ADITYA BIRLA

IDEA Cellular

11th February 2017

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Quarterly Report – 31st December, 2016

Ref: "Idea Cellular Limited" (IDEA / 532822)

In continuation of our letter of even date, we are enclosing herewith a copy of the Quarterly Report being issued on the performance of the Company for the third quarter and nine months ended 31st December, 2016.

The above is for your information and dissemination to the public at large.

Thanking you,

Yours truly,

For **Idea Cellular Limited**

Pankaj Kapdeo
Company Secretary

Encl: As above

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Pandurang Budhkar Marg, Worli, Mumbai 400030, India. Telephone: + 91 95940 04000, Fax: + 91 95940 03182.
E mail: info@idea.adityabirla.com, Website: www.ideacellular.com Corporate Identity Number: L32100GJ1996PLC030976.

Registered Office : Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382 011. Telephone: +91 79 6671 4000 Fax: +91 79 2323 2251

Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Third Quarter Ended December 31, 2016

Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382011
Gujarat, India

Corporate Office: 10th Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 030, India

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Supplemental Disclosures

Unless stated otherwise, the financial data in this report is derived from our un-audited / audited financial statements prepared in accordance with Ind AS adopted in Q1FY17, with transition date of April 01, 2015. The earlier period financial data is based on IGAAP. Our financial year ends on 31st March of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year. In this report, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS, Ind AS and U.S. GAAP; accordingly, the degree to which the Ind AS financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

Unless stated otherwise, industry data used throughout this report has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this report is reliable, it has not been independently verified.

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, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest 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 domestic and foreign laws, regulations and taxes and changes in competition in the industry.

Report Structure — Page No.

1. Changes in Reporting

A. Reporting Guidelines:

To facilitate an analytical perspective, the results have been formatted and grouped as under:

a) **Standalone** – Idea, and its subsidiaries. Effectively, this encompasses all operations, excluding Indus and ABIPBL.

b) **Consolidated** – In addition to Idea Standalone as defined above, this covers the proportionate consolidation of Indus and ABIPBL at PAT level.

B. Adoption of Ind AS

From April 01, 2016 the Company has adopted Ind AS with a transition date of April 01, 2015. Accordingly, yearly and quarterly financials for FY16 are revised based on Ind AS.

The Ind AS 101 on First time adoption allows for decisions on accounting positions to be taken by March '17 when the first Ind AS compliant annual financial statements for FY17 will be drawn up. There could be some change in the balance sheet being presented now to that extent.

2. Performance at a glance – Idea Standalone

Particulars	Unit	Ind AS		Ind AS	IGAAP			
		Q3FY17	Q2FY17	FY 16	FY 15	FY 14	FY 13	FY 12
Operating Highlights								
Subscriber base (EoP)	mn	185.2	178.8	175.1	157.8	135.8	121.6	112.7
2G - Cell Sites (EoP)	nos.	132,362	130,633	126,833	112,367	104,778	90,094	83,190
3G - Cell Sites (EoP) (U2100+U900)	nos.	66,661	60,467	50,060	30,291	21,381	17,140	12,825
4G - Cell Sites (EoP) (L 1800)	nos.	33,954	24,945	14,643				
Total Minutes of Use	Mn	209,828	195,504	785,975	683,427	587,768	532,120	453,123
Total Data Volume (2G+3G+4G)	Mn MB	108,843	107,439	297,920	172,531	79,381	37,381	
Financial Highlights								
Gross Revenue	Rs mn	86,627	93,002	359,494	315,548	265,036	225,949	196,800
EBITDA	Rs mn	21,655	28,401	119,674	97,679	73,467	53,516	44,658
PAT	Rs mn	(4,789)	43	23,780	34,772	17,932	10,080	6,036
Cash Profit [1]	Rs mn	12,276	19,407	99,010	84,820	64,350	46,968	36,079
Gross Investment in Fixed Assets	Rs mn	1,158,029	1,014,023	989,132	613,841	571,211	446,007	392,602
Net Worth	Rs mn	230,627	235,297	232,641	228,518	158,787	141,808	129,058
Loan Funds	Rs mn	505,893	409,020	405,413	258,754	193,616	126,688	120,957
Cash & Cash Equivalent	Rs mn	14,511	45,007	20,996	130,714	1,761	10,806	1,406
Net Debt	Rs mn	491,382	364,013	384,417	128,041	191,855	115,881	119,550
Net Debt to EBITDA [2]	unit	5.67	3.20	3.21	1.31	2.61	2.17	2.68
Net Debt to Net Worth	unit	2.13	1.55	1.65	0.56	1.21	0.82	0.93
ROCE	%	0.8%	2.4%	7.6%	10.7%	7.1%	6.0%	5.2%

[1] Dividend received from Indus is considered while calculating standalone (Idea+ Subsidiaries) PAT and Cash Profit.
[2] Net Debt to EBITDA for the quarter is based on Annualised figure of quarterly EBITDA.

3. Company Overview

Idea Cellular Limited ("Idea") is the third largest wireless operator in India with a Revenue Market Share (RMS) of 18.7% (Q2FY17). In the 15 Established Service Areas, its RMS stands at a strong level of 21.7% (Q2FY17). The company carried around 2.28 billion minutes on a daily basis during the quarter Q3FY17. Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September 30, 2016). Company is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 267 billion (as on December 31, 2016).

A. Promoters and Key Shareholders

Idea is part of the Aditya Birla Group, which is one of the largest business groups in India and is in the league of Fortune 500. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, retail, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries etc. The Group currently has shareholding of 42.45% in Idea, through following entities;

Aditya Birla Nuvo Ltd.	23.25%
Birla TMT Holdings Pvt. Ltd.	7.87%
Hindalco Industries Ltd.	6.34%
Grasim Industries Ltd.	4.75%
Others	0.23%
Total	42.45%

Axiata Group Berhad, through its affiliates, has 19.77% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication group focused on high growth low penetration emerging markets. The Group currently has controlling interests in its mobile communications operations in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia and Nepal as well as significant strategic stakes in India and Singapore through its various subsidiaries and affiliates. The Group, including its subsidiaries and associates, has almost 300 million mobile subscribers in Asia and provides employment to 25,000 people across Asia.

B. Corporate Structure

Idea Cellular Limited (Idea)

- Subsidiary - Idea Cellular Infrastructure Services Limited (ICISL)
- Subsidiary - Idea Cellular Services Limited (ICSL)
- Subsidiary - Idea Telesystems Limited (ITL)
- Subsidiary - Idea Mobile Commerce Services Limited (IMCSL)
- Subsidiary - Aditya Birla Telecom Limited (ABTL)
  - Joint Venture - Indus Towers Limited (Indus)
- Associate - Aditya Birla Idea Payments Bank Limited (ABIPBL)

ICISL – A tower company owning towers (with transfer of towers from Idea to ICISL, it now owns all towers of Idea group's tower portfolio)

ICSL – Provides manpower services to Idea.

ITL – Engaged in the business of sale and purchase of communication devices.

IMCSL – To promote mobile banking related initiatives.

ABTL – Currently holds 11.15% (16% as on December 31, 2016) shareholding in Indus and engaged in business of sale & purchase of communication devices.

Indus – A joint venture between Bharti Infratel, Vodafone India and Idea (through ABTL), to provide passive infrastructure services in 15 service areas.

ABIPBL – An association with Aditya Birla Nuvo Limited (ABNL). ABNL got In-principle approval from RBI for Payments Bank.

