has lodged a Criminal Complaint Case under Section 54 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 before Chief Judicial Magistrate, Singrauli alleging offence under Rules 72, 74, 54, 178, 179, 39, 36, 232, 209 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002 and punishable under Sections 47 & 48 of the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Petitioner filed this petition under Section 482 Cr.P.C.

227. The Petitioners (Officials of HIL) have filed the present writ petitions under Section 482 of the Cr.P.C. for quashing the summoning order of Learned Chief Judicial Magistrate, Singrauli. The facts of the case is as under :- On 23.07.2014, a worker namely Surjeet Cher, employed with Hindalco Industries Ltd. at its Captive Power Plant, while at work, fell from a staging and suffered injuries. While he was being taken to the hospital, he died. On 05.01.2015, the respondent No. 1 has lodged a criminal complaint case under Section 54 of the Building and other construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. on which the Chief Judicial Magistrate, Singrauli ordered the summoning of the accused, the officials of HIL. Hence the petition is filed under Section 482 Cr.P.C. for quashing the criminal proceedings pending before the CJM, Singrauli.

228. Unit – Muri

a) Show Cause Notice (B-106 dated 23.01.19) received from JSPCB under section 25(4) of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 (4) of the Air (Prevention & Control of Pollution) Act, 1981 regarding non-transmission of data on OCEMS portal.
b) Show Cause Notice (B-204 dated 15.02.19) received from JSPCB under section 25(4) of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 (4) of the Air (Prevention & Control of Pollution) Act, 1981 regarding improper transmission of data on OCEMS portal. Stating OCEMS had shown that the SO2 (814 mg/Nm3) is gone beyond the standard limit (600 mg/Nm3) on 31st Jan'19.

229. Unit - Renukoot Cluster

a) Show Cause Notice dated 27th September,2018 for non compliance of NGT Direction. A Show cause notice under section 33A of Water (Prevention and control) Act, 1974 as amended was received on 27-09-2018 alleging inter alia that report/action plan with respect to recommendations (mentioned in the notice) of the core committee to show cause as to why- 1) CTO dated 12-2-14 be not revoked. 2) Operations be stopped with immidiate effect. and 3) Competent officer be instructed to disconnect the Water and Electric supply to the industry. Notice wants us to give a reply within 15 days of receiving it.
b) Letter from UPPCB dated 21st Dec to Renukoot for non submission of compliance report in show cause notice.
c) CN issued by Asst. PF Commissioner, Regional Office-Varanasi to M/s Hindalco Industries Limited, Renukoot-Sonbhadra regarding non Seeding of AADHAR of PF members.
d) Showcause Notice for the Non-Compliance of the conditions of the Consent granted U/s 26 of the Water (Prevention and Control of Pollution) Act, 1974 and U/s 21 of Air (Prevention and Control of Pollution) Act, 1981 and Authorization U/s 6(2) of the Hazardous and Other Wastes (Management and Handling), Rules 2016 observed during inspection of the Industry carried out by the officers of the Board on 3.01.19.

230. Plant - Alupuram

a) Demand for duty on billets in respect of finished goods viz. Extrusion supplied to defense establishments, 100% EOU and to EPZ.
b) Modvat on Aluminium strips, copper flat and MS collector bars.
c) Cenvat availed (Service Tax) on Outward transportation during the period from 2005-06, 2006-07 and 2007-08.

231.Global Cases:

a) Unhealthy and hazardous additional, overtime moral damages and legal fines
b) Overtime difference, intra work hours, unhealthy and hazardous additional and other labor rights

(d) Material Civil Litigation against our Promoters

As at the date of this Letter of Offer, there are no outstanding material civil proceedings initiated against any of our Promoters other than as disclosed below:

Mr. Kumar Mangalam Birla

For details in relation to civil litigation against Mr. Kumar Mangalam Birla, see "- *Material Civil Litigation against our Directors – Mr. Kumar Mangalam Birla*"

(e) Material Civil Litigation by our Promoters

As at the date of this Letter of Offer, there are no outstanding material civil proceedings initiated by any of our Promoters other than as disclosed below.

(f) Disciplinary action by the SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding action

As at the date of this Letter of Offer, there are no disciplinary actions including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action.

(g) Other Material Litigation

1. Pursuant to an order dated 14th March 2019, issued by the Deputy Commissioner of Income Tax (DCIT) a demand of Rs. 5,872.13 crore has been raised on Grasim Industries Limited ("**Grasim**") on account of dividend distribution tax (including interest). The DCIT, interalia, held that as the demerger of the demerged undertaking (as defined in the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as ABCL) and their respective shareholders and creditors) is not in compliance with Section 2(19AA) of the Act, the value of shares allotted by ABCL to the shareholders of Grasim, in consideration of the transfer and vesting of the Demerged Undertaking into ABCL, amounted to Dividend within the meaning of the Act. Grasim is of the view that the aforesaid Order is not tenable in law. The necessary action(s) against the order is being taken by Grasim.

2. Vodafone India received a notice in August 6, 2007 from the Indian tax authority under section 163 of the Income Tax Act to show-cause why VIL should not be treated as a representative assesse of VIHBV. Further, a notice dated September 19, 2007 was received by VIHBV from the Indian tax authority alleging potential liability in connection with an alleged failure by VIHBV to deduct withholding tax from consideration paid to the Hutchison Telecommunications International Limited group ("**HTIL**") in respect of HTIL's gain on its disposal to VIHBV of its interests in CGP Investment (Holdings) Limited, a wholly-owned Cayman Island incorporated subsidiary, that indirectly held interests in VIL. VIHBV sought to set aside the tax demand issued by the Indian tax authority before the Supreme Court of India. In January, 2012, the Supreme Court quashed the aforesaid notices and demands issued to VIHBV in respect of withholding tax and interest by holding that the aforesaid transaction with respect to the HTIL was not taxable in India, and that consequently, VIHBV had no obligation to withhold tax from consideration paid to HTIL in respect of the transaction. Thereafter, the Finance Act 2012, enacted on May 28, 2012, amended various provisions of the Income Tax Act with retrospective effect, contained provisions intended to tax any gain on transfer of shares in a non-Indian company, which derives substantial value from underlying Indian assets. VIHBV received a letter dated January 3, 2013 from the Indian tax authorities reminding it of the tax demand raised prior to the judgment of the Supreme Court in January, 2012, and updating the interest element of such demand to Rs.142 million, which includes principal and interest as calculated by the Indian tax authorities but does not include penalties. On February 12, 2016, VIHBV received a notice dated February 4, 2016 of an outstanding tax demand of ₹ 221 billion (which included interest accruing since the date of the original demand) along with a statement that enforcement action, including against VIHBV's

indirectly held assets in India, would be taken if the demand was not satisfied. On September 29, 2017, VIHBV received an electronically generated demand in respect of alleged principal, interest and penalties in the amount of ₹ 190.7 billion. Separate proceedings in the High Court of Bombay in writ petition no. 1942 of 2007 ("**Petition**") were initiated against VIHBV seeking treatment of VIHBV as an agent of HTIL in respect of alleged tax on the aforesaid transaction and to impose penalties of up to 100% of the assessed withholding tax for the alleged failure to have withheld such taxes. The matter is currently pending.

3. On January 10, 2014, VIHBV served an amended trigger notice on the Indian Government under the Netherlands-India Bilateral Investment Treaty ("**Dutch BIT**"), supplementing a trigger notice filed on 17 April 2012, immediately prior to the Finance Act 2012 becoming effective, to add claims relating to an attempt by the Indian Government to tax aspects of the transaction with HTIL under transfer pricing rules. On April 17, 2014, VIHBV served its notice of arbitration under the Dutch BIT, formally commencing the Dutch BIT arbitration proceedings. In June 2016, the tribunal was fully constituted. The Government of India has raised objections to the application of the treaty to VIHBV's claims and to the jurisdiction of the tribunal under the Dutch BIT. On June 19, 2017, the tribunal decided to try both these jurisdictional objections along with the merits of VIHBV's claim in a hearing which took place in February 2019,. The matter is currently pending.

V. Tax Proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving our Company, Directors and Promoters as at the date of this Letter of Offer are disclosed below.

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
*Company**		
Our Company	207	15,314.90
Vodafone India#	52	15,082.60
VMSL#	352	49,515.45
*Subsidiaries**	13	347.83
Directors	Nil	Nil
Promoters		
Hindalco Industries Limited	28	52,110.27
Grasim Industries Limited	144	70,379
Birla TMT Holdings Limited	Nil	Nil
Vodafone International Holdings B.V.	2	4,11,700
Omega Telecom Holdings Private Limited	1	5.18
Telecom Investments India Private Limited	Nil	Nil
Jaykay Finholding (India) Private Limited	2	0.54
Usha Martin Telematics Limited	4	185.33
Sub-Total (A)	804	614,641.10
**The tax amount involved includes interest and penalty as per the order, wherever applicable and is net of payment under protest*		
Indirect Tax		
*Company**		
Our Company	196	9,022.31
Vodafone India	50	4,589.54
VMSL#	824	33,543.51
*Subsidiaries**	93	521.64
Directors	Nil	Nil

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Promoters		
Hindalco Industries Limited	450	19,561
Grasim Industries Limited	250	3,044
Vodafone International Holdings B.V.	Nil	Nil
Sub-Total (B)	1,863	70,282
**Such amount includes interest and penalty in relation to such indirect tax proceedings*		
TOTAL (A+B)	2,664	684,923.10

 # There are 7 direct tax matters for Vodafone India and VMSL in total combined which are above the materiality threshold of Rs.5,000 million amounting to Rs. 45,074 million and one indirect tax proceeding involving VMSL amounting to Rs.5,531 million.

VI. Outstanding Dues to Creditors

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a Board resolution dated March 15, 2019, considers all creditors to whom an amount due by our Company exceeds Rs.6,525 million (which is 5% of our total trade payables (including accruals) for the period ending December 31, 2018 in accordance with the Restated Consolidated Financial Information) as “material” creditors of our Company.

Details of material creditors (based on the above materiality policy), MSMEs and other creditors of our Company are disclosed below.

Type of Creditor	Number of Creditors	Amount Involved (₹ in million)
Material Creditors	Nil	Nil
Micro, small and medium enterprises	68	31
Other Creditors	52,523	21,768
Total Creditors	52,591	21,799

Since there are no material creditors, the requirement to upload details of the outstanding overdues to the material creditors as at December 31, 2018 on the website of our Company, is not applicable.

VII. Material Developments since the Last Balance Sheet

Other than as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page [●], in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Letter of Offer which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our consolidated assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Issue, and our Company and the material Subsidiaries can undertake each of their respective current business activities. As of the date of this Letter of Offer, our Company does not have a material subsidiary. Other than as stated below, no further material approval from any regulatory authority is required to undertake the Issue or continue such business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are valid as at the date of this Letter of Offer. For certain details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" on page [●].

I. Approvals in Relation to the Issue

1. Our Board pursuant to its resolution dated January 23, 2019 has authorized the Issue.

2. In-principle approval from the BSE dated [●].

3. In-principle approval from the NSE dated [●].

4. Pursuant to a letter dated March 14, 2019, the Foreign Investment Policy & Promotion (FIPP) Wing, DoT, Ministry of Communications, Government of India has conveyed the approval of the Government of India in connection with the Issue: (i) to approve the foreign investment of more than Rs.50,000 million and up to Rs.250,000 million; and (ii) to approve and take on record the proposed changes in the indirect foreign investment in the Subsidiaries which may take place on account of the Issue. The approval is subject to, among other conditions, that our Company complies with various applicable laws and provides details of the Equity Shares allotted to persons resident outside India including shareholding pattern, overall as well as inter-se, pursuant to the Issue within 15 business days of completion of the Issue. The approval also states that the approval given by the DoT will not confer any exemption or relaxation from any tax law and the Income Tax Department can subsequently investigate/scrutinize the transaction.

5. Pursuant to the terms of the payments bank license granted to ABIBPL and our Articles, our Company had applied to the RBI in connection with the Issue through a letter dated January 7, 2019 seeking its approval for the following changes to its shareholding: (i) changes in non-promoter shareholding, individually or as a group of persons, to the extent of 5% or more of the total post-issue capital of our Company; and/or (ii) acquisitions by any non-promoter person/entity/group of persons of 5% or more of the post-issue capital of our Company or such person/entity/group of persons acquiring Equity Shares which would change such person's, /entity's/ group of person's shareholding to 5% or more of the total post-issue capital of our Company.

   By way of its letter dated February 21, 2019, the RBI responded stating that the onus of compliance with the relevant condition in the payments bank license requiring the prior approval of the RBI shall remain with the shareholder/investor who is participating in the Issue and who will acquire 5% or more shareholding in the post-Issue equity capital of our Company. The RBI also directed our Company to provide information to the RBI on the non-promoter shareholders who hold 5% or more of the post-Issue capital of HIL within 3 working days after the Allotment. Subsequently, in response to our letter dated March 6, 2019, the RBI has clarified by way of letter dated March 13, 2019, that if a non-promoter shareholder exceeds 5% or more of the post-Issue equity share capital of our Company, even due to passive means, *i.e.*, applying only for their Rights Entitlement, our Company may submit information of such shareholders to the RBI but no prior approval of the RBI is necessary in such cases. However, if a non-promoter shareholder wishes to acquire more than their Rights Entitlement through active means such as applying for additional Right Equity Shares and/or acquisition of Rights Equity Shares through renunciation, then such shareholder should assess their likely shareholding and if their shareholding is likely to exceed 5% or more of the total post-Issue equity share capital of our Company, then such shareholder shall approach the RBI for its approval.

6. RBI letter dated March 14, 2019 in connection with renunciations in the Rights Issue. For details, see "*Terms of the Issue – Renunciation*" on page [●].

7. SEBI letter dated February 15, 2019 in connection with matters related to the Rights Issue. For details, see "*Capital Structure – Notes to Capital Structure*" on page [●].

II. Incorporation Details of our Company

1. Certificate of incorporation dated March 14, 1995 issued by the Registrar of Companies, Maharashtra, located at Mumbai and a certificate of commencement of business on August 11, 1995.

2. Fresh certificate of incorporation dated May 30, 1996 issued by the Registrar of Companies, Maharashtra, located at Mumbai upon change of name of the Company from 'Birla Communications Limited' to 'Birla AT&T Communications Limited'.

3. Fresh certificate of incorporation dated November 6, 2001 issued by the RoC upon change in name of the Company from 'Birla AT&T Communications Limited' to 'Birla Tata AT & T Limited'.

4. Fresh certificate of incorporation dated May 1, 2002 issued by the RoC upon change in name of the Company from 'Birla Tata AT & T Limited' to 'Idea Cellular Limited'.

5. Fresh certificate of incorporation dated August 31, 2018 issued by the RoC upon change in name of the Company from 'Idea Cellular Limited' to its present name 'Vodafone Idea Limited'.

III. Investment Approvals

1. Letter dated January 10, 2007 issued by erstwhile Foreign Investment Promotion Board unit (the "**FIPB**"), Department of Economic Affairs, Ministry of Finance, Government of India to the Company approving foreign equity participation in the Company of up to 74% (composite).

2. Letters dated October 27, 2008 issued by the FIPB to the Company allowing it to, *inter-alia,* act as operating-cum-holding company of ABTL, subject to certain conditions, including that the FDI in the Company should not exceed 67.5%.

3. Letter dated June 4, 2018 issued by the DoT to the Company in relation to approval of the Merger and increase in the total foreign investment of up to 100% in the Company, subject to certain conditions.

IV. Material Approvals in relation to our Business

(a) Material licenses and approvals held by our Company

Details of the material licences and approvals held by our Company as on this Letter of Offer are disclosed below.

1. Our Company and two of our Subsidiaries (VTL and YBIL) have been granted Infrastructure Provider Category – 1 license by the DoT.

2. YBIL has been granted a Unified Licence by the DoT to provide ISP, Category-'A' service through all India service area.

3. Our Company has been granted Unified Licenses in 22 service areas by way of license agreements in order to provide different telecommunication services by the DoT.

4. Our Company has been granted licensed spectrum access in 24 service areas for different licensed service areas for different spectrum band between 900 MHz to 2500 MHz by the DoT.

5. Our Company has obtained clearance under SACFA from the Wireless Planning & Coordination Wing, DoT in 22 service areas.

6. Our Company has obtained clearance from Telecommunication Engineering Centre, DoT for our towers located at various locations in the 22 service areas where we operate.

7. Our Company has been granted a 'National Long Distance Service Licence' by the DoT to install, operate and maintain National Long Distance ("**NLD**") service network and to provide NLD service within the territorial boundaries of India.

8. Our Company has been granted an 'International Long Distance Service Licence' by the DoT to install, operate and maintain International Long Distance ("**INLD**") service network and to provide INLD services.

9. Our Company has been granted on a non-exclusive, a licence to operate internet services ("**ISP**") in all India service area.

10. Two of our Subsidiaries, VIVL and VBSL are registered with the DoT under the "Other Service Provider" category.

11. Our Company and our Subsidiaries have obtained registrations under various Indian tax laws, including, but not limited to, permanent account number, tax deduction and collection account number, professional tax and goods and services tax.

12. Our Company and our Subsidiaries have obtained registrations under applicable shops and establishments legislations in the relevant states in India where they operate.

13. Our Company has obtained an importer-exporter code registration certificate from the Ministry of Commerce and Industry, Government of India.

14. Our Company has obtained registrations under applicable labour law legislations including, not limited to, the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Fund and Miscellaneous Provisions, Act, 1952, and Employees' State Insurance Act, 1948.

(b) *Material Licenses and Approvals for which applications have been filed by our Company*

As at the date of this Letter of Offer, there are no material licenses and approvals for which our Company has made any application for registration or renewal.

(c) *Material Licenses and Approvals for which applications are yet to be filed by our Company*

As at the date of this Letter of Offer, there are no material licenses and approvals for which our Company is yet to make any application for registration or renewal.

V. Intellectual Property

(a) *Registrations obtained by our Company*

1. <u>Domain names</u>

As at the date of this Letter of Offer, our Company has registered 66 domain names in India.

2. <u>Trademarks</u>

As at the date of this Letter of Offer, our Company has registered 223 trademarks in India.

On July 20, 2018, Vodafone India and VMSL entered into a trademark license agreement with Vodafone Sales and Services Limited in relation to using the trademark 'Vodafone' under the terms and conditions set out in the agreement.

(b) *Applications filed by our Company*

As at the date of this Letter of Offer, our Company has filed 15 trademark applications in India. In addition, as at the date of this Letter of Offer, our Company has filed 2 copyright applications in India.

Our Company has also made applications for registration of certain other trademarks, which are currently objected against. For details, see "*Risk Factors – We have only limited protection for our intellectual property*" on page [●].

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to a resolution dated January 23, 2019. The Board in its meeting held on [●], 2019 has determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Shares for every [●] fully paid-up Equity Share(s) held on the Record Date. The Issue Price has been determined in consultation with the Lead Managers.

Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue through letters dated [●] and [●], respectively.

See also, "*Government and Other Approvals*" on page [●].

Prohibition by SEBI, the RBI and other Authorities

Our Company, our Promoters, the members of the Promoter Group, our Directors, and the persons in control of our corporate Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

Our Company, our Promoters and our Directors have not been identified as wilful defaulters by any bank or financial institution (as defined under the Companies Act) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our individual Promoter nor any of our Directors is a fugitive economic offender.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended

Our Company, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable, as on the date of this Letter of Offer.

Under the Companies (Significant Beneficial Ownership) Rules, 2018, certain persons who are 'significant beneficial owners' ("**SBO**"), are required to intimate their beneficial holdings to the company in Form no. BEN-1 within 90 days from February 8, 2019. Upon receipt of a declaration by an SBO, companies are required to, within 30 days of receiving such declaration, file a return in Form no. BEN-2 with the relevant registrar of companies in respect of each such declaration received by the reporting company. Further, each company is required to maintain a register of SBOs in Form no. BEN-3 which shall be available for inspection to the shareholders of the company, is also required to give notice in Form no. BEN-4 to all its members who are not individuals) who hold more than 10% of the shares asking the members to, *inter-alia,* disclose information of the respective SBO of such member.

Directors associated with securities market

Except Mr. Kumar Mangalam Birla who is associated with Aditya Birla Money Limited; Aditya Birla Sun Life AMC Limited (formerly known as Birla Sun Life Asset Management Company Limited) who is an investment manager to: i) Aditya Birla Sun Life Mutual Fund, ii) Aditya Birla Real Estate Fund, iii) Aditya Birla Real estate Debt fund (Category II)-AIF, iv) Aditya Birla Sun Life AIF Trust – I (Category III) – AIF and v) Aditya Birla Sun Life AIF Trust – II (Category II) – AIF; Aditya Birla Sun Life Asset Management Company Pte Ltd.; Aditya Birla Sun Life Trustee Private Limited (formerly known as Birla Sun Life Trustee Company Private Limited); Aditya Birla Stressed Asset AMC Private Limited who is the sponsor and investment manager to Aditya Birla Special Situations Fund (Category II AIF); and Hindalco Industries Limited (Share Transfer Agent Category II), and Mr. Debnarayan Bhattacharya who is associated with and Hindalco Industries Limited (Share Transfer Agent Category II), none of the Directors are associated with the securities market in any manner. There is no outstanding action initiated by the SEBI against the Directors in the five years preceding the date of this Letter of Offer, other than as disclosed below:

Aditya Birla Money Limited is registered with the SEBI as a stock-broker. The SEBI has imposed a penalty of ₹ 100,000 on Aditya Birla Money Limited after an enquiry with respect to violation of code of conduct for stock brokers.

Eligibility for the Issue

The Equity Shares of our Company are listed on the BSE and the NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations.

Pursuant to Clause (3) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part A of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 61 of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the conditions specified in Regulation 62, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the purpose of the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. the Equity Shares have been listed on the Stock Exchanges, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. the entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. the average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹2,500 million;

4. the annualized trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;

5. the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period;

6. our Company has been in compliance with the equity listing agreement and the SEBI Listing Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

7. our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. no show-cause notices have been issued or prosecution proceedings have been initiated by the SEBI and are pending against our Company or our Promoters or the whole-time Directors as at the date of filing this Letter of Offer with the Designated Stock Exchange;

9. our Company, our Promoters, the members of the Promoter Group or our Directors have not settled any alleged violation of securities laws through the consent or settlement mechanism with the SEBI during

three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

10. the Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. there are no conflicts of interest between the Lead Managers and our Company or the Group Companies in accordance with applicable regulations;

12. the Promoters and members of the Promoter Group shall mandatorily subscribe to their Rights Entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group. For subscription by the Promoters and members of the Promoter Group and details in relation to compliance with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, see "*Issue Information – Terms of the Issue – Subscription to the Issue by the Promoters and the Promoter Group*" on page [●]; and

13. there are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of those financial years for which such accounts are disclosed in this Letter of Offer.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HDFC BANK LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HDFC BANK LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. THE SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer from our Company, our Directors and the Lead Managers

Our Company, our Directors and the Lead Managers accept no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website www.vodafoneidea.com, or the respective websites of our Promoters, Promoter Group or any affiliate(s) of our Company would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the Identified Jurisdictions. The information contained in this Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Filing

This Letter of Offer has been filed with the Designated Stock Exchange, the other Stock Exchange and the SEBI at the Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Further, the Lead Managers have also made an online filing of this Letter of Offer through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Disclaimer Clause of the BSE

[●]

Disclaimer Clause of the NSE

[●]

Offering Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, the Abridged Letter of Offer or CAF and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an address in India and foreign corporate Shareholders in Identified Jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer or CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer or where any action would be required on behalf of the Company and/ or the Lead Managers to be taken to permit the Issue and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer or CAF must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer or CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer or CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction. If such person is (a) in the United States, such person is a U.S. QIB, or (b) outside India and the United States, such person is a corporate Shareholder, and in each case permitted to acquire the Rights Entitlements and the Rights Equity Shares offered in the Issue under the laws of such jurisdiction. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and CAF, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any Restricted Jurisdiction.

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF SUCH SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs) or (B) outside India or the United States, and not a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company and foreign corporate Shareholders in Identified Jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and (a) is either in India or (b) is in an Identified Jurisdiction (other than the United States) and a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of its jurisdiction, or (ii) it is a U.S. QIB in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the CAF is submitted by a U.S. QIB in the United States); (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States (unless the CAF is submitted by a U.S. QIB in the United States), is from an Identified Jurisdiction and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such CAF.

For further details, see "*Restrictions on Subscriptions and Transfers*" on page [●].

Consents

Consents of our Directors, the Lead Managers, the Monitoring Agency, the legal advisors, the Registrar to the Issue and the Banker(s) to the Issue, to act in their respective capacities have been obtained in writing and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated [●] from the Statutory Auditors, namely, S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a statutory auditor and in respect of their (i) examination report dated March 15, 2019 on the Restated Consolidated Financial Information, and (ii) report dated [●] on the statement of possible special tax benefits. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Our Company has also received written consent from Lovelock & Lewes to include its name in this Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of its audit reports dated February 25, 2019, May 31, 2018, June 2, 2017 and May 31, 2016 relating to audited consolidated financial statements of Vodafone India, its subsidiaries and joint ventures, as of August 31, 2018, for the period April 1, 2018 to August 30, 2018 and as of and for each of the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, respectively.

U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of the Rights Issue in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Lovelock & Lewes have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Lovelock & Lewes have given consent to be referred to as experts in this Letter of Offer in accordance with the requirements of the Companies Act, 2013. The term experts as used in this Letter of Offer is different from those defined under the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. The reference to Lovelock & Lewes as experts in this Letter of Offer is not made in the context of the U.S. Securities Act but solely in the context of this Rights Issue in India.

Expert Opinion

Except as stated above, the Company has not obtained any expert opinions.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues of Equity Shares during the five years preceding the date of this Letter of Offer.

Commission or brokerage on previous issues in the last five years

Our Company has not paid any brokerage or commission on previous issues in the last five years.

Particulars in regard to our Company and listed Group Companies/Subsidiaries/Associates which made any capital issue during the last three years

None of our Subsidiaries and Associate Company are listed. Except as disclosed in the section "*Our Group Companies*" page [●], none of our listed Group Companies has undertaken any capital issue during the last three years.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issues in the five years preceding the date of this Letter of Offer. None of our Subsidiaries are listed. None of our listed Promoters have undertaken any public issue or rights issue during the five years preceding the date of this Letter of Offer.

Stock Market Data for Equity Shares

Our Equity Shares are listed on the BSE and the NSE. Our Equity Shares are actively traded on the BSE and the NSE. For details in connection with the stock market data of the BSE and the NSE, see "*Stock Market Data for Equity Shares of Our Company*" on page [●].

Status of Outstanding Investor Complaints in relation to our Company

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. It's terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company has received 356 investor complaints during the three years preceding the date of this Letter of Offer, none of the investor complaints are pending.

Investor complaints received by our Company are typically disposed off within 10 - 15 days from the receipt of the complaint.

Status of outstanding investor complaints in respect of our Company

As at the date of this Letter of Offer, [●] outstanding investor complaints are pending against our Company.

Status of Outstanding Investor Complaints in relation to our Subsidiaries and Group Companies

None of our Subsidiaries are listed. A total of two investor complaints received by our five largest listed Group Companies, that are listed in India, were pending as at the date of this Letter of Offer.

Investor Grievances arising out of the Issue

Investors may contact the Registrar to the Issue at:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East, Mumbai 400 059
Maharashtra, India
Tel: +91 22 6263 8200
E-mail: rightsissue@bigshareonline.com
Investor Grievance E-mail: vil.investors@bigshareoline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No.: INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment Advice/share certificates/ demat credit/refund orders etc.

Mr. Pankaj Kapdeo is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Pankaj Kapdeo
Birla Centurion, 10th Floor
Century Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai 400 030
Maharashtra, India
Tel: + 91 95940 03434
E-mail: Pankaj.kapdeo@vodafoneidea.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI, the DoT or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or share certificate.

Please note that in accordance with the provisions of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (the "2011 ASBA Circular") all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 (the "2009 ASBA Circular") must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

ASBA Investors should note that the ASBA process involves procedures that may be different from the procedure applicable to the non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application*" on page [●].

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making Application in the Issue and clear demarcated funds should be available in such account for ASBA Applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the Application, for ensuring compliance with the applicable regulations.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of our Board of Directors of our Company approved at their meeting held on January 23, 2019 pursuant to Section 62(1)(a) of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in dematerialized form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Rights Equity Shares as set out in Part A of the CAF.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date, (i) who have provided an address in India or (ii) foreign corporate and institutional Shareholders in Identified Jurisdictions. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India and to foreign corporate and institutional Shareholders in Identified Jurisdictions, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer or the CAF will not constitute an invitation or offer in those jurisdictions in which it would be illegal to make such an invitation or offer or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India) and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the CAF and other offering material must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, or the CAF and any other offering material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the CAF or any other offering material in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India).

Principal terms of the Issue

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Managers prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ [●] per Rights Equity Share is payable on application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds between [●] and [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Rights Issue and shall be sent a CAF with zero entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the allotment of one additional Rights Equity Share, if such Eligible Equity Shareholders apply for the additional Rights Equity Shares. However, they cannot renounce the same in favor of third parties and the CAF with zero entitlement shall be non-negotiable and non-renounceable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded on BSE (Scrip Code: 532822; ISIN: INE669E01016) and NSE (Scrip Code: IDEA; ISIN: INE669E01016). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment.

The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the Master Circular for Depositories dated December 15, 2016 issued by the SEBI, be Allotted under a temporary ISIN to be kept frozen until final listing and trading approval is granted by the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of the Basis of Allotment.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. For further details, see "*Payment of Refund*" on page [●].

Subscription to the Issue by the Promoters and the Promoter Group

Pursuant to letters dated [●], our Promoters and Promoter Group, as applicable, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and do not intend to renounce such rights, except to the extent of renunciation within the Promoters and Promoter Group. In addition to subscription to their Rights Entitlements, certain of our Promoters and Promoter Group have reserved the right to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, in whole or in part, up to the extent permitted by the SEBI as specified below.

