



27<sup>th</sup> July, 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 – 30<sup>th</sup> June, 2017**

**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 first quarter ended 30<sup>th</sup> June, 2017.

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

Thanking you,

Yours truly,

**For Idea Cellular Limited**

A handwritten signature in blue ink, appearing to read "Pankaj Kapdeo".

**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.

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – First Quarter Ended June 30, 2017



**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 31<sup>st</sup> 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.

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## 1. 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.

## 2. Performance at a glance – Idea Standalone

Particulars	Unit	Ind AS		Ind AS		IGAAP		
		Q1FY18	Q4FY17	FY 17	FY 16	FY 15	FY 14	FY 13
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	189.0	189.5	189.5	175.1	157.8	135.8	121.6
2G - Cell Sites (EoP)	nos.	131,059	131,486	131,486	126,833	112,367	104,778	90,094
3G - Cell Sites (EoP) (U2100+U900)	nos.	70,810	69,202	69,202	50,060	30,291	21,381	17,140
4G - Cell Sites (EoP) (L1800+L2100)	nos.	46,576	40,852	40,852	14,643			
Total Minutes of Use	Mn	250,729	231,372	836,012	785,975	683,427	587,768	532,120
Total Data Volume (2G+3G+4G)	Mn MB	252,822	127,014	436,422	297,920	172,531	79,381	37,381
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	81,665	81,261	355,757	359,494	315,548	265,036	225,949
EBITDA <sup>1</sup>	Rs mn	18,753	21,199	102,436	120,063	97,941	73,883	53,715
PAT	Rs mn	(6,170)	(4,300)	(4,075)	23,781	34,772	17,932	10,080
Cash Profit <sup>2</sup>	Rs mn	9,608	12,494	69,385	99,011	84,820	64,350	46,968
Gross Investment in Fixed Assets	Rs mn	1,195,470	1,184,914	1,184,914	986,633	613,841	571,211	446,007
Net Worth	Rs mn	244,854	250,990	250,990	232,642	228,518	158,787	141,808
Loan Funds	Rs mn	541,667	550,546	550,546	405,413	258,754	193,616	126,688
Cash & Cash Equivalent	Rs mn	2,419	49,825	49,825	20,996	130,714	1,761	10,806
Net Debt	Rs mn	539,249	500,721	500,721	384,417	128,041	191,855	115,881
Net Debt to EBITDA <sup>3</sup>	unit	7.19	5.91	4.89	3.20	1.31	2.60	2.16
Net Debt to Net Worth	unit	2.20	1.99	1.99	1.65	0.56	1.21	0.82
ROCE	%	-0.3%	0.4%	2.6%	7.5%	10.7%	7.2%	6.0%

<sup>1</sup> Forex loss/gain, earlier forming part of pre-EBITDA cost, has been regrouped with Interest and Finance Cost in Q1FY18. EBITDA for earlier periods is restated to reflect the same.

<sup>2</sup> Dividend received from Indus is considered while calculating standalone (Idea+ Subsidiaries) PAT and Cash Profit.

<sup>3</sup> 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 18.8% (Q4FY17). In the 15 Established Service Areas, its RMS stands at a strong level of 21.8% (Q4FY17). The company carried around 2.76 billion minutes on a daily basis during Q1FY18. 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 March 31, 2017). Company is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 307 billion (as on June 30, 2017).

### 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 35 countries. The Aditya Birla



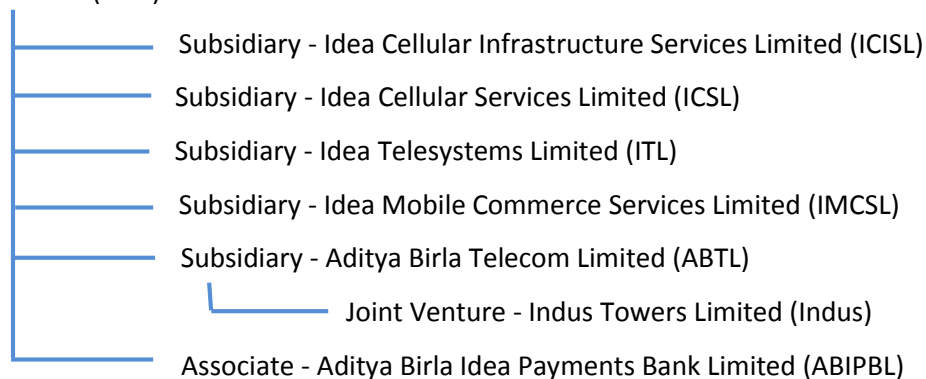
group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, retail, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries etc. The Group currently has shareholding of 42.39% in Idea, through following entities;

Aditya Birla Nuvo Ltd.	23.22%
Birla TMT Holdings Pvt. Ltd.	7.86%
Hindalco Industries Ltd.	6.33%
Grasim Industries Ltd.	4.74%
Others	0.23%
<b>Total</b>	<b>42.39%</b>

**Axiata Group Berhad**, through its affiliates, has 19.74% 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, Nepal and Pakistan 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 320 million mobile subscribers in Asia and provides employment to 25,000 people across Asia.

## B. Corporate Structure

Idea Cellular Limited (Idea)



ICISL – A tower company owning towers (with transfer of towers from Idea to ICISL, it now owns almost 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% 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).

## 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 the highest renewal among the incumbent operators, at 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	~4 years
Mumbai, Bihar	2	1800 MHz	2026	~9 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, ~85% of its subscribers and ~69% of national mobile industry revenue. Idea launched its 3G services in Bihar & Rajasthan in Q4FY17. As of 30<sup>th</sup> June, 2017 Idea 3G services has expanded on its own spectrum to (excluding 3G ICR) to 4,304 towns and 89,172 villages in 15 service areas covering 422 million Indians, representing 47.1% of population in these 15 service areas.