C. Business Segments

For the purpose of reporting the mobile business at Idea is segregated as 15 Established Service Areas (evolved with time in terms of profitability) and 7 New Service Areas (launched in FY10, spectrum reacquired in 2012 and gestating in terms of profitability).

1. Mobile Operations

- **Voice Business** - Idea provides Pan India GSM mobile services in all 22 service areas of India. In the March'15 spectrum auction Idea has successfully secured 900 MHz spectrum in all nine service areas due for the telecom licenses expiring in December 2015/April 2016. After including 7 new telecom licenses and spectrum acquired in November 2012 auction, Idea achieved amongst the highest renewal among the incumbent operators, of 16 out of 22 service areas, laying solid foundation for growth of business till year 2035 (2032 for 7 licenses).

  Below table provides the details of future license & linked spectrum expiry for remaining 6 circles

Name of Circles	No. of Circles	Spectrum Band	Year of Expiry	Remaining Period of Spectrum
Delhi, Rajasthan, UPE, H.P.	4	1800 MHz	2021	~5 years
Mumbai, Bihar	2	1800 MHz	2026	~10 years

- **Broadband Services**

  3G Services - Idea provides 3G services in 21 service areas of India (except Orissa), including through Intra-Circle Roaming (ICR) arrangements with other operators. In October, 2016 spectrum auction Idea Cellular prudently acquired 5 MHz spectrum in 2100MHz frequency band in high population service areas of Bihar and Rajasthan to offer 3G services. The company owns 17 carriers (15 on 2100 MHz and 2 on 900 MHz), to offer 3G services in 15 service areas. These 15 service areas covers ~86% of its revenue, ~84% of its subscribers and ~69% of national mobile industry revenue.

4G Services – In October 2016 spectrum auction Idea had acquired 2x64.6 MHz (FDD) spectrum in frequency bands of 1800 MHz and 2100 MHz to expand its 4G spectrum ownership from 11 to 20 service areas, covering 9 new service areas of Gujarat, Uttar Pradesh (West), Uttar Pradesh (East), Bihar & Jharkhand, Rajasthan, Mumbai, West Bengal, Assam and Jammu & Kashmir. Further, with acquisition of 200 MHz (TDD) spectrum in frequency band of 2300 MHz and 2500 MHz, Idea has spectrum to address the future requirement of capacity.

Idea holds 47 4G carriers across 20 service areas of India (ex Delhi & Kolkata) in comparison to 12 carrier before October 2016 Auction. The 4G spectrum profile of the company covers ~94% of its own revenue and ~90% of industry revenue in these 20 service areas.

Post introduction of 4G service on December 23, 2015, Idea has moved fast, launching 4G services in nearly 2,900 towns and 15,700 villages in 11 service areas (Maharashtra & Goa, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Kerala, Haryana, Punjab, Karnataka, Orissa, NESA, Tamil Nadu & HP), now covering 211 million Indians, 37.6% of Indian population in these 11 circles.

Company remained on track of expanding its broadband coverage on the spectrum acquired is October' 2016 auction. The company has launched 4G services in UPE on February 02, 2016 and now offers 4G services in 12 service areas and is in the process of expanding its own 4G service to 20 service areas and 3G service to 15 service areas by March/April 2017.

Digital Services - On January 30, 2017, the company announced its arrival into the digital world with the launch of 3 new exciting Mobile Apps – Idea Music Lounge, Idea Movie Club, and Idea Game Spark – giving birth to a "Digital Idea". These digital content applications will serve as a one-stop entertainment destination initially for Idea subscribers, providing access on the fingertips to a large collection of popular and premium content, including a rich assortment of Hindi, Vernacular and International content. Idea Music Lounge, Idea Movie Club, and Idea Game Spark offer a complete suite of digital entertainment services.

- **Idea Music** Lounge offers a rich library of nearly 2 million Indian and international music tracks initially, going up to nearly 20 million tracks soon and is available on Google Play Store and coming soon on iOS store. Idea Music Lounge hosts diverse content not only across 13 Indian languages, including Bollywood, South Indian Cinema etc, but also across International artists, albums and tracks from several major Music labels.
- **Idea Movie Club** caters to the ever-growing video content needs of consumers, offering thousands of blockbuster movies, Live TV, 7 days catch-up TV, along with a series of Original content and Short Videos across all genres and several languages. The rich content of videos and movies from Bollywood, South Indian & Regional Cinema will appeal to people across all age groups, including kids, for whom there is a host of animation and learning videos. Live and Catch up TV including premium channels, is offered in collaboration with Ditto TV. The app is available on Google Play Store and iOS store.

- **Idea Game Spark** is the ultimate gaming destination with a collection of over 1,500 games across all genres. Targeted at the gaming aficionado and the casual gamer, the games can be played both in the online and offline mode.

These apps are competitively priced. With the launch of these apps the company has begun its transformation from a pure play mobile operator to an integrated digital services and solutions provider.

2. **Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea NLD currently carries around 98.5% of its captive NLD minutes. Idea ILD services now handle around 100% of captive ILD outgoing minutes, besides bringing large volume of incoming minutes from top international carriers across the globe. The Idea ISP service, in addition to catering the all captive mobile subscriber traffic, offers services to external customers like small ISP and enterprise customers for their wholesale Internet backhaul needs.

   Idea is consistently investing in optical fibre cable (OFC) transmission network to tap the future potential of wireless broadband and currently has laid and energised over 1,33,800 km OFC, in comparison to 90,200 km two years back (Q3 FY15), addition of over 43,500 km of fibre in last 2 years. Idea has over 8,820 OFC PoPs (4G, 3G & 2G) in all Circles. The fibre backhaul network of the company optimally serves its 2G/ 3G/4G/ NLD/ ILD/ ISP/Wireless Broadband needs. Idea has also introduced worlds' latest high capacity 100G DWDM network technology to cater to rising data demand.

   Details with reference to NLD & ILD traffic and ISP & OFC capacity are as follows –

	Unit	For the Quarter					Growth	
		Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	QoQ	YoY
Total NLD Minutes	mn	16,434	16,418	15,899	16,172	16,247	0.1%	1.2%
Total ILD Minutes	mn	2,542	2,628	2,910	2,916	3,020	-3.3%	-15.8%
ISP Capacity*	Gbps	246.0	235.0	204.0	184.2	158.3	4.7%	55.4%
Optical Fibre Cable (OFC)*	KM	133,800	126,000	120,700	115,500	105,600	6.2%	26.7%
PoPs	Nos.	8,820	8,160	7,650	7,220	6,360	8.1%	38.7%

*Approx capacity

3. **Idea Mobile Banking Services** -

   To comply with the RBI guidelines on Payments Bank, IMCSL (a wholly owned subsidiary of Idea) had filed a petition under section 391 to 394 of the Companies Act, 1956 with Hon'ble Delhi High Court for its amalgamation with Aditya Birla Idea Payments Bank Limited, which had also filed similar petition in Hon'ble

Bombay High Court. Both the courts have approved the scheme of merger. Business of IMCSL shall be folded into ABIPBL post receipt of Payments Bank License by ABIPBL. The latest status of its operations is as follows

Prepaid Payment Instrument (PPI)

PPI is commonly known as semi closed wallet. RBI granted Idea Certificate of Authorisation for PPI in November 2013. Idea commenced PPI services in July 2014 and currently operates in 16 Circles. Idea is also now aggressively acquiring new mobile wallet customers digitally through Idea Web and Idea App. Idea Money wallet is also available on Android and iOS platform. The company offers both cash and web loading (through net banking) into the wallets. With PPI wallet balance one can recharge prepaid accounts for Idea and other operator's, recharge DTH accounts, pay bills and make mobile wallet to mobile wallet and wallet to bank account transfers. These wallet accounts can be opened with minimum KYC for balance up to Rs. 20,000/-.