Pursuant to a letter dated February 15, 2019, the SEBI has permitted our Promoters and Promoter Group to subscribe to additional Rights Equity Shares in the Issue and exceed the maximum non-public shareholding requirement of 75% in order to achieve the minimum subscription requirements in the Issue (90% of the Issue size) under the SEBI ICDR Regulations. As a result of such additional subscription, the shareholding of our Promoters and Promoter Group may exceed 75% of the post-Issue capital of our Company and our Company will be required to reduce such shareholding of the Promoters and Promoter Group to comply with SCRR within the time period (which is currently within one year from the date of allotment in the Issue) and in the manner specified by the SEBI.

Rights of Equity Shareholders of our Company

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share. In case an Investor holds Equity Shares in the physical form, our Company would issue to the Allottees one certificate for the Equity Shares allotted to each folio (the "**Consolidated Certificate**"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Investor.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages and obligations to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of such Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Rights Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Rights Equity Shares; or

- to make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Equity Shares himself, he/she shall deliver to our Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in the Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad, where our Registered Office is situated) and/or, will be sent by post to the addresses of the Eligible Equity Shareholders provided to our Company. Please note that our Company will dispatch the Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date, (i) who have provided an address in India and (ii) who are foreign corporate and institutional Shareholders in Identified Jurisdictions.

Procedure for Application

The CAF for the Rights Equity Shares offered as part of the Issue along with Abridged Letter of Offer would be printed for all Eligible Equity Shareholders. In case the original CAF is not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and his/her full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company or the depository participant, the Application is liable to be rejected.

Please note that neither our Company, the Lead Managers nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making an Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both Applications.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in the Issue.

Pursuant to the payments bank license granted to ABIPBL dated April 3, 2017, the RBI had directed our Company to amend our Articles of Association to state that any change of shareholding by way of fresh issue or transfer of shares, to the extent of 5% or more in our Company will require the prior approval of the RBI. Subsequently, pursuant to its letter dated June 7, 2017, the RBI had clarified that the Promoters, Promoter Group, or persons acting in concert with the Promoters and the Promoter group will be exempt from the restriction and that the onus of compliance with the above condition is with the shareholders of the Company. Accordingly, Article 74A of the Articles of Association of our Company stipulates that no person or group of persons (other than any Promoter or Promoter Group or persons acting in concert with any Promoter or Promoter Group) shall acquire any shares of the Company which would take the shareholding of such person or group of persons to 5% or more (or any such percentage imposed by the RBI from time to time) of the total issued capital of our Company, unless prior approval of the RBI has been obtained by such person or group of persons.

Pursuant to letters dated February 21, 2019 and March 13, 2019, the RBI has clarified that no prior approval of the RBI is required if the shareholding of a non-promoter shareholder exceeds 5% or more of the post-Issue capital of our Company as a result of their subscription to only their Rights Entitlement. However, a non-promoter shareholder, who intends to acquire shares more than his entitlement under the rights issue through active means such as applying for additional shares and/or acquisition of renounced shares, should assess his likely holdings and if his shareholding is likely to exceed 5% of the post-Issue Equity Share capital of our Company, should approach RBI for approval. For further details on the RBI letters, see "*Government and Other Approvals*" on page [●].

Accordingly, it is the responsibility of the Applicant to determine whether their participation in the Issue through subscription to additional Rights Equity Shares or as a Renouncee will result in their post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company and seek prior approval of the RBI.

Our Company and the Lead Managers will rely strictly and solely on such valid RBI approvals received from the Applicant for making any Allotment of Rights Equity Shares. A clearly legible copy of the RBI approval for participation in the Issue together with the application submitted for obtaining such RBI approval should be attached with the CAF and in any event not later than one day prior to the date of finalization of Basis of Allotment. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue by applying for additional Right Equity Shares or as a Renouncee. In case an Applicant fails to submit the RBI approval with the CAF and in any event not later than one day prior to the date of finalization of Basis of Allotment, our Company may at its sole discretion (i) keep on hold the Allotment to such Applicant until the necessary approvals from the RBI are obtained by the Applicant, or (ii) it may decide to Allot such number of

Rights Equity Shares to such Applicant that will be limited to such shareholder's Rights Entitlement only and/or limit the resultant aggregate post-Issue shareholding of such Applicant in our Company to less than 5% of the post-Issue Equity Share capital.

CAF

The Registrar to the Issue will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see "- *Application on Plain Paper (Non-ASBA)*" and "- *Application on Plain Paper under the ASBA Process"* on pages [●] and [●], respectively.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of the Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of Rights Equity Shares by Renouncee(s); and

Part D: Form for request for SAFs.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Rights Equity Shares, then such shareholder can:

- Apply for his/her Rights Entitlement of Rights Equity Shares in full;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his/her Rights Entitlement in full and apply for additional Rights Equity Shares; and
- Renounce his/her Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for your Rights Entitlement, either in full or in part, by filling Part A of the CAFs and submit such CAFs along with the Application Money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centers not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar to the Issue by registered post, speed post or courier so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that our Company, the Lead Managers or the Registrar to the Issue shall not be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "- *Mode of Payment for Resident Investors*" and "- *Mode of Payment for Non-Resident Investors*" on pages [●] and [●], respectively.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, subject to sectoral caps and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section "- *Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favor may also apply for additional Rights Equity Shares by indicating details of additional Rights Equity Shares applied for in place provided for additional Equity Shares in Part C of CAF.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of Equity Shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Non-resident Investors who are not Eligible Equity Shareholders may not apply for Rights Equity Shares in addition to their Rights Entitlement, i.e., non-resident Renouncees cannot apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made in the manner prescribed under the section "- *Basis of Allotment*" on page [●].

For restrictions on applications for additional Rights Equity Shares pursuant to conditions imposed by the RBI, see also "- *Procedure for Application*" on page [●].

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favor of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Equity Shares in favor of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories); (iv) HUFs; or (v) any society or trust (unless such society or trust is registered under the Societies Registration Act, 1860, as amended or the Indian Trusts Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitutional documents or bye-laws to hold Rights Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favor of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities or other laws.

Our Company had sought a clarification from the RBI pursuant to a letter dated February 14, 2019 to confirm that renunciations from a non-resident to a resident or vice versa on the floor of the stock exchange are permitted without any restrictions. We also set out our understanding that foreign owned and controlled Indian companies ("**FOCC**") are treated at par with non-residents under the FEMA Regulations and that non-resident shareholders (including FOCCs) are permitted to renounce in favor of other non-residents or vice-versa without any RBI approval. Pursuant to a letter dated March 14, 2019, the RBI has clarified that (i) renunciation on stock exchange may be in accordance with SEBI guidelines; (ii) shareholders who are persons resident outside India or foreign owned or controlled companies may renounce in favour of other persons resident outside India or foreign owned or controlled companies in compliance with SEBI guidelines; and (iii) the Company is required to ensure compliance with the FEMA Regulations.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favor of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favor renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under the Issue in favor of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company or the Depositories, the Application is liable to be rejected.

Renouncee(s)

The person(s) in whose favor the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF.

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A (*All joint holders must sign in the same sequence*)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (*All joint holders must sign in the same sequence*)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (*all joint holders must sign in the same sequence*) requesting for SAFs. Send the CAF to the Registrar so as to reach on or before the last date for receiving requests for SAFs. Splitting will be permitted only once On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A.

S. No.	Option Available	Action Required
		(ii) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (*Joint Renouncees are considered as one*)	Fill in and sign Part B (*all joint holders must sign in the same sequence*) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (*all joint Renouncees must sign*)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C

In case of Equity Shares held in physical form, Applicants must provide information in the Application as to their respective bank account numbers, name of the bank, to enable the Registrar to print such details on the refund order. Failure to comply with this may lead to rejection of the Application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (3), (4) and (5) will not be available for Eligible Equity Shareholders applying through ASBA process.

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the Application invalid.

- Request for each SAF should be made for a minimum of one Rights Equity Share or, in each case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.

- Request by the Eligible Equity Shareholders for the SAFs should reach the Registrar to the Issue on or before the close of business hours on the last date of receiving requests for SAFs as provided herein.

- Only the Eligible Equity Shareholder to whom this Letter of Offer and/or Abridged Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to Eligible Equity Shareholders by post or other means at the Applicant's risk.

- Eligible Equity Shareholders may not renounce in favor of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

- Submission of the CAF to the Bankers to the Issue at their collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the person(s) applying for Rights Equity Shares in Part C of the CAF to receive Allotment of such Rights Equity Shares.

- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the corresponding CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.

- **Non-resident Eligible Equity Shareholders:** Application(s) received from Non-Residents or NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of the Issue shall, *inter-alia,* be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF.

- Applicants applying through the non-ASBA process must write their corresponding CAF/SAF number at the back of the cheque/ demand draft.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in a reduced frequency, i.e., once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected. In order to ensure listing of Rights Equity Shares issued and Allotted pursuant to the Issue in a timely manner, Applicants are advised to use CTS cheques or the ASBA facility to make payment.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number or DP and Client ID number and his/ her full name and address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar within seven days prior to the Issue Closing Date. Please note that Applicants who are making the Application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the Applications. Our Company or the Registrar to the Issue or the Lead Managers will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "- *Modes of Payment*" on page [●].

The envelope should be superscribed "Vodafone Idea Limited – Rights Issue". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Vodafone Idea Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form (including DP ID and Client ID), if held in physical form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (in case of Equity Shares held by the Eligible Equity Shareholder in physical form). In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity

Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;

- If the payment is made by a draft purchased from NRE or FCNR or NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand that this application should not be forwarded to or transmitted in or to the United States at any time, except to Qualified Institutional Buyers (as defined in the US Securities Act). I/we understand that none of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company has reason to believe is in the United States and is not a Qualified Institutional Buyer (as defined in the US Securities Act), or if such person is outside India and the United States, such person is not a corporate Shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that our Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Managers or our Directors. In cases where multiple Applications are submitted, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as permitted by the SEBI letter dated February 15, 2019). Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Managers, our Directors and the Registrar to the Issue not having any liability to the Eligible Equity Shareholders. The plain paper Application format will be available on the website of the Registrar to the Issue at www.bigshareonline.com.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper Application is [●]. Our Board or any committee thereof, subject to the provisions of the Articles of Association may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF or the plain paper Application, together with the amount payable, is either: (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar to the Issue, on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or the Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or the Committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided under the section "- *Basis of Allotment*" on page [●].

Modes of Payment

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the Application should be drawn in favor of "Vodafone Idea Limited Rights Issue - R" crossed 'A/c Payee only' and should be submitted along with the Application to the Bankers to the Issue or to the Registrar to the Issue on or before the Issue Closing Date.

- Investors residing at places other than places where the bank collection centers have been opened by our Company for collecting Applications, are requested to send their Applications together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn at par in favor of "Vodafone Idea Limited – Rights Issue - R", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach on or before the Issue Closing Date. The envelope should be super scribed "Vodafone Idea Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the Application Money must not be sent to our Company or the Lead Managers. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards Applications by non-resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain Applications from the following address:

  Bigshare Services Private Limited
  1st Floor, Bharat Tin Works Building
  Opp. Vasant Oasis, Makwana Road
  Marol, Andheri East
  Mumbai 400 059
  Maharashtra, India
  Tel: +91 22 6263 8200
  E-mail: rightsissue@bigshareonline.com
  Investor Grievance E-mail: vil.investors@bigshareonline.com
  Contact person: Mr. Ashok S. Shetty
  Website: www.bigshareonline.com
  SEBI registration number: INR000001385

- Applications from non-resident Investors in any jurisdiction will not be accepted where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws. Applications from non-resident Investors in any jurisdiction will not be accepted when such person is not a corporate person. See "*Notice to Investors*" and "*Restrictions on Subscriptions and Transfers*".

- Non-resident Investors applying from places other than places where the bank collection centers have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft/cheque for the full Application Money, net of bank and postal charges, in case of application on a non-repatriable basis, drawn in favor of "Vodafone Idea Limited – Rights Issue – NR", and in case of a repatriable basis, drawn in favor of "Vodafone Idea Limited – Rights Issue – R", each crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach on or before the Issue Closing Date. The envelope should be superscribed "Vodafone Idea Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Payment by non-residents must be made by demand drafts, cheques or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

- By cheque/draft drawn on an NRE or FCNR Account with the Escrow Collection Banks;

- By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at par;

- FPIs registered with SEBI must utilize funds from special non-resident rupee account;

- Non-resident Investors with repatriation benefits should draw the cheques/ demand drafts in favor of "Vodafone Idea Limited - Rights Issue - NR", crossed "A/c Payee only" for full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account or Rupee Draft purchased out of NRO Account maintained elsewhere in India. In such cases, the Allotment of Rights Equity Shares will be on a non-repatriation basis.

- Non-resident Investors without repatriation benefits should draw the cheques/demand drafts in favor of "Vodafone Idea Limited - Rights Issue - R", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar.

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an Application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

- Applications received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest and export of share certificates. NRIs who intend to make payment through NRO accounts shall use the form meant for resident Indians.

- In the case of NRs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRs who remit their Application Money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through

the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable. For details on Designated Branches of SCSBs collecting the CAFs, please refer the above mentioned SEBI links.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, the option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialized form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form;

- have not renounced his/her Rights Entitlements in full or in part;

- are not Renouncees;

- are applying through a bank account maintained with SCSBs; and

- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their Applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the Application in their respective ASBA Accounts.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Applications with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to a Designated Branch of an SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors of our Company in this regard.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "- *Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

For restrictions on applications for additional Rights Equity Shares pursuant to conditions imposed by the RBI, see also "- *Procedure for Application*" on page [●].

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under ASBA process

The Investor applying under the ASBA Process agrees to block the entire Application Money with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the Application Money, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Managers to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire Application Money at the time of the submission of the CAF.

The SCSB may reject the Application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF, does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

S. No.	Option Available	Action Required
	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (*All joint holders must sign in the same sequence*)

S. No.	Option Available	Action Required
	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (*All joint holders must sign in the same sequence*)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to a Designated Branch of an SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper under the ASBA Process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to a Designated Branch of an SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the bank account maintained with such SCSB.

The envelope should be superscribed "Vodafone Idea Limited – Rights Issue". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Vodafone Idea Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand that this application should not be forwarded to or transmitted in or to the United States at any time, except to Qualified Institutional Buyers (as defined in the US Securities Act). I/we understand that none of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our

Company has reason to believe is in the United States and is not a Qualified Institutional Buyer (as defined in the US Securities Act), or if such person is outside India and the United States, such person is not a corporate Shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that our Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Managers or our Directors. In cases where multiple Applications are submitted, including cases where an Investor submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue pursuant to the SEBI letter dated February 15, 2019). Investors are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Managers and the Registrar to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at www.bigshareonline.com.

Option to receive Rights Equity Shares in dematerialized form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer and Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Applicants are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) The CAF or plain paper Application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company, the Registrar or the Lead Managers. Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

(e) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**

(f) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable in the ASBA process. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the Application in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(i) All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

(j) Only the Eligible Equity Shareholders to whom the Rights Equity Shares have been offered shall be eligible to participate under the ASBA process. Renouncee(s) shall not be eligible to participate under the ASBA process.

(k) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Rights Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.

(l) Only the Eligible Equity Shareholders holding shares in demat form are eligible to participate through the ASBA process.

(m) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(n) Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

(o) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable.

(p) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section *" - Applications on Plain Paper under the ASBA Process"* on page [●].

(q) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

Do's:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorized the SCSB for blocking funds equivalent to the total Application Money mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed such CAF.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

(k) If you determine that your participation in the Issue through subscription to additional Rights Equity Shares (over and above the Rights Entitlement) or as a Renouncee will result in your post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company, please seek approval of the RBI and attach a copy of such approval to the Application.

Don'ts:

(a) Do not apply if you are in any Restricted Jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the Application Money in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Managers, the Registrar, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit such CAFs to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

(f) Do not apply if your ASBA account has been used for five Applications.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for technical rejection under the ASBA Process

In addition to the grounds listed under section "- *Grounds for technical rejections for non-ASBA Investors*" on page [●], Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending an ASBA Application on plain paper to any person other than a Designated Branch of an SCSB.

(e) Sending CAF to Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(f) Renouncee applying under the ASBA Process.

(g) Submission of more than five CAFs per ASBA Account.

(h) Insufficient funds are available with the SCSB for blocking the amount.

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(j) Account holder not signing the CAF or declaration mentioned therein.

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations.

(l) Application by an Eligible Equity Shareholder which is eligible under the 2009 ASBA Circular, where the cumulative value of Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(m) Multiple CAFs submitted by an Investor, including cases where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue pursuant to the SEBI letter dated February 15, 2019.

(n) Submitting the GIR instead of the PAN.

(o) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(p) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(q) ASBA Bids by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

(r) Applications by Applicants ineligible to make Applications through the ASBA process, made through the ASBA process.

(s) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

(t) CAFs which have evidence of being executed in or dispatched from Restricted Jurisdictions.

(u) CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain from the Depository Demographic Details of these Investors. Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the Applications would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Applications, the Investors applying under the ASBA Process would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories.

The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the Application would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Managers shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Applications are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see " – *Investment by Mutual Funds*" below on page [●].

In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue pursuant to the SEBI letter dated February 15, 2019).

Issue schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favor, have applied for additional Rights Equity Shares will be made provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

In the event the Issue is under-subscribed and our Promoters and Promoter Group apply for additional Rights Equity Shares to satisfy the minimum subscription requirements applicable to the Issue (*i.e.*, 90% of the Issue), which could result in the post-Issue shareholding of our Promoters and Promoter Group in our Company to exceed 75%, then the members of the public will be given preference to the fullest extent permissible under applicable law for Allotment under (a), (b), (c) and (d) above before the Allotment of additional Rights Equity Shares to the Promoters and Promoter Group.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts**.**

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, share certificates, refund instructions to the clearing system in case of electronic refunds or letters of regret, as the case may be, along with refund orders or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at the prescribed rate.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be delivered within two months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in the NRE or FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to applicable law and other approvals, in case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in U.S. Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into U.S. Dollars. The share certificate(s) will be sent by registered post or speed post to the address of the non-resident Eligible Equity Shareholders or Investors as provided to our Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NACH** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

2. **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Cod**e"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

4. **RTGS** – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such

refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

Where Applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the Applications made are accompanied by NRE, FCNR or NRO cheques, refunds will be credited to the respective accounts on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice, Share Certificates or Demat Credit

Allotment advice or share certificates or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues an Allotment advice, the respective share certificates will be dispatched within 30 days from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Rights Equity Shares in Dematerialized Form

Please note that pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

Investors should also note that the option to receive physical share certificates in a rights issue, including the Issue, shall be available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., six months from November 10, 2018. Investors currently have the option either to receive share certificates or hold the Rights Equity Shares in dematerialized form with a Depository. However, in the event that Allotment pursuant to Issue happens after May 10, 2019, the terms of the Issue in this Letter of Offer may stand modified to such extent

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL and Bigshare Services Private Limited on January 29, 2007 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL and Bigshare Services Private Limited on January 22, 2007 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the Application, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice and refund orders (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to the Investor a confirmation of the credit of such Rights Equity Shares to the Investor's depository account. Applications which do not accurately contain this information will receive Allotment of the Rights Equity Shares in physical form. No separate Applications for Rights Equity Shares in physical and dematerialized form should be made. If such Applications are made, the Applications for physical Rights Equity Shares will be treated as multiple CAFs and are liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and the balance, if any, will be allotted in physical form. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares pursuant to the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information (including the Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

- If incomplete or incorrect beneficiary account details are given in the Application, the Investor may receive Allotment of Rights Equity Shares in physical form.

- The Rights Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the Application after verification.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) In accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

(c) Application should be made on the printed CAF, provided by our Company except as stated in the section "-*Application on Plain Paper*" on page [●] and should be complete in all respects. CAFs which are incomplete with regard to any of the particulars required to be given therein, or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, as applicable. The CAF must be filled in English and the names of all the Investors and other Demographic Details must be filled in block letters.

(d) The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Managers. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorized by our Company for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such Application is liable to be rejected.

Non-ASBA Applications where separate cheques or demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

(e) Except for Applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of Applications in joint names, each of the joint Investors, should mention their PAN allotted under the IT Act, irrespective of the amount of the Application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(f) Investors holding Equity Shares in physical form are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with which such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected.

(g) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application money will be refunded and no interest will be paid thereon.

(h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(i) In case of an Application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the Application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the documents need not be furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the Application is liable to be rejected. In no case should these papers be attached to the Application submitted to the Bankers to the Issue.

(j) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(k) Application(s) received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, *inter-alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a non-resident or NRI has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from non-residents or NRIs in any jurisdiction where the offer or sale of the Rights Equity Shares may be restricted by applicable securities laws.

(l) All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Share Transfer Agent of our Company, in the case of Rights Equity Shares held in physical form and to the respective Depository Participant, in case of Rights Equity Shares held in dematerialized form.

(m) SAFs cannot be re-split.

(n) Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(o) Investors must write their CAF number at the back of the cheque or demand draft.

(p) Only one mode of payment per Application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the center indicated on the reverse of the CAF where the Application is to be submitted.

(q) A separate cheque or demand draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and Applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against any Application if made in cash.

(r) No receipt will be issued for Application money received. The Escrow Collection Banks or the Registrar will acknowledge receipt of the Application money by stamping and returning the acknowledgment slip at the bottom of the CAF.

(s) The distribution of this Letter of Offer and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Such persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

(t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

(u) In case of non – receipt of CAF, Application can be made on plain paper mentioning all necessary details as mentioned under the section *"- Application on Plain Paper (Non-ASBA)" on page* [●].

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply, i.e. ,you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are completed.

(c) In the event you hold Equity Shares in dematerialized form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be Allotted in dematerialized form only.

(d) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares) before submission of the Application form. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorized by us for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges.

(e) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

(f) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim, officials appointed by the courts and persons/entities not required to hold PAN under applicable law.

(g) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(h) Ensure that the demographic details are updated, true and correct, in all respects.

(i) If you determine that your participation in the Issue through subscription to additional Rights Equity Shares (over and above the Rights Entitlement) or as a Renouncee will result in your post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company, please seek approval of the RBI and attach a copy of such approval to the Application.

Don’ts for non-ASBA Investors:

(a) Do not apply if you are in any Restricted Jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center.

(c) Do not pay the Application Money in cash, by money order, postal order or stockinvest.

(d) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Grounds for technical rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable.
- Bank account details (for refund) are not given and the same are not available with the Depositories (in the case of dematerialized holdings) or the Registrar and Share Transfer Agent (in the case of physical holdings).
- Age of Investor(s) not given (in case of Renouncees).
- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for an Application of any value.
- In case of CAF under power of attorney or by limited companies, bodies corporate, societies, trusts etc.,

relevant documents are not submitted.

- If the signature of the Investor does not match the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with the Depositories.

- CAFs which are not submitted by the Investors within the time periods prescribed in the CAF and this Letter of Offer.

- CAFs not duly signed by the sole or joint Investors.

- CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue.

- CAFs accompanied by stockinvest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations.

- CAFs which have evidence of being executed in or dispatched from Restricted Jurisdictions.

- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws)

- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

- In case the GIR number is submitted instead of the PAN.

- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

- Multiple CAFs, including where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue pursuant to the SEBI letter dated February 15, 2019.

- Non-ASBA Applications from persons eligible to apply under the ASBA process.

- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before completing the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Investment by FPIs

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government of India from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. Pursuant to a Board resolution dated November 23, 2013 and a Shareholders' resolution dated December 26, 2013, the aggregate limit for investment by FPIs in our Company was increased to 49% of our Company's total paid-up Equity Share capital.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The categorization and manner of holding of Equity Shares by FPIs is also subject to FEMA 20.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments as its underlying) directly or indirectly, only in the event: (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who do not satisfy the conditions specified under Regulation 4 of the SEBI FPI Regulations.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the conditions prescribed by the SEBI from time to time, including: (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Investment by NBFC – SI

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by VCFs or FVCIs will not be accepted in the Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. **Accordingly, Applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue.** Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF

Regulations. Such eligible AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, Applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by Regulation 5 of FEMA 20. Applications will not be accepted from NRIs in Restricted Jurisdictions.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

(i) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

(ii) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

(iii) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in the Issue.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money received/blocked will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate.

For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(e) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(f) Where release of block on the Application Money for unsuccessful Investors or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(g) Other than any Equity Shares issued pursuant to exercise of employee stock options under the ESOS Schemes, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under-subscription etc.

(h) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(i) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(j) Our Company shall comply with all disclosure and accounting norms specified by the SEBI.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within the prescribed time after the Issue Closing Date, our Company and the Directors who are "officers in default" become liable to refund the subscription amount along with interest for the delayed period, as prescribed under applicable law.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "Vodafone Idea Limited - Rights Issue" on the envelope to the Registrar at the following address:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East
Mumbai 400 059
Maharashtra, India
Tel: +91 22 6263 8200
E-mail: rightsissue@bigshareonline.com
Investor Grievance E-mail: vil.investors@bigshareoline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok S. Shetty
SEBI Registration No.: INR000001385

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON SUBSCRIPTIONS AND TRANSFERS

The distribution of this Letter of Offer, the Abridged Letter of Offer or CAF and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an address in India and foreign corporate Shareholders in Identified Jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer or CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer or where any action would be required to be taken to permit the Issue and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer or CAF must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer or CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer or CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction. If such person is (a) in the United States, such person is a U.S. QIB, or (b) outside India and the United States, such person is a corporate Shareholder, and in each case permitted to acquire the Rights Entitlements and the Rights Equity Shares offered in the Issue under the laws of such jurisdiction. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and CAF, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any Restricted Jurisdiction.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs) or (B) outside India or the United States, and not a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company and foreign corporate Shareholders in Identified Jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and (a) is either in India or (b) is in an Identified Jurisdiction (other than the United States) and a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of its jurisdiction, or (ii) it is a U.S. QIB in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the CAF is submitted by a U.S. QIB in the United States); (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States (unless the CAF is submitted by a U.S. QIB in the United States), is from an Identified Jurisdiction and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such CAF.

Restrictions on Subscriptions

Identified Jurisdictions

Australia

This document has not been, nor will be, lodged with the Australian Securities and Investments Commission. This Letter of Offer does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Australia) ("**Australian Corporations Act**")) for the purposes of such act in relation to the Rights Entitlements and the Rights Equity Shares.

Any offer in Australia of the Rights Entitlements and the Rights Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and Rights Equity Shares should observe such Australian on-sale restrictions.

British Virgin Islands

The Rights Entitlements and the Rights Equity Shares may be offered to persons located in the British Virgin Islands who are "qualified investors" for the purposes of the Securities Investment Business Act 2010 ("**SIBA**").

Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA and public, professional and private mutual funds; (ii) a company, any securities of which are listed on a recognised exchange; and (iii) persons defined as "professional investors" under SIBA, which is any person (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of our Company; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of US$1,000,000 and that he consents to being treated as a professional investor.

Canada

This Rights Equity Shares and the Rights Entitlements will not be qualified for sale under the securities laws of any province or territory of Canada. The Rights Equity Shares and the Rights Entitlements may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Rights Equity Shares and the Rights Entitlements must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

This Letter of Offer or any other offering material in connection with the offer of the Rights Equity Shares and the Rights Entitlements has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within this Letter of Offer in relation to the Rights Equity Shares and the Rights Entitlements has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Letter of Offer and any other offering material relating to the Rights Equity Shares and the Rights Entitlements and as to the suitability of an investment in the Rights Equity Shares and the Rights Entitlements in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Letter of Offer or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the parties to this offering, including the Company, the Underwriters and the Selling Shareholder, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Rights Equity Shares and the Rights Entitlements.

Upon receipt of this Letter of Offer, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Rights Equity Shares and the Rights Entitlements described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement*.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

This Letter of Offer relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Letter of Offer is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. This Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with exempt offers. The DFSA has not approved this Letter of Offer nor taken steps to verify the information set forth herein and has no responsibility for this Letter of Offer. The Rights Entitlements and the Rights Equity Shares to which this Letter of Offer relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered should conduct their own due diligence on the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Letter of Offer you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area – Belgium, Denmark, Finland, Germany, Luxembourg and Netherlands

This document has been prepared on the basis that all offers of the Rights Entitlements and the Rights Equity Shares will be made pursuant to an exemption under the Directive 2003/71/EC (the "**Prospectus Directive**"), as amended and implemented in Member States of the European Economic Area (each, a "**Relevant Member State**"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of the Rights Entitlements and the Rights Equity Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "**MiFID II**") and the MiFID II Delegated Regulation (EU) 2017/565;

- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non- professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;

- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or

- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("**AMF**"). The Rights Entitlements and the Rights Equity Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Rights Entitlements and the Rights Equity Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Rights Entitlements and the Rights Equity Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and

Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Rights Entitlements and the Rights Equity Shares have not been and will not be offered or sold in Hong Kong other than to professional investors (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares has been or will be issued, or has been or will be in the possession of any person for the purposes of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "**Prospectus Regulations**"). The Rights Entitlements and the Rights Equity Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to qualified investors (as defined in Regulation 2(l) of the Prospectus Regulations).

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "**FIEL**") pursuant to an exemption from the registration requirements applicable to a private placement of securities to qualified institutional investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than qualified institutional investors. Any qualified institutional investor who acquires the Rights Entitlements or the Rights Equity Shares may not resell them to any person in Japan that is not a qualified institutional investor, and acquisition by any such person of the Rights Entitlements and the Rights Equity Shares is conditional upon the execution of an agreement to that effect.
Korea

Our Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the Rights Entitlements and the Rights Equity Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("**FSCMA**") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold in Korea other than to accredited investors (as defined in the FSCMA).