**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 (excluding Delhi & Kolkata), 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 acquired spectrum to address the future requirement of capacity. The company now holds 57 4G carriers (across 20 service areas) 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.

The company launched 4G services in Mumbai circle in May, 2017. With this company has completed its 4G footprint in all the 20 Service areas where Idea own 4G Spectrum. As on 30<sup>th</sup> June, 2017, Company's 4G services are available in 4,113 towns and 42,566 villages across 20 service areas, covering 353 million Indians, representing 30.2% of population in these 20 circles.

**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 3 million Indian and international music tracks, which will be expanding to nearly 20 million tracks soon and is available on Google Play Store and 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. As of June 30, 2017 around 2 million customers have installed the app.
- **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 are 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. As of June 30, 2017 more than 1.5 million customers have installed the app.



- **Idea Game Spark** is the ultimate gaming destination with a collection of over 1,600 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. As of June 30, 2017 over 6,80,000 customers have installed Idea Game Spark app.

On promotional basis, these apps are currently offered free for Idea Subscribers and soon company will be offering these at competitive pricing. With the launch of these apps the company has taken one more step towards 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 almost 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 to the 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 148,100 km OFC, in comparison to 95,100 km two years back (Q1 FY16), an addition of over 53,000 km of fibre in last 2 years. Idea has over 10,420 OFC PoPs (4G, 3G & 2G) in all Circles. The fibre backhaul network of the company optimally serves its 2G/ 3G/4G/ NLD/ ILD/ ISP/Fixed & Wi-Fi 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	
		Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17	QoQ	YoY
Total NLD Minutes	mn	22,030	18,254	16,434	16,418	15,899	20.7%	38.6%
Total ILD Minutes	mn	2,299	2,192	2,542	2,628	2,910	4.9%	-21.0%
ISP Capacity*	Gbps	553.0	325.0	246.0	235.0	204.0	70.2%	171.1%
Optical Fibre Cable (OFC)*	KM	148,100	144,600	133,800	126,000	120,700	2.4%	22.7%
PoPs	Nos.	10,420	9,840	8,820	8,160	7,650	5.9%	36.2%

\*Approx capacity

### 3. Idea Mobile Banking Services -

To comply with the conditions prescribed by RBI for setting up 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 as and when ABIPBL is ready to commence its operation, for which permission is yet to be received from RBI. The latest status of Idea Mobile Banking services is as follows.

#### **Prepaid Payment Instrument (PPI)**

PPI is commonly known as semi closed wallet. IMCSL commenced PPI services in July 2014 and currently operates through retailer service points in 17 Circles. IMCSL is acquiring new mobile wallet customers digitally through IMCSL Web and IMCSL App across Pan India. Idea Money wallet is also available on Android and iOS platform and can be opened with minimum KYC for balance up to Rs. 20,000/-. 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 transfers (only Idea Money to Idea Money). Idea Money has tie ups with online and offline merchants like Book My show, Dominos, Bajaj Allianz, LIC etc. Idea Money wallet also caters to Domestic Money Remittance (DMR) through retailer assisted model. Total throughput for DMR during Q1FY18 stands at Rs. 4,104 million.

The above Services are available to non-data users through our retailer assisted touch points. During the quarter ended June 30, 2017 Idea added 0.7 million new wallet customers. Idea Money as of 30<sup>th</sup> June, 2017 has EOP base of more than 11.8 million PPI mobile wallet customers and efforts are on to exponentially increase the number of active PPI digital wallet users.

Details with reference to PPI business excluding DMR are as follows

	Unit	For the Quarter					QoQ Growth
		Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17	
EOP Wallet	000	11,760	11,012	7,006	5,012	3,407	6.8%
Transaction Value	INR Mn	2,194	2,961	1,400	1,055	779	-25.9%
Transaction Count	000	2,434	6,891	4,139	3,321	2,747	-64.7%
Average Transaction Value	INR	901	424	338	317	334	112.5%



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## **Payments Bank -**

Aditya Birla Idea Payments Bank Limited (ABIPBL) on April 03, 2017, received final banking license from RBI. The Payments Bank services are slated to be launched in FY18 after other necessary regulatory approvals. The company will acquire and service new Payments Bank customers both 'Online' leveraging the power of around 40 million digital customers of Idea and ABG as well as 'Offline' leveraging the strength of Idea's 2 Million+ retail distribution channel partners 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 Demand Deposits, 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	5
Kerala	6.0	10.0	5.0	21.0	10.0	10.0	20.0	62.0	√	1	5
Madhya Pradesh	7.4	11.6	5.0	24.0	10.0	20.0	30.0	78.0	√	2	7
Uttar Pradesh (West)	5.0	9.4	5.0	19.4		10.0	10.0	48.8	√	1	4
Gujarat	5.0	10.0	5.0	20.0		10.0	10.0	50.0	√	1	4
Andhra Pradesh	5.0	6.0	5.0	16.0		10.0	10.0	42.0	√	1	3
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	4
<b>8 Leadership Circle (Sub Total)</b>	<b>49.0</b>	<b>78.8</b>	<b>40.0</b>	<b>167.8</b>	<b>30.0</b>	<b>80.0</b>	<b>110.0</b>	<b>445.6</b>		<b>10</b>	<b>32</b>
Uttar Pradesh (East)		6.2	10.0	16.2		10.0	10.0	42.4	√	1	3
Rajasthan		11.2	5.0	16.2		10.0	10.0	42.4	√	1	3
Bihar		10.80	5.0	15.8		10.0	10.0	41.6	√	1	3
Himachal Pradesh		9.8	5.0	14.8		10.0	10.0	39.6	√	1	3
Delhi	5.0	8.6		13.6				27.2	√	1	0
Mumbai		6.4	5.0	11.4				22.8	√		1
Karnataka	5.0	6.0		11.0				22.0	√		1
<b>7 Emerging Circle (Sub Total)</b>	<b>10.0</b>	<b>59.0</b>	<b>30.0</b>	<b>99.0</b>		<b>40.0</b>	<b>40.0</b>	<b>238.0</b>		<b>5</b>	<b>12</b>
Tamil nadu		11.4		11.4				22.8	√		1
Kolkata		5.0	5.0	10.0				20.0	√	1	
West Bengal		11.40		11.4		10.0	10.0	32.8	√		3
Orissa		10.0		10.0		10.0	10.0	30.0	√		3
Assam		10.0		10.0		10.0	10.0	30.0	√		3
North East		11.0		11.0		10.0	10.0	32.0	√		3
Jammu & Kashmir		10.0	5.0	15.0		10.0	10.0	40.0	√	1	3
<b>7 New Circle (Sub Total)</b>		<b>68.8</b>	<b>10.0</b>	<b>78.8</b>		<b>50.0</b>	<b>50.0</b>	<b>207.6</b>		<b>2</b>	<b>14</b>
<b>Total 22 Circle</b>	<b>59.0</b>	<b>206.6</b>	<b>80.0</b>	<b>345.6</b>	<b>30.0</b>	<b>170.0</b>	<b>200.0</b>	<b>891.2</b>	<b>22</b>	<b>17</b>	<b>57</b>