In addition to the PPI wallets Idea Money also has Domestic Money Remittance Business (DMR) through retailer assisted model. Total throughput for DMR business during 9MFY17 stands at Rs. 4,274 million.

The Company is also entering into retailer assisted business which will enable retailers to perform transaction which includes Mobile Bill Recharge, Post-paid Bill Payments, Utility Bill payments. Idea Money has tie ups with online and offline merchants like Book My show, Dominos, Bajaj Allianz, LIC etc. . During the quarter ended December 31, 2016 it added 2 million new wallet customers. Idea Money as of 31st December, 2016 has EOP base of more than 7 million PPI mobile wallet customers & efforts are on to exponentially increase the number of active PPI digital wallet users.

Details with reference to PPI business are as follows

	Unit	For the Quarter					QoQ Growth
		Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	
EOP Wallet	000	7,006	5,012	3,407	2,053	590	39.8%
Transaction Value	INR Mn	1,400	1,055	779	405	129	32.7%
Transaction Count	000	4,139	3,321	2,747	3,502	1,136	24.6%
Average Trasaction Value	INR	338	317	334	221	231	6.6%

Payments Bank

RBI has given in principle approval to set-up the Payments Bank to Aditya Birla Nuvo Limited (ABNL) as promoter, on 7th September, 2015. A new company 'Aditya Birla Idea Payments Bank Limited' (ABIPBL) has been formed to setup the payments bank services with ABNL and Idea as shareholders. The Senior Management Team of this company is in place. Post necessary regulatory approvals from RBI, ABIPBL is likely to commercially launch its services by first half of Calendar Year 2017. The company will acquire and service new Payments Bank customers both ‘Online’ leveraging the power of over 50 million digital customers of Idea and ABG’s as well as ‘Offline’ leveraging the strength of Idea’s 2 Million+ retail distribution channel across over 400,000 towns & villages. The Payments Bank intends to promote a wide range of banking products & services including current and savings bank account, domestic remittances, merchant payments etc. while partnering with ABG financial services, select universal banks & financial institutions for offering range of full banking products including Fixed Deposits, Micro Loan, Debt & Equity linked Mutual Funds, other related investment and Insurance products to its payments bank customer.

4. Strength Areas

A. Competitive Spectrum Profile

Following table provides the details regarding spectrum holding of Idea across all 22 service areas

Service Areas	FDD				TDD			FDD (2x)* +TDD	GSM (2G) services	Broadband Carrier	
	900	1800	2100	Total	2300	2500	Total			3G	4G
Maharashtra	9.0	11.0	5.0	25.0	10.0	10.0	20.0	70.0	√	2	4
Kerala	6.0	10.0	5.0	21.0	10.0	10.0	20.0	62.0	√	1	4
Madhya Pradesh	7.4	11.6	5.0	24.0	10.0	20.0	30.0	78.0	√	2	5
Uttar Pradesh (West)	5.0	9.4	5.0	19.4		10.0	10.0	48.8	√	1	3
Gujarat	5.0	10.0	5.0	20.0		10.0	10.0	50.0	√	1	3
Andhra Pradesh	5.0	6.0	5.0	16.0		10.0	10.0	42.0	√	1	2
Punjab	5.6	10.0	5.0	20.6				41.2	√	1	2
Haryana	6.0	10.8	5.0	21.8		10.0	10.0	53.6	√	1	3
8 Leadership Circle (Sub Total)	**49.0**	**78.8**	**40.0**	**167.8**	**30.0**	**80.0**	**110.0**	**445.6**		**10**	**26**
Uttar Pradesh (East)		6.2	10.0	16.2		10.0	10.0	42.4	√	1	2
Rajasthan		11.2	5.0	16.2		10.0	10.0	42.4	√	1	2
Bihar		10.8	5.0	15.8		10.0	10.0	41.6	√	1	2
Himachal Pradesh		9.8	5.0	14.8		10.0	10.0	39.6	√	1	2
Delhi	5.0	8.6		13.6				27.2	√	1	
Mumbai	0.0	6.4	5.0	11.4				22.8	√		1
Karnataka	5.0	6.0		11.0				22.0	√		1
7 Emerging Circle (Sub Total)	**10.0**	**59.0**	**30.0**	**99.0**	**0.0**	**40.0**	**40.0**	**238.0**		**5**	**10**
Tamil nadu		11.4		11.4				22.8	√		1
Kolkata		5.0	5.0	10.0				20.0	√	1	
West Bengal		11.4		11.4		10.0	10.0	32.8	√		2
Orissa		10.0		10.0		10.0	10.0	30.0	√		2
Assam		10.0		10.0		10.0	10.0	30.0	√		2
North East		11.0		11.0		10.0	10.0	32.0	√		2
Jammu & Kashmir		10.0	5.0	15.0		10.0	10.0	40.0	√	1	2
7 New Circle (Sub Total)		**68.8**	**10.0**	**78.8**	**0.0**	**50.0**	**50.0**	**207.6**		**2**	**11**
Total	**59.0**	**206.6**	**80.0**	**345.6**	**30.0**	**170.0**	**200.0**	**891.2**		**17**	**47**
*FDD spectrum consisting of uplink and downlink											

One Carrier represents 2x5MHz in case of FDD spectrum and 10 MHz in case of TDD spectrum

B. Idea's Eight Leadership Geographies (~41% of National Mobile Industry Revenue)

The incumbency advantage coupled with the benefit of 900 MHz GSM spectrum and 3G & 4G services give Idea an absolute leadership status in eight service areas with combined RMS of 30.7% (Q2FY17). Idea cellular has further strengthened its Broadband spectrum position in these service areas in recently concluded spectrum auction, with acquisition of 4G spectrum in Gujarat and UPW. It has acquired incremental 1800 MHz spectrum in the 6 service areas of Gujarat, Uttar Pradesh (West), Maharashtra, Madhya Pradesh, Punjab, Haryana, which coupled with the earlier spectrum holding results into 2nd contiguous carrier of 1800 MHz 4G spectrum in these markets. Idea will now have 2nd contiguous carrier of 1800 MHz 4G spectrum in 7 out of these 8 leadership service areas (ex. Andhra Pradesh but incl. Kerala). The company now owns total 36 broadband carrier in these 8 service areas to further strengthen its leadership position.

8 Established Service Areas				
Service Areas	**RMS Q2FY17***	**RMS Rank**	**Spectrum Profile**	
M. P.	42.4%	1	2G/3G/4G	• **~41% of India Mobility Revenue and ~67% of Idea Revenue**
Kerala	41.6%	1	2G/3G/4G	
Maharashtra	32.7%	1	2G/3G/4G	
UP – W	31.9%	1	2G/3G/4G	
Haryana	27.8%	2	2G/3G/4G	• **Incremental RMS @~49% - Q2FY17 vs Q2FY14**
Punjab	24.5%	2	2G/3G/4G	
A. P.	24.3%	2	2G/3G/4G	
Gujarat	22.1%	2	2G/3G/4G	
Total	**30.7%**	**1**		

*Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's Estimate

Idea has rolled out 3G services in all these 8 strategically important service areas and around 75% of existing GSM sites are upgraded to offer 3G. Idea has also launched its 4G services in 6 out of 8 these leadership markets. Further, Idea has launched 3G 2nd Carrier on 900 MHz in the service areas of Maharashtra and Madhya Pradesh during Q4FY16 to increase wireless broadband capacity. Idea is working towards launch of its 4G services in Gujarat and UPW service areas by March/April 2017. Idea's GSM, 3G and 4G spectrum footprint in these 8 service areas places the company in an advantageous competitive position to continue its march of strengthening its competitive market standing both in subscribers & revenue terms.