Kuwait

Unless all necessary approvals from the Kuwait Capital Markets Authority (the "**CMA**") under applicable law have been given in relation to the marketing, offer and sale of the Rights Entitlements and the Rights Equity Shares, they may not be offered for sale, nor sold in the State of Kuwait, and then only by a person licensed by the CMA to carry out such activities. No such approvals have been received in respect of the Rights Entitlements and the Rights Equity Shares. This document is not intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in Norway except to professional clients (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Oman

This Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no prospectus has been filed with the CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in the Letter of Offer will not take place inside Oman. The Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar

This document is provided on an exclusive basis to the specifically intended recipient thereof upon that person's request and initiative, and for the recipient's personal use only. Nothing in this document constitutes, is intended to constitute, or shall be treated as constituting, any offer or sale of the securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre.

This document and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against our Company or others involved with the Issue may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of this document by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Saudi Arabia

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

Singapore

This document and any other materials relating to the Rights Entitlements and the Rights Equity Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements and the Rights Equity Shares, may not be issued, circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of our Company's equity interests, (ii) an institutional investor (as defined in the SFA) or (iii) an accredited investor (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Rights Entitlements and the Rights Equity Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the Rights Entitlements and the Rights Equity Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the Rights Entitlements and the Rights Equity Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (*Sw. lag (1991:980) om handel med finansiella instrument*). Any offering of the Rights Entitlements and the Rights Equity Shares in Sweden is limited to persons who are qualified investors (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The Rights Entitlements and the Rights Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the Rights Entitlements and the Rights Equity Shares (i) constitute a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the Rights Entitlements and the Rights Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

Neither this document nor any other offering material relating to the Rights Entitlements and the Rights Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Rights Entitlements and the Rights Equity Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates (except Dubai International Financial Centre)

Neither this document nor the Rights Entitlements and the Rights Equity Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has our Company received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Rights Entitlements and the Rights Equity Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purposes of an offer or invitation. No services relating to the Rights Entitlements and the Rights Equity Shares, including the receipt of applications and/or the allotment or redemption of the Rights Entitlements and the Rights Equity Shares, may be rendered within the United Arab Emirates by our Company.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Rights Entitlements and the Rights Equity Shares.

This document is issued on a confidential basis to qualified investors (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Rights Entitlements and the Rights Equity Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Rights Entitlements and the Rights Equity Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to our Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the Securities Act and in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in transactions exempt from the registration requirements of the Securities Act. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of such securities, except in each case to persons in the United States who are U.S. QIBs. Accordingly, you should not forward or transmit this Letter of Offer in or into the United States at any time.

RESTRICTIONS ON TRANSFERS

If you purchase the Rights Entitlements and/or the Rights Equity Shares outside of the United States, by accepting delivery of this Letter of Offer, submitting a CAF for the purchase of the Rights Equity Shares and accepting delivery of the Rights Entitlements and/or the Rights Equity Shares, you will be deemed to have represented to and agreed with our Company and the Lead Managers as follows:

- the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;
- you and the person, if any, for whose account or benefit you are acquiring the Rights Entitlements and/or the Rights Equity Shares, was located outside the United States at the time the buy order for the Rights Entitlements and/or the Rights Equity Shares was originated and continues to be located outside the United States and has not purchased the Rights Entitlements and/or the Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements or the Rights Equity Shares or any economic interest therein to any person in the United States;
- you are acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction in compliance with the requirements of Regulation S;
- the Rights Entitlements and the Rights Equity Shares have not been offered to you by means of any "directed selling efforts" as defined in Regulation S; and
- you acknowledge that our Company, the Lead Managers and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Rights Entitlements or the Rights Equity Shares are no longer accurate, you will promptly notify our Company, and if you are acquiring any of the Rights Entitlements and the Rights Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such accounts.

If you purchase the Rights Entitlements and/or the Rights Equity Shares in the United States in reliance on an available exemption from the registration requirements of the Securities Act, by accepting delivery of this Letter of Offer, submitting a CAF for the purchase of the Rights Equity Shares and accepting delivery of the Rights Entitlements and/or the Rights Equity Shares, you will be deemed to have represented to and agreed with, our Company and the Lead Managers as follows:

- you are authorised to consummate the purchase of the Rights Entitlements and/or the Rights Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;
- you are a qualified institutional buyer (as defined in Rule 144A), are aware that the sale to you is being made in a transaction exempt from the registration requirements of the Securities Act and are acquiring such Rights Entitlements and/or Rights Equity Shares for your own account or for the account of one or more qualified institutional buyers as to which you have full investment discretion;
- you are aware that the Rights Entitlements and the Rights Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- if in the future, you decide to offer, resell, pledge or otherwise transfer such Rights Entitlements and/or the Rights Equity Shares, or any economic interest therein, such Rights Entitlements and/or the Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S or in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- you acknowledge that the Rights Entitlements and the Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any of the Rights Entitlements or the Rights Equity Shares;
- you will not deposit or cause to be deposited the Rights Entitlements or the Rights Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility so long as such securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;
- the Rights Entitlements and the Rights Equity Shares have not been offered to you by means of any "general solicitation" or "general advertising" as defined in Regulation D;
- you acknowledge that our Company shall not recognise any offer, sale, pledge or other transfer of the Rights Entitlements and/or the Rights Equity Shares made other than in compliance with the above-stated restrictions; and
- you acknowledge that our Company and the Lead Managers and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of your purchase of the Rights Entitlements and the Rights Equity Shares are no longer accurate, you will promptly notify our Company, and if you are acquiring any of the Rights Entitlements and the Rights Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association.

PART I

INTERPRETATION

1. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alterations or addition to its regulations by a Special Resolution as prescribed by the Companies Act, 2013, be such as are contained in the Articles set out herein below, and the regulations in Table F of Schedule I to the said Companies Act, 2013 shall not, except in respect of such of the matters for which no provisions exist in these Articles, apply to this Company. In the event of any conflict between Parts I and II of the Articles of Association and Part III of the Articles of Association, the provisions of Part III of the Articles of Association shall prevail.

3. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

   (a) The authorised Capital of the Company shall be as stated in Clause V of the Memorandum of Association.

   (b) Upon an acquisition, whether by merger, issue of Shares or otherwise by the Company of another body corporate, the Company may issue new Shares in its Equity Capital at par or at such premium as may be agreed by Shareholders.

   (c) Subject to the provisions of Article 88(g) and Section 43 of the Act and the Rules, the Company may, with the approval of the Shareholders in a General Meeting, issue Shares with differential rights as to Dividend, voting or otherwise.

4. (a) The Company in a General Meeting, may, by Special Resolution and subject to the provisions of these Articles, from time to time, increase the authorized Capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe.

   Subject to the provisions of Sections 43, 47, 55 and 62 of the Act, the new Shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting shall direct and if no direction be given, as the Board of Directors shall determine, and in particular, such Shares may be issued with a preferential or qualified right to Dividends and in the distribution of the assets of the Company and subject to the provisions of the said Sections with special or without any right of voting and subject to the provisions of Section 55 of the Act any preference Shares may be issued on the terms that they are liable to be redeemed.

   (b) Whenever the Capital of the Company is increased under the provisions of this Article the Board of Directors shall comply with the provisions of Section 64 of the Act.

5. Except so far as otherwise provided by the conditions of issue or by these Articles, any Capital raised by the creation of new Shares, shall be considered as part of the original Capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

6. (a) Subject to the provisions of these Articles, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares made for the first time after formation of the Company, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further Shares:

      (i) Such further Shares shall be offered to the Persons who, as on the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit to the Capital paid-up on those Shares at that date;

(ii) Such offer shall be made by a notice specifying the number of Shares offered and stipulating a time not being less than fifteen days and not more than thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to herein above shall contain a statement of this right.

Provided that the Directors may decline, without assigning any reason, to allot any Shares to any Person in whose favour any Member may renounce Shares offered to him; and

(iv) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of such Shares in such manner as the Board thinks most beneficial to the Company.

(b) Notwithstanding anything contained in the preceding sub-Article, the Company may by a Special Resolution offer further Shares to any Person or Persons either for cash or for consideration other than cash, and such Person or Persons may or may not include the Persons who at the date of the offer, are the holders of the equity Shares of the Company.

(c) Nothing contained in sub-Articles (a) and (b) of this Article 6 shall apply

(i) to the increase of the subscribed Capital caused by the exercise of an option attached to any Debentures issued or loans raised by the Company;

(ii) to the conversion of such Debentures or loans into Shares in the Company; or

(iii) to the subscription of Shares in the Company.

Provided that the terms of the issue of such Debentures or the terms of such loans include a term providing for such option and such term as may be mutually agreed upon before the issue of the Debentures or before the raising of the loans or is in conformity with the rules, if any, made by the Central Government in this behalf or by such authorities as may be laid down by the Central Government.

(iv) in the case of Debentures or loans, other than those Debentures issued to, or loans obtained from the Central Government or any institution specified by the Central Government in this behalf, has also been approved be a Special Resolution passed by the Company in a General Meeting before the issue of the Debentures or the raising of the loans.

(v) subject to the provisions of the Act, and these Articles, the Board of Directors may issue and allot Shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up Shares as the case may be.

(d) Nothing in sub-article (a)(iii) of Article 6 hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take Shares comprised in the renunciation.

(e) Any Debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

7. (a) Subject to the provisions of Section 43, Section 55 and other applicable provisions, if any, of the Act and the Rules and the provisions of these Articles, the Company shall by a Special Resolution have power to issue or re-issue preference Shares / cumulative convertible preference Shares of one or more classes which are liable to be redeemed or converted to equity Shares, with such rights and on such terms and conditions that are prescribed in this behalf from time to time.

Provided that:

(i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of redemption;

(ii) No such Shares shall be redeemed unless they are fully paid;

(iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account before the Shares are redeemed;

(iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called “the Capital Redemption Reserve Account”, a sum equal to the nominal amount of the Shares redeemed; and the provisions of the Act relating to the reduction of the Capital of the Company shall, except as provided in Section 55 of the Act and the Rules apply as if the Capital Redemption Reserve Account were paid up Capital of the Company.

(b) Subject to the provisions of Section 55 of the Act and the Rules and subject to the provisions on which any Shares may have been issued, the redemption of preference Shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference Shares under the provisions of their issue by the Company shall not be taken as reducing the amount of its authorized Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference Shares, it shall have the power to issue Shares up to the nominal amount of the Shares redeemed or to be redeemed as if those Shares had never been issued and, accordingly, the Capital of the Company shall not, for the purpose of calculating the fees payable under Section 403 of the Act, be deemed to be increased by the issue of Shares in pursuance of this Article.

Provided that where new Shares are issued before the redemption of the old Shares, the new Shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this Article unless the old Shares are redeemed within one month of the issue of the new Shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything contained in this Article 7, be applied by the Company, in paying up unissued Shares of the Company to be issued to Members of the Company as fully paid bonus Shares.

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months’ previous notice in writing to the holders of the preference Shares, to redeem at par the whole part of the preference Shares, for the time being outstanding, by payment of the nominal amount thereof with Dividend calculated up to the date or dates notified for payment (and for this purpose the Dividend shall be deemed to accrue and be due from day to day) and in the case of redemption of part of the preference Shares the following provisions shall take effect:

(a) The Shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of at least one of the Directors; and

(b) Forthwith after every such drawing, the Company shall notify to the Shareholders whose Shares have been drawn for redemption, its intention to redeem such Shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the certificates in respect of the Shares to be so redeemed and at the time and date so notified each such Shareholder shall be bound to surrender to the Company the Share certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such Shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry Dividend from the date named for payment as aforesaid. Where any such certificate comprises any Shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.

9. (a) The Company may (subject to the provisions of Sections 55 and 66 of the Act and the provisions of these Articles), from time to time by a Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Securities Premium Account and / or any other reserve in the nature of Capital in any manner for the time being authorized by law, and in particular Capital may be paid off on the footing that it may be called up again or otherwise.

(b) This Article 9 shall not derogate from any power the Company would have if it were omitted.

10. Subject to the provisions of Section 61 of the Act and these Articles, the Company in a General Meeting may, from time to time, by a Special Resolution alter the conditions of its Memorandum of Association so as to:

(a) increase its Capital by such amount as it thinks expedient by issuing new Shares;
(b) consolidate and divide all or any of its Capital into Shares of larger amount than its existing Shares; Provided that any consolidation and division which results in changes in the voting percentage of Members shall require the applicable approvals under the Act;
(c) convert all or any of its fully paid up Shares into stock; and reconvert that stock into fully paid up Shares of any denomination;
(d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of this Company subject nevertheless to the provisions of the Act in that behalf and so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived, and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards Dividend, capital or otherwise, over, or as compared with, the others or other; and
(e) cancel Shares which at the date of passing of the resolution in a General Meeting in that behalf have not been taken or agreed to be taken by any Person, and diminish the amount of its Capital by the amount of the Shares so cancelled.

11. (a) If the Company has:
(i) consolidated and divided its Capital into Shares of a larger amount than its existing Shares;
(ii) converted any Shares into stock;
(iii) reconverted any stock into Shares;
(iv) sub-divided its Shares or any of them;
(v) redeemed any redeemable preference Shares; or
(vi) cancelled any Shares otherwise than in connection with a reduction of Capital under Section 66 of the Act, the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the Shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

12. Subject to the provisions of the Act and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other guidelines issued in this context, the Company may at any time authorize the Board to create or implement one or more employee stock option plans or employee stock purchase plans, which may run simultaneously to any issue of Shares or securities to its employees and/or any other Persons whose contributions to the Company’s performance including profitability is of material importance. Subject to applicable law, the Board may, at its discretion, create one or more trusts or other special purpose vehicles of any nature, and/or any other mechanism to implement one or more employee stock option plans or employee stock purchase plans and/or use the offices of any intermediaries to conceptualize, implement, manage, and/or administer any such schemes from time to time.

13. (a) Whenever the Capital, by reason of the issue of preference Shares, or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act and these Articles, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated, or dealt with the consent in writing of the holders of at least three–fourths in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to a General Meeting shall, *mutatis mutandis*, apply to every such Meeting.

(b) This Article shall not derogate from any power the Company would have if this Article were omitted.

SHARES AND SHARE CERTIFICATES

14. The rights or privileges conferred upon the holders of the Shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied or modified or affected by the creation or issue of further Shares ranking *pari passu* therewith.

15. The provisions of Sections 43 and 47 of the Act in so far as the same may be applicable shall be observed by the Company.

16. Subject to the provisions of the Act and these Articles, the Shares (including any Shares forming part of any increased Capital of the Company) in the Capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

17. The Board shall observe the restrictions as to allotment contained in Section 39 of the Act and shall cause to be made the return of allotment in accordance with Section 39 of the Act and the Rules.

18. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 9 hereof and with the sanction of the Company in a General Meeting may, subject to the provisions of Section 62 of the Act, determine that any Shares (part of the original Capital or of any increased Capital of the Company) shall be offered to such Persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any Person/s (whether a Member or not) the option to call or be allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment and disposal of any Shares.

19. The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 88 of the Act and Register and Index of Debenture-holders in accordance with Section 88 of the Act. The Company shall be entitled to keep in any State or country outside India, a branch Register of Member resident in that State or country.

20. The Shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned, no Share shall be subdivided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished.

21. (a) An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles.

(b) Every Person who thus or otherwise accepts any Shares and whose name is entered in the Register of Members shall, for the purposes of these Articles, be a Member.

22. The money, if any, which the Board of Directors shall, on the allotment of any Shares being made by it, required or direct to be paid by way of deposit, call or otherwise, in respect of the Shares so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

23. Every Member shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board of Directors shall, from time to time, in accordance with the Company's Regulations require or fix for the payment thereof.

24. (a) Where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those Shares shall be transferred to an account to be called "the Securities Premium Account" and the provisions of the Act relating to the reduction of the Capital of the Company shall except as provided in this Article, apply as if the Securities Premium Account were paid up Capital of the Company.

(b) The Securities Premium Account may, notwithstanding anything in sub-Article (a) above, be applied by the Company:

(i) in paying up unissued Shares of the Company to be issued to members of the Company as fully paid bonus Shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of or the commission paid or discount allowed on, any issue of Shares or Debentures of the Company;

(iv) in providing for the premium payable on the redemption of any redeemable preference Shares or of any Debenture of the Company; or

(v) for the purchase of its own shares or other securities under Section 68 of the Act.

25. If and whenever, as the result of issue of new or further Shares or any consolidation or subdivision of Shares, any Shares are held by Members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in a General Meeting, if any, sell those Shares, which Members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the Members entitled to such Shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any Person to transfer the Shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

26. (a) Every Member or allottee of Shares shall be entitled, without payment, to receive one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine; provided that such fee does not exceed the maximum fee agreed between the Company and the Stock Exchange) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the date of lodgment for transfer, transmission, sub-division, consolidation, renewal or endorsement of call of any of its Shares as the case may be. Every certificate of Shares shall be under the Seal of the Company, if any and shall specify the

number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve.

(b) Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of advice or acceptance or letters of renunciation, or in cases of issue of bonus Shares.

Provided that if the letter of allotment is lost or destroyed, the Board may impose, such reasonable terms, if any, as it thinks fit as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

(c) For any further certificate the Board shall be entitled, but shall not be bound, to prescribe the charge not exceeding Rs. 50 (Rupees fifty) per certificate or such other limit as may be prescribed by the Act and the Rules.

27. (a) Any two or more joint allotees of a Share shall, for the purpose of this Article 27, be treated as a single Member, and the certificate of any Shares, which may be the subject of joint ownership may be delivered to any one of such joint owners on behalf of all of them and the company shall not be borne to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.

(b) Subject to the provisions of the Act and the Rules or any statutory modification or reenactment thereof, for the time being in force, every such certificate shall be issued under the Seal, if any, which shall be affixed in the presence of (i) two Directors or Persons acting on behalf of the Directors under duly registered power of attorney and (ii) the Secretary or some other Person appointed by the Board for the purpose. The two Directors or their attorneys and the Secretary or other Person so appointed shall sign the Share certificate. Provided that if the Company does not have a Seal, the share certificate shall be signed by two directors or by a director and the Secretary. Provided further that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a Person other than a Managing Director or Whole-time Director.

(c) A Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical material used for the purpose.

(d) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the Person to whom it has been issued indicating the date of issue and the amount paid up thereon.

(e) The Company shall comply with the provisions of Section 56 of the Act.

28. (a) No certificate of any Share or Shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) The Company may charge such fee not exceeding that which may be agreed upon by the Company and the Stock Exchange per certificate, issued on splitting or consolidation of Share certificate except for marketable lots. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or pursuant to a scheme of arrangement sanctioned by the National Company Law Tribunal or the Central Government.

(c) (i) Notwithstanding anything contained in the preceding Article, the Directors of the Company may in their absolute discretion refuse sub-division of Share certificates or Debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent Court of law.

(ii) When a new Share certificate has been issued in pursuance of Article 28(a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. .... subdivided/replaced/on consolidation of Shares".

(iii) If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board upon payment of such fees as may be agreed upon between the Company and the Stock Exchange, and on such terms, if any, as to evidence and indemnity and payment of out of pocket expenses incurred by the Company in investigating the evidence, as the Board thinks fit. The Company will issue such duplicate certificate within six weeks of notification of loss and receipt of proper indemnity.

(iv) When a new Share certificate has been issued in pursuance of Article 28(c)(iii) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of Share certificate No......". The word "duplicate" shall be stamped or punched in bold letters across the face of the Share certificate.

(v) Where a new Share certificate has been issued in pursuance of Article 28(c)(i) or Article 28(c)(iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name(s) of the Person(s) to whom the certificate is issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "Remarks" column.

(vi) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the Rules or the rules made under Securities Contracts (Regulation) Act, 1956 or any other statutes or rules applicable in this behalf, including intimating the Stock Exchange within forty eight hours of receipt of information regarding loss of share certificates and issue of duplicate certificates, both by way of floppy disks and printed details.

29. (a) All blank forms to be used for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board.

(b) The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other Person as the Board may appoint for the purpose.

(c) The Secretary or the Person aforesaid shall be responsible for rendering an account of these forms to the Board.

(d) The Managing Director of the Company, for the time being, or if the Company has no Managing Director, every Director of the Company and the Secretary, if any, shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates, except the blank forms of Share certificates referred to in Article 29(a). All books referred to herein shall be preserved in good order permanently.

30. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to the issue of certificates for any other securities including Debentures (except where otherwise provided by the Act) of the Company.

31. If any Share stands in the names of two or more Persons, the Person first named in the Register of Members shall, as regards receipt of Dividends or bonus, or service of notices and all other matters connected with the Company, except voting at Meetings, and the transfer of the Shares be deemed the sole holder; but the other joint holder(s) of the same shall not be relieved of his / their obligations in respect of payment of all installments and calls due on the Share and all incidents thereof in accordance with the Rules.

32. (a) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall not be bound to recognize any benami, trust of equity or any equitable, contingent, future or partial interest in the Shares, or except only as is by these Articles otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the Persons who are from time to time, registered as the holders thereof; but the Board shall be at liberty, at its sole discretion, to register any Share in the joint names of any two or more Persons or the survivor or survivors of them.

(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or in the name of a Person of unsound mind, or in the name of any firm or partnership or trust.

33. Funds of the Company shall not be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in

the Company or in its holding company, save as provided by Section 67 of the Act.

34. The Company may, by Special Resolution, purchase its own Shares or other securities, subject to such limits and on such terms and conditions specified under Sections 68 to 70 and other applicable provisions of the Act and the Rules.

35. The provisions of the Article under this heading shall *mutatis mutandis* apply to Debentures of the Company.

36. Dematerialisation of Securities

(a) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including Shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

(b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialize its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(c) Every Person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a Person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

(d) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and other applicable provisions of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

(e) (i) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(f) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more Persons or the survivors or survivors of them.

(g) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(h) Upon receipt of certificates of securities on surrender by a Person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty days of the receipt of intimation from the Depository and on fulfilment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(j) Notwithstanding anything in the Act, or these Articles, to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act.

(l) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(m) The Shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.

(n) The Company shall cause to keep a Register and Index of Members and Register and Index of Debenture-holders in accordance with Section 88 of the Act, and the Depositories Act, with details of Shares and debentures held material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, shall be deemed to be Register and Index of Members and Register and Index of Debenture-holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that State or country.

POWERS OF DIRECTORS

79. The Board of Directors shall not, except with the consent of the Company in General Meeting accorded by a Special Resolution:

(a) Sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

(b) Invest otherwise in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation.

(c) Borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of the Company’s paid-up Capital and free reserves, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business.

(d) Remit, or give time for the repayment of, any debt due from a Director.

(e) Dispose of shares in a material subsidiary of the Company which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease to exercise control over the subsidiary.

(f) Sell, dispose of or lease assets amounting to more than twenty percent of the assets of a material subsidiary.

Explanation 1:- Every resolution passed by the Company in a General Meeting in relation to the exercise of the power referred to in sub-Article (c) of this Article 79 shall specify the total amount up to which money may be borrowed by the Board of Directors under sub-Article (c).

Explanation 2:- ‘Material subsidiary’ shall mean a subsidiary of the Company which the Company has disclosed to the Stock Exchange and in its annual report as being material.

80. The Board of Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue

of bonds, perpetual or redeemable, Debentures or debenture- stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

81. Any bonds, Debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Board of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company and in accordance with applicable provisions of the Act and Rules. Provided that bonds, Debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting.

82. Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.

83. Any bonds, Debentures, debenture-stocks or other securities may be issued, subject to the provisions of the Act, and these Articles, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appoint of Directors and otherwise and subject to the following:

(a) The Company shall not issue any Debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

(b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of the Act.

(c) Certain charges shall be void against the liquidators or creditors unless registered as provided in Section 77 of the Act and the Rules.

(d) The term `charge' shall include mortgage in these Articles.

(e) A contract with the Company to take up and pay for any Debentures of the Company may be enforced by a decree for specific performance.

(f) The Company shall, within six months after the allotment of any of its Debentures and within sixty days after the application for the registration of the transfer of any such Debentures or debenture-stocks have complete and have ready for delivery the certificate of all the Debentures and the certificates of all debenture-stocks allotted or transferred unless the conditions of issue of the Debentures or debenture-stocks otherwise provide. The expression transfer for the purpose of this Article 88(f) means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

(g) (i) A copy of the trust deed for securing any issue of Debentures shall be open for inspection to any Member or Debenture holder of the Company, in the same manner, to the same extent and on the payment of the same fees, as if it were the Register of Members of the Company; and

(ii) A copy of the trust deed shall be forwarded to any Member or Debenture holder of the Company, at the request, within seven days of the making thereof, on the payment of such fee as may be determined by the Board; provided that such fees shall not exceed the fees agreed between the Company and the Stock Exchange.

84. If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed.

85. If the Directors or any of them or any other Person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or Person so becoming liable as aforesaid from any loss in respect of such liability.

86. (a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 77 of the Act and the Rules or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 77 of the Act and the Rules.

(d) Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any Person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 79 of the Act shall be complied with.

(f) The Company shall comply with the provisions of the Act relating to particulars in case of Debentures entitling holders *pari passu*.

(g) The Company shall comply with the provisions of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The Company shall comply with the provisions of Section 78 of the Act as regards registration of particulars of every charge and of every series of debentures.

(i) As to modification of charges, the Company shall comply with the provisions of Section 79 of the Act.

(j) The Company shall comply with the provisions of Section 85 of the Act regarding keeping a copy of instrument creating charge at the Registered Office of the Company and comply with the provisions of Section 84 of the Act in regard to entering in the register of charges any appointment of receiver or manager as therein provided.

(k) The Company shall also comply with the provisions of Section 82 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(l) The Company shall keep at its registered office a register of charges in the prescribed form and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company.

(m) Any creditor or Member of the Company and any other Person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act and the Rules.

87. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture-holders.

MEETINGS OF MEMBERS

88. (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year.

(b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

(c) Nothing contained in the foregoing provisions shall be construed as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held.

(d) Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the city or town in which the Registered Office of the Company is, for the time being, situated as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting.

(e) Every Member of the Company shall be entitled to attend every General Meeting either in Person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as such Auditor. No Person shall be permitted to act as a proxy for more than fifty Members or in respect of Shares aggregating more than ten per cent of the total Capital of the Company carrying voting rights. The proxy register with proxies and the Register of Directors' shareholdings shall remain open and accessible during the Meeting.

(f) At every Annual General Meeting, there shall be laid on the table the directors' report and audited statement of accounts and the Auditors' Report (if not already incorporated in the audited statement of accounts).

(g) A resolution of a General Meeting of the Shareholders shall be adopted by a simple majority of the Shares of Equity Capital entitled to vote at such Meeting (whether by show of hands, by poll or through electronic voting), unless a greater percentage is required by applicable law.

89. The Board shall cause to be prepared the annual return and balance sheet and profit and loss account and the consolidated financial statements required to be prepared under Section 129(3) of the Act and Article 212, and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act.

90. Section 98, Sections 101 to 107 and Section 109 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to Meetings of any class of Members or Debenture-holders of the Company in like manner as they apply with respect to General Meetings of the Company.

91. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting. The Board shall at the requisition made by such number of Members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up Capital of the Company as on that date carries the right of voting.

92. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

93. Any requisition so made by Members shall set out the matter or matters for the consideration of which the Meeting is proposed, shall be signed by the requisitionists, and shall be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

94. If the Board does not, within twenty one days of the date of receipt of a valid requisition in regard to any matter, proceed to call a Meeting for the consideration of that matter on a day not later than forty five days from the date of receipt of such requisition, the Meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.

95. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Meeting are to be called by the Board.

96. (a) Twenty one days' notice of every General Meeting, Annual or Extra ordinary, and by whomsoever called, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such Persons as are under these Articles entitled to receive notice from the Company. Provided that, with the consent of the Members holding not less than ninety five per cent of such part of the paid up Capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice.

(b) In the case of an Annual General Meeting, any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors, (ii) the declaration of a Dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of, and the fixing of the remuneration of, the Auditors, is to be transacted, and in the case of any other Meeting all business, shall be special, and there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any, therein of every Director and Key Managerial Personnel , if any, and their Relatives.

(c) Where any such item of business relates to, or affects any other Company, the extent of shareholding interest in that other Company of every Director and the Manager, if any, of the

Company shall also be set out in such statement if the extent of such shareholding interest is not less than twenty per cent of the paid up Capital of that other Company.

(d) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

97. The accidental omission to give any such notice to, of the non-receipt of notice by any Member or other Person to whom it should be given shall not invalidate any proceedings at the Meeting.

98. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business, the general nature of which has not been mentioned in the notice upon which it was convened.

99. (a) Subject to the provisions of the Act, five Members present in Person shall be a quorum for a General Meeting.

(b) A body corporate, being a Member, shall be deemed to be personally present if represented in accordance with Section 113 of the Act.

100. (a) If the quorum is not present within half an hour from the time appointed for holding a General Meeting:

(i) the Meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; provided that in the case of an adjourned Meeting or of a change of day, time or place of meeting, the Company shall give not less than three days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the Office is situated; or

(ii) the Meeting if called by requisitionists under Article 91, shall stand cancelled.

(b) If at the adjourned Meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be the quorum.

101. (a) Subject to the provisions of these Articles, the Chairman of the Board of Directors shall preside as Chairman at every General Meeting, whether Annual or Extra-ordinary.

(b) If, at any Meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such Meeting, or shall decline to take the chair, then the Members present shall elect any other Director as Chairman, and if no Director be present or if all the Directors present at the Meeting decline to take the chair, then the Members present shall elect one of their number to be Chairman.

102. No business shall be discussed at any General Meeting except the election of Chairman, whilst the chair is vacant.

103. The Chairman may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.

104. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

105. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.

106. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

107. At any General Meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded under Section 109 of the Act or the voting is carried out electronically, be decided on a show of hands. declaration by the Chairman of the Meeting of the passing of a resolution or

otherwise by show of hands under this Article 107 and an entry to that effect in the books containing the minutes of the Meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

108. In the case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall, have a casting vote.

109. (a) If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the Registered Office of the Company is, for the time being, situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

(b) The demand for a poll may be withdrawn, at any time, by the Persons who made the demand.