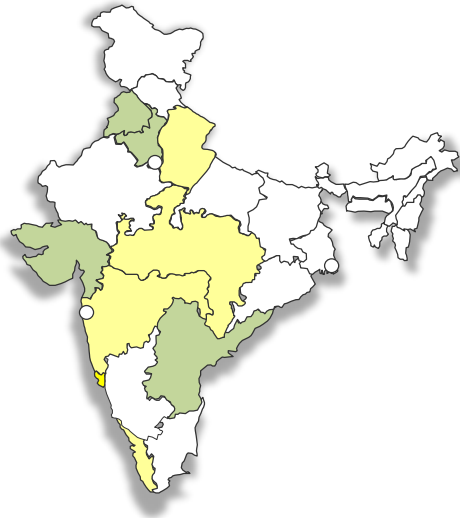
\*FDD spectrum consisting of uplink and downlink

5 MHz of paired FDD spectrum = 1 carrier, 10 MHz of unpaired TDD spectrum =1.5 carrier.

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

The incumbency advantage coupled with the benefit of 900 MHz GSM spectrum along with 3G & 4G services give Idea an absolute leadership status in eight service areas with combined RMS of 30.8% (Q4FY17). Idea Cellular has further strengthened its position in these service areas with acquisition of 4G spectrum in Gujarat and UPW in Oct'16 Spectrum Auction. It has acquired incremental 1800 MHz spectrum in the 6 service areas of Gujarat, Uttar Pradesh (West), Maharashtra, Madhya Pradesh, Punjab and Haryana which coupled with the earlier spectrum holding in these circles and Kerala results in 10 MHz of contiguous 1800 MHz 4G spectrum (2 carriers) in 7 out of these 8 markets (excl. Andhra Pradesh). The company now owns total 42 broadband carriers in these 8 service areas which will enable it to further strengthen its leadership position. Idea has also acquired 2300 MHz Spectrum

in 3 Service Areas of Maharashtra, Madhya Pradesh & Kerala (planned launch in FY18) and 2500 MHz Spectrum in seven service areas (slated for launch in FY18 and FY19).



8 Established Service Areas				
Service Areas	RMS Q4FY17*	RMS Rank	Spectrum Profile	
M. P.	43.3%	1	2G/3G/4G	<ul style="list-style-type: none"> <li>• ~41% of India Mobility Revenue and ~67% of Idea Revenue</li> <li>• Incremental RMS @~155% - Q4FY17 vs Q4FY14</li> </ul>
Kerala	38.8%	1	2G/3G/4G	
Maharashtra	33.1%	1	2G/3G/4G	
UP – W	32.4%	1	2G/3G/4G	
Haryana	27.4%	2	2G/3G/4G	
Punjab	25.4%	2	2G/3G/4G	
A. P.	24.3%	2	2G/3G/4G	
Gujarat	22.3%	2	2G/3G/4G	
<b>Total</b>	<b>30.8%</b>	<b>1</b>		

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

Idea has rolled out both 3G and 4G services in all these 8 strategically important service areas and ~77% of existing GSM sites are upgraded to offer Broadband Services (3G or 4G). Further, Idea has launched 3G 2<sup>nd</sup> Carrier on 900 MHz in the service areas of Maharashtra and Madhya Pradesh during Q4FY16 to increase wireless broadband capacity. 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. With the spectrum acquisition in Oct'16 Spectrum Auction, Idea now has

7 Emerging Service Areas				
Service Areas	RMS Q4FY17*	RMS Rank	Spectrum Profile	
H.P.	11.9%	2	2G/3G/4G	<ul style="list-style-type: none"> <li>• ~39% of India Mobility Revenue and ~26% of Idea Revenue</li> <li>• Incremental RMS @ ~41% - Q4FY17 vs Q4FY14</li> </ul>
Bihar	14.6%	2	2G/3G/4G	
UP – E	13.7%	3	2G/3G/4G	
Rajasthan	13.3%	3	2G/3G/4G	
Delhi	12.2%	3	2G/3G	
Karnataka	11.6%	3	2G/4G	
Mumbai	9.8%	4	2G/4G	
<b>Total</b>	<b>12.4%</b>	<b>3</b>		

\*Gross Revenue for Mobile & UAS Licenses released



capability to offer broadband services in all of these 7 service areas. Idea has 4G spectrum on 1800/2100 MHz FDD band in 6 service areas (excl. Delhi) and 3G spectrum in 5 service areas (excl. Karnataka & Mumbai). The Company has also acquired 2500 MHz 4G Spectrum in 4 Service Areas & services on TDD band are expected to be launched in FY19. The company now has 17 Broadband carriers in these 7 service areas.