C. Idea's Seven Emerging Geographies (~39% of National Mobile Industry Revenue)

Idea, over a period of time, has strengthened its position in 7 emerging service areas, where it was a late entrant with 1800 MHz spectrum (except Karnataka service area with 900 MHz spectrum & Delhi service areas with 3G on 900 MHz from calendar year 2015). The emergence of Idea as a significant player in these 7 service areas reaffirms Idea's intrinsic competitive capabilities. Idea currently offers 3G services in 3 of service areas of UP (E), H.P. and Delhi (own spectrum) and has upgraded ~64% of its existing GSM sites in these 3 service areas to offer 3G services. In the recently concluded spectrum auction Idea has acquired 2100 MHz 3G spectrum in Bihar and Rajasthan service areas.

Idea has also launched 4G services in service area of Karnataka in December 2015. With the current spectrum acquisition, Idea now has capability to offer broadband services in all of these 7 service areas. In 6 out of these 7 markets, Idea now has own 4G spectrum. The total number of Broadband carriers now reaches to 16 in these 7 service areas. Idea launched its 4G services on (2100 MHz band) in UPE service area on February 02, 2017 and intends to launch 4G services in Bihar, Rajasthan & Mumbai by March/April 2017. Idea is also preparing to offer 3G services in high population service areas of Bihar and Rajasthan by March/April 2017.

7 Emerging Service Areas

Service Areas	RMS Q2FY17*	RMS Rank	Spectrum Profile
H.P.	12.6%	2	2G/3G/4G
Bihar	13.8%	3	2G/3G/4G
UP – E	13.7%	3	2G/3G/4G
Rajasthan	13.0%	3	2G/3G/4G
Delhi	12.4%	3	2G/3G
Karnataka	11.0%	4	2G/4G
Mumbai	10.3%	4	2G/4G
Total	**12.3%**	**3**	

- **~39% of India Mobility Revenue and ~25% of Idea Revenue**
- **Incremental RMS @ ~18% - Q2FY17 vs Q2FY14**

*Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's Estimate

D. Idea's Seven New Growth Geographies (~20% of National Mobile Industry Revenue)

Idea was among the last entrants for GSM services in 7 service Areas of Tamil Nadu, Kolkata, West Bengal, Orissa, J&K, Assam and North East using 1800 MHz spectrum acquired in November 2012 auction. As Idea expands its 2G, 3G & 4G network in these new markets and improve brand presence in these geographies, due to front loading of investments, the company, has a quarterly EBITDA loss of Rs. 1,628 million in Q3FY17.

The company offers 3G services in the service area of J&K and Kolkata (launched in December 2015) on its own 2100 spectrum and has upgraded 69% of its existing GSM sites in these 2 service areas with additional 3G services. The company has also launched its 4G services in 3 Service Areas- Tamil Nadu in December 2015 and in Orissa and North East service areas during Q4FY16.

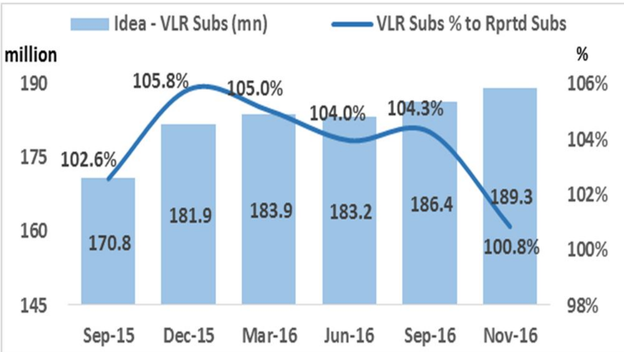
In recently concluded Spectrum Auction, Idea has expanded its 4G presence to six of these markets (ex. Kolkata) and intends to start offering its 4G services by March/April 2017 in West Bengal, Assam and J&K.

7 New Service Areas				
Service Areas	**RMS Q2FY17***	**RMS Rank**	**Spectrum Profile**	
WB	9.2%	3	2G/4G	• **~20% of India Mobility Revenue and ~7% of Idea Revenue**
TN	6.7%	4	2G/4G	
Assam	5.2%	4	2G/4G	
Kolkata	7.2%	5	2G/3G	
NESA	4.4%	5	2G/4G	
J&K	7.4%	6	2G/3G/4G	• **Incremental RMS @ ~22% - Q2FY17 vs Q2FY14**
Orissa	5.9%	6	2G/4G	
Total	**6.9%**	**4**		

*Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's Estimate

E. 192 million Quality Subscriber Base

Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September, 2016) servicing over 192 million VLR subscribers as of December 31, 2016. This large base of subscribers provides a great platform to the company for upgrading the pure voice customers to Wireless Data services, Digital content & Payment services in future.



Idea has always been vigilant in monitoring the quality of its subscriber base. The latest (November, 2016) data released by the TRAI for active subscribers (VLR subscribers), reaffirms quality of Idea's subscriber base as among the best in terms of percentage of active subscribers. As of November, 2016 Idea has 100.8% of reported subscribers as VLR subscribers, which is highest in the industry. Idea's EoP subscriber market share (on VLR) at the end of November, 2016 stands at 19.5%. In last 12 months from November, 2015 to November, 2016 Idea has added VLR subscribers of 12.5 million against overall industry annual VLR subscriber growth at 61.8 million, an incremental share of 20.2%. With over 192 million VLR subscribers the company opens multiple new vistas for growth in Broadband, Digital Content and Payment Services etc.

F. Leader in Mobile Number Portability Net Adds

The Mobile Number Portability (MNP) was implemented nation-wide on 20th January, 2011 and nearly 208.4 million customers have availed of the MNP facility offered by Indian Mobile Industry. Also government has introduced National MNP (NMNP) from July 03, 2015. The trends emerging from MNP are clearly distinguishing the strong operators in terms of customers' preference for better quality of services and brand value. Over the last 72 months in the MNP space, Idea has maintained leadership position on overall MNP Net Adds. As on December 31, 2016 Idea has a net MNP gain of 20.7 million customers from other telecom operators with one out of every four existing mobile customers, who chooses to port out from their existing mobile operator preferring to shift and stay with world class Idea services.

G. Tower Investment

- **Indus Investment**

Indus towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone India Ltd and Idea Cellular Ltd through its subsidiary Aditya Birla Telecom Ltd (ABTL) , is one of the world's leading tower company with 1,22,044 towers and tenancy ratio of 2.32 as of December 31, 2016. ABTL held 16% equity stake in Indus. Providence Equity Partners, through its entity P5 Asia Holding Investments (Mauritius) Limited (P5), beneficially held ~30.3% of the total equity share capital of ABTL post conversion of compulsorily convertible preference shares of ABTL held by them. This represents Providence Equity Partners' beneficial economic interest in Indus of 4.85%.

ABTL had filed a petition in Hon'ble High Court of Bombay under Section 100 of the Companies Act, 1956 and during the quarter it received approval for reduction of its capital. As part of this reduction exercise, effective from February 01, 2017 P5 Asia Holding Investments (Mauritius) Limited has received from ABTL Indus Shareholding @ 4.85%, consequently ABTL now holds only 11.15% in Indus Tower Limited.

- **Own Towers**

Idea (ICL) had completed transfer of its own towers to ICISL (a wholly owned subsidiary) in August, 2016 and all towers are now under a single legal entity. As the transfer is to a wholly owned subsidiary, there is no impact on the results. Besides investment in Indus Tower, Idea along with ICISL, owns 9,838 towers as on December 31, 2016. There are 16,549 tenants on these towers at a tenancy ratio of 1.68. During the last 12 months the company has added 198 towers and 747 tenancies as it reorganizes itself to improve its tower tenancy ratio. With this reorganization there is now complete focus on tower operations as an independent entity which will result in optimization and growth of the tower portfolio.

Overall Business	Unit	For the Quarter				
		Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16
Owned Towers (EoP)	No.	9,838	9,772	9,760	9,744	9,640
Tenancy Ratio - Owned Towers	Times	1.68	1.68	1.66	1.66	1.64
Number of Tenants	No.	16,549	16,392	16,243	16,168	15,802

5. Financial Highlights (Ind AS)

A. Profit & Loss Account (Rs mn)

	Ind AS				
	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16
Gross Revenue	86,627	93,002	94,866	94,783	90,042
Opex	64,972	64,601	64,124	61,442	61,407
EBITDA	21,655	28,401	30,742	33,341	28,635
EBITDA Margin	25.0%	30.5%	32.4%	35.2%	31.8%
Depreciation & Amortisation	19,653	19,543	19,192	18,777	15,310
EBIT	2,002	8,858	11,551	14,564	13,325
Interest and Financing Cost (net)	9,232	8,753	9,224	8,773	4,138
Dividend from Indus	-	-	3,623	-	-
PBT	(7,230)	105	5,950	5,791	9,187
Tax	(2,442)	62	978	2,243	3,493
PAT (standalone)	(4,789)	43	4,971	3,549	5,694
Cash Profit	12,276	19,407	25,209	25,802	22,731
Consolidation Impact					
Elimination on Dividend recd from Indus	-	-	(3,623)	-	-
Share of Profit from Indus & Payments Bank	1,143	1,057	1,035	1,165	1,084
Deferred Tax on Undistributed earnings of Indus	(193)	(186)	(179)	(198)	(184)
Consolidated PAT	(3,839)	915	2,204	4,516	6,594
Other comprehensive income (net of Tax)	(17)	(14)	(33)	(24)	(38)
Total comprehensive income for the period	(3,856)	900	2,171	4,492	6,556

B. Balance Sheet (Rs mn)

Particulars	Idea Consolidated as on 31-Dec-16	Idea Consolidated as on 31-Mar-16
Assets		
Non-current assets		
Property, plant and equipment	220,413	211,872
Capital work-in-progress	9,272	6,623
Goodwill	61	61
Intangible assets	481,268	439,969
Capital work-in-progress -Intangible assets	123,767	53,775
Financial assets		
Non-current investments	20,002	21,405
Long term loans	27	25
Other non-current financial assets	4,732	4,313
Other non-current assets	23,525	13,593
Total non-current assets (A)	**883,066**	**751,634**
Current assets		
Inventories	670	1,065
Financial assets		
Current investments	13,789	13,305
Trade receivables	11,668	11,424
Cash and cash equivalents	688	7,630
Bank balance other than cash and cash equivalents	34	61
Short term loans	41	
Other current financial assets	502	5,586
Current Tax Assets (Net)	25	56
Other current assets	10,577	10,335
Total current assets (B)	**37,994**	**49,462**
Assets classified as held for sale (C)	**19**	**155**
Total Assets (A+B+C)	**921,080**	**801,252**
Equity and liabilities		
Equity		
Equity share capital	36,017	36,005
Other equity	196,178	199,499
Total equity (A)	**232,195**	**235,504**
Non-Current Liabilities:		
Financial liabilities		
Non-current borrowings	478,856	359,040
Other non-current financial liabilities	27,341	23,720
Long term provisions	4,294	3,455
Deferred tax liabilities (net)	17,212	19,539
Other non-current liabilities	4,412	4,108
Total Non-Current Liabilities (B)	**532,115**	**409,862**
Current Liabilities:		
Financial liabilities		
Current borrowings	63	16,456
Trade payable	37,993	32,468
Current maturities of long term debt	26,975	29,917
Other financial liabilities	60,485	52,624
Other current liabilities	30,963	23,494
Short term provisions	291	926
Total Current Liabilities (C)	**156,769**	**155,885**
Total equity and liabilities (A+B+C)	**921,080**	**801,252**

6. Pro-forma Revenue and Profitability Break-up (Ind AS)

Rs mn

Revenue Break-up	For the Quarter	
	Q3FY17	Q2FY17
Gross Revenue - Established Service Areas	80,163	86,112
Gross Revenue - New Service Areas	6,464	6,890
Total Revenue	86,627	93,002

EBIT Break-up	For the Quarter	
	Q3FY17	Q2FY17
EBIT - Idea Standalone	2,002	8,858
EBIT Contribution - Indus(16%), ABIPBL(49%)	1,964	1,872
EBIT - Incl. Indus & ABIPBL Contribution	3,966	10,730

EBITDA Break-up	For the Quarter	
	Q3FY17	Q2FY17
EBITDA -Established Service Areas	23,283	29,825
EBITDA - New Service Areas	(1,628)	(1,424)
EBITDA - Idea Standalone	21,655	28,401
EBITDA Contribution - Indus, ABIPBL	3,004	2,920
EBITDA - Incl. Indus & ABIPBL Contribution	24,659	31,322

Interest & Finance Cost Break-up	For the Quarter	
	Q3FY17	Q2FY17
Gross Interest Cost - Idea Standalone	9,669	10,044
Gross Interest Income - Idea Standalone	(437)	(1,291)
Int. & Fin. Cost (net) - Idea Standalone	9,232	8,753
Int. & Fin. Cost (net) - Indus , ABIPBL	205	226
Int & Fin Cost (net) - Incl. Indus & ABIPBL Contribution	9,437	8,979

EBITDA Margin	For the Quarter	
	Q3FY17	Q2FY17
EBITDA % - Established Service Areas	29.0%	34.6%
EBITDA % - New Service Areas	-25.2%	-20.7%
EBITDA % - Idea Standalone	25.0%	30.5%
EBITDA % - Incl. Indus & ABIPBL Contribution	28.5%	33.7%

Tax Break-up	For the Quarter	
	Q3FY17	Q2FY17
Tax - Idea Standalone	(2,442)	62
Tax - Indus, ABIPBL	616	589
Tax - Incl. Indus & ABIPBL Contribution	(1,826)	651

Dep. & Amort. Break-up	For the Quarter	
	Q3FY17	Q2FY17
Dep & Amort. - Idea Standalone	19,653	19,543
Dep. & Amort. Cost - Indus, ABIPBL	1,041	1,049
Dep. & Amort. - Incl. Indus & ABIPBL Contribution	20,693	20,592

PAT Break-up	For the Quarter	
	Q3FY17	Q2FY17
PAT - Idea Standalone	(4,789)	43
PAT Contribution - Indus, ABIPBL	1,143	1,057
Deferred Tax impact on Undistributed Indus Profit	193	186
PAT - Incl. Indus & ABIPBL Contribution	(3,839)	915

Note:

1. Under Ind AS, Indus & ABIPBL are consolidated at PAT level. However, for above information the financials of Associates / Joint Ventures are considered as reported by them, without any changes for the differences in accounting treatment. The information provided here is only to provide a perspective to Idea's position on a consolidated basis and for comparing it to earlier reported periods.
2. The proportionate share of Indus revenue is largely eliminated while consolidating with Idea under IGAAP. Hence, for the purpose of this presentation Indus Revenue is ignored.

7. Key Operational Indicators – Idea Standalone

Overall Business	Unit	For the Quarter				
		Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16
Subscriber Base (EoP) (2G+3G)	mn	185.2	178.8	176.2	175.1	171.9
VLR Subscribers (EoP)	mn	192.1	186.4	183.2	183.9	181.9
Net VLR Subscriber addition	mn	5.6	3.2	(0.7)	2.0	11.0
Pre-paid Subs (% of EoP subscribers)	%	95.5%	95.3%	95.4%	95.5%	95.6%
Number of 3G Devices (Including 4G devices)	mn	75.7	70.4	61.4	60.4	55.5
Out of Above - 4G Devices	mn	20.4	19.3	14.2	11.1	6.1
3G/4G Device Penetration (on EoP)	%	40.9%	39.4%	34.8%	34.5%	32.3%
3G Subscribers (Voice+Data) (EoP)	mn	32.6	34.8	32.3	30.5	27.6
Average Revenue per User (ARPU) Blended	INR	157	173	181	179	176
Average Voice Revenue Per User (Voice ARPU)	INR	114	122	130	129	125
Average Minutes of Use per User (MoU)	min	385	368	379	387	393
Average Realisation per Minute (ARPM)	paisa	40.7	47.0	47.7	46.4	44.8
Average Realisation per Minute (Voice ARPM)	paisa	29.6	33.1	34.3	33.3	31.8
Post-paid Churn	%	3.5%	3.1%	3.0%	2.9%	2.8%
Pre-paid Churn	%	6.1%	5.5%	5.3%	4.8%	5.4%
Blended Churn	%	6.0%	5.4%	5.2%	4.7%	5.3%
2G Coverage - No. of Census Towns	no.	7,695	7,681	7,634	7,625	7,554
2G Coverage - No. of Villages	no.	393,257	390,874	386,403	383,372	376,122
2G Coverage - Population	Mn	1,002	999	992	988	974
% of Population (22 Circles)	%	82.8%	82.5%	82.0%	81.6%	80.5%
3G Coverage - No. of Census Towns	no.	4,153	4,099	3,975	3,923	3,838
3G Coverage - No. of Villages	no.	83,693	73,336	57,163	56,756	51,293
3G Coverage - Population	Mn	395	377	349	348	340
% of Population (13 Circles)	%	57.2%	54.7%	50.6%	50.4%	48.0%
4G Coverage - No. of Census Towns	no.	2,898	2,343	1,968	1,327	
4G Coverage - No. of Villages	no.	15,720	7,495	5,191	2,619	
4G Coverage - Population	Mn	211	171	151	116	
% of Population (11 Circles)	%	37.6%	30.9%	27.3%	21.0%	

Overall Business	Unit	For the Quarter				
		Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16
Total Minutes of Use	mn	209,828	195,504	199,307	201,606	199,165
Total 2G Cell Sites (EoP)	no.	132,362	130,633	127,835	126,833	122,515
Total 3G Cell Sites (EoP)	no.	66,661	60,467	51,231	50,060	45,732
Total 4G Cell Sites (EoP)	no.	33,954	24,945	19,939	14,643	1,813
Towers - Rented Indus (EoP)	no.	70,661	69,618	67,743	67,169	64,721
Towers - Rented Others (EoP)	no.	53,438	52,121	50,509	50,049	48,249
Owned Towers (EoP)	no.	9,784	9,772	9,760	9,744	9,640
Tenancy Ratio - Owned Towers	times	1.68	1.68	1.66	1.66	1.64
Manpower on Rolls (EoP)	no.	17,621	17,725	17,624	17,571	16,948
Non-Voice and Data Business (2G+3G+4G)						
VAS as a % of Service Revenue	%	27.2%	29.6%	28.2%	28.3%	28.9%
Data as a % of Service Revenue	%	20.2%	21.9%	20.6%	20.1%	20.2%
Non-Data VAS as a % of Service Revenue	%	7.0%	7.7%	7.6%	8.2%	8.6%
Total Data Suscribers (2G+3G+4G)*	000	48,583	54,063	49,050	44,019	41,351
Total Data Volume (2G+3G+4G)	Mn MB	108,843	107,439	93,127	82,236	80,994
Blended Data ARMB	paisa	15.9	18.7	21.1	22.9	22.3
Data ARPU for Data Subscriber (2G+3G+4G)	INR	111	130	142	147	145
Data Usage by Data Subscriber (2G+3G+4G)	MB	703	694	674	641	653
Broadband Business (3G+4G) - Network KPIs						
3G Data Volume	Mn MB	72,048	69,611	61,914	56,165	53,600
4G Data Volume	Mn MB	12,407	10,250	4,939	1,438	
Broadband Data Uages by Broadband Subs	MB	971	922	889	857	866
Broadband Business (3G+4G) Subscribers KPIs						
3G Data Subscribers	000	24,485	27,630	25,200	22,909	21,199
4G Data Subscribers	000	2,541	3,073	1,800	680	
Data ARPU for Broadband Subs**	INR	141	160	174	191	196

*Refer revised definition for Data Subscriber
**Including data revenue for use on 2G network

8. Management Discussion & Analysis

A. Operating Performance

The Indian mobile industry witnessed an unprecedented disruption in the quarter of October to December 2016, primarily due to free voice & mobile data promotions by the new entrant in the sector. Consequently, revenue KPIs and financial parameters for all mobile operators have sharply declined, and for the first time in its history the flourishing Indian wireless sector is trending towards an annual revenue decline of 3 to 5% in FY2017 (vs FY16). The sector can expect to recover revenues only once the new operator starts charging for its pan India mobile services.

As a result of this current industry upheaval, the standalone Idea revenue dropped to an unforeseen level at Rs. 86,627 million, a decline of 6.9% on sequential quarterly basis and standalone EBITDA fell to Rs. 21,655 million, a steep drop of 23.8%. The Q3FY17 EBITDA margin @ 25% is lower by 5.5% against EBITDA margin of 30.5% in Q2FY17, impacted by the free offerings of new operator along with minor effects of demonetisation.

In an effort to retain its existing mobile subscribers, Idea was forced to reduce on sequential quarterly basis its voice rates by 10.6% to 29.6 paisa per minute (vs. 33.1 paisa in Q2FY17) and drop its mobile data rates (ARMB) by 15.2% to 15.9 paisa per megabyte (vs. 18.7 paisa in Q2FY17). Despite an unprecedented outgoing voice rate fall, the lure of free offerings resulted in lower than normal volume elasticity with the quarterly sequential voice minutes growing only by 7.3% to 210 billion minutes (vs. 195.5 billion minutes in Q2FY17), that too led by double digit growth in incoming call volume. The higher blended voice realisation rate fall was also an outcome of the tsunami of minutes terminating on Idea's network from the new operator resulting in overall higher ratio of subsidised incoming minutes recovered at below cost IUC settlement rates.

The impact of free promotions was even more pronounced on mobile data business. Idea, for the first time, witnessed a decline of 5.5 million mobile data customers on sequential quarter basis with overall mobile data subscriber (2G+3G+4G) base receding to 48.6 million (vs 54.1 million in Q2FY17). In spite of a massive mobile data rate drop of 15.2% , mobile data volume elasticity was negligible as overall Idea mobile data volume grew only by 1.3% (vs Q2FY17) to 108.8 billion megabyte, though the per subscriber data usage grew marginally to 703 megabyte against 694 megabyte in Q2FY17. Consequently, the data ARPU per data subscriber (2G+3G+4G) fell to Rs. 111 against Rs. 130 in Q2FY17. The 'Non Voice Revenue' (including mobile data) contribution to the overall service revenue fell to 27.2% as mobile data revenue contribution declined to 20.2% level.

Separately on voice subscriber addition, Idea withstood the unprecedented attack by new entrant, adding a healthy 5.6 million new customers (on VLR) during the quarter taking the VLR subscriber EoP base to 192.1 million as on 31st December, 2016 – providing future platform for growth in Mobile Voice, Wireless Broadband, Digital Services and Mobile banking post this disruptive phase. Competitively, Idea continues to strengthen its market position with its Revenue Market Share (RMS) expanding to 18.7% (Q2FY17), an increase of 0.3% compared to Q2FY16, while maintaining its subscriber market share (on VLR) at 19.5% (November 2016).

In spite of short term challenges, Idea remains committed to the process of building world class mobile broadband services. The company is aggressively participating in the Digital India mission and is gearing to offer **'Pan India wireless broadband services (3G and/or 4G) by March/April 2017**' in all 22 telecom service areas from existing 17 service areas. As a part of this mission, in February, 2017 Idea launched its 4G services on 2100 MHz spectrum band in UP-East service area, expanding Idea 4G services to 12 telecom service areas.

Over the last two calendar years (2015 & 2016), Idea has expanded its telecom infrastructure by 69% adding 95,302 network sites (2G+3G+4G), including nearly quadrupling its Wireless Broadband sites (3G+4G) from 27,744 in Q3FY15 to 1,00,615 in Q3FY17. The wireless broadband population under coverage now reaches to nearly 500 million Indians in 17 service areas. During the same two years, the company has also increased its Fibre network by nearly 50% from 90,200 km (Q3FY15) to 133,800 km in Q3FY17. Idea's Gross Investment in Fixed Assets has risen now to over Rs 1,158 billion, an addition of ~Rs. 559 billion in last 24 months, and monetisation of this front loaded large investment is inevitable in future as Digital India mission gathers momentum. Idea's overall spectrum holding of 891.2 MHz across 900, 1800, 2100, 2300 & 2500 MHz, equips it with the ability to roll out Broadband Networks which can carry 15-20 times of current mobile data traffic.

While the company continues to expand its scale of operation, this tumultuous phase of the Industry has subdued Idea's EBITDA to Rs. 21,655 million. Further, last two years of high investments has increased the 'Depreciation and Amortization' charges to Rs. 19,653 million and 'Interest and Finance cost (net)' to Rs. 9,232 million thereby resulting in Idea reporting a PAT loss of Rs. 4,789 million on standalone basis in Q3FY17 – a first in last 40 quarters since its IPO in 2007.

The net debt as on 31st December, 2016 stands at Rs. 491.4 billion, including a larger proportion of this debt from DoT under 'Deferred payment obligation' for spectrum acquired in last four spectrum auctions. With adoption of Ind AS, the financials of Indus (Joint Venture) and ABIPBL (Associate) are consolidated at PAT level only. Accordingly, the consolidated Total Comprehensive Income (including share from Indus & ABIPBL) stands at Rs. (3,856) million against a surplus of Rs. 900 million in Q2FY17.

During this quarter, Idea subsidiary Aditya Birla Telecom Limited (ABTL) received approval from Mumbai High Court for reduction of its capital. As part of this reduction exercise, effective from February 01, 2017 P5 Asia

Holding Investments (Mauritius) Limited has received from ABTL Indus Shareholding @ 4.85%, consequently ABTL now holds only 11.15% in Indus Tower Limited.

In Q3FY17, Idea capex spend was Rs. 20 billion (excluding forex & interest capitalisation), partially funded by cash profit of Rs. 12.3 billion. Idea's vast network of 2,32,977 sites (1,32,362 2G sites, 66,661 3G sites, 33,954 4G sites) and 133,800 Kms of fibre now offers its GSM services to over 1 billion Indians across 4,00,000 towns and villages. Further, Idea's mobile broadband services are now available to around 500 million Indians across nearly 1,00,000 towns & villages in 17 service areas.

Idea added 9,009 4G sites during the quarter, reaching 33,954 4G sites, covering 37.6% of population (211 million Indians) spread across nearly 19,000 towns and villages in 11 service areas. Additionally, in Q3FY17, the company expanded its 3G network by 6,194 sites reaching overall 3G sites count to 66,661. Idea's own 3G services covers 57.2% of Indian population (395 million) spread across 89,000 towns and villages in 13 service areas. The company is gearing to expand its 3G services to 15 service areas on its own Spectrum with slated launch of 3G services in Rajasthan & Bihar telecom circles by March/April 2017.

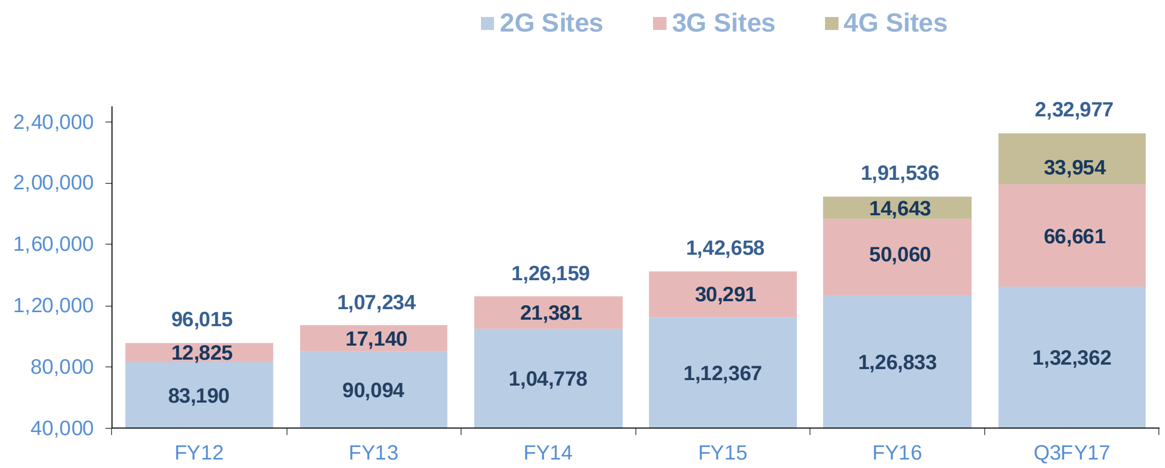
On 30th January, 2017 the company announced its arrival into the digital world with the launch of 3 new exciting Mobile Apps – Idea Music Lounge, Idea Movie Club, and Idea Game Spark – giving birth to a "Digital Idea". The new suite of integrated Digital Apps present one of the best ranges of entertainment content for Idea's 192 Million plus customer base. The company is targeting to cater to the growing demand for consumption of digitized content on mobile devices by evolving Indian mobile users. The company's mission for Digital Idea is based on the concept of Digital inclusion rather than disruption. With the launch of these Apps, Idea has begun its transformation from a 'Pure play mobile operator' to an 'Integrated Digital Services and Solutions Provider'.

The present large scale disruption in the sector signals that the industry is fast transitioning from the current fragmented 'multi-operator' structure to a more consolidated state. Idea with last 8 years of strong track record of execution, profitability & customer centricity is confident of strengthening itself as it marches on its mission of competitive & sustainable growth.

B. Capex

During the quarter, Idea rolled out 1,729 2G cell sites, 6,194 3G sites and 9,009 4G cell sites, a rollout of 16,932 sites. The total EoP site count stands at 2,32,977 – 1,32,362 for 2G, 66,661 for 3G and 33,954 for 4G. The total addition to the Gross Block including CWIP for the quarter was Rs. 20 billion (excluding forex & interest capitalisation).

The overall capex guidance remains at Rs. 75 - 80 billion including the launch of 3G & 4G services on the spectrum won in the October 2016 spectrum auction.

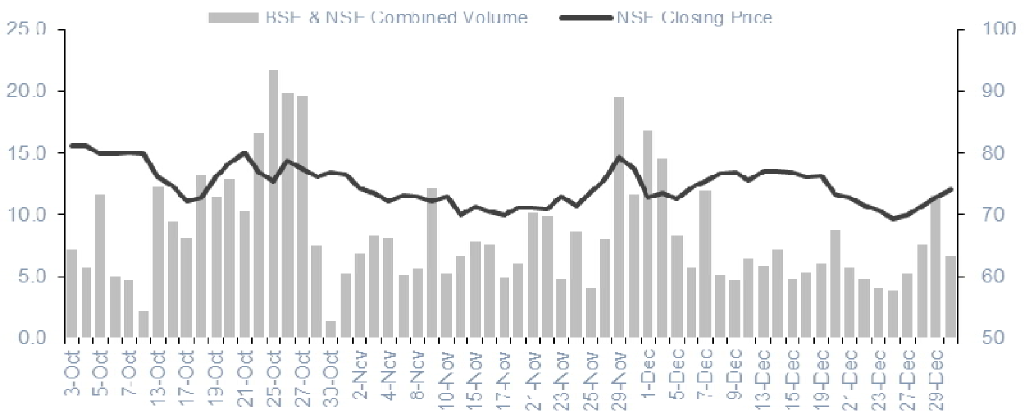


9. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/12/2016)	mn	3601.69
Closing Market Price - NSE (31/12/2016)	INR/share	74.15
Combined Volume (NSE & BSE) (01/10/2016 to 31/12/2016)	mn/day	8.5
Combined Value (NSE & BSE) (01/10/2016 to 31/12/2016)	INR mn/day	640.4
Market Capitalisation (31/12/2016)	INR bn	267
EPS for the Quarter (Annualised)	INR/share	-4.26
Enterprise Value (31/12/2016)	INR bn	758
Price to Earning	times	NA
Price to Cash Earning	times	5.4
Price to Book Value	times	1.2
EV/Annualised EBITDA	times	7.7

Idea Cellular Daily Stock Price (NSE) & Volume (Combined of BSE & NSE) Movement

Volume (no. of Shares in mn) Closing Price (INR)



10. Shareholding Pattern as on December 31, 2016:

Particulars	Idea Cellular Ltd.	
Promoter and Promoter Group	**No. of Shares**	**% holding**
Indian	1,528,847,547	42.45%
Foreign	-	
Public Shareholding	**No. of Shares**	**% holding**
Foreign Holding	1,712,276,517	47.54%
Indian Institutions	247,796,777	6.88%
Others	112,768,424	3.13%
Total	**3,601,689,265**	**100.00%**

11. Glossary

Definitions/Abbreviation	Description/Full Form
3G	Third Generation of Mobile Telephony
3G Subscriber	Any Subscriber forming part of EoP subscribers, having usage event on 3G network, during last 30 days
3G Data Subscriber	Any Data Subscriber with Data usage of more than 15MB on 3G network in last 30 days (excluding 3G data subscriber reported as 4G data subscriber)
4G Subscriber / 4G Data Subscriber	Any Subscriber with Data usage of more than 15MB on 4G network in last 30 days
Established service areas	Represent 15 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan, Himachal Pradesh, Punjab, Karnataka as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13 and Established Service Areas were 13, not including Mumbai and Bihar
ABG	Aditya Birla Group
Annualized EBITDA	Annualised figure of quarterly EBITDA
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
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ARPM (Average realisation per Minute)	ARPM is calculated as ARPU divided by MoUs/Subscriber
Average Subscribers	Average number of subscribers during the period is calculated as average of average subscribers for each month.
Book Value/Share	Is calculated as Net Worth divided by the number of outstanding equity shares
Churn	Churn relates to subscribers who are removed from the EoP base for no usages/usage of services below a threshold level.
Cash Profit	Is calculated as the summation of PAT, Depreciation, charge on account of ESOPs and Deferred Tax, for the relevant period.
Cash Earning / Share	Is calculated by dividing the cash profit for the period by weighted average number of outstanding equity shares.
Data Subscriber	Any Subscriber with data usage of more than 1MB in last 30 days from Q4FY14 till Q3FY15 Any Subscriber with data usage of more than 10MB in last 30 days from Q4FY15 till Q2FY16

Definitions/Abbreviation	Description/Full Form
	Any Subscriber with data usage of more than 15MB in last 30 days from Q3FY16 onwards
Data Revenue	Revenue from the use of data services including Blackberry services
Data Usage	Data consumed by Idea subscribers
Data ARPU	Is calculated by dividing data revenue for the relevant period by the average number of data subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the Data ARPU per month figure
Data ARMB	Is calculated by dividing data revenue for the relevant period by the Data usage in MB during the period
EBIT	Earnings Before Interest and Tax
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from total income. Total income is comprised of service revenue, sales of trading goods and other income. Operating expenditure is comprised of cost of trading goods, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses
Effective Tax Rate	Is calculated as tax charged to Profit and Loss Account divided by PBT (excluding Indus Dividend)
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt
EPS	Earning per share, is calculated by dividing the Profit after Tax for the period by the weighted average number of outstanding equity shares
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard for mobile telephony in the world
Gross Investment in Fixed Assets	Till FY16 – it Is considered as equal to reported Gross Block +CWIP under IGAAP From Q1FY17 onwards, Additions during the period (net of deletion) is added to Gross Block + CWIP (as per IGAAP) value of March 31, 2016
Gross Revenue	Is the summation of service revenue, revenue from sale of trading goods and other income.
Ind AS	Indian Accounting Standard
Indian GAAP	Indian Generally Accepted Accounting Principles
IRU	Indefeasible right of use

Definitions/Abbreviation	Description/Full Form
Incremental Revenue Market Share	Is calculated as change in absolute revenue for Idea divided by change in absolute revenue for mobile Industry during the relevant period
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period.
MoUs/Sub (Average Minutes of Usages per Subs)	Is calculated as, total Minutes of Use by mobile subscriber during the period divided by the average of subscribers during the period
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
New Service Areas	represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar.
NSE	National Stock Exchange
PBT	Profit before Tax
PAT	Profit after Tax
Price to Book Value	Is calculated by dividing the closing market price at the end of the period (NSE) by the Book Value/ Share
Price to Cash Earning	Is calculated by dividing the closing market price at the end of the period (NSE) by the annualised Cash Earning/Share
Price to Earning	Is calculated by diving the closing market price (NSE) at the end of the period by the annualised EPS
ROCE	ROCE is calculated as a) for the year PAT plus net Interest and Finance Cost Less Tax at effective rate divided by average capital employed for the year, b) for the quarter : PAT (excluding non-recurring income) net Interest and Finance Cost Less Tax at effective rate for the quarter is annualised and increased by non-recurring income and then divided by average capital employed for the quarter. Capital employed is taken as the average of opening and closing of Shareholders Funds and Net Debt reduced by the debit balance of P&L account (If any), for the respective period
Service Area	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.