110. A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Act (and the agreement between the Company and the Stock Exchange) and shall vote only once.

111. (a) Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of scrutineers as he, in his sole discretion, deems fit to scrutinize the votes given on the poll and to report thereon to him.

(b) The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutineer from office and fill the vacancy in the office of a scrutineer arising from such removal or from any other cause.

112. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting itself and without adjournment.

113. The demand for a poll, except on the questions of the election of the Chairman, and of an adjournment, shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

114. No Member shall be entitled to vote either personally, by proxy or electronically for another Member, at any General Meeting or at any Meeting of a class of Shareholders, either upon a show of hands, or upon a poll, in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

115. A Member is not prohibited from exercising his voting on the ground that he has not held his Share or other interest in the Company for any specified prescribed period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the Article 114.

116. (a) Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting, for the time being attached to any class of Shares for the time being, forming part of the Capital of the Company, every Member, not disqualified by Article 114, shall be entitled to be present, and to speak and vote at such Meeting.

(b) Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(i) on a show of hands, every Member present in person shall have one vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up Capital of the Company.

Provided that if any preference share holder be present at any Meeting of the Company, save as provided in the second proviso to Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

117. (a) A body corporate may, if it is a Member of the Company, by a resolution of its board of directors or other governing body, authorize such person as it thinks fit to act as its representative at any General Meeting, or at any meeting of any class of Members of the Company.

(b) A person authorized by a resolution under Article 117(a) shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Member of the Company.

118. If there be joint registered holders of any Shares, any one of such Persons may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto and if more than one such joint holder be present at any Meeting either in person or by proxy, that one of the said Persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other or others of the joint holders shall be entitled to be present at the Meeting.

119. Subject to the provisions of the Act and in accordance with these Articles, any Person entitled under the Articles pertaining to transmission to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such Shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

120. (a) Subject to the provisions of these Articles, votes may be given by Members either in Person or by proxy.

(b) Any Member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint any other Member as his proxy to attend and vote instead of himself. A Member (and in case of joint holders, all holders) shall not appoint more than one Person as proxy.

(c) In every notice called a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that proxy need not be a Member.

121. (a) The instrument appointing a proxy shall be in the form as specified in the Rules made under Section 105 of the Act and shall:

(i) be in writing; and

(ii) be signed by the appointee or his attorney duly authorized in writing or, if the appointee is a body corporate, be under its Seal, if any or be signed by an officer or an attorney duly authorised by it.

(b) The proxy so appointed shall not have any right to speak at the Meeting.

122. No Member present only by proxy shall be entitled to vote on a show of hands. The representative of a body corporate appointed in terms of Section 113 of the Act, however, shall have a vote on a show of hands.

123. (a) The President of India or the Governor of a State if he is a Member of the Company may appoint such Person as he thinks fit to act as his representative at any meeting of the Company or at any Meeting of any class of Members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

(b) A Person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a Member of such a Company and shall be entitled to exercise the same rights and powers (including the right to, vote by proxy) as the President or the Governor, as the case may be, could exercise, as a Member of the Company.

124. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of authority, shall be deposited at the office not less than forty eight hours before the time for holding the Meeting or adjourned Meeting at which the Person named in the instrument proposes to vote, or in the case of a poll, not

less than twenty four hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.

125. Every instrument of proxy shall be in the form specified in the Rules and any other Rules made under Section 105 to the Act, or in a form as near thereto as circumstances admit.

126. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, insanity, winding up of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, winding up, revocation or transfer shall have been received at the Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

127. No objection shall be raised to the qualification of the voter or to the validity of any vote, except at the Meeting or at the adjourned Meeting or on a poll at which such vote shall be given or tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or adjourned Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever. Provided that, any such objection raised in due time shall be referred to the Chairman of the Meeting, whose decision shall be final and conclusive.

128. Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

129. The Chairman of any Meeting shall be the sole judge of the validity of every vote given or tendered at such Meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

130. (a) The Company shall cause minutes of all proceedings of every meeting of every class of Shareholders or creditors' meeting and every resolution passed by postal ballot to be kept by making entries thereof in books kept for that purpose with their pages consecutively numbered within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within this period, by a Director duly authorised by the Board for the purpose.

(c) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(d) All appointments of officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.

(e) (i) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting:

(1) is, or could reasonably be regarded as defamatory of any Person;

(2) is irrelevant or immaterial to the proceedings; or

(3) is detrimental to the interest of the Company.

(ii) The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(f) Any such minutes shall be kept in accordance with the provisions of the Act and shall be evidence of the proceedings recorded therein.

(g) (i) The books containing the minutes of the proceedings of any General Meeting shall be kept at the Office and shall be open, during business hours, for a period of two hours in the aggregate in each day, to the inspection of any Member without charge.

(ii) Any Member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board (which shall in no event exceed the fees agreed by the Company and the Stock Exchange), with a copy of any minutes referred to in Article 130(a).

131. The Board, and any Person(s) authorised by it, may take any action before the commencement of any General Meeting, or any Meeting of a class of Members in the Company, which they may think fit to ensure the security of the Meeting, the safety of the people attending the Meeting, and the future orderly conduct of the Meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the Meeting concerned shall be subject to such decision.

DIRECTORS

132. The persons hereinafter named shall be the first Directors, that is to say:
(a) Shri Aditya Vikram Birla;
(b) Shri Kumar Mangalam Birla; and
(c) Shri Mahesh Chandra Bagrodia.

133. (a) Until otherwise determined by a General Meeting and subject to Section 149 of the Act, and the provisions of these Articles, the number of Directors shall not be less than three and not more than fifteen.
(b) The majority Directors on the Board shall be resident Indian citizens.

134. (a) The Company shall in general, subject to the provisions of the Act, be entitled hereafter to agree with the Central or any State Government, Person, firm or corporation or any financial or lending Institution, the he or it shall have right to appoint his or its nominee(s) on the Board of the Company, upon such terms and conditions mutually agreed on.

135. Subject to the provisions of Section 152 of the Act, the number of Directors appointed under Article 134shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

136. (a) The Board of Directors shall be entitled to appoint an alternate Director to a Director who is not present in India for a period of not less than three months. No Person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.
(b) An alternate Director appointed under this Article 136 shall vacate office if and when the original Director returns to such State in which meetings of the Board are ordinarily held.
(c) If the term of office of the original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director, and not to the alternate Director.
(d) An alternate Director shall not hold office as such for a longer period than that permissible to the original Director in whose place he has been appointed.

137. (a) Subject to the provisions of Section 149 of the Act and the other applicable provisions of these Articles, the Board of Directors shall also have power any time and from time to time to appoint any person, other than a person who fails to get appointed as a Director in a General Meeting, as an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum strength fixed for the Board by the Articles.
(b) Any Person so appointed as an additional Director shall remain in office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for the re-appointment at such Meeting subject to the provisions of the Act.

138. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may, in default of and subject to these Articles, be filled by the Board of Directors at a meeting of the Board. The

Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

139. No Director shall be required to hold any Shares as qualification Shares.

140. (a) At a General Meeting of the Company a motion shall not be made for the appointment of two or more Persons as Directors by a single resolution, unless a resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it.

(b) A resolution moved in contravention of Article 140(a) shall be void, whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of the retiring Director in default of another appointment shall apply, as herein before provided.

(c) For the purpose of this Article 140, a motion for approving a Person's appointment, or for nominating a Person for appointment, shall be treated as a motion for his appointment.

141. (a) A Person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Registered Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be, to such member, if the Person succeeds in getting elected as a Director.

(b) The Company shall inform its Members of the candidature of a Person for the office of a Director or the intention of a Member to propose such Person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid, if the Company advertises such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

(c) Every Person (other than a Director retiring by rotation or otherwise or a Person who has left at the Office of the Company, a notice under Section 160 of the Act signifying his candidature for the office of Directors) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

142. A Person other than -

(a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or

(b) An additional or alternate Director, or a Person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or

(c) A person named as a Director of the Company under its Articles as first registered,

shall not act as a Director of the Company unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent in writing to act as such Director.

143. (a) The fee payable to a Director for attending a meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time and shall not exceed Rs. 1,00,000 (Rupees one lakh) per meeting or such other limit as may be prescribed by the Act. The remuneration payable to a Director shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(b) Subject to the provisions of the Act, the Directors may be paid such further or additional remuneration, if any, as the Company in General Meeting shall, from time to time, determine, and such additional or further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time, determine, and in default of such determination shall be divided equally among the Directors entitled to remuneration.

(c) Subject to the provisions of the Act, if any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts, either by a fixed sum or otherwise, as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

144. The Board of Directors may allow and pay to any Director, who is not a resident of the place where the meetings of the Board or Committees thereof or General Meeting of the Company are held and who shall come to such place for the purpose of attending a meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for traveling, and other incidental expenses, in addition to his fee, if any, for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence of the Company's business, he shall be entitled to be reimbursed all traveling and other expenses incurred in connection with the business of the Company.

145. The continuing Director(s) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing Director(s) may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting, but for no other purpose.

146. Subject to Section 167 of the Act, the office of a Director shall become vacant, if:

(a) he is found to be of unsound mind by a Court of competent jurisdiction;
(b) he applies to be adjudicated as an insolvent and his application is pending;
(c) he is an undischarged insolvent;
(d) he fails to pay any call made on him in respect of Shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call, unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure;
(e) he absents himself from all meetings of the Board held during a period of twelve months with or without seeking leave of absence of the Board;
(f) he becomes disqualified by an order of court under the provisions of the Act;
(g) he is removed in pursuance of Section 169 of the Act;
(h) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interest, in contravention of the provisions of Section 184 of the Act;
(i) he acts in contravention of Section 184 of the Act;
(j) he is convicted by a court of any offense involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;
(k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

147. (a) A Director of the Company, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or a proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act. Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into with any other company where any of the Directors of the Company holds or two or more of them together hold, not more than two per cent of the paid up Capital in any such other company.

(b) (i) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under Article 147(a) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested;

(ii) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(c) A Director shall give notice of his interests to the Company in the prescribed form at the first meeting of the Board of Directors in every financial year.

148. No Director shall as such interested Director, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a member holding not more than two per cent of its paid up Capital.

149. (a) The Company shall keep one or more Registers in accordance with Section 189 of the Act, and shall within the time specified therein, enter in such Register(s) the particulars of all contracts or arrangements to which Section 184 or Section 188 of the Act applies in the form prescribed by the Act and the Rules.

(b) The Registers shall be kept at the Office and shall be open to inspection at the Office and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the manner and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

150. Subject to the provisions of the Act and any other law for the time being in force, a Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, Shareholder, or otherwise, and, subject to the provisions of the Act, no such Director shall be accountable for any benefits received as Director or shareholder of such other company.

151. (a) The Company shall keep at the Office a register containing the particulars of Directors, Managers, Secretaries, Key Managerial Personnel and other Persons mentioned in Section 170 of the Act and shall send to the Registrar, a return containing the particulars specified in such register and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall also keep at the Office a register in respect of the Shares or Debentures of the Company held by the Directors and Key Managerial Personnel as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

152. (a) Every Director, Managing Director, Manager, Secretary or Key Managerial Personnel of the Company shall immediately upon his appointment to any of the above offices in other body corporate, disclose to the Company the particulars relating to his office in the other body corporate or bodies corporate which are required to be specified under Section 170 of the Act and the Rules.

(b) Every Director and Key Managerial Personnel, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of Section 170 of the Act and the Rules.

153. (a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) by passing a Special Resolution at the General Meeting remove any Director other than Special Directors or Debenture Directors before the expiry of his period of office.

(b) Special notice as provided by Section 115 of the Act shall be required of any resolution to remove a Director under this Article 153 or to appoint some other Person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article 153, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article 153 and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to Members, the Company shall unless the representations are received by it too late for it to do so.

(i) In the notice of the resolution given to Members of the Company state the fact of the representations having been made, and

(i) Send a copy of the representation to every Member of the Company to whom notice of the Meeting is sent (whether before or after receipt of the representations by the Company), and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the Meeting, provided that copies of the representations need not be sent or read out at the Meeting if so directed by the Court.

(e) Subject to the provisions of the other Articles hereof and in particular Article 151 hereof a vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Section 161 of the Act be filled by the appointment of another Director in his stead by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 153(b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under Article 153(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of the said Article 136 and of Section 161 of the Act, and all the provisions of that Section shall apply accordingly;

Provided that the Director who was removed from office under this Article 153 shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article 153 shall be taken:

(i) as depriving a Person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article 153.

154. The continuing Directors may act notwithstanding any vacancy in the Board; but if so long as their number is reduced below the quorum prescribed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

ROTATION OF DIRECTORS

155. Not less than two-third of the total number of Directors shall;

(a) be Persons whose period of office is liable to determination by retirement of Directors by rotation, and

(b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in General Meeting. For the purposes of this Article 155 “total number of Directors” shall not include independent Directors on the Board, whether appointed under this Act or any other law for the time being in force.

156. (a) At every Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.

(b) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

(c) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other Person thereto.

(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless

(1) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(3) he is not qualified or is disqualified for appointment;

(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

Explanation: In this Article the expression "Retiring Director" means Director retiring by rotation.

PROCEEDINGS OF DIRECTORS

157. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit and shall so meet at least once in every quarter and at least four such meetings shall be held in every calendar year and not more than one hundred and twenty days shall intervene between two consecutive meetings. The meetings of the Board may be called by the Company Secretary on instructions of any member of the Board or by any member of the Board or by the Chairman. The provisions of this Article 157 shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

158. The participation of Directors in a meeting of the Board or a meeting of a Committee of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the provisions of the Act and the Rules.

159. (a) At least seven calendar days' notice of every meeting of the Board shall be given in writing to every Director. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board, provided, however, that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent Director, if any, shall be present at the meeting. in case of absence of independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any. Notice of Board Meetings to all Directors shall be given sent by hand delivery or by post or by electronic means to every Director at his address registered with the Company.

(b) The Board shall only transact the business set out in the agenda accompanying the notice to the Directors provided however that with the consent of the Board, any other business not set out in the agenda may be transacted.

160. The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed by the Act and the Rules, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

161. The quorum for a meeting of the Board shall be one-third of the total strength of the Board for the time being or three Directors whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this Article 161. Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday till the next succeeding day, which is not a national

holiday, at the same time and place. If at the adjourned meeting also, there is no quorum, the Directors present at such adjourned meeting being not less than three in number shall constitute quorum for that particular meeting and the business as per the agenda already circulated to the Directors, in respect of the original meeting transacted by such Directors at such adjourned meeting shall be valid and binding.

162. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles or the Regulations of the Company are, for the time being, vested in or exercisable by the Board generally.

163. (a) The Board of Directors may create such Committees as it deems appropriate or as may be required by applicable law. Permanent invitees of the Committees, if any, shall be determined by the Board of Directors.

(b) The Board may, from time to time, dissolve or discharge any such Committee of the Board either wholly or in part and either as to Persons or purposes, but every Committee of the Board to be formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board.

(c) All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their constitution but not otherwise shall have the like effect as is done by the Board.

164. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under Article 163. The Board may subject to the provisions of the Act from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.

165. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

166. All acts done by any meeting of the Board or by a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Persons acting as aforesaid or that they or any of them were disqualified or that the appointment of any of them be terminated by virtue of any provisions contained in the Act in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article 166 shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

167. (a) The Company shall cause minutes of all proceedings of every meeting of the Board and of every Committee of the Board to be kept by making entries thereof in books kept for that purpose with their pages consecutively numbered within thirty days of the conclusion of every such meeting.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each book shall be dated and signed by the Chairman of that meeting of the Board or of the Committee, as the case may be, or the Chairman of the next succeeding meeting of the Board or the Committee, as the case may be.

(c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(d) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(e) The minutes shall also contain details of:

(i) the names of Directors and other members of the Committee present at the meeting;
(ii) all orders made by the Board and any Committee of the Board;
(iii) all resolutions and proceedings of meetings of the Board; and
(iv) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

(f) Nothing contained in Articles 167(a) to 167(e) shall be deemed to require the inclusion in such minutes of any matter which, in the opinion of the Chairman of the Meeting:
(i) is, or could reasonably be regarded as defamatory of any Person;
(ii) is irrelevant or immaterial to the proceedings, or
(iii) is detrimental to the interest of the Company.

(g) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article 167.

(h) Minutes kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

168. (a) The Directors shall cause to be kept at the registered office of the Company:
(i) A Register of the Directors, Managing Director, Manager and Secretary of the Company containing the particulars required by Section 170 of the Act;
(ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 189 of the Act; and
(ii) A Register of Directors shareholding containing the particulars required by Section 170 of the Act; and
(iv) Other registers and indexes as required by the Act.

(b) The Company shall comply with the provisions of Sections 170, 189, 190 and other Sections of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.

POWER OF DIRECTORS

169. The business of the Company shall be managed by the Board, and the Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other law or by the Memorandum of Association of the Company or by these Articles required to be exercised by the Company in a General Meeting, subject nevertheless to the provisions of the Act, any other law, or in the Memorandum of the Company or these Articles or any regulations, being not inconsistent therewith and duly made thereunder including regulations, made by the Company in a General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

170. (a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
(i) The power to make calls on Shareholders in respect of money unpaid on their Shares;
(ii) The power to authorize buy-back of securities of the Company under Section 68 of the Act;
(iii) The power to issue securities, including Debentures, whether in or outside India;
(iv) The power to borrow moneys;
(iii) The power to invest the funds of the Company;
(iv) The power to grant loans or give guarantee or provide security in respect of loans;
(v) The power to approve financial statements and the Directors' report;
(vi) The power to diversify the business of the Company;
(vii) The power to approve amalgamation, merger or reconstruction;
(viii) The power to take over a company or acquire a controlling or substantial stake in another company;
(ix) The power to make political contributions;
(x) The power to appoint or remove Key Managerial Personnel of the Company;
(xi) To appoint internal auditors and secretarial auditor;
(xii) The power to take note of appointment(s) or removal(s) of employees of the Company

one level below the Key Managerial Personnel of the Company;

(xiii) The power to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;

(xiv) The power to invite or accept or renew public deposits and related matters;

(xv) The power to review or change the terms and conditions of public deposits; and

(xvi) The power to approve quarterly, half yearly and annual financial statements or financial results, as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in Articles 170(a)(iv), 170(a)(v) and 170(a)(vi) above on such condition as the Board may prescribe.

(b) Nothing in this Article shall be deemed to affect the right of the Company in a General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in items (i) to (xviii) of Article 170(a) above.

171. Without prejudice to the general powers conferred by Article 170 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by the Act and these Articles, but subject to the restrictions contained in the other Articles hereof, it is hereby declared that the Directors shall have the following powers:

(a) to pay/reimburse the costs, charges, and expenses, preliminary and incidental to the incorporation, promotion, establishment and registration of the Company;

(b) to purchase or otherwise acquire for the Company any lands, buildings, machinery, premises, assets, hereditaments property, effects, rights or privileges, credits, royalties, bounties and goodwill of any Person, firm or company which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

(c) to pay and charge to the Capital account of the company any commission or interest lawfully payable thereat under the provisions of Section 40 of the Act;

(d) at their discretion, and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly, in cash or in Shares, stock, bonds, Debentures, debenture-stock, mortgages or other securities of the Company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, Debentures, debenture-stock, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged;

(e) to secure the fulfilment of any contract or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such manner as the Directors may think fit;

(f) to accept from any Member, so far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

(g) to appoint any Person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;

(h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or its other employees or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and to observe and perform any awards made thereon;

(i) subject to the provisions of the Act, to give in the name and on behalf of the Company such indemnities and guarantees as may be necessary;

(j) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

(k) to make and give receipts, release, and other discharges for moneys payable to the Company and for the claims and demands of the Company;

(l) subject to the provisions of Sections 179, 180 and 186 of the Act, to invest and deal with any moneys of the Company upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and, from time to time, vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

(m) to execute in the name and on behalf of the Company in favour of any Director or other Person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(n) to determine, from time to time, who shall be entitled to sign, on the Company's behalf, bills, promissory notes, receipts, acceptances, endorsements, cheques, Dividend warrants, releases, contracts, instruments and documents, and general correspondence, and to give the necessary authority for such purpose;

(o) subject to the provisions of the Act and the Rules, to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and other Persons who are or were working for the Company delegated or seconded by any other organizations and the wives, widows and families or the dependents or connections of such Persons by building or contributing to the building of houses, dwellings, or by grants of money, pensions, gratuities, bonus, allowances or other payments; or by creating and from time to time subscribing or contributing to provident fund, including acceptance of transfer of money or from any other provident fund and any superannuation fund for being credited to the relevant fund created by the Company and to other associations, institutions, funds or trusts including any research and development organizations, training schools, by providing or subscribing or contributing towards research and development centres and places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, educational, cultural, social and other institutions for objects which shall have any moral or other claims to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

(p) (i) before recommending any Dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation in accordance with the provisions of the Act, or as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares) as the Board may, from time to time, think fit;

(ii) before the declaration of any dividend in any Financial Year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company; and

(iii) carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve .

(q) to distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company, and to give to any Director, officer or other Person employed by or working for the Company, a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

(r) to effect, make and enter into, on behalf of the Company, all transactions, agreements and other contracts within the scope of the business of the Company; and to appoint, constitute and at their discretion, remove or dissolve any consultant, advisors and Committee(s) as they may from time to time think fit, and to determine their powers and duties and fix their remuneration;

(s) from time to time and at any time, to make such arrangements as the Directors may consider appropriate for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any Person(s) to be in charge of such offices;

(t) subject to Section 179 of the Act, from time to time, and at any time to appoint any Person and to delegate to the Person so appointed, any of the powers, authorities and discretion for the time being vested in the Directors; and to authorize any Person to fill up any vacancies therein and to act notwithstanding vacancies; and such appointment or delegation may be made on such terms, and subject to such conditions as the Directors may think fit, and the Directors may, at any time remove any Person so appointed, and may annul or vary any such delegation;

(u) at any time, and from time to time, by power of attorney to appoint any Person or Persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and subject to the provisions of Section 179 of the Act and for such period and subject to such conditions as the Directors may, from time to time, think fit, and any such appointment may (if the Directors think fit) be made in favour of any Person or in favour of any Company, or the Shareholders, Directors, nominees or Managers of any Company or firm or otherwise in favour of any fluctuating body of Persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such powers for the protection of convenience of Persons dealing with such attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

(v) subject to Section 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

(w) to purchase or otherwise acquire or obtain licence for the use of, and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how;

(x) to undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned or to otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the fee simple of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate;

(y) to improve, manage, develop, exchange, lease, sell, re-sell, and re-purchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company has or may have interest;

(z) to let, sell or otherwise dispose of, subject to the provisions of Section 180 of the Act any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and accept payments of satisfaction for the same in cash or otherwise as they think fit;

(aa) from time to time to make, vary and repeal bye-laws, regulations and other rules, guidelines or instructions for regulating the business of the Company, its officials employees and other Persons having dealings with the Company;

(bb) to get insured and keep insured against loss or damage by fire or otherwise for such period and to such extend as they may think proper, all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to assign, surrender or discontinue any policies of assurance effected in pursuance of this power; and

(cc) Subject to Section 179 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit.

DECISIONS OF THE BOARD OF DIRECTORS

172. A resolution of the Board of Directors shall be adopted by the affirmative vote of the majority of the Directors present at a meeting, at which a quorum of the Board of Directors is present.

177. (a) The Company shall not appoint or employ, or continue the appointment or employment of, a Person as its Managing or Whole-time Director who;

(i) is an undischarged insolvent, or has, at any time, been adjudged an insolvent;

(ii) suspends, or has, at any time, suspended with his creditors, or makes, or has at any time made, a composition with them; or

(iii) is, or has at any time been convicted by a Court of an offense involving moral turpitude.

(b) If the Managing or Whole-time Director ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director or whole time Director, as the case may be, of the Company.

DIVIDENDS

182. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital paid up or credited as paid up on the Shares held by them respectively but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such share shall rank for Dividend accordingly.

183. The Company, in General Meeting, may declare Dividends to be paid to Members according to their respective rights but no Dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a lower Dividend.

184. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act, or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both.

Provided that:

(a) if the Company has not provided for depreciation for any previous Financial Year or years, it shall, before declaring or paying any Dividend for any Financial Year, provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years;

(b) if the Company has incurred any loss in any previous Financial Year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Schedule II of the Act or against both.

Provided further that, no Dividend shall be declared or paid for any Financial Year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 123 of the Act or such high percentage of its profits as may be allowed in accordance with that Section.

Provided further that, the Board may carry forward any profits which it may consider necessary not to divide, without setting them aside as reserve.

185. The Board may, from time to time, pay to the Members such interim Dividend as in its judgment the position of the Company justifies.

186. Where the Capital is paid in advance of the calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest, confer a right to participate in profits.

187. The Company shall pay Dividends in proportion to the amount paid up or credit as paid-up on some Shares than on others.

188. The Board may retain the Dividends payable upon Shares in respect of which any Person has become entitled to be a Member under Article 56 or any Person under that Article is entitled to transfer until such Person becomes a Member in respect of such Shares or shall duly transfer the same.

189. A waiver in whole or in part of any Dividend on any Share by any document (whether or not under Seal, if any) shall be effective only if such document is signed by the Member (or the Person entitled to the Share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

190. Any one of the several Persons who are registered as joint holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or other moneys

payable in respect of such Share.

191. No Member shall be entitled to receive payment of any interest or Dividend or bonus in respect of his Share whilst any moneys may be due or owing from him to the Company in respect of such Share or otherwise, however, either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any Member all such sums of money so due from him to the Company.

192. (a) Unless otherwise directed, any Dividend payable in cash in respect of Shares may be paid by electronic mode, cheque or warrant payable only in India, or by a pay slip or receipt having the force of a cheque or warrant, sent through the post to the registered address of the Member or Person entitled, or in case of joint holders to that one of them first named in the Register of Members in respect of the joint holding.

(b) Every such cheque or warrant shall be made payable to the registered holder of Shares or to his order or to his bankers.

(c) Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company shall not be liable or responsible for any cheque or warrants or payslip or receipt lost in transmission, or for any Dividend lost to the Member or Person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any payslip or receipt or the fraudulent or improper recovery of the Dividend by and other means. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

193. The Company shall pay the Dividend or send the cheque or warrant or given instructions for payment in electronic mode in respect thereof to the Member entitled to the payment of Dividend in accordance with the provisions of the law from the date of the declaration unless:

(a) where the Dividend could not be paid by reason of the operation of any law;

(b) where a Shareholder has given directions regarding the payment of the Dividend and those directions cannot be complied with;

(c) where there is a dispute regarding the right to receive the Dividend; or

(d where for any other reason, the failure to pay the Dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

194. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

195. No unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by law, and such forfeiture, when affected, shall be annulled in appropriate cases, and the Company shall comply with the provisions of Section 124 of the Act, as applicable, in respect of such Dividend.

196. Unclaimed Dividends shall be transferred to the unpaid Dividend account of the Company as hereinafter provided:

(a) Where the Dividend has been declared but not paid but the warrant in respect thereof has not been posted, within thirty days from the date of the declaration to any Shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of thirty days transfer the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account of "……".

A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the Shareholders to whom the money is due.

(b) Any money transferred to the unpaid Dividend account of the Company in pursuance of sub-Article (a) hereof which remains unpaid or unclaimed for a period for seven consecutive years or more from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund;

(c) The Company shall, when making any transfer under Article 196(b) hereof to the general revenue account of the Central Government of any unpaid or unclaimed Dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the Persons entitled to receive the sum, the amount to which each Person is entitled, and the nature of his claim thereto and such other particulars as may be prescribed by the Central Government.

197. Any General Meeting declaring a Dividend may, on the recommendations of the Board of Directors, make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call be made payable at the same time as the Dividend; and the Dividend may, if so arranged between the Company and the Members, be set off against the call.

198. No Dividend shall be payable except in cash. Provided that nothing in this Article 198 shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

199. Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividends, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article 199 as paid on the Share.

200. The Board may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

201. No Dividend shall bear interest against the Company.

DOCUMENTS AND NOTICES

214. (a) A document or notice may be served or given by the Company on any Member or officer of the Company either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices in him or by electronic mail.

(b) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice. Provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum, sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless, it is sent in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a notice of a Meeting, at the expiration of forty eight hours after the letter containing the documents or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(c) Where a document or notice is sent by electronic mail, the document or notice shall be deemed to have been delivered upon an electronic mail containing the document or notice being sent to the email address provided to the Company by the Member.

215. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears, on every Member who has no registered address in India or has not supplied to the Company an address within India for the serving of document on or the sending of notices to him.

216. A document or notice may be served or given by the Company on or to the joint-holders of a Share / Debenture by serving or giving the document or notice on or to the joint-holder named first in the Register of Members/ Register of Debenture-holders in respect of the Share/Debenture.

217. A document or notice may be served or given by the Company on or to the Persons entitled to a Share in consequence of death, insolvency or winding up of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of deceased, official assignee, receiver or liquidator of the Member in insolvency or winding-up or by any like description, at the address, if any, in India, supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death, insolvency or winding up had not occurred.

218. Documents of every General Meeting shall be served or given in the same manner hereinbefore authorized on or to every Member and to the Auditor or Auditors for the time being of the Company; and shall be served in the manner provided in Article 214 on every Person entitled to a share in consequence of the death, insolvency or winding up of a Member.

219. Every Person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the register of Members, shall have been duly served on or given to the Person from whom he derives his title to such share.

220. Any document or notice to be served or given by the Company may be signed by any Director, Secretary or some Person duly authorized by the Board of Directors for such purpose and the signature may be written, printed or lithographed.

221. All documents or notice to be served or given by Members on or to the Company or any Officer thereof shall be served or given by sending the same to the Company or officer at the Registered Office by post under a certificate of posting or by registered post, or by leaving the same at its Registered Office.