Company has launched 4G Services in Mumbai in May, 2017. With launch in Mumbai, Idea now offers 3G services in 5 services areas and 4G services on 1800/2100 MHz FDD Band in 6 service areas out of these 7 service areas. Idea has upgraded ~43% of its existing GSM sites in these 7 service areas to offer Broadband Services (3G or 4G).

#### **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 with 1800 MHz spectrum acquired in November 2012 auction. In Oct'16 Auction Idea had expanded its 4G presence on 1800 MHz FDD band to 6 out of these 7 markets (ex. Kolkata). Company now offers Broadband services in all 7 service areas with overall 16 broadband carriers.

Company offers 4G services on 1800 MHz FDD band in six service areas and 3G services in two service areas. Idea has upgraded ~46% of its existing GSM sites to offer Broadband Services (3G or 4G). The company also acquired 2500 MHz Spectrum in 5 out of these 7 Circles and intends to launch services on TDD band in FY19. As Idea expands its 2G, 3G & 4G network in these new markets, the company, has a quarterly EBITDA loss of Rs. 1,416 million million in Q1FY18.

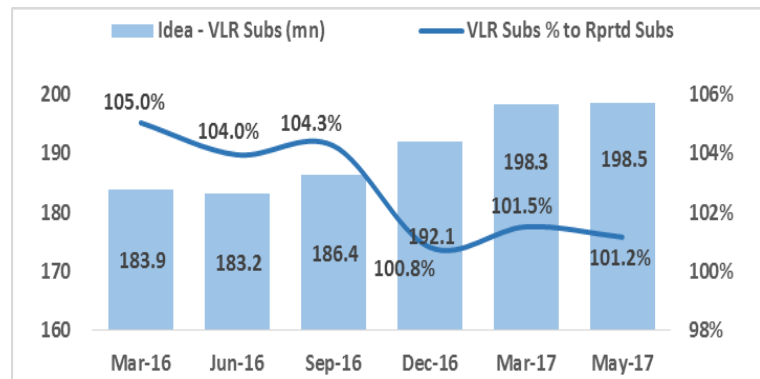
7 New Service Areas				
Service Areas	RMS Q4FY17*	RMS Rank	Spectrum Profile	<ul style="list-style-type: none"> <li>• ~20% of India Mobility Revenue and ~7% of Idea Revenue</li> <li>• Absolute RMS gain of 2.7% over last 3 years from Q4FY14</li> </ul>
WB	10.1%	3	2G/4G	
TN	6.3%	4	2G/4G	
Assam	5.6%	4	2G/4G	
Kolkata	8.1%	4	2G/3G	
NESA	4.2%	5	2G/4G	
J&K	6.9%	5	2G/3G/4G	
Orissa	6.1%	6	2G/4G	
<b>Total</b>	<b>7.0%</b>	<b>4</b>		

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

#### **E. 199 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 March, 2017) servicing around 199 million quality subscribers on VLR as of June 30, 2017. 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 (May, 2017) 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 May, 2017 Idea has 101.2% of reported subscribers as VLR subscribers, which is highest in the industry. Idea's EoP subscriber market share (on VLR) at the end of May, 2017 stands at 19.5% and Idea



Source: TRAI

is the second largest operator based on VLR subs. In last 12 months from May, 2016 to May, 2017 Industry added ~87 million subscriber on VLR. The new entrant itself added ~89 million subscribers causing loss of subscribers to most of the other operators. Despite the prolonged period of free services, followed by heavily discounted promotional offers by the new entrant Idea was able to hold its subscriber base and further added a healthy ~16 million VLR subscribers during this same 12 month period. With nearly 199 million VLR subscribers, the large consumer base 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 ~236 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 78 months in the MNP space, Idea has maintained leadership position on overall MNP Net Adds. As on June 30, 2017 Idea has a net MNP gain of over 23 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 122,920 towers and tenancy ratio of 2.42 as of June 30, 2017.

- Own Towers

Besides investment in Indus Tower, Idea through ICISL, owns 9,984 towers as on June 30, 2017. There are 17,699 tenants on these towers at a tenancy ratio of 1.77. During the last 12 months the company has added 224 towers and 1,456 tenancies as it reorganized 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				
		Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Owned Towers (EoP)	No.	9,984	9,977	9,838	9,772	9,760
Tenancy Ratio - Owned Towers	Times	1.77	1.72	1.68	1.68	1.66
Number of Tenants	No.	17,699	17,210	16,549	16,392	16,243