222. A Notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

Part III

1. EFFECTIVE DATE; OVERRIDING EFFECT

This Part III of the Articles of Association shall be effective from the Effective Date (defined below). In the event of any conflict between Parts I and II of the Articles of Association and Part III of the Articles of Association, the provisions of Part III of the Articles of Association shall prevail.

2. DEFINITIONS & INTERPRETATION

2.1. Definitions

Unless the context otherwise requires, the following words and terms shall have the meanings set forth below:

"**Acceptance Notice**" shall have the meaning given to it in Article 13.3.3;

"**Act**" means the Indian Companies Act, 2013 and shall include the provisions of the Indian Companies Act, 1956, to the extent the corresponding provision in the Indian Companies Act, 2013 has not been notified;

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, (a) owns greater than 26% of the voting equity or interest of such Person or is similarly owned by such Person; and (b) Controls, is Controlled by, or is under common Control with, such first Person, and in the case of a natural Person, shall include his or her Relatives;

"**Agreed Shared Costs**" shall have the meaning as agreed, *inter alia,* among the Parties as on the date of the Shareholders' Agreement;

"**Big Four Accounting Firm**" shall mean any of (i) KPMG, (ii) Deloitte Touche Tohmatsu Limited (iii) Ernst and Young LLP, or (iv) PricewaterhouseCoopers, or any of their Indian associates and affiliates.

"**Board**" means the board of directors of the Company constituted in accordance with the Articles of

Association from time to time;

"**Books and Records**" means all accounting, financial reporting, tax, business, marketing and corporate files, documents, instruments, papers, books, registers and records (statutory or otherwise) of the Company and its Subsidiaries, including technical records, financial statements, journals, deeds, manuals, minute books, customer and client lists, reports, files, documents, electronic information and operating data, contracts, memoranda of understanding and agreements, in whatever form;

"**Business**" means the provision of fixed and mobile telecommunications services to consumer and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunications services by the Company and its Subsidiaries in the Territory, and subject to amendment in accordance with Article 10 (*Reserved Matters*), any other business carried on by the Company and its Subsidiaries;

"**Business Day**" means a day other than Saturday and Sunday on which banks are open for normal banking business in London, United Kingdom, Mauritius, the Netherlands and Mumbai, India;

"**Business Plan**" means the detailed operating budget and the financial and strategic plan of the Company as prepared, approved and amended from time to time in accordance with the Articles of Association;

"**Call Option 1**" shall have the meaning given to it in Article 12.3.1(a);

"**Call Option 1 Equity Share Value**" means the Call Option 1 Equity Value divided by the sum of:

(a) the number of Equity Shares of the Company (on a fully diluted basis) as on the Effective Date;

(b) (without double counting) the number of Equity Shares issued pursuant to all Rights Recapitalisations occurring under Article 4; and

(c) the number of Equity Shares issued as bonus shares with respect to any of the Equity Shares falling within (a) or (b) above,

and adjusted in customary manner for any split or reverse-split made with respect to such Equity Shares on or after the date on which they were issued;

"**Call Option 1 Equity Value**" means, in relation to a Call Option 1 Notice, the amount that is equal to the sum of:

(a) Rs.945,524 million; and

(b) (without double counting) the aggregate of value of all gross consideration received or receivable by the Company pursuant to all Rights Recapitalisations occurring under Article 4 and before the date of that Call Option 1 Notice;

"**Call Option 1 Notice**" shall have the meaning given to it in Article 12.3.1(c);

"**Call Option 1 Period**" means a period of 36 (thirty six) months and one (1) Business Day from the Effective Date;

"**Call Option 1 Price**" shall have the meaning given to it in Article 12.3.1(c);

"**Call Option 1 Purchaser**" shall have the meaning given to it in Article 12.3.1(c);

"**Call Option 1 Shares**" shall have the meaning given to it in Article 12.3.1(c);

"**Call Option 2**" shall have the meaning given to it in Article 12.3.2(a);

"**Call Option 2 Notice**" shall have the meaning given to it in Article 12.3.2(d);

"**Call Option 2 Period**" shall have the meaning given to it in Article 12.3.2(a);

"**Call Option 2 Price**" shall have the meaning given to it in Article 12.3.2(e);

"**Call Option 2 Purchaser**" shall have the meaning given to it in Article 12.3.2(d);

"**Call Option 2 Shares**" shall have the meaning given to it in Article 12.3.2(b);

"**Call Option Cap**" means at any specified time, the number of Equity Shares that is equal to 50% of the Excess Equity Shares at such time (rounded down to the nearest whole Equity Share) (it being acknowledged that, at the end of the Effective Date, the Call Option Cap will be equal to 9.5% of the Share Capital);

"**Capped Options**" means Call Option 1, Call Option 2, Step Down Option 1 and the Rights Recapitalisation Call Option;

"**CEO**" means the chief executive officer of the Company, appointed from time to time in accordance with the Articles of Association;

"**CFO**" means the chief financial officer of the Company, appointed from time to time in accordance with the Articles of Association;

"**Chairperson**" shall have the meaning given to it in Article 5.7.1;

"**Circular Resolution**" shall have the meaning given to it in Article 5.8.1;

"**Closing Date**" shall have the meaning as agreed, *inter alia*, among the Parties as on the date of the Shareholders' Agreement;

"**CoC Exercise Notice**" shall have the meaning given to it in Article 16.2.1;

"**CoC Notice**" shall have the meaning given to it in Article 16.1;

"**CoC Shareholder**" shall have the meaning given to it in Article 16.1;

"**CoC Shares**" shall have the meaning given to it in Article 16.2.1;

"Committee" shall have the meaning given to it in Article 5.4.1;

"**Company**" means Vodafone Idea Limited, a company incorporated under the laws of India having its registered office at Suman Tower, Plot No. 18, Sector 11, Gandhinagar, Gujarat 382011, India;

"**Competing Business**" means a business in the Territory that is the same as or substantially similar to the Business;

"**COO**" means the chief operating officer of the Company, appointed from time to time in accordance with the Articles of Association;

"**Control**" (including with correlative meaning, the terms "**Controlled by**" and "**under common Control**" with) means the right to appoint the majority of the directors or to control the management or policy decisions of a Person, exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

"**Deadlock**" shall have the meaning given to it in Article 14.1;

"**Deadlock Notice**" shall have the meaning given to it in Article 14.2;

"**Deed of Adherence**" means the deed of adherence set out in the Shareholders' Agreement;

"**Defaulting Promoter Group**" shall have the meaning given to it in Article 15.1.1;

"**Defaulting Shareholder Group**" shall have the meaning given to it in Article 15.2.1;

"**Diluted Group**" shall have the meaning given to it in Article 4.8.1;

"**Directors**" mean the members of the Board appointed in accordance with the Articles of Association;

"**Draft Revised Business Plan**" shall have the meaning given to it in Article 11.1;

"**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;

(d) Integration Costs; and

(e) Agreed Shared 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;

"**Effective Date**" means the Closing Date;

"**Equal Offer Notice**" shall have the meaning given to it in Article 12.6.3(a);

"**Equal Offer Period**" shall have the meaning given to it in Article 12.6.3(b);

"**Equal Shareholding Date**" means the first date on which the number of Excess Equity Shares becomes zero;

"**Equity Shares**" means fully-paid up equity shares issued from time to time forming part of the Share Capital;

"**Event of Default**" shall have the meaning given to it in Article 15.2.1;

"**Excess Equity Shares**" means, at any specified time and subject to Articles 4.6, 12.1.1, and 12.3.2(i), the number of Equity Shares that is equal to the greater of:

(a) zero; and

(b) (i) the Shareholding of the Vodafone Group Shareholders at such time minus (ii) the Shareholding of the ICL Group Shareholders at such time;

"**Excluded Financial Investor**" means any Financial Investor:

(a) where 33% or more of that Financial Investor's assets under management comprise an equity holding in a single Person that conducts a business that is similar to the Business within or outside the Territory; or

(b) whose Investment Manager is Controlled by a Person who conducts a business that is similar to the Business within or outside the Territory;

"**Extended RCO Period**" shall have the meaning given to it in Article 4.7.1(c);

"**Fair Market Value**" means the Volume Weighted Average Market Price for a period of three (3) months preceding the Relevant Date, as traded on the Recognised Stock Exchange where the maximum volume of trading in the Equity Shares of the Company is recorded during the three-month period prior to the Relevant Date;

"**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;

"**Financial Indebtedness**" means any borrowings or indebtedness for or in respect of:

(a) moneys borrowed;
(b) accrued interest payable;
(c) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
(d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
(e) the amount of any liability in respect of any finance lease;
(f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under Ind AS;
(h) 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
(i) 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;

"**Financial Investor**" means any organisation (including banks, insurance companies, hedge funds, endowment funds, pension funds, sovereign wealth funds and other financial institutions) engaged in the business of holding and managing assets (including securities) or wealth management, for and on behalf of its clients, other than an Excluded Financial Investor;

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

"**Financial Year**" means the Company's fiscal year beginning on 1 April of each calendar year and ending on 31 March of the immediately succeeding calendar year, or such other period as the Board or the Shareholders, as the case may be, determine in accordance with applicable Law;

"**First Refusal Right**" shall have the meaning given to it in Article 13.3.1;

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

"**General Meeting**" shall have the meaning given to it in Article 6.1;

"**GIL**" shall have the meaning given to it in Article 9.2.1(b);

"**Governmental Authority**" means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body of any nation or any of its ministries, departments, secretariats, agencies or any legislative body, commission, authority, court or tribunal or entity, and shall include any authority exercising jurisdiction over any Person;

"**Group**" means, (i) the ICL Group and/or the Vodafone Group, as the context may require, (ii) in relation to the Company, the Company and its Subsidiaries, and (iii) in relation to any other company, means that company and any Affiliate of that company;

"**Higher Number**" shall have the meaning given to it in Article 4.3.2(ii)(A);

"**Higher Shareholder**" shall have the meaning given to it in Article 12.6.3;

"**ICL Bank**" shall have the meaning given to it in Article 4.3.2(ii);

"**ICL CoC Period**" shall have the meaning given to it in Article 16.2.1;

"**ICL CoC Price**" means an amount equal to the Vodafone Purchase Price;

"**ICL Confirmation Notice**" shall have the meaning given to it in Article 12.2.2(b);

"**ICL Group**" means the ICL Group Shareholders and their respective Affiliates, excluding the Company and its Subsidiaries;

"**ICL Group Directors**" shall have the meaning given to it in Article 5.2.2(a);

"**ICL Group Shareholders**" shall mean (i) Grasim Industries Limited, (ii) Aditya Birla Nuvo Limited, (iii) Pilani Investments and Industries Limited, (iv) Hindalco Industries Limited and (v) Birla TMT Holdings Private Limited, together with any Affiliates that execute a Deed of Adherence;

"**ICL Opposition Notice**" shall have the meaning given to it in Article 12.2.1(a);

"**Ind AS**" means Indian Accounting Standards as notified by Ministry of Corporate Affairs, Government of India;

"**Indian Competitor**" means: (a) any Person, including its Affiliates, engaged in a Competing Business; or (b) any Person who holds, directly and/or indirectly through its Affiliates, 26% (twenty six percent) or more in, and is categorised as a promoter of, a Person referred to in (a) above;

"**Integration Costs**" means costs incurred on or after the Effective Date in connection with the combination of the Company and Vodafone India Limited as agreed, *inter alia*, among the Parties as on the date of the Shareholders' Agreement, which would not have been incurred otherwise;

"**Intellectual Property**" means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data) and trade secrets, confidential business information and other proprietary information;

"**Investment Bank**" means a Category I merchant banker registered with the Securities and Exchange Board of India;

"**Investment Manager**" in respect of any Person, means any general partner, investment manager or other person who controls the investment decisions of such Person;

"**KMB**" means Kumar Mangalam Birla, an individual residing in India;

"**Law**" means any statute, law, ordinance, rule, regulation, press note, notification, circular, order, writ, injunction, directive, judgment or decree issued by any Governmental Authority;

"**Leverage Breaching Group**" shall have the meaning given to it in Article 17.3.3;

"**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;

"**Leverage Ratio Trigger**" is met in the case where the then current Leverage Ratio is above:

(a) 6:1 in the financial year ended 31 March 2018;

(b) 5.75:1 in the first quarter of the financial year ended 31 March 2019;

(c) 5.5:1 in the second quarter of the financial year ended 31 March 2019;

(d) 5.25:1 in the third quarter of the financial year ended 31 March 2019; or

(e) 5:1 in the fourth quarter of the financial year ended 31 March 2019 or at any time thereafter;

"**Lower Number**" shall have the meaning given to it in Article 4.3.2(ii)(A);

"**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 the Effective Date, EBITDA for these periods shall be taken from the Financial Statements and the Vodafone Financial Statements and aggregated;

"**Net Assets**" means, at any time in relation to a Person, the aggregate of its assets (excluding intangible assets) less the aggregate of its liabilities (other than share capital and reserves, and provisions against intangible assets), in each case calculated on a consolidated basis in accordance with applicable accounting standards;

"**Net Assets Threshold**" means Rs.167,375 million;

"**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;

"**New Qualifying Shareholder**" shall have the meaning given to it in Article 13.2.3;

"**Non-Diluted Group**" shall have the meaning given to it in Article 4.8.1;

"**Non-Equal Shareholder**" shall have the meaning given to it in Article 12.6.3;

“**Non-transferring Shareholder**” shall have the meaning given to it in Article 13.3.2;

“**Offered Shares**” shall have the meaning given to it in Article 13.3.2;

“**Offer Period**” shall have the meaning given to it in Article 13.3.3;

“**Option Transfer**” shall have the meaning given to it in Article 12.7.1;

“**Party**” means any of the ICL Group Shareholders, the Vodafone Group Shareholders and the Company in its capacity as a party to the Shareholders’ Agreement;

“**Person**” means any individual, general or limited partnership, corporation, limited liability company, joint stock company, trust, joint venture, unincorporated organisation, association or any other entity, including any Governmental Authority, or any group consisting of two (2) or more of the foregoing;

“**Promoter Group**” means the Vodafone Group Shareholders collectively and/or the ICL Group Shareholders collectively, as the context may require;

“**Proposed Transferee**” shall have the meaning given to it in Article 13.3.1;

“**Public Shareholder**” means any Person holding Public Shareholding;

“**Public Shareholding**” means, with respect to the Company, its public shareholding (as defined under rule 2(e) of the Securities Contracts (Regulation) Rules, 1957);

“**Qualifying Threshold**” means:

(a) 26% of the Share Capital until 31 March 2020; and

(b) 21% of the Share Capital at any time thereafter;

“**RCO Notice**” shall have the meaning given to it in Article 4.7.1(b);

“**RCO Period**” shall have the meaning given to it in Article 4.7.1;

“**RCO Price**” means, if the Vodafone Group Shareholders elect to Transfer Equity Shares: (i) on a Recognised Stock Exchange, the higher of the maximum price per Equity Share permitted under Law for such Transfer without the approval of any Governmental Authority (or if applicable Law does not prescribe a price, the per share Fair Market Value) and the subscription price per share for the Rights Recapitalisation; and (ii) in an off-exchange Transfer, the higher of the maximum price per Equity Share permitted under Law for such Transfer without the approval of any Governmental Authority (or if applicable Law does not prescribe a price, the per share Fair Market Value) and the subscription price per share for the Rights Recapitalisation;

“**RCO Purchaser**” shall have the meaning given to it in Article 4.7.1(b);

“**RCO Shares**” shall have the meaning given to it in Article 4.7.1;

“**RCO Withholding Computation**” shall have the meaning given to it in Article 4.7.1(g);

“**Recognised Stock Exchange**” means any stock exchange where the Equity Shares are listed;

“**Relative**” with respect to a natural Person, shall have the meaning given to the term in the Act;

“**Relevant Date**” means, for the purpose of determination of the Fair Market Value in: (i) Article 4.7.1(b), the date of the RCO Notice; (ii) Article 16, the date of the CoC Notice; and (iii) the context of Relevant India Telecom Equity Value, the earlier of the date of public announcement of and the date of execution of binding documentation for a Vodafone Permitted Group Sale Disposal or a Vodafone Restricted Group Sale Disposal, as applicable;

"**Relevant Holdco Equity Value**" means, in relation to: (i) item (a) of the definitions of Vodafone Permitted Group Sale Disposal and Vodafone Restricted Group Sale Disposal, the aggregate proportionate equity value of the entities or assets proposed to be included within such transaction, as derived from the agreed consideration for such transaction; and (ii) item (b) of the definitions of Vodafone Permitted Group Sale Disposal and Vodafone Restricted Group Sale Disposal, the aggregate proportionate equity value of the entities proposed to be included within such transaction as derived from a valuation opinion prepared by any one of the Persons specified in **Schedule 1** selected by the Vodafone Group by a draw of lots in the presence of an authorised representative of the ICL Group Shareholders;

"**Relevant India Telecom Equity Value**" means, with respect to Shareholder(s) proposed to be included within a Vodafone Permitted Group Sale Disposal or a Vodafone Restricted Group Sale Disposal, the equity value of the Company based on the Fair Market Value multiplied by the percentage Shareholding of such Shareholder(s);

"**Remaining ICL Shareholders**" shall have the meaning given to it in Article 16.2.1;

"**Remote Participation**" shall have the meaning given to it in Article 5.9.1;

"**Representatives**" means, with respect to any Person, its directors, officers, employees, consultants, agents, investment bankers, financial advisors, legal advisors, accountants, other advisors and authorised representatives;

"**Reserved Matters**" has the meaning given to it in Article 10;

"**Rights Cure Period**" shall have the meaning given to it in Article 17.3.2;

"**Rights Recapitalisation**" shall have the meaning given to it in Article 4.3;

"**Rights Recapitalisation Call Option**" shall have the meaning given to it in Article 4.7.1;

"**Rights Recapitalisation Cap**" means with respect to any Rights Recapitalisation, the lower of: (a) the number of new Equity Shares subscribed for by the Vodafone Group Shareholders in excess of the new Equity Shares to which they are entitled and (b) the number of new Equity Shares to which the ICL Group Shareholders were entitled under the Rights Recapitalisation but for which they did not subscribe;

"**Rights Recapitalisation Notice**" shall have the meaning given to it in Article 4.3;

"**Shareholder**" means any Person who holds Equity Shares in the Company;

"**Shareholding**" means, with respect to:

(a) any Person as a Shareholder, at any time, that Person's total direct and indirect shareholding in the Company; and

(b) a group of Persons directly and indirectly holding shares in the Company, the aggregate of the total direct and indirect shareholding of each Person in the group in the Company without any duplication or double counting of shareholdings among such Persons,

in each case, on a fully diluted basis, it being understood that the indirect shareholding of any such Person in the Company means the voting interest held indirectly by such Person through its subsidiaries. Shareholding shall refer to the number of Equity Shares or the percentage of Share Capital, as the context may require;

"**Share Capital**" means the equity share capital of the Company on a fully diluted basis. For the purposes of Article 10.4 (*Reserved Matters*), Share Capital shall mean share capital of the Company on a fully diluted basis;

"**Shareholders' Agreement**" means the Shareholders' Agreement dated 20 March 2017, by and among the ICL Group Shareholders, the Vodafone Group Shareholders, the Company, KMB and the Vodafone Confirming Party;

"**Step Down 1 Excess Shareholding**" shall have the meaning given to it in Article 12.4;

"**Step Down Option 1**" shall have the meaning given to it in Article 12.4;

"**Step Down Option 1 Period**" shall have the meaning given to it in Article 12.4;

"**Step Down Option 2 Period**" shall have the meaning given to it in Article 12.5;

"**Step Down Share Value**" means, as of a particular date, the Step Down Value divided by the number of Equity Shares of the Company (on a fully diluted basis) as on the date of the Transfer of Equity Shares in accordance with Article 12.5;

"**Step Down Value**" means, in relation to a proposed Transfer of Equity Shares in accordance with Article 12.5, the amount that is equal to the sum of:

(a) US$14,123 million;

(b) the aggregate of value of all gross consideration, whether in cash or otherwise, received or receivable by the Company in respect of each and every allotment of Equity Shares (or securities convertible into or exchangeable for Equity Shares), or grant of rights to subscribe for or otherwise acquire Equity Shares, in each case occurring between the date of the Shareholders' Agreement and the date of that proposed Transfer of Equity Shares;

(c) the aggregate value of all gross consideration, whether in cash or otherwise, received or receivable by the Company and/or a Subsidiary in respect of each and every allotment of equity shares in a Subsidiary (or securities convertible into or exchangeable for equity shares in a Subsidiary), or grant of rights to subscribe for or otherwise acquire equity shares in a Subsidiary (excluding any allotment or grant to the Company or another Subsidiary that is wholly owned by the Company), in each case occurring between the date of the Shareholders' Agreement and the date of that proposed Transfer of Equity Shares,

and for the purpose of this definition: (i) any adjustment to the gross consideration received or receivable by the Company or such Subsidiary occurring or liable to occur after such allotment or grant shall be disregarded and (ii) the total amount of the maximum gross consideration receivable shall be brought into account for the purpose of this definition notwithstanding that all or any part of it is deferred or contingent);

"**Subsidiary"** means a subsidiary of the Company;

"**Tag-Along Right**" shall have the meaning given to it in Article 13.4.1;

"**Tag Exercise Notice**" shall have the meaning given to it in Article 13.3.3;

"**Tagged Shares**" shall have the meaning given to it in Article 13.4.3;

"**Takeover Code**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

"**Target Group**" shall have the meaning as agreed, *inter alia*, among the Parties as on the date of the Shareholders' Agreement;

"**Target Leverage Ratio**" means a Leverage Ratio of: (i) 4.5:1 during the financial years ended 31 March

2018 and 31 March 2019 and (ii) 4:1 at any time thereafter;

"**Tax**" means any tax payable under the Indian Income-tax Act, 1961, as amended;

"**Terms**" shall have the meaning given to it in Article 4.3.2(i);

"**Territory**" means India;

"**Third Banker**" shall have the meaning given to it in Article 4.3.2(ii)(C);

"**Third Number**" shall have the meaning given to it in Article 4.3.2(ii)(C)(a);

"**Transferring Shareholder**" shall have the meaning given to it in Article 13.3.1;

"**Transfer**" means to transfer, assign, pledge or otherwise alienate or dispose of, in any way, any Equity Shares, or any rights relating to such Equity Shares, and "**Transferred**" shall be construed accordingly;

"**Transfer Embargo**" means any prohibition on the Transfer of any Equity Shares pursuant to an order of a Governmental Authority issued in respect of any Party;

"**Transfer Notice**" shall have the meaning given to it in Article 13.3.2;

"**Ultimate Parent**" in relation to any Person, means the Person (if any) which is not itself subject to Control but which has Control of that first Person, either directly or through a chain of Persons each of which has Control over the next Person in the chain (being, as at the date of the Shareholders' Agreement, Vodafone Plc in the case of the Vodafone Group Shareholders);

"**Underwriting Promoter Group**" shall have the meaning given to it in Article 4.3.2(ii);

"**Vodafone Bank**" shall have the meaning given to it in Article 4.3.2(ii);

"**Vodafone Confirmation Notice**" shall have the meaning given to it in Article 12.2.1(b);

"**Vodafone Confirming Party**" means Vodafone International Holdings B.V., a company incorporated under the laws of The Netherlands and having its registered office at Rivium Quadrant 173, 2909 LC Capelle aan den IJssel, The Netherlands;

"**Vodafone Direct Spin-off Disposal**" means a demerger or spin off (effected by a solvent reconstruction or otherwise) of the entire Shareholding held by the Vodafone Group Shareholders on a *pro rata* basis to the shareholders of the Ultimate Parent;

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

"**Vodafone Group**" means the Vodafone Group Shareholders and their respective Affiliates, excluding the Company and its Subsidiaries;

"**Vodafone Group Directors**" shall have the meaning given to it in Article 5.2.2;

"**Vodafone Group Shareholders**" shall mean (i) Al-Amin Investments Ltd., (ii) Asian Telecommunication Investments (Mauritius) Ltd., (iii) CCII (Mauritius) Inc, (iv) Euro Pacific Securities Ltd., (v) Vodafone Telecommunications (India) Ltd., (vi) Mobilvest (vii) Prime Metals Ltd., (viii) Trans Crystal Ltd., (ix) Omega Telecom Holdings Private Limited, (x) Telecom Investments India Private Limited, (xi) Jaykay Finholding (India) Private Limited, and (xii) Usha Martin Telematics Limited, together with any Affiliates that execute a Deed of Adherence;

"**Vodafone Opposition Notice**" shall have the meaning given to it in Article 12.2.2(a);

"**Vodafone Permitted Group Sale Disposal**" means: (a) a transfer of shares, voting rights, assets or any economic interest in a Vodafone Group Shareholder(s) or an entity(ies) within the chain(s) of entities between a Vodafone Group Shareholder(s) and its Ultimate Parent; or (b) a demerger or spin off (effected by a solvent reconstruction or otherwise) involving the transfer or distribution of shares in any entity within the chain(s) of entities between the Vodafone Group Shareholders and their Ultimate Parent on a *pro rata* basis to the shareholders of the Ultimate Parent, in each case, where the Relevant India Telecom Equity Value represents 33% or less of the Relevant Holdco Equity Value;

"**Vodafone Permitted Transactions**" shall have the meaning given to it in Article 16.6;

"**Vodafone Plc**" means, as at the date of the Shareholders' Agreement, Vodafone Group Plc, a company incorporated under the laws of England with its registered office at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, and shall instead mean, if applicable in the future, any company which becomes the holding company of Vodafone Group Plc provided that:

(a) such holding company (directly or indirectly) owns 100% of the previous Vodafone Plc's share capital (excluding any treasury shares);

(b) such holding company is listed on a recognised stock exchange; and

(c) the shareholders of such holding company when it becomes the holding company of the previous Vodafone Plc, include all or substantially all of the shareholders of the previous Vodafone Plc immediately prior to such event;

"**Vodafone Plc Shareholder Approval**" shall mean the approval (by means of an ordinary resolution) of the shareholders of Vodafone Plc at a general meeting of Vodafone Plc;

"**Vodafone Purchase Price**" means (a) the lower of: (i) the minimum price per Equity Share under Law for Transfers on a Recognised Stock Exchange and (ii) the minimum price per Equity Share permitted under Law for an off-exchange Transfer, in each case, without the approval of any Governmental Authority in respect of Transfers of Equity Shares by the resident to the non-resident; or (b) if applicable Law does not prescribe a price, the per share Fair Market Value;

"**Vodafone Restricted Group Sale Disposal**" means: (a) a transfer of shares, voting rights, assets or any economic interest in a Vodafone Group Shareholder(s) or an entity(ies) within the chain(s) of entities between a Vodafone Group Shareholder(s) and its Ultimate Parent; or (b) a demerger or spin off (effected by a solvent reconstruction or otherwise) involving the transfer or distribution of shares in any entity within the chain(s) of entities between the Vodafone Group Shareholders and their Ultimate Parent on a *pro rata* basis to the shareholders of the Ultimate Parent, in each case, where the Relevant India Telecom Equity Value represents more than 33% of the Relevant Holdco Equity Value;

"**Vodafone Sale Price**" means (a) the higher of (i) the maximum price per Equity Share permitted under Law for Transfers on a Recognised Stock Exchange and (ii) the maximum price per Equity Share permitted under Law for an off-exchange Transfer, in each case, without the approval of any Governmental Authority in respect of Transfers of Equity Shares by the non-resident to the resident; or (b) if applicable Law does not prescribe a price, the per share Fair Market Value;

"**Volume Weighted Average Market Price**" means the product of the number of Equity Shares traded on a Recognised Stock Exchange and the closing price of each Equity Share divided by the total number of Equity Shares traded on the Recognised Stock Exchange;

"**Voting Default**" shall have the meaning given to it in Article 15.1.1; and

"**Withholding Computation**" shall have the meaning given to it in Article 12.3.3.

3. ARTICLES AND OTHER MATTERS

3.1 Articles of Association

3.1.1 The rights of the Promoter Groups in the Company shall be governed by, and enforceable against each of them, in accordance with the terms of the Articles. The Promoter Groups shall perform and comply with, and pursuant to exercise of their voting and other rights, ensure that the Company performs and complies with, all of their respective obligations under the Articles.

3.1.2 The Company shall take all necessary steps to amend and alter the Articles from time to time to reflect any changes made to the Shareholders' Agreement in accordance with the terms thereof from time to time.

3.1.3 In the event of any ambiguity or discrepancy between the provisions of the Shareholders' Agreement and the Articles of Association, the provisions of the Shareholders' Agreement shall prevail. The Company shall take all necessary steps to amend and alter the Articles of Association from time to time to resolve any such ambiguity or discrepancy.

3.2 **Promoters**

Based on their Shareholding and rights under the Shareholders' Agreement on the Effective Date, each ICL Group Shareholder and each Vodafone Group Shareholder shall be categorised as a "*promoter*" of the Company.

3.3 **Subsidiaries**

3.3.1 The Company shall, and each Promoter Group shall procure that the Company shall, cause each Subsidiary to take all actions necessary to amend the articles of association of such Subsidiary to include (a) the governance provisions set forth in the Articles of Association (including with respect to board representation, quorum requirements and Reserved Matters), and (b) a provision stating that no resolution shall be adopted by the board or shareholders of such Subsidiary unless it is in compliance with the articles of association of such Subsidiary and the Shareholders' Agreement.

3.3.2 With respect to each Subsidiary, the Company shall procure the appointment of the maximum permissible number of directors nominated, and such number of independent directors as may be required under applicable Law from among the Persons recommended for appointment, by each Promoter Group, in the same proportion as is applicable to the constitution of the Board in Article 5.2.

3.3.3 If and to the extent the Promoter Groups have not exercised their respective rights with respect to nomination of directors to the boards of the Subsidiaries, the Board shall have the power to select the proposed directors of the Subsidiaries.

3.3.4 All resolutions to be considered by the shareholders of the Subsidiaries shall be subject to prior consideration by and approval of the Board in accordance with the Articles of Association.

3.3.5 The Company shall exercise its voting rights in each Subsidiary (in its capacity as a shareholder of such Subsidiary) in accordance with the Articles of Association. The Company shall vote in favour of only those resolutions which have been approved by the Board in accordance with the Articles of Association and shall vote against such resolutions which have not been so approved.

4. FUNDING

It is the intention of the Promoter Groups and the Company that the Company is self-funding and that the Company and its Group should be capable of financing their activities on a standalone basis.

4.1 Neither Promoter Group shall be obliged to provide any funding, whether in the form of equity or debt, to the Company or its Group, except for the purposes of Article 9.2.2 in the case of the ICL Group Shareholders.

4.2 If the Leverage Ratio Trigger is met, either Promoter Group may give written notice to the other Promoter Group and the Company directing the Company to implement a rights issue (a "Rights Recapitalisation", and such notice, a "Rights Recapitalisation Notice") in order to reduce the Leverage Ratio to the Target Leverage Ratio as soon as reasonably practicable. If a Rights Recapitalisation Notice is given after 31 March 2019:

4.2.1. Within 15 (fifteen) Business Days of receipt of the Rights Recapitalisation Notice, each Promoter Group shall give written notice to the Company and to the other Promoter Group as to whether it is willing to underwrite the Rights Recapitalisation in proportion to its Shareholding relative to the total Shareholding.

4.2.2. If:

(i) each Promoter Group gives such notice that it is willing to so underwrite the Rights Recapitalisation, the pricing (being a discount to the then current market price), timing and other terms of the Rights Recapitalisation (the "Terms") shall, subject to Article 4.3.3, be as the Promoter Groups shall agree;

(ii) only one Promoter Group gives such notice that it is willing to so underwrite the Rights Recapitalisation (such Promoter Group being the "Underwriting Promoter Group"), the Terms shall be in accordance with the recommendation of an Investment Bank which is selected by both Promoter Groups. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the notice specified above, each Promoter Group shall promptly appoint one Investment Bank, each of whom shall determine the pricing of the Rights Recapitalisation ("ICL Bank" and "Vodafone Bank") and the following procedure shall apply:

(A) the higher of the prices determined by the Vodafone Bank and the ICL Bank shall be the "Higher Number" and the lower of the prices determined by the Vodafone Bank and the ICL Bank shall be the "Lower Number";

(B) if the Higher Number is not more than 110% of the Lower Number, the price will be the arithmetic average of such two numbers;

(C) if the Higher Number is more than 110% of the Lower Number, a third Investment Bank shall promptly be appointed by the Board from among the Investment Banks listed in Schedule 1 ("Third Banker") by a draw of lots to determine the pricing of the Rights Recapitalisation and the price of the Rights Recapitalisation shall be:

(a) the Higher Number, if the price determined by the Third Banker ("Third Number") is greater than the Higher Number;

(b) the Lower Number, if the Third Number is less than the Lower Number;

(c) the arithmetic average of the Third Number and the other number (Higher Number or Lower Number) that is closer to the Third Number, if the Third Number falls within the range between (and including) the Lower Number and the Higher Number; or

(d) the Third Number, if the Lower Number and the Higher Number are equally close to the Third Number.

Further, the Underwriting Promoter Group shall be entitled to underwrite all or part of the proportion of the Rights Recapitalisation which the other Promoter Group has not agreed to underwrite and/or procure that one or more Investment Banks underwrites all or a part of the proportion which the other Promoter Group has not agreed to underwrite on such terms as the Underwriting Promoter Group chooses; or

(iii) neither Promoter Group gives such notice, the Rights Recapitalisation shall only proceed if there is a decision of the Board to do so, and in such case the Board shall decide the Terms, it being understood that such decision shall be a Reserved Matter.

4.2.2 If Article 4.3.2(i) applies and the Promoter Groups are unable to agree on the Terms within fifteen (15) Business Days of delivery of notices under Article 4.3.2(i), the Terms shall be in accordance with the recommendation of an Investment Bank which is selected by both Promoter Groups. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the expiration of the 15-Business Day period mentioned above, the Vodafone Group Shareholders shall appoint the Vodafone Bank and the ICL Group Shareholders shall appoint the ICL Bank, and the procedure set out in Article 4.3.2(ii) shall apply *mutatis mutandis*.

4.2.3 All costs, fees and other expenses of the Investment Bank(s) appointed pursuant to this Article 4.3 shall be borne by the Company.

4.3 The Company shall proceed with and promptly implement any Rights Recapitalisation in accordance with this Article 4. Regardless of whether it agrees to underwrite the Rights Recapitalisation, each Promoter Group shall take all steps necessary to procure that the Company proceeds with and promptly implements any Rights Recapitalisation in accordance with this Article 4 (except pursuant to Article 4.9).

4.4 To the extent required by applicable Law, any participation by the Promoter Groups in a Rights Recapitalisation shall be subject to compliance by the Company with the minimum public shareholding, if any, prescribed under applicable Law.

4.5 Calculation of Excess Equity Shares following a Rights Recapitalisation

In any Rights Recapitalisation, if the Vodafone Group Shareholders (or their nominated Affiliates) subscribe to a higher percentage of their entitlement than the ICL Group Shareholders (or their nominated Affiliates), the number of Equity Shares subscribed to by the Vodafone Group Shareholders shall, to the extent it relates to the greater relative participation of the Vodafone Group Shareholders in the Rights Recapitalisation, be excluded from the Shareholding of the Vodafone Group Shareholders for calculating the Excess Equity Shares to the extent of such higher relative participation. It is clarified that Equity Shares acquired by the ICL Group Shareholders (or their nominated Affiliates) under Article 4.7 shall be considered for the purposes of calculating the Excess Equity Shares, as per the preceding sentence.

4.6 Rights Recapitalisation Call Option prior to the Equal Shareholding Date

4.7.1 If, at any time prior to the Equal Shareholding Date, the percentage Shareholding of the ICL Group Shareholders is diluted pursuant to their non-participation or partial participation in a Rights Recapitalisation under this Article 4, then for a period of six (6) months from the date of completion of the relevant Rights Recapitalisation (the "**RCO Period**"), the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares not exceeding the Rights Recapitalisation Cap (the "**RCO Shares**") in the manner set forth in this Article 4.7 (the "**Rights Recapitalisation Call Option**"), provided that the Shareholding of the Vodafone Group Shareholders does not fall below the Qualifying Threshold pursuant to the exercise of such right:

(a) The Rights Recapitalisation Call Option may be exercised only once during the RCO Period.

(b) The ICL Group Shareholders may exercise the Rights Recapitalisation Call Option by issuing a written notice to the Vodafone Group Shareholders (the "**RCO Notice**"), which shall specify: (i) the identity of the purchaser(s) (the "**RCO Purchaser(s)**"); (ii) certification that the RCO Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder; and (iii) the number of RCO Shares.

(c) The Vodafone Group Shareholders shall, at their sole discretion, determine: (i) the identity of the Vodafone Group Shareholder(s) that shall Transfer the RCO Shares to the RCO Purchaser and the number of Equity Shares that each such Vodafone Group Shareholder will Transfer; (ii) whether such Transfer shall occur on a Recognised Stock Exchange or off-exchange; and (iii) the RCO Price, and shall, within five (5) Business Days of the receipt of the RCO Notice, notify the foregoing details (in writing) to the RCO Purchaser. Notwithstanding anything contained in the Articles of Association, no Vodafone Group Shareholder shall be required to Transfer any RCO Shares to the RCO Purchaser at a price less than the RCO Price. If applicable Law does not permit the RCO Purchaser to pay the RCO Price to the Vodafone Group Shareholders for the purchase of the RCO Shares during the RCO Period without the approval of a Governmental Authority, then at the option of the Vodafone Group Shareholders, (i) Clause 25.14.2 of the Shareholders Agreement shall apply or (ii) the RCO Period shall be extended for a period of three (3) months (the "**Extended RCO Period**").

(d) For the purposes of the sale and purchase of the RCO Shares, the RCO Purchaser and the relevant Vodafone Group Shareholders shall execute a share purchase agreement in the form set out in the Shareholders' Agreement. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the RCO Shares.

(e) The consummation of the sale and purchase of the RCO Shares shall be completed within 10 (ten) Business Days of the date of receipt of the RCO Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the RCO Notice).

(f) The ICL Group Shareholders shall ensure that the exercise of the Rights Recapitalisation Call Option does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

(g) The ICL Group Shareholders and the Vodafone Group Shareholders shall jointly appoint a Big Four Accounting Firm, or if no Big Four Accounting Firm is able or willing to act, another accounting firm of international standing, to provide:

(i) a certificate confirming (i) the RCO Price; and (ii) whether any Taxes are required to be withheld with respect to the sale and purchase of the RCO Shares, if such certificate is required under applicable Law; and

(ii) an opinion on computation of capital gains Taxes in connection with (a) above along with the necessary supporting documents in respect of cost of acquisition of the RCO Option Shares,

(together, the "**RCO Withholding Computation**"). The Vodafone Group Shareholders shall promptly provide any information required by the appointed accounting firm for purposes of issue of such certificate and shall confirm to the ICL Group Shareholders that such information is true and correct. On the date of completion of the Transfer of the RCO Shares, the RCO Purchaser shall pay the RCO Price to the relevant Vodafone Group Shareholders after withholding or deduction of any Tax required pursuant to the RCO Withholding Computation. All costs, fees and other expenses of the accounting firm appointed for the purposes of provision of the RCO Withholding Computation shall be borne equally by each Promoter Group.

(h) The ICL Group Shareholders and the Vodafone Group Shareholders shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer of the RCO Shares.

4.7.2 If:

(a) the ICL Group Shareholders have issued one or more RCO Notices and have acquired the RCO Shares specified therein up to the Rights Recapitalisation Cap pursuant to Article 4.7.1, the ICL Group Shareholders shall, for a period of three (3) months from the date of the last such acquisition, be entitled to acquire from the market such number of Equity Shares out of the entitlement of the ICL Group Shareholders that were subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders' entitlement) in the Rights Recapitalisation;

(b) the ICL Group Shareholders have issued one or more RCO Notices but, due to restrictions under applicable Law, have been unable to acquire all of the RCO Shares specified therein up to the Rights Recapitalisation Cap during the RCO Period and the Extended RCO Period pursuant to Article 4.7.1(c), the ICL Group Shareholders shall, for a period of three (3) months from the expiration of the Extended RCO Period, be entitled to acquire from the market (i) any remaining RCO Shares as well (ii) as such number of Equity Shares out of the entitlement of the ICL Group Shareholders that have been subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders' entitlement) in the Rights Recapitalisation; or

(c) the Rights Recapitalisation Cap is zero, the ICL Group Shareholders shall, for a period of six (6) months from the date of completion of the relevant Rights Recapitalisation, be entitled to acquire from the market such number of Equity Shares out of the entitlement of the ICL Group Shareholders that have been subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders' entitlement) in the Rights Recapitalisation.

4.7 Dilution pursuant to a Rights Recapitalisation after the Equal Shareholding Date

4.8.1 At any time after the Equal Shareholding Date, if the percentage Shareholding of any Promoter Group is diluted (the "**Diluted Group**") to a level below the Shareholding of the other Promoter Group (the "**Non-Diluted Group**") pursuant to its non-participation or partial participation in a Rights Recapitalisation under this Article 4, then the Diluted Group shall, for a period of six (6) months of the date of completion of the relevant Rights Recapitalisation, have the right to acquire Equity Shares from the market, directly or through its Affiliates, to equalise its Shareholding with the Non-Diluted Group.

4.8.2 The Diluted Group shall ensure that the exercise of its rights under Article 4.8.1 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

4.8 Initial Rights Recapitalisation Period

4.8.1 During the period from the Effective Date until 31 March 2019, if any Promoter Group seeks to implement a Rights Recapitalisation, it shall notify the other Promoter Group in writing. Within a period of 30 (thirty) days of such notice, the Promoter Groups shall discuss, in good faith, whether the Company requires additional equity capital taking into account the performance of and outlook for the Company at that time and the expected timing for realisation of synergies pursuant to the combination of the Company and Vodafone India Limited.

4.8.2 If the Promoter Groups cannot agree whether the Company requires additional equity capital within the 30-day period specified in Article 4.9.1, the matter shall be referred to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration, and such persons shall be required to resolve the matter within 30 (thirty) days of the reference.

4.8.3 In the event such representatives of the Promoter Groups are unable to resolve such matter within the 30-day period specified in Article 4.9.2, the Promoter Groups shall jointly appoint an Investment Bank to advise the Board on the Terms of the Rights Recapitalisation proposed pursuant to Article 4.9.1. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the expiration of the 30-day period specified in Article 4.9.2, an Investment Bank shall promptly be appointed by the Board from among the Investment Banks listed in Schedule 1 by draw of lots.

4.8.4 The Board shall consider the Terms of the Rights Recapitalisation proposed by the Investment Bank appointed by the Promoter Groups or by draw of lots, as applicable, and the Rights Recapitalisation shall proceed only if there is a decision of the Board to do so by a simple majority vote, it being understood that such decision shall not be a Reserved Matter.

4.8.5 All costs, fees and other expenses of the Investment Bank(s) appointed pursuant to this Article 4.9 shall be borne by the Company.

5. BOARD OF DIRECTORS OF THE COMPANY

5.1 Authority of the Board

Subject to the provisions of the Articles of Association and applicable Law, the Board shall be responsible for the management of the Company. The Board shall give due consideration to the views of Committees, however, the Board shall be responsible for taking final decisions on matters considered by such Committees. The approval of the Shareholders will be obtained for such matters as may be required under applicable Law or pursuant to the Articles of Association.

5.2 Composition of the Board

5.2.1 The Board shall consist of twelve (12) Directors as follows:

(a) three (3) nominee Directors of the ICL Group Shareholders;

(b) three (3) nominee Directors of the Vodafone Group Shareholders; and

(c) six (6) independent Directors,

in each case, appointed in accordance with this Article 5.2.

5.2.2 Subject to Article 17.3, each Promoter Group shall be entitled, by notice in writing to the Company (with a copy to the other Promoter Group), to require the Company to:

(a) appoint three (3) Directors nominated by it (the “Vodafone Group Directors” and the “ICL Group Directors”, as applicable); and

(b) appoint three (3) independent Directors from among the persons recommended by it for such appointment.

5.2.3 To the extent the entitlement of any Promoter Group to nominate Directors and/or recommend persons for appointment as independent Directors is extinguished pursuant to any provision of the Articles of Association, such entitlement shall be transferred to the other Promoter Group and the entitlement of such other Promoter Group pursuant to Article 5.2.2 shall be increased automatically, provided that the Shareholding of such other Promoter Group is equal to or higher than the Qualifying Threshold and such other Promoter Group has rights under this Article 5.2.

5.2.4 If, at any time, the entitlement of any Promoter Group to nominate Directors and/or recommend persons for appointment as independent Directors is extinguished pursuant to any provision of the Articles of Association, then such Promoter Group shall procure that an appropriate number of Directors nominated or recommended for appointment by that Promoter Group shall resign and vacate office as promptly as practicable.

5.3 Qualification

The Directors shall not be required to hold any qualification Equity Shares.

5.4 Board Committees

5.4.1 Subject to Article 17.3, the Board shall constitute and determine the terms of reference of committees of the Board (each, a "Committee") to the extent required under applicable Law, including an audit committee, a nomination and remuneration committee, a stakeholders' relationship committee, a risk management committee and a corporate social responsibility committee.

5.4.2 Each Committee shall include:

(a) such number of independent Directors as may be required under applicable Law from among the Persons recommended for appointment by the Promoter Groups; and

(b) the maximum permissible number of ICL Group Directors and Vodafone Group Directors,

in each case, in the same proportion as is applicable to the constitution of the Board in Article 5.2.

5.4.3 The provisions of this Article 5, including with respect to conduct of meetings, quorum and manner of approval of business, and Article 10, as they apply to the Board, shall apply *mutatis mutandis* to Committees. If any Committee cannot agree on any matter, the Committee shall refer the matter to the Board.

5.5 Removal of Directors; Casual Vacancy

5.5.1 Each Promoter Group shall be entitled, by notice in writing to the Company (with a copy to the other Promoter Group and the concerned Director), to require any Director nominated by it to be removed from such position and the Company and the Promoter Groups shall promptly take steps for the removal of such Director in accordance with such request. In the event of such removal or if any Director nominated by a Promoter Group ceases to hold office for any other reason, such Promoter Group shall be entitled to require the Company to appoint another Director in his or her place pursuant to Article 5.2.2, as promptly as practicable.

5.5.2 In the event that an independent Director appointed from among the persons recommended by any Promoter Group ceases to hold office as a Director for any reason, such Promoter Group shall be entitled to recommend another person in his/her place.

5.5.3 Except as set forth in Article 5.2.4, the removal of a Director nominated by a Promoter Group or an independent Director appointed from among the persons recommended by any Promoter Group shall be subject to the prior written consent of such Promoter Group.

5.6 Notice of Board Meetings

5.6.1 A Board meeting may be called by the Chairperson or any two (2) other Directors by giving notice in writing to the company secretary of the Company, who shall convene a Board meeting within ten (10) days of such notice.

5.6.2 A notice of a Board meeting shall (i) be in English; (ii) specify a reasonably detailed written agenda specifying the date, time and agenda of such Board meeting; (iii) include copies of all papers relevant for such Board meeting; and (iv) be sent via e-mail and in addition via courier. Unless waived in writing by at least one (1) Vodafone Group Director and at least one (1) ICL Group Director, no discussion, action, vote or resolution with respect to any item not included in the agenda of any meeting shall be taken at any meeting of the Board.

5.7 Chairperson of the Board

5.7.1 Subject to Article 17.3, the ICL Group Shareholders shall have the right to appoint the group chairperson of the ICL Group (or his successor) as the chairperson of the Company ("Chairperson"). The Chairperson shall chair all meetings of the Board that he attends.

5.7.2 In the absence of the Chairperson at a meeting of the Board, the Board shall appoint the chairperson from among the Directors present for such meeting of the Board.

5.7.3 In case of equality of votes, the Chairperson or any other person acting as chairperson at a meeting of the Board shall not have a second and casting vote.

5.8 Resolution by Circulation

5.8.1 Any resolution that is not required to be considered only at a Board meeting under applicable Law may be adopted by circulation by the Board, and such written resolution, if approved, shall be filed with the minutes of proceedings of the Board along with all the documents/information circulated with it ("Circular Resolution").

5.8.2 Subject to Article 10 (*Reserved Matters*), no Circular Resolution shall be deemed to have been duly passed by the Board, unless the resolution has been circulated in draft in accordance with the Act, together with the necessary papers required for considering the resolution, and approved in writing by a majority of the Directors as are entitled to vote on the resolution.

5.9 Remote Participation

Subject to the provisions of the Act:

5.9.1 the Directors may participate in a Board meeting by way of video conference or conference telephone or similar equipment ("Remote Participation") designed to allow the Directors to participate equally in the Board meeting; and

5.9.2 a Board meeting held by Remote Participation shall be valid so long as a quorum in accordance with Article 5.10 is achieved pursuant to the Directors being able to participate in such Board meeting through video conference, telephone conference or similar equipment. Such a Board meeting shall be deemed to take place at the registered office of the Company.

5.10 Quorum

The quorum for a meeting of the Board, duly convened and held, including by Remote Participation, shall be one-third of the total number of Directors or two (2) Directors, whichever shall be higher. Provided however that, no quorum as aforesaid shall be validly constituted, and no business at any Board meeting shall be transacted, unless at least one (1) ICL Group Director and one (1) Vodafone Group Director are present at the commencement of such meeting and throughout its proceedings (unless this requirement has been expressly waived in writing by the relevant Promoter Group). In the absence of a valid quorum at a duly convened Board meeting, the Board meeting shall be automatically adjourned to the same day in the next week at the same time. The quorum at such adjourned Board meeting shall, notwithstanding anything to the contrary contained hereinabove, be one-third of the total number of Directors or two (2) Directors, whichever shall be higher and all business transacted thereat shall be regarded as having been validly transacted, provided, however, that no Reserved Matters shall be discussed or transacted at any such adjourned Board meeting unless at least one (1) ICL Group Director and at least one (1) Vodafone Group Director are present at the commencement of such adjourned meeting and throughout its proceedings.

5.11 Voting

5.11.1 At any Board meeting, each Director may exercise one (1) vote.

5.11.2 Subject to Article 10 (*Reserved Matters*), all business arising at any Board meeting shall be approved by a resolution passed by a majority of the Directors present and voting at such meeting.

5.11.3 In case of equality of votes while voting on a resolution not pertaining to a Reserved Matter, the relevant resolution shall be referred to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision. In the event such representatives of the Promoter Groups are unable to resolve such matter, then *status quo* shall prevail.

5.11.4 Each Promoter Group shall use all reasonable endeavours to ensure that at least one (1) Director nominated by it shall attend each Board meeting.

5.12 Observers at the Board Meeting

The CEO and the CFO shall attend meetings of the Board as observers. In addition, the Board shall be entitled to invite any employees or advisors of the Company to attend meetings of the Board as observers or for such other purpose as it may deem fit.

5.13 Compliance

The Company shall, and each Promoter Group shall procure that the Company shall, comply with the Articles of Association, including Article 5. Each Promoter Group shall exercise its votes in relation to all the Equity Shares held by it and take all other actions necessary to ensure compliance with the Articles of Association, including Article 5.

6. SHAREHOLDERS MEETINGS

6.1 General Meetings of Shareholders

The Chairperson of the Board shall be the chairperson of the meeting of the Shareholders ("General Meeting"). In the absence of the Chairperson, the Directors present shall select the chairperson from among themselves for such General Meeting.

6.2 Quorum

Quorum at the General Meeting shall comprise of such number of Shareholders to be present in person as required under applicable Law, provided, however that, no quorum as aforesaid shall be validly constituted, and no business at any General Meeting shall be transacted, unless at least one (1) duly authorised representative of the ICL Group Shareholders and at least one (1) duly authorised representative of the Vodafone Group Shareholders are present at the commencement of such meeting and throughout its proceedings (unless this requirement has been expressly waived in writing by the relevant Promoter Group). In the absence of a valid quorum at a duly convened General Meeting, the General Meeting shall be adjourned to the same day in the next week at the same time and place or such other date, time and place as the Board may determine. In the absence of a valid quorum at such adjourned General Meeting, the Shareholder(s) present in person thereat shall, notwithstanding anything to the contrary herein contained, constitute the quorum and all business transacted thereat shall be regarded as having being validly transacted, provided, however that, no Reserved Matters shall be discussed or transacted at any such adjourned General Meeting unless at least one (1) representative of the ICL Group Shareholders and at least one (1) representative of the Vodafone Group Shareholders are present at the commencement of such adjourned meeting and throughout its proceedings.

7. KEY EMPLOYEES

Subject to Article 17.3:

7.1 The appointment of the CEO and the COO shall require the approval of both Promoter Groups (and the ICL Group Directors and the Vodafone Group Directors, as applicable) in accordance with Article 10;

7.2 Either Promoter Group may at any time, by giving written notice to the other Promoter Group and the Company, require the dismissal from the Company of the CEO or the COO. Upon receipt of such notice, the Company shall effect such dismissal as soon as reasonably practicable and each Promoter Group shall take all steps necessary to effect such dismissal; and

7.3 The Vodafone Group Shareholders shall have the right to appoint or dismiss the CFO by giving written notice to the ICL Group Shareholders and the Company. Upon receipt of such notice, the Company shall effect such appointment or dismissal as soon as reasonably practicable and each Promoter Group shall take all steps necessary to effect such appointment or dismissal.

8. UNDERTAKINGS OF THE COMPANY

8.1 The Company hereby undertakes and covenants to the Promoter Groups as follows:

8.1.1 the Company shall not recognise or register any Transfer of Equity Shares unless effected in accordance with the provisions of the Articles of Association;

8.1.2 the Company shall maintain prudent insurance, including directors' and officers' liability insurance, with a well-established and reputable insurer(s) in accordance with current industry practice from time to time against all risks usually insured against by companies carrying on the same business as or a business similar to the Company;

8.1.3 the Company and its Group, at all times, shall keep and maintain proper, complete and accurate proper Books and Records in accordance with Ind AS and applicable Law;

8.1.4 the Company shall procure that its Group's Books and Records, as required, are duly audited by the auditors annually as soon as possible after the end of each Financial Year and as required from time to time pursuant to applicable Law;

8.1.5 the Company shall use all reasonable endeavours to obtain and maintain in full force and effect all approvals, consents or licences necessary for the conduct of the Business and comply with all material applicable Law in the conduct of its business;

8.1.6 subject to applicable Law, the Company shall provide such information to the Promoter Groups as may be required by any member of their Group for any statutory filings under applicable Law or any other general financial reporting of their Group;

8.1.7 the Company shall take all steps promptly to protect the Intellectual Property rights it or its Group owns or lawfully uses. The Company shall immediately notify the relevant Promoter Group upon becoming aware of any infringement of Intellectual Property rights of such Promoter Group;

8.1.8 the Company shall, and shall ensure that during the course of performance of their duties, the management of the Company shall, at all times, provide equal treatment to the Shareholders except as set forth in the Articles of Association;

8.1.9 no Shareholder, Director, officer, employee, agent or any of their respective delegates shall take any action purporting to commit the Company or a Subsidiary in relation to any of the Reserved Matters unless such Reserved Matter has been approved in accordance with Article 10;

8.1.10 the Company and its Group shall comply with such corporate policies and procedures, including in relation to anti-bribery and anti-corruption, insider dealing and data and privacy protection, as shall have been adopted in a form agreed, *inter alia*, among the Parties and effective as of the Closing Date; and

8.1.11 subject to Article 10 (*Reserved Matters*), if the Company or any member of its Group procures any products or services from any member(s) of a Promoter Group, the contract or arrangements entered into with respect to such products or services will be entered into on an arms' length basis and in accordance with applicable Law.

9. UNDERTAKINGS OF THE OTHER PARTIES

9.1 Each Promoter Group hereby undertakes and covenants to the other Promoter Group and the Company as follows:

9.1.1 the Directors nominated by it shall:

(a) not wilfully or unreasonably fail to attend a Board meeting in order to prevent the transaction of business at that Board meeting; and

(b) exercise their rights to ensure compliance with the Articles of Association by the relevant Promoter Group and the Company;

9.1.2 the members of the relevant Promoter Group shall, including through their duly authorised representatives, proxies or agents at General Meetings, exercise votes in respect of the Equity Shares held by them to ensure compliance with the Articles of Association by the relevant Promoter Group and the Company;

9.1.3 if any shareholders' resolution contrary to the terms of the Articles of Association is proposed, the relevant Promoter Group shall vote against such resolution;

9.1.4 if any shareholders' resolution is adopted or rejected otherwise than in accordance with the terms of the Articles of Association, the relevant Promoter Group shall cooperate with the other Promoter Group and the Company to convene another General Meeting or issue a fresh notice for a shareholders' vote;

9.1.5 if any proposal that is a Reserved Matter is approved and/or implemented in contravention of the Articles of Association, it shall exercise all rights and powers available to it, including voting and causing the ICL Group Directors or the Vodafone Group Directors, as applicable, to vote in favour of, any subsequent resolutions of the Board or the Shareholders, to procure that the position which prevailed prior to such proposal having been approved and/or implemented is restored;

9.1.6 it shall not Transfer, or cause to be Transferred, any Equity Shares held by such Promoter Group except in accordance with the Articles of Association; and

9.1.7 it shall not undertake any acquisition that results in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

9.2 ICL Group

9.2.1 So long as any ICL Group Shareholder (or any Affiliate thereof) holds Equity Shares:

(a) KMB hereby undertakes and covenants to the Vodafone Group Shareholders and the Company that: (i) he shall, as a Shareholder, comply with the terms of the Articles of Association; (ii) he shall, and shall do everything within his power to cause the ICL Group Shareholders to (by way of his and his Affiliates' direct and indirect shareholding in the ICL Group Shareholders or otherwise), comply with the Articles of Association and vote the Equity Shares held by him and them to implement the provisions of the Articles of Association; (iii) he shall, directly or through his

Affiliates, continue to be a promoter of each ICL Group Shareholder; and (iv) he shall own at least 26% of the share capital of each ICL Group Shareholder, either directly or through his Affiliates. If any of (iii) or (iv) is not satisfied in respect of any ICL Group Shareholder, the Shareholding of such ICL Group Shareholder shall be excluded for the purpose of determining whether the ICL Group Shareholders hold the Qualifying Threshold;

(b) the ICL Group Shareholders hereby undertake and covenant to the Vodafone Group Shareholders and the Company that Grasim Industries Limited ("GIL") and Aditya Birla Nuvo Limited (if not yet merged with GIL) shall remain ICL Group Shareholders;

(c) GIL undertakes that it shall, on an annual basis (within 60 (sixty) days of the end of its financial year), provide a confirmation to the Vodafone Group Shareholders that its Net Assets are equal to at least the Net Assets Threshold; and

(d) the ICL Group Shareholders undertake that if the Net Assets of GIL fall below the Net Assets Threshold, GIL's Shareholding shall immediately be transferred to an Affiliate that satisfies the Net Assets Threshold in accordance with Article 13.2.1.

9.2.2 Until 31 March 2020, the ICL Group Shareholders shall ensure that their Shareholding does not fall below 26% of the Share Capital.

9.3 Vodafone Confirming Party

The Vodafone Confirming Party hereby undertakes and covenants to the ICL Group Shareholders and the Company that so long as any Vodafone Group Shareholder (or any Affiliate thereof) holds Equity Shares:

9.3.1 it shall ensure that the Vodafone Group Shareholders shall comply with the Articles of Association and shall vote the Equity Shares held by them to implement the provisions of the Articles of Association;

9.3.2 it shall, on an annual basis (within 60 (sixty) days of the end of its financial year), provide a confirmation to the ICL Group Shareholders that its Net Assets are equal to at least the Net Assets Threshold; and

9.3.3 if at any time its Net Assets fall below the Net Assets Threshold, it shall procure that an Affiliate that satisfies the Net Assets Threshold will immediately replace it as the Vodafone Confirming Party by executing a deed of adherence that shall require compliance with its obligations under the Articles of Association.