## 5. Financial Highlights

### A. Profit & Loss Account (Rs mn)

	Ind AS				
	Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Gross Revenue	81,665	81,261	86,627	93,002	94,866
Opex	62,911	60,063	64,710	64,630	63,919
EBITDA	18,753	21,199	21,917	28,373	30,948
EBITDA Margin	23.0%	26.1%	25.3%	30.5%	32.6%
Depreciation & Amortisation	20,679	19,885	19,653	19,543	19,192
EBIT	(1,926)	1,314	2,265	8,830	11,756
Interest and Financing Cost (net)	11,538	9,366	9,495	8,725	9,429
Dividend from Indus	2,657	-	-	-	3,623
PBT	(10,807)	(8,052)	(7,230)	105	5,949
Tax	(4,637)	(3,752)	(2,442)	62	978
PAT (standalone)	(6,170)	(4,300)	(4,789)	43	4,971
Cash Profit	9,608	12,494	12,276	19,407	25,209
<b>Consolidation Impact</b>					
Elimination on Dividend recd from Indus	(2,657)	-	-	-	(3,623)
Share of Profit from Indus & Payments Bank	818	983	1,143	1,057	1,035
Deferred Tax on Undistributed earnings of Indus	140	(41)	193	186	179
Consolidated PAT	(8,150)	(3,277)	(3,839)	914	2,204
Other comprehensive income (net of Tax)	(10)	21	(17)	(14)	(33)
Total comprehensive income for the period	(8,159)	(3,256)	(3,856)	900	2,171

## B. Balance Sheet (Rs mn)

Particulars	Idea Consolidated as on	
	30-Jun-17	31-Mar-17
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	230,980	228,443
Capital work-in-progress	8,933	13,303
Goodwill	61	61
Intangible assets	558,522	539,128
Capital work-in-progress -Intangible assets	36,407	62,048
<b>Financial assets</b>		
Deferred Tax Assets	436	369
Non-current investments	12,371	14,785
Long term loans	26	26
Other non-current financial assets	4,816	4,865
Other non-current assets	25,318	27,694
<b>Total non-current assets (A)</b>	<b>877,870</b>	<b>890,722</b>
<b>Current assets</b>		
Inventories	478	588
<b>Financial assets</b>		
Current investments	1,760	48,998
Trade receivables	11,917	13,139
Cash and cash equivalents	613	782
Bank balance other than cash and cash equivalents	46	45
Short term loans	20	21
Other current financial assets	658	399
Current Tax Assets (Net)	29	25
Other current assets	13,354	12,312
<b>Total current assets (B)</b>	<b>28,875</b>	<b>76,309</b>
<b>Assets classified as held for sale (C)</b>	<b>8</b>	<b>16</b>
<b>Total Assets (A+B+C)</b>	<b>906,753</b>	<b>967,047</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	36,064	36,053
Other equity	203,066	211,269
<b>Total equity (A)</b>	<b>239,130</b>	<b>247,322</b>
<b>Non-Current Liabilities:</b>		
<b>Financial liabilities</b>		
Non-current borrowings	515,995	516,378
Other non-current financial liabilities	12,676	10,382
Long term provisions	4,025	3,842
Deferred tax liabilities (net)	8,323	13,587
Other non-current liabilities	5,188	4,920
<b>Total Non-Current Liabilities (B)</b>	<b>546,208</b>	<b>549,110</b>
<b>Current Liabilities:</b>		
<b>Financial liabilities</b>		
Current borrowings	12,399	347
Trade payable	37,329	40,777
Current maturities of long term debt	13,274	33,820
Other financial liabilities	26,564	68,740
Other current liabilities	31,568	26,732
Short term provisions	281	199
<b>Total Current Liabilities (C)</b>	<b>121,414</b>	<b>170,615</b>
<b>Total equity and liabilities (A+B+C)</b>	<b>906,753</b>	<b>967,047</b>

## 6. Pro-forma Revenue and Profitability Break-up

Rs mn

Revenue Break-up	For the Quarter	
	Q1FY18	Q4FY17
Gross Revenue - Established Service Areas	75,784	75,260
Gross Revenue - New Service Areas	5,881	6,002
<b>Total Revenue</b>	<b>81,665</b>	<b>81,261</b>

EBITDA Break-up	For the Quarter	
	Q1FY18	Q4FY17
EBITDA -Established Service Areas	20,169	22,445
EBITDA - New Service Areas	(1,416)	(1,246)
<b>EBITDA - Idea Standalone</b>	<b>18,753</b>	<b>21,199</b>
EBITDA Contribution - Indus, ABIPBL	2,167	2,486
<b>EBITDA - Incl. Indus &amp; ABIPBL Contribution</b>	<b>20,920</b>	<b>23,685</b>

EBITDA Margin	For the Quarter	
	Q1FY18	Q4FY17
EBITDA % - Established Service Areas	26.6%	29.8%
EBITDA % - New Service Areas	-24.1%	-20.8%
<b>EBITDA % - Idea Standalone</b>	<b>23.0%</b>	<b>26.1%</b>
<b>EBITDA % - Incl. Indus &amp; ABIPBL Contribution</b>	<b>25.6%</b>	<b>29.1%</b>

Dep. & Amort. Break-up	For the Quarter	
	Q1FY18	Q4FY17
Dep & Amort. - Idea Standalone	20,679	19,885
Dep. & Amort. Cost - Indus, ABIPBL	785	813
<b>Dep. &amp; Amort. - Incl. Indus &amp; ABIPBL Contribution</b>	<b>21,465</b>	<b>20,697</b>

EBIT Break-up	For the Quarter	
	Q1FY18	Q4FY17
EBIT - Idea Standalone	(1,926)	1,314
<b>EBIT Contribution - Indus, ABIPBL</b>	<b>1,382</b>	<b>1,674</b>
<b>EBIT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(544)</b>	<b>2,988</b>

Interest & Finance Cost Break-up	For the Quarter	
	Q1FY18	Q4FY17
Gross Interest Cost - Idea Standalone	11,241	10,816
Gross Interest Income - Idea Standalone	(152)	(684)
Forex Loss/ (Gain)	449	(766)
<b>Int. &amp; Fin. Cost (net) - Idea Standalone</b>	<b>11,538</b>	<b>9,366</b>
Int. & Fin. Cost (net) - Indus , ABIPBL	107	159
<b>Int &amp; Fin Cost (net) - Incl. Indus &amp; ABIPBL Contribution</b>	<b>11,646</b>	<b>9,525</b>

Dividend from Indus	2,657	-
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Tax Break-up	For the Quarter	
	Q1FY18	Q4FY17
Tax - Idea Standalone	(4,637)	(3,752)
Tax - Indus, ABIPBL	456	532
<b>Tax - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(4,180)</b>	<b>(3,220)</b>

PAT Break-up	For the Quarter	
	Q1FY18	Q4FY17
PAT - Idea Standalone	(6,170)	(4,300)
<b>PAT Contribution - Indus, ABIPBL</b>	<b>818</b>	<b>983</b>
Deferred Tax impact on Undistributed Indus Profit	140	(41)
<b>PAT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(8,150)</b>	<b>(3,277)</b>

### Note:

- 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.
- The proportionate share of Indus revenue is largely eliminated while consolidating with Idea. Hence, for the purpose of this presentation Indus Revenue is ignored.
- Indus financials are being consolidated @ 11.15% w.e.f. February 01, 2017 and @16% prior to that.

## 7. Key Operational Indicators – Idea Standalone

Overall Business	Unit	For the Quarter				
		Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Subscriber Base (EoP) (2G+3G+4G)	mn	189.0	189.5	185.2	178.8	176.2
VLR Subscribers (EoP)	mn	199.0	198.3	192.1	186.4	183.2
Net VLR Subscriber addition	mn	0.6	6.2	5.6	3.2	(0.7)
Pre-paid Subs (% of EoP subscribers)	%	95.6%	95.6%	95.5%	95.3%	95.4%
Number of 3G Devices (Including 4G devices)	mn	79.9	78.1	75.7	70.4	61.4
Out of Above - 4G Devices	mn	31.8	24.3	20.4	19.3	14.2
3G Devices (Incl. 4G) Penetration (on EoP)	%	42.3%	41.2%	40.9%	39.4%	34.8%
Average Revenue per User (ARPU) Blended	INR	141	142	157	173	181
Average Voice Revenue Per User (Voice ARPU)	INR	108	107	114	122	130
Average Minutes of Use per User (MoU)	min	441	412	385	368	379
Average Realisation per Minute (ARPM)	paisa	32.0	34.5	40.7	47.0	47.7
Average Realisation per Minute (Voice ARPM)	paisa	24.4	25.9	29.6	33.1	34.3
Post-paid Churn	%	3.3%	3.6%	3.5%	3.1%	3.0%
Pre-paid Churn	%	6.8%	6.2%	6.1%	5.5%	5.3%
Blended Churn	%	6.7%	6.1%	6.0%	5.4%	5.2%
2G Coverage - No. of Census Towns	no.	7,693	7,693	7,695	7,681	7,634
2G Coverage - No. of Villages	no.	387,863	389,061	393,257	390,874	386,403
2G Coverage - Population	Mn	995	996	1,002	999	992
% of Population (22 Circles)	%	82.2%	82.3%	82.8%	82.5%	82.0%
3G Coverage - No. of Census Towns	no.	4,304	4,221	4,153	4,099	3,975
3G Coverage - No. of Villages	no.	89,172	88,045	83,693	73,336	57,163
3G Coverage - Population	Mn	422	409	395	377	349
% of Population (15 Circles)*	%	47.1%	45.6%	57.2%	54.7%	50.6%
4G Coverage - No. of Census Towns	no.	4,113	3,363	2,898	2,343	1,968
4G Coverage - No. of Villages	no.	42,566	19,811	15,720	7,495	5,191
4G Coverage - Population	Mn	353	272	211	171	151
% of Population (20 Circles)*	%	30.2%	23.6%	37.6%	30.9%	27.3%

\*In case of 4G Population Coverage figures represents 20 circles for Q1FY18, 19 Circles for Q4FY17 and 11 circles before that. In case of 3G Population Coverage figures represents 15 circles from Q4FY17 onwards and 13 circles before that.



Overall Business	Unit	For the Quarter				
		Q1FY18	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Total Minutes of Use	mn	250,729	231,372	209,828	195,504	199,307
Total 2G Cell Sites (EoP)	no.	131,059	131,486	132,362	130,633	127,835
Total 3G Cell Sites (EoP)	no.	70,810	69,202	66,661	60,467	51,231
Total 4G Cell Sites (EoP)	no.	46,576	40,852	33,954	24,945	19,939
Towers - Rented Indus (EoP)	no.	69,238	69,688	70,661	69,618	67,743
Towers - Rented Others (EoP)	no.	53,807	53,732	53,438	52,121	50,509
Owned Towers (EoP)	no.	9,984	9,977	9,838	9,772	9,760
Tenancy Ratio - Owned Towers	times	1.77	1.72	1.68	1.68	1.66
<b>Non-Voice and Data Business (2G+3G+4G)</b>						
VAS as a % of Service Revenue	%	23.6%	24.9%	27.2%	29.6%	28.2%
Data as a % of Service Revenue	%	17.1%	18.3%	20.2%	21.9%	20.6%
Non-Data VAS as a % of Service Revenue	%	6.5%	6.6%	7.0%	7.7%	7.6%
Total Data Suscribers (2G+3G+4G)*	000	38,122	42,233	48,583	54,063	49,050
Total Data Volume (2G+3G+4G)	Mn MB	252,822	127,014	108,843	107,439	93,127
Blended Data ARMB	paisa	5.4	11.5	15.9	18.7	21.1
Data ARPU for Data Subscriber (2G+3G+4G)	INR	119	110	111	130	142
Data Usage by Data Subscriber (2G+3G+4G)	MB	2,204	957	703	694	674
<b>Broadband Business (3G+4G) - Network KPIs</b>						
3G Data Volume	Mn MB	161,179	85,549	72,048	69,611	61,914
4G Data Volume	Mn MB	67,626	18,674	12,407	10,250	4,939
Broadband Data Uages by Broadband Subs	MB	3,083	1,381	971	922	889
<b>Broadband Business (3G+4G) Subscribers KPIs</b>						
3G Data Subscribers	000	19,881	21,614	24,485	27,630	25,200
4G Data Subscribers	000	6,476	3,069	2,541	3,073	1,800
Data ARPU for Broadband Subs**	INR	130	138	141	160	174

\*Refer revised definition for Data Subscriber

\*\*Including data revenue for use on 2G network

## 8. Management Discussion & Analysis

### A. Operating Performance

#### Mobile Services Industry continues to witness disruption

The upheaval in the Indian wireless industry continued in Q1FY18, despite the new entrant slowly migrating from 'Free Services' to 'Paid Services' but with heavily discounted unlimited voice and data pricing plans. Amidst this market aggression, existing operators including Idea also introduced similar competitive unlimited price plans, which is likely to result in decline of industry revenues, although the impact of the same is expected to be more pronounced on non-4G operators. These aggressive tariff offerings by Idea, led by unlimited voice and data bundled plans, resulted in steep decline of voice and mobile data realisation rates. However, for the company, the fall in realisation rates was largely compensated by a substantial volume growth in both mobile voice and data segments. As a result, Idea standalone revenue of Rs. 81,665 million in Q1FY18 registered a marginal growth of 0.5% compared to Rs. 81,261 million in Q4FY17.

During Q1FY18, the sequential quarterly voice minutes grew by a healthy 8.4% to 250.7 billion minutes (vs. 231.4 billion minutes in Q4FY17), while the voice realisation rate fell by 5.7% to 24.4 paisa/min (vs. 25.9 paisa in Q4FY17). Mobile data volume witnessed a meteoric growth of 99.1% on sequential quarterly basis as Idea's large Pan India network, primarily its Wireless Broadband Network, carried 252.8 billion Mega Bytes in Q1FY18, nearly double the traffic consumption in Q4FY17. However, the mobile data rate (ARMB) saw an unprecedented decline of 52.9%, reaching to as low as 5.4 paisa/MB (vs. 11.5 paisa in Q4FY17).

In spite of the current challenging industry scenario, Idea has been successful in sustaining its market competitiveness and added 15.8 million VLR subscribers over last 12 months, taking the EoP subscriber base (VLR) to 199 million as of 30<sup>th</sup> June, 2017. Idea maintained its 'Subscriber Market Share' (VLR) at 19.5% (May'17) and 'Revenue Market Share' @ 18.9% (FY17).

#### Investment in long-term value creators

During last two years (Q1FY16 to Q1FY18), Idea has aggressively expanded its wireless broadband infrastructure by 3.5 times adding 83,765 sites (3G+4G), expanding the network to 117,386 broadband sites (3G+4G). Idea's wireless broadband network (3G+4G) now covers 524 million Indians across all 22 service areas in ~106,000 towns and villages. With the addition of 46,576 4G sites in the same period, the company rapidly expanded its 4G-LTE presence to ~47,000 towns & villages and now covers 30.2% population (353 million Indians) in 20 service areas.

4G network is fast emerging as the preferred platform for mobile data consumption amongst Indian subscribers. While the total Mobile data users on Idea network declined from 42.2 million (Q4FY17) to 38.1 million (Q1FY18), 4G subscribers more than doubled from 3.1 million (Q4FY17) to 6.5 million (Q1FY18). Further, the data usage on





4G platform exploded to 67.6 billion MB in Q1FY18 (from 18.7 billion MB in Q4FY17), sequential quarterly growth @ 262%. Despite such accelerated growth in 4G data volume, Idea's 4G network utilization (excluding still to be deployed 2300 MHz and 2500 MHz capacity spectrum) remains below 30%. The planned deployment of 2300 MHz or 2500 MHz spectrum band in 5 of its leadership markets during the current financial year will further boost Idea's 4G capacity in these key markets. Additionally, the company also remains on course to introduce VoLTE – Voice services on 4G LTE network by early Calendar Year 2018.

In order to support the burgeoning demand of mobile broadband services, Idea also increased its Fibre network by nearly 53,000 km (95,100 km in Q1FY16 to 148,100 km in Q1FY18). The company's Gross Investment in Fixed Assets has now risen to over Rs 1,195 billion, a net addition of Rs 545 billion over the last 24 months.

The capex spend for the quarter was Rs. 11.7 billion, mainly funded from Cash Profit of Rs. 9,608 million. The capex guidance for FY18 stands at Rs. 60 billion.

### **Subdued Q1FY18 financial performance**

In the environment of steep rate fall and capacity expansion, EBITDA for the company during the quarter declined by 11.5% to Rs. 18,753 million compared to Rs. 21,199 million in Q4FY17, largely due to higher operating cost related to Roaming and Access (as outgoing minutes increased) and Network expenses. The EBITDA margin for the quarter declined from 26.1% in Q4FY17 to 23% in Q1FY18.

Additionally, the full quarter impact of Spectrum acquired by Idea in Oct'16 resulted in 'Depreciation & Amortisation' charge increasing to Rs. 20,679 million and 'Interest & Financing Cost (Net)' rising to Rs. 11,538 million. During Q1FY18, the Company received from Indus dividend of Rs. 2,657 million. Idea is reporting a PAT loss, after accounting for the dividend from Indus, of Rs. 6,170 million (v/s PAT loss of Rs. 4,300 million in Q4FY17) on standalone basis.

The financial stress in the Mobile sector remains at its peak, post the introduction of aggressive unlimited bundled plans by new entrant forcing other operators to follow. Resultantly, all 'Telecom Service Providers' are reporting steep decline in revenues, profitability and cash flows and all but one Indian Wireless Operator quarterly results are likely to show significant financial losses.

The Net Debt as on June 30, 2017 stands at Rs. 539.2 billion, including a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions. The consolidated Total Comprehensive Income (including share from Indus & ABIPBL) stands at a loss of Rs. 8,159 million in Q1FY18 (v/s Rs. 3,256 million in Q4FY17).

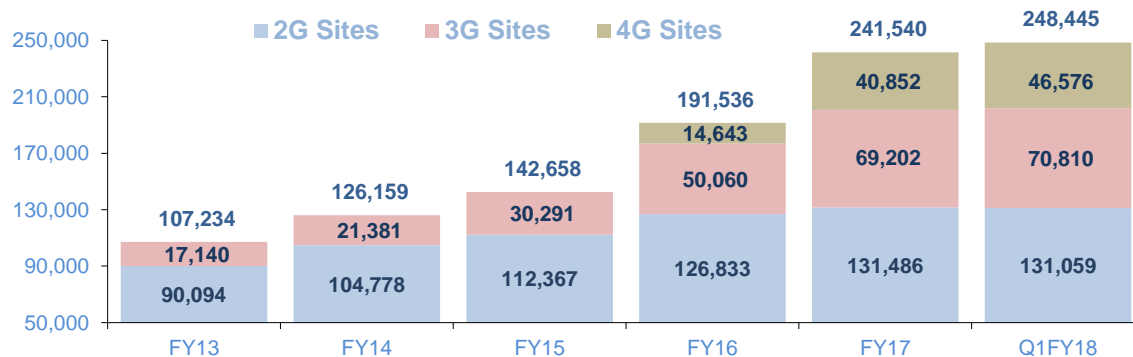
## Merger Update

On 20<sup>th</sup> March, 2017 Vodafone Group Plc and Idea Cellular announced an agreement to combine their operations in India (excluding Vodafone’s 42% stake in Indus Towers) to create India’s largest telecom operator. The merger transaction is subject to approval from the relevant regulatory authorities & Idea’s shareholders. The company has recently received approval for the proposed combination from the ‘Competition Commission of India’, one out of the four main approvals required for combination of Vodafone India (mobile business) and Idea Cellular Ltd. The Scheme of Arrangement has already been filed with SEBI & Stock Exchanges and is waiting for their approvals.

In the meantime, Idea remains nimble, agile, adaptive, and focused on its execution capabilities. The company continues to strive for improving its capacity utilisation, optimising costs and delivering sustainable benefits to the consumers. Idea remains hopeful that post the current round of short term challenges; it will be able to capitalise on the emerging opportunities in mobile voice, wireless data business, digital content and mobile banking as telecom market invariably moves towards consolidation with likely 5 major providers.

## B. Capex

During the quarter, Idea rolled out 1,608 3G cell sites and 5,724 4G cell sites. The total EoP site count stands at 248,445 – 131,059 for 2G, 70,810 for 3G and 46,576 for 4G. The total addition to the Gross Block including CWIP for the quarter was Rs. 11.7 billion (excluding forex & interest capitalisation/de-capitalisation). The capex guidance for FY18 stands at Rs. 60 billion.



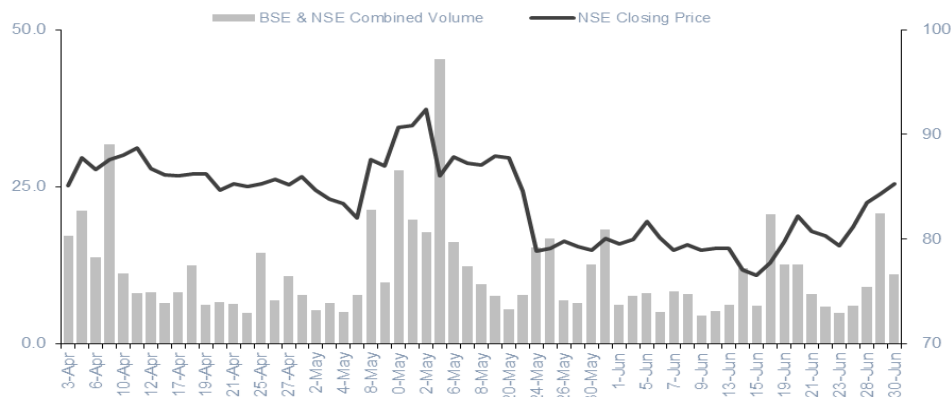
## 9. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (30/06/2017)	mn	3606.41
Closing Market Price - NSE (30/06/2017)	INR/share	85.25
Combined Volume (NSE & BSE) (01/04/2017 to 30/06/2017)	mn/day	11.3
Combined Value (NSE & BSE) (01/04/2017 to 30/06/2017)	INR mn/day	955.1
Market Capitalisation (30/06/2017)	INR bn	307
EPS for the Quarter (Annualised)	INR/share	-9.04
Enterprise Value (30/06/2017)	INR bn	847
Price to Earning	times	NA
Price to Cash Earning	times	8.0
Price to Book Value	times	1.3
EV/Annualised EBITDA	times	11.3

### 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 June 30, 2017:

Particulars	Idea Cellular Ltd.	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Indian	1,528,847,547	42.39%
Foreign	-	
<b>Public Shareholding</b>		
Foreign Holding	1,649,815,352	45.75%
Indian Institutions	315,868,938	8.76%
Others	111,879,565	3.10%
<b>Total</b>	<b>3,606,411,402</b>	<b>100.00%</b>

## 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 (excluding MAT) 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 dividing 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/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.