9.4 Holding of Equity Shares

To the extent required by applicable Law, the Vodafone Group Shareholders shall hold Equity Shares that are subject to the Call Option 1 and the Call Option 2 for the prescribed time period, if any, for the exercise of such call options.

10. RESERVED MATTERS

10.1 No action shall be taken by the Company or any member of its Group in relation to any matter enumerated in Article 10.4 (each, a "Reserved Matter"): (i) without the affirmative vote of at least one (1) ICL Group Director and at least one (1) Vodafone Group Director present and voting if the matter is placed before a Board meeting and without the prior written approval of at least one (1) ICL Group Director and at least one (1) Vodafone Group Director if the matter is placed before the Board through a Circular Resolution; and (ii) if the matter is placed before the Shareholders at a General Meeting or otherwise, without the affirmative vote of all ICL Group Shareholders and all Vodafone Group Shareholders.

10.2 In relation to any Reserved Matter that requires the approval of the Shareholders pursuant to the Act or the Articles of Association, such matter shall not be placed before the Shareholders until it has been approved by the Board in accordance with the Articles of Association. If a Reserved Matter has been approved by the Board pursuant to Article 10.1 and then placed before the Shareholders, each member of the Promoter Groups shall be required to vote in favour of it in their capacity as a Shareholder.

10.3 If a resolution for any matter that is a Reserved Matter is proposed directly by any Public Shareholder for the consideration of the Shareholders in a General Meeting pursuant to the Act, which matter has not previously been considered and approved by the Board then, unless both of the Promoter Groups agrees (in writing) to vote in favour prior to the General Meeting, each Promoter Group shall be required to vote against it at the General Meeting.

10.4 The following matters shall be the Reserved Matters under the Articles of Association:

10.4.1 any amendment to the memorandum of association of the Company or the Articles of Association;
10.4.2 any change to the rights attaching to any class of shares in the Company;
10.4.3 any consolidation, sub-division, reclassification or cancellation of any Share Capital (or share premium or other reserve);
10.4.4 any redemption, reduction or buy-back of any Share Capital;
10.4.5 the issue or allotment of any Share Capital or the creation of any option or right to subscribe or acquire, or convert any security into, any Share Capital, including pursuant to employee stock option schemes, other than as permitted pursuant to Article 4;

10.4.6 liquidation or dissolution of the Company or the filing of a petition for winding up by the Company or the making of any arrangement with creditors generally or any application for an administration order or for the appointment of a receiver or administrator;
10.4.7 merger, amalgamation, demerger, reorganisation or restructuring of the Company, including pursuant to a scheme of arrangement under the Act;
10.4.8 any dividend policy which has effect during the Term and any change in the dividend policy or treasury policy of the Company;
10.4.9 declaration or payment of any dividend in any manner inconsistent with the dividend policy of the Company;
10.4.10 incurrence of any financial indebtedness in excess of Rs.70 billion or the variation or termination of any agreement for the raising of any such indebtedness (including early repayment) other than in accordance with the Company's treasury policy;
10.4.11 entering into any derivatives transactions, other than in accordance with the Company's treasury policy;
10.4.12 the adoption of any new Business Plan or any amendment to any current Business Plan, or the approval or ratification of any departure from the current Business Plan;
10.4.13 acquisition or disposal of any shares, assets (including receivables and financial assets), business, business organisation or division in any manner in excess of Rs.2 billion in a single transaction or series of related transactions (other than in accordance with the Company's treasury policy);
10.4.14 entry into (or the amendment, variation or termination of) any partnership, joint venture or profit-sharing agreement other than any arrangements entered into in the ordinary course of the Business;
10.4.15 entry into any agreement for the procurement of materials and/or services where the value of the contract over its term exceeds Rs.1 billion;
10.4.16 entry into (or the amendment or variation of) any related party transaction the value of which exceeds Rs.250 million in aggregate;
10.4.17 the appointment of the CEO and the COO;
10.4.18 any material change to the nature or scope of the Business;
10.4.19 any change to the name or key brands or branding strategy of the Business (including any decision to cease using the Idea or Vodafone brands), or any step to implement any such change;
10.4.20 any change in the size of the Board;

10.4.21 any change in statutory auditors or accounting policies;

10.4.22 authorising, or committing or agreeing to take, any of the foregoing actions; and

10.4.23 the effecting of any of the above matters by any member of the Company's Group (as if references to the Company were to such member).

11. BUSINESS PLAN

11.1 The Company shall procure that the executive management of the Company shall prepare a Business Plan which is submitted to the Board to replace the existing Business Plan (each, a "Draft Revised Business Plan") as follows:

11.1.1 by no later than six (6) months prior to the end of the Financial Year commencing after the Effective Date, comprising a financial and strategic plan for a period of five (5) years from the commencement of the following Financial Year;

11.1.2 by no later than 70 (seventy) days prior to the end of each Financial Year commencing after the Effective Date, an update of the plan prepared in accordance with Article 11.1.1 above and a detailed monthly operating budget for the 12 (twelve) months comprising the next Financial Year,

in the same format as the initial business plan in effect on or immediately after the Effective Date or in such other format as has been approved in accordance with Article 10 (*Reserved Matters*).

11.2 Each Draft Revised Business Plan submitted to the Board in accordance with Article 11.1 shall address, but not be limited to, the items and subject matter of the initial business plan in effect on or immediately after the Effective Date.

11.3 The Draft Revised Business Plan referenced in Article 11.1.2 shall be finalised by the executive management of the Company prior to the start of the period to which it relates. Promptly following such finalisation, such Draft Revised Business Plan shall be considered, and subject to Article 10 (*Reserved Matters*), adopted as the Business Plan, by the Board. The Board shall use all reasonable endeavours to approve the Business Plan referenced in Article 11.1.2 prior to the start of the last month of the Financial Year.

11.4 In the event that a Draft Revised Business Plan is not approved and adopted as the Business Plan by the Board, the Company will continue to operate in accordance with the most recent approved Business Plan. In the event that the most recent approved Business Plan does not cover the next applicable period under Article 11.1.2, the Company shall be operated in accordance with the most recently approved Business Plan, adjusted to reflect the percentage change in the consumer price index (as published by the Government of India) for the relevant period.

11.5 The executive management of the Company shall present to the Board a comparison of the Company's actual operating performance with the Business Plan on a quarterly basis, in a format agreed with the Promoter Groups.

12. TERMS OF EQUALISATION

12.1 The provisions of this Article 12 shall apply until the earlier of: (i) the Equal Shareholding Date; and (ii) the expiration of nine (9) years and one (1) Business Day from the Effective Date, except as set forth in this Article 12.1:

12.1.1 The Vodafone Group Shareholders shall promptly notify the ICL Group Shareholders and the Company (in writing) of any imposition and cessation of a Transfer Embargo to which they are subject. If a Call Option 1 Notice or a Call Option 2 Notice is issued and, if one or more Vodafone Group Shareholders are subject to a Transfer Embargo as a result of which the Call Option 1 Shares or the Call Option 2 Shares, as the case may be, cannot be Transferred to the Call Option 1 Purchaser(s) or the Call Option 2 Purchaser(s) within the time periods set out in Article 12.3, the Promoter Groups shall complete the Transfer of such Equity Shares promptly upon cessation of the Transfer Embargo, provided that in the event that the Transfer Embargo is in force upon the expiration of twelve (12) months from the date of the Call Option 1 Notice or the Call Option 2 Notice, as applicable, the ICL Group Shareholders shall have the right to withdraw such notice. Following such withdrawal, the Vodafone Group Shareholders shall not have any obligation to Transfer the Call Option 1 Shares or the Call Option 2 Shares, as applicable, to the Call Option 1 Purchaser(s) or the Call Option 2 Purchaser(s), as applicable, and the Call Option 1 Shares or the Call Option 2 Shares, as applicable, shall be excluded from the calculation of Excess Equity Shares and, for the avoidance of doubt, shall not be subject to the voting restrictions under Article 12.2.

12.1.2 During the Step Down Option 1 Period or the Step Down Option 2 Period, if one or more Vodafone Group Shareholders are subject to a Transfer Embargo, the Step Down Option 1 Period and the Step Down Option 2 Period, as applicable, shall be deemed to be extended by the duration of the Transfer Embargo.

12.1.3 The provisions of Article 12.2 shall apply to any Excess Equity Shares: (a) in respect of which a Call Option 1 Notice or Call Option 2 Notice has been issued and that are subject to a Transfer Embargo until the earlier of (i) withdrawal of the Call Option 1 Notice or the Call Option 2 Notice, as applicable, by the ICL Group Shareholders and (ii) completion of the Transfer pursuant to the exercise of the Call Option 1 or the Call Option 2, as applicable, upon cessation of the Transfer Embargo as set out in Article 12.1.1; and (b) during any extension of the Step Down Option 1 Period and/or the Step Down Option 2 Period, as applicable, pursuant to Article 12.1.2.

12.2 **Voting rights in Excess Equity Shares**

Subject to Articles 15.1.3, 15.2.4 and 17.3:

12.2.1 **ICL Opposition Notice**

(a) If the ICL Group Shareholders intend to oppose any resolution(s) at a General Meeting or through postal ballot, they shall, within five (5) Business Days of receipt of the notice for the General Meeting or postal ballot, send a written notice to the Vodafone Group Shareholders and the Company specifying the resolution(s) which they intend to oppose (the "**ICL Opposition Notice**").

(b) Within five (5) Business Days of receipt of the ICL Opposition Notice, the Vodafone Group Shareholders shall inform the ICL Group Shareholders and the Company (in writing) of the number of Excess Equity Shares they hold at the time and whether they intend to oppose any resolution(s) specified in the ICL Opposition Notice ("**Vodafone Confirmation Notice**").

(c) The Vodafone Group Shareholders shall waive, and shall not exercise, the voting rights attached to the Excess Equity Shares in relation to the resolution(s) specified in the ICL Opposition Notice unless the Vodafone Confirmation Notice specifies the intention of the Vodafone Group Shareholders to vote against any such resolution(s), in which case the Vodafone Group Shareholders shall exercise their voting rights attached to the Excess Equity Shares to vote against such resolution(s).

12.2.2 **Vodafone Opposition Notice**

(a) If the Vodafone Group Shareholders intend to oppose any resolution(s) at a General Meeting or through postal ballot, they shall, within five (5) Business Days of receipt of the notice for the General Meeting or postal ballot, send a written notice to the ICL Group Shareholders and the Company specifying the resolution(s) they intend to oppose and the number of the Excess Equity Shares they hold at the time (the "**Vodafone Opposition Notice**").

(b) Within five (5) Business Days of the receipt of the Vodafone Opposition Notice, the ICL Group Shareholders shall inform the Vodafone Group Shareholders and the Company (in writing) whether they intend to oppose any resolution(s) specified in the Vodafone Opposition Notice ("**ICL Confirmation Notice**").

(c) The Vodafone Group Shareholders shall waive, and shall not exercise, the voting rights attached to the Excess Equity Shares in relation to the resolution(s) specified in the Vodafone Opposition Notice unless the ICL Confirmation Notice confirms the intention of the ICL Group Shareholders to vote against any such resolution(s), in which case the Vodafone Group Shareholders shall exercise their voting rights attached to the Excess Equity Shares to vote against such resolution(s).

12.2.3 If no ICL Opposition Notice or Vodafone Opposition Notice is received in respect of a shareholders' resolution, each Promoter Group shall exercise its vote in favour of such resolution at a General Meeting or through postal ballot in respect of all the Equity Shares held by it.

Any vote by the Vodafone Group Shareholders in respect of the Excess Equity Shares in violation of this Article 12.2 (*Voting rights in Excess Equity Shares*) shall be invalid, null and *void ab initio*, and the Company shall not recognise or give effect to such vote in respect of the resolution(s) to which the ICL Opposition Notice or the Vodafone Opposition Notice, as applicable, relates.

12.3 **Equalisation Call Options**

12.3.1 **Call Option 1**

(a) During the Call Option 1 Period, the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares that is equal to or less than the Call Option Cap, in the manner set forth in this Article 12.3.1 ("**Call Option 1**").

(b) Call Option 1 may be exercised a maximum of four (4) times during the Call Option 1 Period, each time in compliance with the provisions of this Article 12.3.1. For the avoidance of doubt, the number of Equity Shares that may be purchased by the ICL Group Shareholders pursuant to each exercise of the Call Option 1 shall not exceed the Call Option Cap at the time of such exercise.

(c) The ICL Group Shareholders may exercise Call Option 1 by issuing a written notice to the Vodafone Group Shareholders (a "**Call Option 1 Notice**"), which shall specify: (i) the identity of the purchaser(s) (the "**Call Option 1 Purchaser(s)**"); (ii) certification that the Call Option 1 Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder (iii) the number of Equity Shares the Call Option 1 Purchaser(s) wishes to acquire (the "**Call Option 1 Shares**"); and (iv) the price payable for such Call Option 1 Shares, which shall be equal to the product of the Call Option 1 Equity Share Value and the number of Call Option 1 Shares (the "**Call Option 1 Price**").

(d) The Vodafone Group Shareholders shall, at their sole discretion, determine the identity of the Vodafone Group Shareholder(s) that shall Transfer the Call Option 1 Shares to the Call Option 1 Purchaser(s) and shall, within five (5) Business Days of the receipt of the Call Option 1 Notice, notify the details thereof (in writing) to the Call Option 1 Purchaser(s) together with the number of Equity Shares that each such member will Transfer. Notwithstanding anything contained in the Articles of Association, no Vodafone Group Shareholder shall be required to Transfer any Call Option 1 Shares to the Call Option 1 Purchaser(s) at a price less than the Call Option 1 Price.

(e) For the purposes of the sale and purchase of the Call Option 1 Shares, the Call Option 1 Purchaser(s) and the relevant Vodafone Group Shareholder(s) shall execute a share purchase agreement in the form set out in the Shareholders' Agreement. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Call Option 1 Shares.

(f) Subject to Article 12.1, the consummation of the sale and purchase of any Call Option 1 Shares shall be completed within ten (10) Business Days of the date of receipt of a Call Option 1 Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from, or make any necessary filing with, any Governmental Authority or seek any Vodafone Plc Shareholder Approval in accordance with Article 12.7, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Call Option 1 Notice).

(g) The ICL Group Shareholders shall ensure that the exercise of Call Option 1 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

12.3.2 **Call Option 2**

(a) During a period of one (1) year following the expiration of the Call Option 1 Period ("**Call Option 2 Period**"), the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares that is equal to or less than the Call Option Cap, in the manner set forth in this Article 12.3.2 ("**Call Option 2**").

(b) Within seven (7) Business Days of the commencement of the Call Option 2 Period, the ICL Group Shareholders shall notify the Vodafone Group Shareholders (in writing) of the precise number of Equity Shares, if any, that the ICL Group Shareholders will acquire from the Vodafone Group Shareholders pursuant to the exercise of Call Option 2 during the Call Option 2 Period (the "**Call Option 2 Shares**"). If such notice is not given within such time period, Call Option 2 shall cease to be capable of exercise and shall lapse. If such notice is given within such time period, the ICL Group Shareholders must acquire the Call Option 2 Shares strictly in accordance with this Article 12.3.2.

(c) Call Option 2 is required to be exercised only once during the Call Option 2 Period.

(d) The ICL Group Shareholders may exercise Call Option 2 by issuing a written notice to the Vodafone Group Shareholders ("**Call Option 2 Notice**"), which shall specify: (i) the identity of the purchaser(s) (the "**Call Option 2 Purchaser(s)**"); and (ii) certification that the Call Option 2 Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder.

(e) The Vodafone Group Shareholders shall, at their sole discretion, determine the identity of the Vodafone Group Shareholder(s) that shall Transfer the Call Option 2 Shares to the Call Option 2 Purchaser(s) and shall, within five (5) Business Days of the receipt of the Call Option 2 Notice, notify the details thereof (in writing) to the Call Option 2 Purchaser(s) together with the number of Equity Shares that each such member will Transfer. The price payable for the Call Option 2 Shares shall be equal to the product of the Vodafone Sale Price (determined on the date of the Transfer) and the number of Call Option 2 Shares (the "**Call Option 2 Price**"). Notwithstanding anything contained in the Articles of Association, no Vodafone Group Shareholder shall be required to Transfer any Call Option 2 Shares to the Call Option 2 Purchaser(s) at a price less than the Vodafone Sale Price.

(f) For the purposes of the sale and purchase of the Call Option 2 Shares, the Call Option 2 Purchaser(s) and the relevant Vodafone Group Shareholder(s) shall execute a share purchase agreement in the form set out in the Shareholders' Agreement. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Call Option 2 Shares.

(g) Subject to Article 12.1, the consummation of the sale and purchase of the Call Option 2 Shares shall be completed within 10 (ten) Business Days of the date of receipt of the Call Option 2 Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority or seek any Vodafone Plc Shareholder Approval in accordance with Article 12.7, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Call Option 2 Notice).

(h) The ICL Group Shareholders shall ensure that the exercise of Call Option 2 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

(i) If, following the issue of a notice to the Vodafone Group Shareholders pursuant to Article 12.3.2(b), the ICL Group Shareholders fail to exercise the Call Option 2 for all of the Call Option 2 Shares within the Call Option 2 Period, the Call Option 2 Shares shall not be included in the Shareholding of the Vodafone Group Shareholders for purposes of calculation of the Excess Equity Shares and, for the avoidance of doubt, shall not be subject to the voting restrictions under Article 12.2.

12.3.3 In respect of each exercise of Call Option 1 and the exercise of Call Option 2, the Vodafone Group Shareholders and the ICL Group Shareholders shall jointly appoint a Big Four Accounting Firm, or if no Big Four Accounting Firm is able or willing to act, another accounting firm of international standing, to provide:

(a) a certificate confirming (i) the Call Option 1 Price or the Call Option 2 Price, as applicable; and (ii) whether any Taxes are required to be withheld with respect to the sale and purchase of the Call Option 1 Shares or the Call Option 2 Shares, as applicable, if such certificate is required under applicable Law; and

(b) an opinion on computation of capital gains Taxes in connection with (a) above along with the necessary supporting documents in respect of cost of acquisition of the Call Option 1 Shares or the Call Option 2 Shares, as applicable,

(together, the "**Withholding Computation**"). The Vodafone Group Shareholders shall promptly provide any information required by the appointed accounting firm for purposes of issue of such certificate and shall confirm to the ICL Group Shareholders that such information is true and correct. All costs, fees and other expenses of the accounting firm appointed for the purposes of provision of the Withholding Computation shall be borne by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable.

12.3.4 The Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall pay the Call Option 1 Price or the Call Option 2 Price, as applicable, without withholding or deduction of any Tax unless required by the Withholding Computation. If any such withholding or deduction is required pursuant to the Withholding Computation, the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall, at the time of payment of the Call Option 1 Price or the Call Option 2 Price, as applicable, pay to the Vodafone Group Shareholders such additional amount as will ensure that the Vodafone Group Shareholders receives the same total amount that they would have received if no such withholding or deduction had been required. If any sum payable by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, to the Vodafone Group Shareholders pursuant to Articles 12.3.1 and 12.3.2 is required by applicable Law to be brought into charge to Tax in the hands of the Vodafone

Group Shareholders, then the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall pay such additional amount as shall be required to ensure that the total amount paid, less the Tax chargeable on such amount (or which would be chargeable but for the use or set-off of any Tax relief of the recipient), is equal to the amount that would be payable if the sum payable by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, were not required by applicable Law to be brought into charge to Tax in the hands of the Vodafone Group Shareholders.

12.3.5 It is clarified that any Tax benefits or refunds accruing to or received by the Vodafone Group Shareholders following completion of a Transfer of the Call Option 1 Shares and/ or the Call Option 2 Shares in respect of such Transfer shall promptly be transferred to the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, up to the maximum amount of the payment received by the Vodafone Group Shareholders from the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, under Article 12.3.4.

12.3.6 The Parties shall undertake all reasonable endeavours to ensure that the Transfers of Call Option 1 Shares and the Call Option 2 Shares, as applicable, is completed in a Tax efficient manner. The Vodafone Group Shareholders shall ensure that the Call Option 1 Shares and the Call Option 2 Shares will be Transferred by Vodafone Group Shareholders that are tax residents of Mauritius or India.

12.3.7 The ICL Group Shareholders and Vodafone Group Shareholders shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer of the Call Option 1 Shares and the Call Option 2 Shares.

12.4 **Step Down Option 1**

If the Equal Shareholding Date has not occurred by the expiration of the Call Option 2 Period, then the Vodafone Group Shareholders shall, during a period of three (3) years of the expiration of the Call Option 2 Period (the "**Step Down Option 1 Period**"), sell and Transfer to such Persons as the Vodafone Group Shareholders may (subject to Article 13) choose and which Persons do not execute a Deed of Adherence in terms of Article 13, that part of their combined holding of Equity Shares as is in aggregate equal to the lower of:

(a) the number of Excess Equity Shares as at the expiration of the Call Option 2 Period; and
(b) 10% of the Share Capital as at the expiration of the Call Option 2 Period,

(as applicable, the "**Step Down 1 Excess Shareholding**"), together with any Equity Shares to the extent attributable to any split, reverse-split, bonus issue or any similar corporate action with respect to the Step Down 1 Excess Shareholding during the period starting at the commencement of the Step Down Option 1 Period and ending at the time of each relevant disposal pursuant to this Article 12.4 ("**Step Down Option 1**").

12.5 **Step Down Option 2**

If the Equal Shareholding Date has not occurred by the expiration of the Step Down Option 1 Period, then the Vodafone Group Shareholders shall, within a period of two (2) years of the expiration of the Step Down Option 1 Period (the "**Step Down Option 2 Period**"), sell and Transfer to such Persons as the Vodafone Group Shareholders may (subject to Article 13) choose and which Persons do not execute a Deed of Adherence in terms of Article 13, all remaining Excess Equity Shares at the expiration of Step Down Option 1 Period (together with any Equity Shares to the extent attributable to any split, reverse-split, bonus issue or any similar corporate action with respect to such Excess Equity Shares since the commencement of the Step Down Option 2 Period), provided that in the judgment of the Vodafone Group, acting reasonably, that:

12.5.1 market conditions are conducive for such sale;

12.5.2 the valuation that can be achieved for such sale is not lower than the product of the Step Down Share Value and the number of Equity Shares proposed to be Transferred; and

12.5.3 the ratio of (i) the proposed sale consideration per share multiplied by the number of Equity Shares of the Company (on a fully diluted basis) plus the Net Financial Debt of the Company, in each case, on the date of the proposed Transfer to (ii) the LTM EBITDA as of the date of the Transfer, is higher than 6.5:1.

12.6 **Standstill**

12.6.1 Neither Promoter Group shall be permitted to Transfer any Equity Shares to any Person during the Call Option 1 Period except pursuant to Article 4.7 (*Rights Recapitalisation Call Option prior to the Equal Shareholding Date*), 12.3.1 (*Call Option 1*), 13.2.1 *(Transfer to Affiliates*) or 16 (*Change in Control*).

12.6.2 The Vodafone Group Shareholders shall not be permitted to Transfer any Call Option 2 Shares during the Call Option 2 Period except pursuant to (i) Article 12.3.2 (*Call Option 2*); (ii) 13.2.1 *(Transfer to Affiliates*), subject to Articles 9.7 and 12.3.6 and any subsequent Transfer pursuant to Call Option 2 being no less favourable to the Call Option 2 Purchaser than if made by the transferring Vodafone Group Shareholder; or (iii) Article 16.3.2.

12.6.3 Following the expiration of the Call Option 2 Period, any Promoter Group which holds lesser Equity Shares ("**Non-Equal Shareholder**") than the other Promoter Group ("**Higher Shareholder**") shall have the right to acquire such number of Equity Shares as would entitle the Non-Equal Shareholder to equalise its Shareholding with the Higher Shareholder in the manner set out in this Article 12.6.3:

(a) The Non-Equal Shareholder shall first make a written offer to the Higher Shareholder to purchase Equity Shares from the Higher Shareholder at a specified price ("**Equal Offer Notice**").

(b) If the Higher Shareholder declines, partially accepts or fails to respond to the Equal Offer Notice within ten (10) Business Days of receipt of the Equal Offer Notice ("**Equal Offer Period**"), then the Non-Equal Shareholder shall have the right to acquire all of or, if the Higher Shareholder partially accepts the Equal Offer Notice, of the remaining, Equity Shares as specified in the Equal Offer Notice from the market at or below the price specified in the Equal Offer Notice within 30 (thirty) days of the expiry of the Equal Offer Period.

(c) If the Higher Shareholder accepts the Equal Offer Notice (in writing), in full or part, within the Equal Offer Period, the Non-Equal Shareholder and the Higher Shareholder shall complete the Transfer of Equity Shares agreed to be Transferred within 10 (ten) days of the expiration of the Equal Offer Period (such 10-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the expiration of the Equal Offer Period).

(d) For giving effect to the Transfer contemplated in this Article 12.6.3, the Parties shall execute a share purchase agreement in the form set out in the Shareholders' Agreement and all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Equity Shares contemplated in this Article 12.6.3.

12.7 **Cap**

12.7.1 Subject to Article 12.7.3, if a disposal of any Equity Shares by the Vodafone Group Shareholders pursuant to the Capped Options (an "**Option Transfer**") would, immediately following that Option Transfer, result in the total consideration received by the Vodafone

Group Shareholders for all Option Transfers exceeding Rs.830 billion, the Vodafone Group Shareholders may (but shall not be obliged to) procure that Vodafone Plc shall, within a reasonable timeframe, seek Vodafone Plc Shareholder Approval for any such Option Transfer.

12.7.2 Subject to Article 12.7.3, if:

(a) Vodafone Plc does not seek Vodafone Plc Shareholder Approval for such Option Transfer within 60 (sixty) days of exercise of the Capped Option; or
(b) the ordinary resolution to approve any such Option Transfer is not passed by the shareholders of Vodafone Plc within 90 (ninety) days of the exercise of Capped Option,

the consideration for that Option Transfer shall be limited such that, immediately following that Option Transfer, the total consideration received by the Vodafone Group Shareholders for all Option Transfers shall not exceed Rs.830 billion.

12.7.3 The Vodafone Group Shareholders may disapply Article 12.7.1 and 12.7.2 by written notice to the ICL Group Shareholders within seven (7) days of the exercise of a Capped Option, in which case Article 12.7.1 and Article 12.7.2 shall cease to apply in respect of such Capped Option with immediate effect and the consummation of a Transfer of Equity Shares pursuant to the exercise of:

(a) Call Option 1 at the Call Option 1 Price, in accordance with Article 12.3; and/or
(b) Call Option 2 at the Call Option 2 Price, in accordance with Article 12.3, and/or
(c) the Rights Recapitalisation Call Option at the RCO Price, in accordance with Article 4.7,

(as applicable) or under Step Down Option 1, shall not require Vodafone Plc Shareholder Approval.

12.8 If either Promoter Group Transfers Equity Shares to a New Qualifying Shareholder, such New Qualifying Shareholder shall be liable to comply with this Article 12 instead of such Promoter Group, unless the Promoter Group continues to hold Equity Shares, in which case, both the New Qualifying Shareholder and such Promoter Group shall be liable to comply with this Article 12 as one block.

13. TRANSFER OF SHARES

13.1 The Equity Shares held by the Promoter Groups shall only be transferable in the manner provided in the Articles of Association. A member of a Promoter Group may Transfer its Equity Shares in a manner otherwise than in accordance with the Articles of Association with the prior written consent of the other Promoter Group and provided that such Transfer is completed within 30 (thirty) days of receipt of such written consent (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of receipt of the written consent), failing which, fresh written consent will be required. Any Transfer of Equity Shares by a member of a Promoter Group which is not in accordance with the Articles of Association shall be null and *void ab initio* and the Company shall not recognise or give effect to such Transfer or recognise any votes in respect of such Equity Shares until the Transfer is reversed (if already effected).

13.2 Permitted Transfers

13.2.1 Transfers to Affiliates

(a) A member of a Promoter Group may Transfer all or some of the Equity Shares held by it to an Affiliate, subject to such Affiliate executing a Deed of Adherence and upon giving prior written notice to the other Promoter Group. The Affiliate must be under an obligation, given in favour of the Company and the other Promoter Group, to re-Transfer the Equity Shares to the original transferring Promoter Group member or another Affiliate of the original transferring Promoter Group member immediately, if it ceases to be an Affiliate of that original transferring Promoter Group member.

(b) Following a Transfer of Equity Shares to an Affiliate: (i) the original transferring Promoter Group member (but not a subsequent transferor in a series of Transfers to Affiliates) shall, at the option of the non-transferring Promoter Group, remain a Party to the Shareholders' Agreement and shall be jointly and severally liable with the transferee and the other members of the relevant Promoter Group under the Shareholders' Agreement as a member of the relevant Promoter Group; and (ii) the transferee shall be included as a member of the relevant Promoter Group for the purposes of the Articles of Association. Without prejudice to Article 9.2.1(d) and other provisions of the Articles of Association, Article 13.2.1(b)(i) shall not apply with respect to an *inter se* Transfer of Equity Shares between members of a Promoter Group who are Parties on the date of the Shareholders' Agreement .

13.2.2 Transfers to Third Parties

Following the expiration of the Call Option 1 Period and subject to Article 12.6.2 in respect of the Vodafone Group Shareholders, any member of a Promoter Group shall be entitled to Transfer its Equity Shares to:

(a) any Financial Investor, provided that such Transfer will not result in the transferee (together with its Affiliates) owning more than 10% (ten percent) of the Share Capital; and

(b) subject to Articles 13.3 (*Right of First Refusal*) and 13.4 (*Tag-Along Right*):

(i) any Financial Investor which will result in the transferee (together with its Affiliates) owning more than 10% (ten percent) of the Share Capital; and

(ii) any Person other than a Financial Investor.

13.2.3 Notwithstanding anything to the contrary contained in the Articles of Association, any transferee of any Equity Shares that is not a member of a Promoter Group shall not execute a Deed of Adherence and shall not be entitled to any rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) unless such transferee's Shareholding (together with its Affiliates) pursuant to a Transfer under Article 13.2.2(b) will be equal to or more than the Qualifying Threshold (such transferee, a "New Qualifying Shareholder"). A New Qualifying Shareholder shall be required to execute a Deed of Adherence pursuant to which it shall become a party to the Shareholders' Agreement and be entitled to rights of the transferor Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*), provided that if the New Qualifying Shareholder's Shareholding (together with its Affiliates) will be equal to or more than the Qualifying Threshold and the transferor's Shareholding (together with its Affiliates) is also equal to or more than the Qualifying Threshold, the New Qualifying Shareholder (together with its Affiliates) shall not be entitled to any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*) and the transferor (together with its Affiliates) shall continue to be entitled to rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*). If a subsequent Transfer of Equity Shares results in the transferor's Shareholding (together with its Affiliates) being less than the Qualifying Threshold and the New Qualifying Shareholder's Shareholding (together with its Affiliates) being equal to or more than the Qualifying Threshold, the New Qualifying Shareholder shall, from the time of such Transfer, be entitled to rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) in substitution for the transferor.

13.2.4 If any transferee that is not a member of a Promoter Group is required to make a public announcement of an open offer with respect to the Company under the Takeover Code following acquisition of Equity Shares from either Promoter Group, such transferee's Shareholding that has been acquired from the Public Shareholders pursuant to such open offer will be subject to voting restrictions specified in Article 12.2 and must be sold in the market to the public or to Financial Investor(s) pursuant to Article 13.2.2(a) within six (6) months of acquisition.

13.3 Right of First Refusal

13.3.1 Except as provided in Articles 13.2.1 and 13.2.2(a) and subject to Article 12.6.2 in respect of the Vodafone Group Shareholders, in the event any member of a Promoter Group (a "Transferring Shareholder") receives a *bona fide* offer from any Person (a "Proposed Transferee") to Transfer any Equity Shares, it shall grant to the other Promoter Group a right of first refusal over any such Transfer of Equity Shares ("First Refusal Right") in the manner set forth in this Article 13.3.

13.3.2 If the Transferring Shareholder proposes to Transfer to the Proposed Transferee any of the Equity Shares which are subject to the First Refusal Right, the Transferring Shareholder shall first offer the Equity Shares to the other Promoter Group by serving a written notice ("Transfer Notice") on such other Promoter Group ("Non-transferring Shareholder") stating: (i) the number of Equity Shares proposed to be Transferred to the Proposed Transferee ("Offered Shares") and the maximum number of Equity Shares that the Proposed Transferee is willing to acquire; (ii) the consideration for the Transfer; (iii) the other terms and conditions of the Transfer, if any, as may be reasonably necessary for the Non-transferring Shareholder to determine the price and other terms of such offer; and (iv) the identity of the Proposed Transferee and of its Ultimate Parent and beneficial owner(s). The Non-transferring Shareholder may also require the Transferring Shareholder to produce to the Non-transferring Shareholder such further information as may be reasonably required to enable the Non-transferring Shareholder to establish the *bona fides* of the offer of the Proposed Transferee.

13.3.3 Within 30 (thirty) days after the receipt of the Transfer Notice by the Non-transferring Shareholder ("Offer Period"), the Non-transferring Shareholder may deliver a written notice to the Transferring Shareholder: (a) requiring the Transferring Shareholder to Transfer all, but not some only, of the Offered Shares at the same price and on other terms no less favourable to the Non-transferring Shareholder than those stated in the Transfer Notice, to the Non-transferring Shareholder or its Affiliate ("Acceptance Notice"); or (b) stating that it declines to exercise its First Refusal Right on the Offered Shares or (c) stating that it is electing to exercise its Tag-Along Right under Article 13.4 ("Tag Exercise Notice"). An Acceptance Notice shall be irrevocable and shall constitute a binding agreement between the Transferring Shareholder and the Non-transferring Shareholder to purchase the Offered Shares. If the Non-transferring Shareholder fails to serve an Acceptance Notice within the Offer Period, it shall be deemed to have declined to exercise its First Refusal Right on the Offered Shares.

13.3.4 In the event an Acceptance Notice has been served pursuant to Article 13.3.3, the Transferring Shareholder shall be bound to Transfer the Offered Shares to the Non-transferring Shareholder.

13.3.5 If the Transferring Shareholder:

(a) has not received an Acceptance Notice under Article 13.3.3 in respect of all of the Offered Shares or, having received the same, has not within 15 (fifteen) days thereafter (such 15-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority) received the consideration for the Offered Shares (provided the Transferring Shareholder is not in breach of this Article 13.3); or

(b) has not received either an Acceptance Notice or a Tag Exercise Notice under Article 13.3.3,

it shall be entitled to Transfer all, but not some only, of the Offered Shares to the Proposed Transferee at the same price and on other terms no more favourable to the Proposed Transferee than those stated in the Transfer Notice, provided that, if such Transfer is not completed within

90 (ninety) days after the expiration of the Offer Period (such 90-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of expiration of the Offer Period), the right to Transfer the Offered Shares to the Proposed Transferee shall lapse.

13.4 Tag-Along Right

13.4.1 In the event that the Non-transferring Shareholder has not exercised its First Refusal Right upon receipt of the Transfer Notice in accordance with Article 13.3 (*Right of First Refusal*), the Non-transferring Shareholder shall have the *pro rata* right, but not an obligation ("Tag-Along Right"), to require the Proposed Transferee to purchase from the Non-transferring Shareholder such number of Equity Shares as may be decided by such Non-transferring Shareholder in its sole discretion but not exceeding its *pro rata* entitlement, such that the number of Equity Shares sold by the Transferring Shareholder and the Non-transferring Shareholder, shall be proportionate to the respective *pro rata inter se* Shareholding of the Transferring Shareholder and the Non-transferring Shareholder, at not less than the price and on other terms no less favourable to the Non-transferring Shareholder than those stated in the Transfer Notice. To the extent the Non-transferring Shareholder exercises its Tag-Along Right, the number of Shares that the Transferring Shareholder may Transfer to the Proposed Transferee shall be correspondingly reduced. Notwithstanding anything contained in this Article 13.4.1, in the event that the proposed Transfer of Equity Shares by the Transferring Shareholder to the Proposed Transferee will result in a change in Control of the Company, the Tag-Along Right of the Non-transferring Shareholder shall extend to the entire Shareholding of the Non-transferring Shareholder.

13.4.2 In the event the Non-transferring Shareholder has served a Tag Exercise Notice within the Offer Period pursuant to Article 13.3.3, the Transfer of any Equity Shares to the Proposed Transferee shall be in the manner set forth in this Article 13.4. If the Non-transferring Shareholder fails to serve a Tag Exercise Notice within the Offer Period, it shall be deemed to have declined to exercise its Tag-Along Right.

13.4.3 The Transfer of the Non-transferring Shareholder's Equity Shares pursuant to the exercise of the Tag-Along Right ("Tagged Shares") shall be completed within 30 (thirty) days of the receipt of the Tag Exercise Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Tag Exercise Notice).

13.4.4 The Transferring Shareholder shall not Transfer any of the Offered Shares to the Proposed Transferee unless and until, simultaneously with such Transfer, the Proposed Transferee purchases all the Tagged Shares at not less than the price, and on terms no less favourable, than those stated in the Transfer Notice.

13.4.5 For the avoidance of doubt, this Article 13.4 shall only apply when Article 13.3 is also applicable.

13.5 Prohibited Transfer

Notwithstanding anything contained in the Articles of Association, no member of a Promoter Group shall directly or indirectly Transfer any Equity Shares to an Indian Competitor.

13.6 Further Acquisitions

Except as provided in Articles 4 (*Funding*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) and 16 (*Change in Control*), no member of a Promoter Group or its Affiliates shall acquire any Equity Shares without the prior written consent of the other Promoter Group.

13.7 For giving effect to the Transfers contemplated in this Article 13, the Parties shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer.

14. DEADLOCK

14.1 For the purpose of this Article 14, a "Deadlock" shall be deemed to have occurred if:

14.1.1 a proposal is made in respect of any Reserved Matter but is not approved in accordance with Article 10 at two (2) consecutive duly convened meetings of the Board (or following the circulation of the relevant Circular Resolution in writing on two (2) separate occasions); or

14.1.2 a quorum is not present at two (2) consecutive duly convened meetings of the Board by reason of the absence of the Directors nominated and appointed upon request of the same Promoter Group.

14.2 In the event of a Deadlock, either Promoter Group may give written notice to the other and to the Company that it regards a Deadlock as having occurred ("Deadlock Notice") and immediately refer the Deadlock to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group (or nominees of such representatives) for resolution through mutual discussion (only one Deadlock Notice may be served in respect of any one proposal or series of related proposals).

14.3 If the Deadlock is not resolved within 30 (thirty) days of the Deadlock Notice, then *status quo* shall prevail, provided that if the Deadlock relates to a Draft Revised Business Plan, the provisions of Article 11.4 shall apply.

14.4 If the Deadlock is resolved within 30 (thirty) days of the Deadlock Notice, then the Promoter Groups shall procure that the Company gives effect to the relevant resolution(s).

15. DEFAULT

15.1 Failure to Comply with Voting

15.1.1 If any member of a Promoter Group fails to vote the Equity Shares held by it in accordance with the Articles of Association or votes the Equity Shares held by it contrary to the Articles of Association (such Group, the "Defaulting Promoter Group" and the failure to vote or voting contrary to the Articles of Association, a "Voting Default"), the Defaulting Promoter Group shall be deemed to be in material breach of the Articles of Association pursuant to which Article 15.1.3 shall apply unless:

(a) within 30 (thirty) days of the date of the Voting Default, the Promoter Groups or the Board agree to convene another General Meeting or issue a fresh notice for a shareholders' vote pursuant to Article 9.1.4, following which the Defaulting Promoter Group votes the Equity Shares held by it or refrains from voting the Equity Shares held by it in accordance with the Articles of Association and the relevant resolution is approved or rejected in accordance with the Articles of Association; or

(b) if the Defaulting Promoter Group demonstrates, within 30 (thirty) days of the date of the Voting Default, to the reasonable satisfaction of the non-defaulting Promoter Group, that the Voting Default was on account of an administrative error.

15.1.2 In the event the Defaulting Promoter Group is unable to demonstrate to the reasonable satisfaction of the other Promoter Group pursuant to Article 15.1.1(b) that the Voting Default was on account of an administrative error, either Promoter Group shall have the right to refer the matter to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision within 15 (fifteen) days of the expiration of the 30-day period referred to in Article 15.1.1(b). The chief executive officer of Vodafone Plc and the group chairperson of the ICL Group shall decide the matter within 30 (thirty) days of the date of referral and such decision shall be final and binding on the Promoter Groups. In the event the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group are unable to agree to a decision, either Promoter Group may refer the matter to an expedited arbitration procedure under the provisions of the Shareholders' Agreement to be completed within six (6) months of the date of referral.

15.1.3 If the Voting Default is not cured or resolved pursuant to Article 15.1.1(a) or 15.1.1(b) or 15.1.2:

(a) the rights of the Defaulting Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease;

(b) the obligations of the Defaulting Promoter Group under the Articles of Association shall cease only if the Defaulting Promoter Group no longer holds any Equity Shares; and

(c) if the Defaulting Promoter Group comprises ICL Group Shareholders, Article 12.2 shall cease to apply.

15.2 Event of Default

15.2.1 An event of default ("Event of Default") shall occur or be deemed to have occurred in relation to a Promoter Group ("Defaulting Shareholder Group") if:

(a) a member of the Defaulting Shareholder Group commits a material breach of Article 4 (*Funding*), 5 (*Board of Directors of the Company*), 10 (*Reserved Matters*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) or 16 (*Change in Control*) and such breach is not cured within 30 (thirty) days of written notice by the non-defaulting Promoter Group, provided that any such breach that arises from non-receipt of any approval of a Governmental Authority in respect of Article 4 (*Funding*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) or 16 (*Change in Control*) for reasons beyond the control of the relevant Party shall not be regarded as a material breach; or

(b) any member of the Defaulting Shareholder Group has:

(i) an official manager, receiver, trustee, voluntary administrator, liquidator or provisional liquidator appointed for all or substantially all of its assets or undertaking and such appointment is not dismissed, reversed, vacated or stayed within 90 (ninety) days of such appointment; or

(ii) entered into or resolved to enter into winding up proceedings or an arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of creditors, or proceedings are commenced by such Shareholder to sanction such an arrangement, composition or compromise, in each case, other than for the purposes of (A) a *bona fide* scheme of restructuring, reconstruction or amalgamation, or (B) a voluntary liquidation of entities that no longer hold Equity Shares and do not have substantial assets.

15.2.2 The Defaulting Shareholder Group shall be entitled to demonstrate, within 30 (thirty) days of the date of notification of the Event of Default by the non-defaulting Promoter Group, to the reasonable satisfaction of the non-defaulting Promoter Group, that such Event of Default occurred on account of an administrative error.

15.2.3 In the event the Defaulting Shareholder Group is unable to demonstrate to the reasonable satisfaction of the non-defaulting Promoter Group pursuant to Article 15.2.2 that the Event of Default was on account of an administrative error, either Promoter Group shall have the right to refer the matter to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision within 30 (thirty) days of the expiration of the 30-day period referred to in Article 15.2.2. The chief executive officer of Vodafone Plc and the group chairperson of the ICL Group shall decide the matter within 30 (thirty) days of the date of referral and such decision shall be final and binding on the Promoter Groups. In the event the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group are unable to agree to a decision, either Promoter Group may refer the matter to an expedited arbitration procedure under the provisions of the Shareholders' Agreement to be completed within six (6) months of the date of referral.

15.2.4 If an Event of Default is not cured or resolved pursuant to Article 15.2.1(a), 15.2.2 or 15.2.3:

(a) the rights of the Defaulting Shareholder Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease;

(b) the obligations of the Defaulting Shareholder Group under the Articles of Association shall cease only if the Defaulting Shareholder Group no longer holds any Equity Shares; and

(c) if the Defaulting Shareholder Group comprises ICL Group Shareholders, Article 12.2 shall cease to apply.

15.3 Nothing in Article 15.1 or 15.2 shall affect the right of the non-defaulting Promoter Group to claim any losses, damages, costs and expenses, including legal fees and expenses, to the extent arising or resulting from a Voting Default or an Event of Default, regardless of whether such default has been cured.

15.4 Notwithstanding anything contained in the Articles of Association, if any member of either Promoter Group is unable to comply with any obligation under the Articles of Association pursuant to an order of a Governmental Authority issued in respect of such member, the rights of the relevant Promoter Group under the Articles of Association shall not cease provided that such Promoter Group uses all reasonable endeavours to procure that such order is vacated.

16. CHANGE IN CONTROL

16.1 Each Promoter Group shall notify (in writing) the other Promoter Group of any proposed change in Control of any of its members (a "CoC Shareholder"), and the Vodafone Group Shareholders shall immediately notify (in writing) the ICL Group Shareholders of any proposed Vodafone Restricted Group Sale Disposal, in each case, within five (5) Business Days of the public announcement of such proposed transaction or the execution of binding documentation in respect of such proposed transaction, whichever is earlier, and such notice shall specify the manner in which such transaction will occur (the "CoC Notice").

16.2 Following issue of a CoC Notice in respect of a listed CoC Shareholder that is an ICL Group Shareholder:

16.2.1 the other ICL Group Shareholders (the "Remaining ICL Shareholders") shall be entitled, within 30 (thirty) days of the CoC Notice (the "ICL CoC Period"), to require such CoC Shareholder to Transfer all of its Equity Shares ("CoC Shares") to them or their Affiliate(s) at the ICL CoC Price pursuant to a written notice ("CoC Exercise Notice") issued to the CoC Shareholder (with a copy to the Company and the Vodafone Group Shareholders), and the CoC Shares shall then be promptly Transferred to the Remaining ICL Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.2.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); and

16.2.2 if the Remaining ICL Shareholders fail to issue a CoC Exercise Notice pursuant to Article 16.2.1 within the ICL CoC Period, the Vodafone Group Shareholders shall be entitled, within 30 (thirty) days of the expiration of the ICL CoC Period to require the CoC Shareholder to Transfer all of the CoC Shares to the Vodafone Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price pursuant to a CoC Exercise Notice issued to the CoC Shareholder (with a copy to the Company and the ICL Group Shareholders), and the CoC Shares shall then be promptly Transferred to the Vodafone Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.2.2 shall be completed within 75 (seventy five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.3 Following issue of a CoC Notice in respect of an unlisted CoC Shareholder that is an ICL Group Shareholder, the Vodafone Group Shareholders shall be entitled to take either of the following actions within 30 (thirty) days of the CoC Notice:

16.3.1 pursuant to a CoC Exercise Notice, require such CoC Shareholder to Transfer all of the CoC Shares to the Vodafone Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price, and the CoC Shares shall then be promptly Transferred to the Vodafone Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.3.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); or

16.3.2 pursuant to a CoC Exercise Notice, require the ICL Group Shareholders to purchase from the Vodafone Group Shareholders such number of Equity Shares as may be decided by the Vodafone Group Shareholders in their sole discretion but not exceeding their *pro rata* entitlement, such that the number of Equity Shares sold by the Vodafone Group Shareholders represents the same proportion of the Share Capital as the number of Equity Shares held by the CoC Shareholder, at the Vodafone Sale Price. The Transfer of Equity Shares pursuant to this Article 16.3.2 shall be completed within 45 (forty five) days of the CoC Notice issued by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.4 Following issue of a CoC Notice in respect of a CoC Shareholder that is a Vodafone Group Shareholder or in case of a Vodafone Restricted Group Sale Disposal, the ICL Group Shareholders shall be entitled to take either of the following actions within 30 (thirty) days of the CoC Notice:

16.4.1 pursuant to a CoC Exercise Notice, require such CoC Shareholder to Transfer all of the CoC Shares to the ICL Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price, and the CoC Shares shall then be promptly Transferred to the ICL Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.4.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); or

16.4.2 pursuant to a CoC Exercise Notice, require the Vodafone Group Shareholders to purchase from the ICL Group Shareholders such number of Equity Shares as may be decided by the ICL Group Shareholders in their sole discretion but not exceeding their *pro rata* entitlement, such that the number of Equity Shares sold by the ICL Group Shareholders represents the same proportion of the Share Capital as the number of Equity Shares held by the CoC Shareholder, at the Vodafone Sale Price. The Transfer of Equity Shares pursuant to this Article 16.4.2 shall be completed within 45 (forty five) days of the CoC Notice issued by the ICL Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.5 Following any change in Control of a CoC Shareholder, the Shareholding of such CoC Shareholder shall not be counted towards the Shareholding of the Promoter Group to which it belonged (unless Article 16.2.1 or 16.6 is applicable).

16.6 Nothing in the Articles of Association shall prevent, constitute a breach, require the sale or Transfer of any Equity Shares or otherwise restrict in any manner, with respect to the Vodafone Group:

16.6.1 any change in control of Vodafone Plc following (i) a successful public offer for shares (which, for the avoidance of doubt, may be implemented by a scheme of arrangement) or (ii) a transaction which involves the issue of shares in Vodafone Plc to one or more persons which would require a general offer for the shares of Vodafone Plc but for the requirement to make such offer having been waived, in each case in accordance with the UK City Code on Takeovers and Mergers;

16.6.2 a Vodafone Direct Spin-off Disposal; or

16.6.3 a Vodafone Permitted Group Sale Disposal;

(collectively, the "Vodafone Permitted Transactions") and, in each case, any Transfers pursuant to or in connection with any Vodafone Permitted Transaction. The Vodafone Group Shareholders shall notify (in writing) the ICL Group Shareholders of any proposed Vodafone Permitted Transaction within five (5) Business Days of the public announcement of such transaction or the execution of binding documentation in respect of such transaction, whichever is earlier, and such notice shall specify the manner in which such transaction will occur. For the avoidance of doubt, none of the Vodafone Permitted Transactions shall be considered a breach of the Articles of Association or an Event of Default.

16.7 If any transferee that is not a member of a Promoter Group is required to make a public announcement of an open offer with respect to the Company under the Takeover Code following a change in Control of a member of either Promoter Group that is subject to the provisions of this Article 16, such transferee's Shareholding that has been acquired from the Public Shareholders pursuant to such open offer will be subject to voting restrictions specified in Article 12.2 and must be sold in the market to the public or to a Financial Investor pursuant to Article 13.2.2(a) within six (6) months of acquisition.

17. TERMINATION; FALL AWAY OF RIGHTS

17.1 The Shareholders' Agreement shall automatically terminate:

17.1.1 in respect of the rights and obligations of any Promoter Group, upon that Promoter Group ceasing to hold any Equity Shares, it being understood that the Shareholders' Agreement shall remain in force between the non-exiting Promoter Group and any New Qualifying Shareholder and, subject to the provisions of the Shareholders' Agreement, the non-exiting Promoter Group and the exiting Promoter Group shall not have any rights or obligations with respect to each other; and

17.1.2 in respect of the rights and obligations of the Vodafone Group Shareholders in the event of a Vodafone Direct Spin-off Disposal.

17.2 The Shareholders' Agreement may be terminated by each Promoter Group with immediate effect upon the earlier of the following, the occurrence of which shall be promptly notified by the Company to each Promoter Group:

17.2.1 any execution or other process of any Governmental Authority issued against or levied upon all or substantially all of the Company's assets, which is not discharged or withdrawn or stayed or vacated within 90 (ninety) days of the date of issue;

17.2.2 an official manager, receiver, trustee, voluntary administrator, liquidator or provisional liquidator is appointed for all or substantially all of the Company's assets or undertaking and such appointment is not dismissed, reversed, vacated or stayed within 90 (ninety) days of such appointment; or

17.2.3 the Company has entered into or resolved to enter into winding up proceedings, or an arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of creditors, or proceedings are commenced by a Shareholder to sanction such an arrangement, composition or compromise, in each case, other than for the purposes of a bona fide scheme of restructuring, reconstruction or amalgamation.

17.3 Notwithstanding anything contained in the Articles of Association:

17.3.1 Subject to Article 17.3.2, if the Shareholding of a Promoter Group falls below the Qualifying Threshold, the rights of such Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease and the following shall apply:

(a) the obligations of such Promoter Group under the Articles of Association shall cease only if such Promoter Group no longer holds any Equity Shares; and

(b) if the Shareholding of the ICL Group Shareholders has fallen below the Qualifying Threshold, Article 12.2 shall cease to apply.

17.3.2 If the rights of the ICL Group Shareholders under the Articles of Association fall away pursuant to Article 17.3.1 as a result of non-participation or partial participation in a Rights Recapitalisation under Article 4, such rights shall be restored if the ICL Group Shareholders increase their Shareholding to at least the Qualifying Threshold in accordance with Article 4.7 (*Rights Recapitalisation Call Option prior to the Equal Shareholding Date*) within the time period specified therein (the "**Rights Cure Period**"), in which case:

(a) the ICL Group Shareholders shall not be entitled to any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*) during the Rights Cure Period;

(b) before, during and after the Rights Cure Period, the obligations of the ICL Group Shareholders under the Articles of Association shall cease only if no ICL Group Shareholder holds any Equity Shares; and

(c) Article 12.2 shall not be applicable during the Rights Cure Period and, if the Shareholding of the ICL Group Shareholders is not increased to the Qualifying Threshold within the Rights Cure Period, Article 12.2 shall cease to apply thereafter.

17.3.3 If the Effective Date occurred following failure by a Target Group (the Promoter Group to which such Target Group is related being the "**Leverage Breaching Group**") to satisfy a condition in respect of Leverage Ratio not exceeding a specified level as agreed, *inter alia*, among the Parties as on the date of the Shareholders' Agreement, and waiver of such condition by the other Promoter Group:

(a) the Leverage Breaching Group shall not have any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*);

(b) the Leverage Breaching Group shall waive all its rights under Article 4 (Funding), including the right to participate in any Rights Recapitalisation, unless the other Promoter Group agrees otherwise;

(c) the obligations of the Leverage Breaching Group under the Articles of Association shall cease only if the Leverage Breaching Group no longer holds any Equity Shares; and

(d) if the Leverage Breaching Group comprises the ICL Group Shareholders, Article 12.2 shall cease to apply.

18. JOINT AND SEVERAL LIABILITY

18.1 Notwithstanding any provisions to the contrary in the Articles of Association, all ICL Group Shareholders shall be treated as a single shareholder for the purpose of the Articles of Association and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one ICL Group Shareholder of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other ICL Group Shareholders of their respective rights, obligations, covenants and undertakings hereunder.

18.2 Notwithstanding any provisions to the contrary in the Articles of Association, all Vodafone Group Shareholders shall be treated as a single shareholder for the purpose of the Articles of Association and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one Vodafone Group Shareholder of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other Vodafone Group Shareholders of their respective rights, obligations, covenants and undertakings hereunder.

19. CONSENTS; NOTICES

References to consents or notices by the Parties may be satisfied by GIL on behalf of the ICL Group Shareholders or Euro Pacific Securities Ltd. on behalf of the Vodafone Group Shareholders.

20. ANTI-CORRUPTION LAWS

The Parties shall not, and shall procure that the members of their respective Groups shall not, directly or indirectly through their Representatives or any Person authorised to act on their behalf (a) offer, promise, pay, authorise or give money or anything of value to any Person for the purposes of (i) influencing any act or decision of any governmental official, (ii) inducing any government official to do or omit to do an act in violation of a lawful duty, (iii) securing any improper advantage or (iv) inducing any government official to influence the act or decision of a Governmental Authority or (b) engage in any other activity, practice or conduct which would give rise to an offence under, or non-compliance with, any applicable anti-bribery and anti-corruption Laws.

21. FURTHER ASSURANCES

Each Party shall, upon being required to do so by any other Party, execute such documents and perform such acts and things as such other Party may reasonably consider necessary for giving effect to the provisions of the Articles of Association.

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be made available for inspection at our Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●] between our Company and the Lead Managers.
2. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue.
4. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents in relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation dated March 14, 1995 upon incorporation, fresh certificates of incorporation dated May 30, 1996, November 6, 2001 and May 1, 2002 upon changes in name of our Company and fresh certificate of incorporation dated August 31, 2018 upon change in name pursuant to the Merger.
3. Resolution of our Board dated January 23, 2019 approving the Issue.
4. Resolution of the Board dated [●], 2019, finalizing the terms of the Issue including the Issue Price, the Record Date and the Rights Entitlement Ratio.
5. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Monitoring Agency, Lead Managers, Bankers to the Company, Banker to the Issue, Legal Counsel to the Company as to Indian law, Legal Counsel to the Lead Managers as to Indian Law, Legal Counsel to the Lead Managers as to U.S. Law and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
6. Consent from Deloitte Haskins & Sells LLP to be named as the previous statutory auditors of the Company for the years ended March 31, 2017 and March 31, 2016.
7. The examination reports dated March 15, 2019 of the Statutory Auditors on the Restated Consolidated Financial Information included in this Letter of Offer.
8. Statement of Tax Benefits dated [●], 2019 from the Statutory Auditors.
9. Tripartite Agreement dated January 29, 2007 between our Company, NSDL and Bigshare Services Private Limited.
10. Tripartite Agreement dated January 22, 2007 between our Company, CDSL and Bigshare Services Private Limited.
11. Shareholders' agreement dated March 20, 2017, as amended, entered by and among our Company, the Vodafone Group Shareholders, the ICL Group Shareholders, Mr. Kumar Mangalam Birla and Vodafone International Holdings B.V.
12. Implementation agreement dated March 20, 2017, as amended, entered by and among our Company, Vodafone India, VMSL, the Vodafone Group Shareholders, the ICL Promoters, Mr. Kumar Mangalam Birla and Vodafone International Holdings B.V.
13. Agreements between (i) our Company and Vodafone Group Services Limited; and (ii) our Company and Aditya Birla Management Corporation Private Limited, each effective from August 31, 2018.
14. Business Transfer Agreement dated July 25, 2016 between our Company and Idea Cellular Infrastructure Services Limited.
15. Scheme of arrangement between our Company and Vodafone Towers Limited.
16. Scheme of amalgamation among our Company, Vodafone India and VMSL.
17. Scheme of amalgamation between our Company and ABTL.
18. Scheme of amalgamation between our Company and Spice Communications Limited.
19. Scheme of arrangement between our Company and its Shareholders.

20. Scheme of arrangement between our Company and ABTL involving Unified Access Services License of Bihar (including Jharkhand) Service Area.
21. Scheme of arrangement between our Company and ICTIL in connection with passive infrastructure of our Company for nine service areas.
22. Scheme of amalgamation between Idea Mobile Commerce Services Limited and Aditya Birla Idea Payments Bank Limited.
23. Scheme of amalgamation between ICTIL and Indus Towers Limited.
24. ESOS 2006 and ESOS 2013.
25. In-principle approval issued by BSE dated [●] and the NSE dated [●].
26. Due diligence certificate dated [●], 2019, addressed to SEBI from the Lead Managers.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Kumar Mangalam Birla *(Non-Executive Chairman)*	**Mr. Debnarayan Bhattacharya** *(Non-Executive Director)*
Mr. Himanshu Kapania *(Non-Executive Director)*	**Mr. Ravinder Takkar** *(Non-Executive Director)*
Mr. Thomas Reisten *(Non-Executive Director)*	**Mr. Vivek Badrinath** *(Non-Executive Director)*
Mr. Arun Kumar Adhikari *(Independent Director)*	**Mr. Arun Kannan Thiagarajan** *(Independent Director)*
Mr. Ashwani Windlass *(Independent Director)*	**Mr. Krishnan Ramachandran** *(Independent Director)*
Ms. Neena Gupta *(Independent Director)*	**Mr. Suresh Vaswani** *(Independent Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Akshaya Moondra *(Chief Financial Officer)*

Date:
Place: