

13<sup>th</sup> May, 2019

**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: Audited Financial Results for the fourth quarter and financial year ended 31<sup>st</sup> March 2019**

**Ref: "Vodafone Idea Limited" (IDEA / 532822)**

In continuation of our letter dated May 6, 2019, we wish to inform you that the Board of Directors of the Company at their meeting held today, inter-alia, have approved the Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the following:

- (i) Audited Financial Results (Standalone and Consolidated) for the quarter / financial year ended March 31, 2019 and declaration on unmodified opinion on Auditor's Report;
- (ii) Auditors' Report on the Audited Financial Results (Standalone and Consolidated)

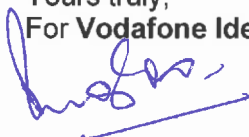
The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced on 2:00 P.M. and concluded at 6:20 P.M.

A copy of Press Release issued in this regard is also attached herewith.

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

Thanking you,

Yours truly,  
For **Vodafone Idea Limited**



**Pankaj Kapdeo**  
Company Secretary



Encl: As above

13<sup>th</sup> May, 2019

**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: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.**

**Ref: "Vodafone Idea Limited" (IDEA / 532822)**

I, Akshaya Moondra, Chief Financial Officer of Vodafone Idea Limited ('the Company') hereby declare that, the Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on 31<sup>st</sup> March, 2019.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours truly,

For **Vodafone Idea Limited**



**Akshaya Moondra**  
Chief Financial Officer



Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To  
Board of Directors of  
Vodafone Idea Limited (Formerly known as Idea Cellular Limited),

1. We have audited the accompanying statement of quarterly consolidated Ind AS financial results of Vodafone Idea Limited (Formerly known as Idea Cellular Limited) ('the Company') comprising its subsidiaries (together, 'the Group'), its joint ventures and associate for the quarter ended March 31, 2019 and the consolidated Ind AS financial results for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the audited consolidated financial results for the nine-month period ended December 31, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our audit of the consolidated Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate financial statements and the other financial information of associate, these quarterly consolidated Ind AS financial results as well as the year to date results:
  - i. includes the results of the entities as referred to in Annexure 1;
  - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - iii. give a true and fair view of the consolidated net loss including other comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.



# **S.R. BATLIBOI & ASSOCIATES LLP**

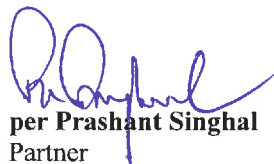
Chartered Accountants

4. We draw your attention to Note 11 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our opinion is not modified in respect of this matter.
5. The consolidated Ind AS financial statements include the Group's share of net loss of Rs. 159 million and Rs. 742 million for the quarter and year ended March 31, 2019 respectively, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose other financial information have been audited by other auditor and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of this associate is based solely on the report of the other auditor. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. 13 million and Rs. 14 million for the quarter and for the year ended March 31, 2019 respectively, as considered in the consolidated Ind AS financial results, in respect of one joint venture, whose financial results and other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of this joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information are not material to the Group. Our opinion is not modified in respect of this matter.
6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, as required under the Regulation and the Circular.

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
per Prashant Singhal  
Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019



## **Annexure 1**

### **List of Subsidiaries, Joint Ventures and Associates**

#### **Subsidiaries**

1. Idea Telesystems Limited
2. Aditya Birla Telecom Limited\*
3. Idea Cellular Services Limited
4. Idea Cellular Infrastructure Services Limited\*\*
5. Vodafone Business Services Limited
6. Mobile Commerce Solutions Limited
7. Vodafone M-Pesa Limited
8. Vodafone India Ventures Limited
9. Vodafone India Digital Limited
10. You Broadband India Limited
11. Vodafone Technology Solutions Limited
12. Vodafone Towers Limited
13. Vodafone Foundation
14. Connect (India) Mobile Technologies Private Limited
15. You System Integration Private Limited

#### **Joint Ventures**

1. Indus Towers Limited
2. FireFly Networks Limited

#### **Associates**

1. Aditya Birla Idea Payments Bank Limited

\*Merged with Vodafone Idea Limited on November 30, 2018

\*\* Ceased to be a subsidiary with effect from May 31, 2018





VODAFONE IDEA LIMITED ( formerly Idea Cellular Limited)  
 Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
 Audited Consolidated Financial Results for the quarter and year ended 31-March-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-19 Audited Refer Note 13	31-Dec-18 Audited Refer Note 13	31-Mar-18 Audited Refer Note 13	31-Mar-19 Audited	31-Mar-18 Audited
<b>INCOME</b>					
Service Revenue	117,384	117,359	61,210	369,865	282,420
Sale of Trading Goods	22	157	5	191	51
Other Operating Income	344	132	158	869	318
<b>REVENUE FROM OPERATIONS</b>	<b>117,750</b>	<b>117,648</b>	<b>61,373</b>	<b>370,925</b>	<b>282,789</b>
Other Income	1,566	2,180	2,504	7,311	3,530
<b>TOTAL INCOME</b>	<b>119,316</b>	<b>119,828</b>	<b>63,877</b>	<b>378,236</b>	<b>286,319</b>
<b>EXPENSES</b>					
Cost of Trading Goods	60	177	6	260	73
Employee Benefit Expenses	7,292	6,793	2,595	22,944	15,430
Network Expenses and IT Outsourcing Costs	50,990	56,659	21,429	170,052	97,334
License Fees and Spectrum Usage Charges	12,615	12,765	5,327	39,331	28,667
Roaming & Access Charges	12,496	11,972	7,109	41,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,320	11,785	8,167	38,446	36,090
Finance Costs	29,460	28,248	12,246	94,628	48,130
Depreciation & Amortisation Expenses	46,639	47,734	20,854	145,356	84,091
Other Expenses	5,124	6,128	2,269	17,772	9,362
<b>TOTAL EXPENSES</b>	<b>175,996</b>	<b>182,261</b>	<b>80,002</b>	<b>570,479</b>	<b>354,535</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE</b>	<b>(56,680)</b>	<b>(62,433)</b>	<b>(16,125)</b>	<b>(192,243)</b>	<b>(68,216)</b>
Add: Share in Profit / (Loss) of Joint Ventures and Associate (net)	549	398	745	1,968	3,224
<b>LOSS BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(56,131)</b>	<b>(62,035)</b>	<b>(15,380)</b>	<b>(190,275)</b>	<b>(64,992)</b>
Exceptional Item (Net) (Refer Note 6)	(11,458)	(8,008)	-	8,521	-
<b>LOSS BEFORE TAX</b>	<b>(67,589)</b>	<b>(70,043)</b>	<b>(15,380)</b>	<b>(181,754)</b>	<b>(64,992)</b>
<b>Tax expense:</b>					
- Current tax	13	15	314	182	1,234
- Deferred tax (Refer Note 7)	(18,783)	(20,012)	(6,072)	(35,897)	(24,544)
<b>LOSS AFTER TAX</b>	<b>(48,819)</b>	<b>(50,046)</b>	<b>(9,622)</b>	<b>(146,039)</b>	<b>(41,682)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
- Re-measurement gains/ (losses) of defined benefit plans	69	(30)	489	501	442
- Income tax effect	(35)	16	(168)	(178)	(152)
- Group's share in other comprehensive income of joint ventures and associate	2	3	(5)	5	(7)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(48,783)</b>	<b>(50,057)</b>	<b>(9,306)</b>	<b>(145,711)</b>	<b>(41,399)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,356	87,354	43,593	87,356	43,593
Other Equity				508,992	229,032
Earnings Per Share for the period (₹)					
- Basic	(5.60)	(5.74)	(2.45)	(21.16)	(11.36)
- Diluted	(5.60)	(5.74)	(2.45)	(21.16)	(11.36)
Debenture Redemption Reserve				4,408	4,408
Networth				596,348	272,625
<b>Debt Service Coverage Ratio (DSCR) *</b>				0.79	1.51
<b>Interest Service Coverage Ratio (ISCR) **</b>				0.97	1.75
<b>Debt - Equity Ratio ***</b>				2.11	2.13

\* DSCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised+scheduled long term principal repayments excluding prepayments)

\*\* ISCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised)

\*\*\* Debt - Equity Ratio = Debt / Equity



## Notes

1. The above audited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 13<sup>th</sup> May, 2019.
2. Vodafone India Limited (ViNl) along with its subsidiary Vodafone Mobile Services Limited (VMsL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the quarter ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> December, 2018 includes consolidated financial results of the operations of erstwhile ViNl for the entire quarter whereas the consolidated financial results for the year ended 31<sup>st</sup> March, 2019 includes consolidated financial results of the operations of erstwhile ViNl for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
3. VIL has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile ViNl is into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC). With the merger of ICL and erstwhile ViNl on 31<sup>st</sup> August, 2018, VIL became a promoter in both the entities. Reserve Bank of India (RBI) had permitted VMPL to continue with the PPI business till 31<sup>st</sup> March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.

The Group has however applied to the RBI for a fresh re-look / extension to continue operations after 31<sup>st</sup> March, 2019 while also evaluating the option of merging the PPI and Business Correspondence (BC) streams with the associate entity / any willing third party (subject to regulatory approvals). Accordingly, the Group continues to classify the assets and liabilities of VMPL as Held for Sale (AHFS).

4. The Company has classified ₹ 102,062 Mn from non-current borrowings to current maturities of long term debt for not meeting certain covenant clauses for specified financial ratios as at 31<sup>st</sup> March, 2019, waivers for which are awaited as on the reporting date. The Company is confident that these will not result in any acceleration of repayment.
5. Subsequent to the year end, the Company has raised an amount aggregating of ₹ 249,998 Mn by way of a rights issue from its existing eligible equity shareholders including Promoter Shareholders contribution of ₹ 179,207 Mn. On this basis, the Company believes that there is no impairment in the value of its assets in accordance with Ind AS 36 – Impairment of Assets and these financial statements are prepared on a "going concern basis."
6. Exceptional items for the quarter ended 31<sup>st</sup> March, 2019 includes (a) Integration and merger related costs amounting to ₹ 5,670 Mn (b) provision for impairment of assets amounting to ₹ 5,061 Mn on account of network re-alignment and integration, and (c) others ₹ 727 Mn. Exceptional items for the year ended 31<sup>st</sup> March, 2019 includes a charge / (credit) towards (a) gain on sale of ICISL ₹ (33,473) Mn (b) Integration and merger related costs amounting to ₹ 26,607 Mn (c) re-assessment of certain estimates of ₹ (7,893) Mn (d) provision for impairment of assets amounting to ₹ 5,511 Mn on account of network re-alignment and integration, and (e) others ₹ 727 Mn.
7. Consequent to the merger, the Company has reassessed the recoverability of deferred tax assets (including MAT) for the merged company, and has derecognized Deferred Tax Assets (including MAT Credit) of ₹ 13,123 Mn during the quarter ended 30<sup>th</sup> September, 2018. Deferred tax charge also includes tax impact on exceptional items as disclosed in note 6 above of ₹ (3,208) Mn and ₹ 4,727 Mn for the quarter and year ended 31<sup>st</sup> March, 2019, respectively.
8. The Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.



9. Audited financial results of Vodafone Idea Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended	
	31-Mar-19 Audited	31-Dec-18 Audited	31-Mar-18 Audited	31-Mar-19 Audited	31-Mar-18 Audited
Revenue from Operations	117,147	116,785	60,335	368,588	278,286
Loss before Tax	68,132	70,442	18,012	176,922	69,608
Net Loss after Tax	49,270	50,330	11,727	140,560	44,583

10. The listed 9.45% Non-Convertible Debentures (NCD's) aggregating to ₹ 3,960 Mn have a pari-passu charge on the tangible fixed assets of the company excluding passive telecom infrastructure.

The listed 8.12% NCD's aggregating to ₹ 50 Mn have a pari-passu charge on movable fixed assets of the company excluding Spectrum and Telecom Licenses, Vehicles and Passive Telecom Infrastructure.

Additional details required with regards to the listed secured and unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount (₹ Mn)	Previous Due Date		Next Due Date	
			Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's	3,960	N.A	31-Oct-18	31-Oct-19	31-Oct-19
2	Secured 8.12% NCD's	50	N.A	8-Feb-19	8-Feb-24	8-Feb-20
3	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-18	13-Dec-21	13-Dec-19
4	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-19	4-Jan-22	4-Jan-20
5	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-19	17-Jan-22	17-Jan-20
6	Unsecured 8.04% NCD's	20,000	N.A	28-Jan-19	27-Jan-22	27-Jan-20
7	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-19	31-Jan-22	31-Jan-20
8	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-19	14-Feb-22	14-Feb-20
9	Unsecured 10.9% NCD's	15,000	N.A	N.A	3-Sep-23	3-Sep-19

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE AA-" with Negative Outlook by CARE. The previous rating was "CARE AA" with Negative Outlook. Additionally, its 8.12% NCD (Sl. No.2); 7.57% NCD (Sl. No.3); 7.77% NCD (Sl. No.5) and 8.03% NCD (Sl. No. 7) issues have been rated as "BWR AA-" with Negative Outlook by Brickworks. The previous rating from Brickworks was "BWR AA" with "Credit Watch with Developing Implication" outlook.

11. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices to the Company and erstwhile Vodafone towards one time spectrum charges (OTSC):
- for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 10,687 Mn, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn.
  - Subsequently on 9<sup>th</sup> July 2018, DoT revised the demands for beyond 4.4Mhz to ₹ 57,254 Mn as against ₹ 45,165 Mn as mentioned above

In the opinion of Company, inter-alia, the above demands amount to alteration of financial terms of the licenses issued in the past. Erstwhile Vodafone had petitioned Hon'ble TDSAT while the Company had petitioned the Hon'ble High Court of Bombay, where the matters were admitted and remain sub-judice. DoT has been directed not to take any coercive action until the matter is further heard. No effects have been given in the consolidated financial results for the above.

On 9<sup>th</sup> July 2018, i.e. at the time of merger approval of erstwhile Vodafone with ICL, DoT asked the Company to submit bank guarantee(BG) amounting to ₹ 33,224 Mn towards one time spectrum fees beyond 4.4 MHz mentioned above. The Company complied with the aforesaid condition but thereafter approached TDSAT, seeking return of BGs of ₹ 33,224 Mn. On 21<sup>st</sup> January, 2019, the company has received a favourable order from TDSAT directing DoT to release the BG amounting to ₹ 21,135 Mn within 2 months. As at 31<sup>st</sup> March 2019, the matter is sub-judice.





## 12. Statement of Assets and Liabilities :-

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>		
<b>1 Non-current Assets</b>		
Property, plant and equipment	502,526	244,549
Capital work-in-progress	23,587	6,513
Investment property	672	-
Goodwill on consolidation	36	61
Other Intangible assets	1,274,767	552,309
Intangible assets under development	27,443	29,340
Investments accounted for using the equity method	15,298	16,601
Financial assets		
Long term loans to employees	8	24
Other non-current financial assets	10,362	4,180
Deferred tax assets (net)	103,385	12,052
Other non-current assets	155,099	17,797
<b>Sub-total non-current assets</b>	<b>2,113,183</b>	<b>883,426</b>
<b>2 Current Assets</b>		
Inventories	42	367
Financial assets		
Current investments	67,088	56,304
Trade receivables	33,000	8,874
Cash and cash equivalents	8,428	193
Bank balance other than cash and cash equivalents	1,480	98
Short term Loans	19	20
Other current financial assets	680	314
Current tax assets (net)	-	7,752
Other current assets	71,260	17,915
	<b>181,997</b>	<b>91,837</b>
Assets classified as held for sale (AHFS)	1,815	10,509
<b>Sub-total current assets</b>	<b>183,812</b>	<b>102,346</b>
<b>TOTAL - ASSETS</b>	<b>2,296,995</b>	<b>985,772</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	87,356	43,593
Other equity	508,992	229,032
<b>Sub-total equity</b>	<b>596,348</b>	<b>272,625</b>
<b>2 Non-Current Liabilities</b>		
Financial liabilities		
Long term borrowings	1,044,029	569,408
Trade payables	8,680	-
Other non-current financial liabilities	97,381	26,062
Long term provisions	3,467	3,107
Deferred tax liabilities (net)	471	659
Other non-current liabilities	4,235	5,602
<b>Sub-total non-current liabilities</b>	<b>1,158,263</b>	<b>604,838</b>
<b>3 Current Liabilities</b>		
Financial liabilities		
Short term borrowings	41,207	217
Trade payables	126,486	35,479
Other current financial liabilities	303,946	43,820
Other current liabilities	69,499	26,597
Short term provisions	379	224
	<b>541,517</b>	<b>106,337</b>
Liabilities classified as held for sale	867	1,972
<b>Sub-total current liabilities</b>	<b>542,384</b>	<b>108,309</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,296,995</b>	<b>985,772</b>



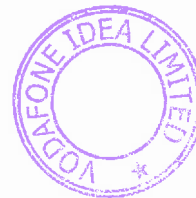
13. The financial results for the quarter ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 are balancing figures between the audited results for the financial year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively and the published year to date figures upto the third quarter of the financial year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively. The financial results for the quarter ended 31<sup>st</sup> December 2018 are balancing figures between the audited results for the nine months ended 31<sup>st</sup> December 2018 and the published year to date figures upto the second quarter of the financial year ended 31<sup>st</sup> March 2019.

14. Consolidated financial results for the quarter and year ended 31<sup>st</sup> March 2019 and the Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in note 2 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

Date: 13<sup>th</sup> May, 2019  
Place: Mumbai



  
Director

Auditor's Report On Quarterly Standalone Financial Results and Year to Date Results of the  
Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015

To  
Board of Directors of  
Vodafone Idea Limited (Formerly known as Idea Cellular Limited)

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of Vodafone Idea Limited (Formerly known as Idea Cellular Limited) ('the Company') for the quarter ended March 31, 2019 and for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the audited standalone Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone Ind AS financial results as well as the year to date results:
  - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - ii. give a true and fair view of the net loss including other comprehensive income and other financial information for the quarter ended March 31, 2019 and net loss including other comprehensive loss and other financial information for the year ended March 31, 2019.
4. We draw your attention to Note 9 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our opinion is not modified in respect of this matter.



# **S.R. BATLIBOI & ASSOCIATES LLP**

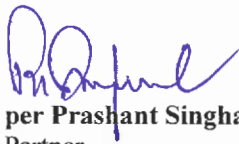
Chartered Accountants

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, as required under the Regulation and the Circular.

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



**per Prashant Singhal**  
Partner

Membership No.: 93283

Place: Mumbai

Date: May 13, 2019





**VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)**  
 Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
**Audited Financial Results for the quarter and year ended 31-March-2019**

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-19 Audited Refer Note 11	31-Dec-18 Audited Refer Note 11	31-Mar-18 Audited Refer Note 11	31-Mar-19 Audited	31-Mar-18 Audited
<b>INCOME</b>					
Service Revenue	116,759	116,645	60,193	367,668	278,000
Other Operating Income	388	140	142	920	286
<b>REVENUE FROM OPERATIONS</b>	<b>117,147</b>	<b>116,785</b>	<b>60,335</b>	<b>368,588</b>	<b>278,286</b>
Other Income	1,756	2,405	2,456	10,733	6,065
<b>TOTAL INCOME</b>	<b>118,903</b>	<b>119,190</b>	<b>62,791</b>	<b>379,321</b>	<b>284,351</b>
<b>EXPENSES</b>					
Employee Benefit Expenses	6,798	6,249	2,244	21,209	13,968
Network Expenses and IT Outsourcing Costs	50,628	56,325	21,482	169,269	97,449
License Fees and Spectrum Usage Charges	12,578	12,727	5,327	39,243	28,667
Roaming & Access Charges	12,496	11,972	7,109	41,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,333	11,754	8,491	38,948	37,298
Finance Costs	29,531	28,309	13,099	94,713	48,968
Depreciation & Amortisation Expenses	46,159	47,176	20,855	144,098	83,148
Other Expenses	5,810	7,011	2,196	19,440	9,103
<b>TOTAL EXPENSES</b>	<b>175,333</b>	<b>181,523</b>	<b>80,803</b>	<b>568,610</b>	<b>353,959</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(56,430)</b>	<b>(62,333)</b>	<b>(18,012)</b>	<b>(189,289)</b>	<b>(69,608)</b>
Exceptional Items (net) (Refer Note 6)	(11,702)	(8,109)	-	12,367	-
<b>LOSS BEFORE TAX</b>	<b>(68,132)</b>	<b>(70,442)</b>	<b>(18,012)</b>	<b>(176,922)</b>	<b>(69,608)</b>
<b>Tax expense:</b>					
- Current tax	-	-	76	-	173
- Deferred tax (Refer Note 7)	(18,862)	(20,112)	(6,361)	(36,362)	(25,198)
<b>NET LOSS AFTER TAX</b>	<b>(49,270)</b>	<b>(50,330)</b>	<b>(11,727)</b>	<b>(140,560)</b>	<b>(44,583)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
- Equity instrument through other comprehensive gains/(losses)	11,935	(4,124)	(21,286)	(4,621)	(6,047)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	(2,932)	961	4,766	1,076	1,250
- Re-measurement gains/ (losses) of defined benefit plans	104	(21)	473	534	428
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	(45)	16	(163)	(187)	(148)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(40,208)</b>	<b>(53,498)</b>	<b>(27,937)</b>	<b>(143,758)</b>	<b>(49,100)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,356	87,354	43,593	87,356	43,593
Other Equity				547,689	262,415
Earnings Per Share for the period (₹)					
- Basic	(5.64)	(5.76)	(2.96)	(20.33)	(12.07)
- Diluted	(5.64)	(5.76)	(2.96)	(20.33)	(12.07)
Debt Redemption Reserve				4,408	4,408
Networth				635,045	306,008
<b>Debt Service Coverage Ratio (DSCR) *</b>				0.83	1.45
<b>Interest Service Coverage Ratio (ISCR) **</b>				1.01	1.67
<b>Debt - Equity Ratio ***</b>				1.98	1.89

\* DSCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) / (Gross Finance Costs (excluding fair value gains / losses on derivatives) + interest capitalised + scheduled long term principal repayments excluding prepayments)

\*\* ISCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) / (Gross Finance Costs (excluding fair value gains / losses on derivatives) + interest capitalised)

\*\*\* Debt - Equity Ratio = Debt / Equity



## Notes

1. The above audited financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 13<sup>th</sup> May 2019.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the quarter ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> December, 2018 includes financial results of the operations of erstwhile VInL for the entire quarter whereas the financial results for the year ended 31<sup>st</sup> March 2019 includes financial results of the operations of erstwhile VInL for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
3. The Company has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile VInL is into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC). With the merger of ICL and erstwhile VInL on 31<sup>st</sup> August 2018, the Company became a promoter in both the entities. Reserve Bank of India (RBI) had permitted VMPL to continue with the PPI business till 31<sup>st</sup> March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.

VMPL has however applied to the RBI for a fresh re-look / extension to continue operations after 31<sup>st</sup> March, 2019 while also evaluating the option of merging the PPI and Business Correspondence (BC) streams with the associate entity / any willing third party (subject to regulatory approvals). Accordingly, the investment in VMPL continues to classify the assets as Held for Sale (AHFS).

4. The Company has classified ₹ 102,062 Mn from non-current borrowings to current maturities of long term debt for not meeting certain covenant clauses for specified financial ratios as at 31<sup>st</sup> March, 2019, waivers for which are awaited as on the reporting date. The Company is confident that these will not result in any acceleration of repayment.
5. Subsequent to the year end, the Company has raised an amount aggregating of ₹ 249,998 Mn by way of a rights issue from its existing eligible equity shareholders including Promoter Shareholders contribution of ₹ 179,207 Mn. On this basis, the Company believes that there is no impairment in the value of its assets in accordance with Ind AS 36 – Impairment of Assets and these financial statements are prepared on a "going concern basis".
6. Exceptional items for the quarter ended 31<sup>st</sup> March 2019 includes (a) Integration and merger related costs amounting to ₹ 5,665 Mn (b) re-assessment of certain estimates amounting to ₹ 171 Mn (c) provision for impairment of assets on account of network re-alignment and integration amounting to ₹ 5,139 Mn and (d) others amounting to ₹ 727 Mn. Exceptional items for the year ended 31<sup>st</sup> March, 2019 includes a charge / (credit) towards (a) gain on sale of ICISL amounting to ₹ (37,644) Mn (b) Integration and merger related costs amounting to ₹ 26,607 Mn, (c) re-assessment of certain estimates amounting to ₹ (7,646) Mn (d) provision for impairment of assets on account of network re-alignment and integration amounting to ₹ 5,589 Mn and (e) others amounting to ₹ 727 Mn.
7. Consequent to the merger, the Company has reassessed the recoverability of deferred tax assets (including MAT) for the merged company, and has derecognized Deferred Tax Assets (including MAT Credit) of ₹ 13,123 Mn during the quarter ended 30<sup>th</sup> September, 2018. Deferred tax charge also includes tax impact on exceptional items as disclosed in note 6 above of ₹ (3,277) Mn and ₹ 6,077 Mn for the quarter and year ended 31<sup>st</sup> March, 2019, respectively.
8. The listed 9.45% Non-Convertible Debentures (NCD's) aggregating to ₹ 3,960 Mn have a pari-passu charge on the tangible fixed assets of the company excluding passive telecom infrastructure.

The listed 8.12% NCD's aggregating to ₹ 50 Mn have a pari-passu charge on movable fixed assets of the Company excluding Spectrum and Telecom Licenses, Vehicles and Passive Telecom Infrastructure.



Additional details required with regards to the listed secured and unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's	3,960	N.A	31-Oct-18	31-Oct-19	31-Oct-19
2	Secured 8.12% NCD's	50	N.A	08-Feb-19	08-Feb-24	08-Feb-20
3	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-18	13-Dec-21	13-Dec-19
4	Unsecured 7.77% NCD's	10,000	N.A	04-Jan-19	04-Jan-22	04-Jan-20
5	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-19	17-Jan-22	17-Jan-20
6	Unsecured 8.04% NCD's	20,000	N.A	28-Jan-19	27-Jan-22	27-Jan-20
7	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-19	31-Jan-22	31-Jan-20
8	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-19	14-Feb-22	14-Feb-20
9	Unsecured 10.9% NCD's	15,000	N.A	N.A	03-Sep-23	03-Sep-19

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE AA-" with Negative Outlook by CARE. The previous rating was "CARE AA" with Negative Outlook. Additionally, its 8.12% NCD (Sl. No.2); 7.57% NCD (Sl. No.3); 7.77% NCD (Sl. No.5) and 8.03% NCD (Sl. No. 7) issues have been rated as "BWR AA-" with Negative Outlook by Brickworks. The previous rating from Brickworks was "BWR AA" with "Credit Watch with Developing Implication" outlook.

9. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices to the Company and erstwhile Vodafone towards one time spectrum charges (OTSC):
- for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 10,687 Mn, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn.
  - Subsequently on 9<sup>th</sup> July 2018, DoT revised the demands for beyond 4.4 Mhz to ₹ 57,254 Mn as against ₹ 45,165 Mn as mentioned above.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. Erstwhile Vodafone had petitioned Hon'ble TDSAT while the Company had petitioned the Hon'ble High Court of Bombay, where the matters were admitted and remain sub-judice. DoT has been directed not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

On 9<sup>th</sup> July 2018, i.e. at the time of merger approval of erstwhile Vodafone with ICL, DoT asked the Company to submit bank guarantee(BG) amounting to ₹ 33,224 Mn towards one time spectrum fees beyond 4.4 MHz mentioned above. The Company complied with the aforesaid condition but thereafter approached TDSAT, seeking return of BGs of ₹ 33,224 Mn. On 21<sup>st</sup> January, 2019, the company has received a favourable order from TDSAT directing DoT to release the BG amounting to ₹ 21,135 Mn within 2 months. As at 31<sup>st</sup> March 2019, the matter is sub-judice.



## 10. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
Property, plant and equipment	493,411	244,543
Capital work-in-progress	23,325	6,513
Other Intangible assets	1,273,203	552,308
Intangible assets under development	27,443	29,340
Financial assets		
Non-current investments	66,624	68,434
Long term loans to employees	8	24
Other non-current financial assets	10,279	4,182
Deferred tax assets (net)	89,351	-
Other non-current assets	154,038	17,767
<b>Sub-total non-current assets</b>	<b>2,137,682</b>	<b>923,111</b>
<b>2 Current assets</b>		
Inventories	-	339
Financial assets		
Current investments	66,890	56,129
Trade receivables	33,081	8,874
Cash and cash equivalents	6,759	190
Bank balance other than cash and cash equivalents	1,085	32
Short term Loans	13,396	20
Other current financial assets	717	313
Current tax assets (net)	-	7,750
Other current assets	70,921	17,884
	<b>192,849</b>	<b>91,531</b>
Assets classified as held for sale (AHFS)	-	4,865
<b>Sub-total current assets</b>	<b>192,849</b>	<b>96,396</b>
<b>TOTAL – ASSETS</b>	<b>2,330,531</b>	<b>1,019,507</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	87,356	43,593
Other equity	547,689	262,415
<b>Sub-total equity</b>	<b>635,045</b>	<b>306,008</b>
<b>2 Non-current liabilities</b>		
Financial liabilities		
Long term borrowings	1,044,029	569,408
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,678	-
Other non-current financial liabilities	97,383	26,062
Long term provisions	3,392	3,080
Deferred tax liabilities (net)	-	3,079
Other non-current liabilities	4,235	5,601
<b>Sub-total non-current liabilities</b>	<b>1,157,717</b>	<b>607,230</b>
<b>3 Current liabilities</b>		
Financial liabilities		
Short term borrowings	41,207	217
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	178	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	126,565	35,485
Other current financial liabilities	300,627	43,820
Other current liabilities	68,821	26,525
Short term provisions	371	218
<b>Sub-total current liabilities</b>	<b>537,769</b>	<b>106,269</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>2,330,531</b>	<b>1,019,507</b>





11. The financial results for the quarter ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 are balancing figures between the audited results for the financial year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively and the published year to date figures upto the third quarter of the financial year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively. The financial results for the quarter ended 31<sup>st</sup> December 2018 are balancing figures between the audited results for the nine months ended 31<sup>st</sup> December 2018 and the published year to date figures upto the second quarter of the financial year ended 31<sup>st</sup> March 2019.
12. Financial results for the quarter and year ended 31<sup>st</sup> March 2019 and the Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in note 2 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

Date: 13<sup>th</sup> May, 2019  
Place: Mumbai

  
Director



**IDBI Trusteeship Services Ltd**

CIN : U65991MH2001GOI131154



1672\_1/ITSL/OPR/2019

May 13, 2019

To,

Vodafone Idea Limited  
The Company Secretary  
Vodafone Idea Limited  
5th floor "Windsor", Off C.S.T Road,  
Kalina, Santacruz (East),  
Mumbai - 400 085.

**Subject: Certificate u/r 52(5) of SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015, for all the Non-Convertible Debentures Issued by Vodafone Idea Limited, for the half year ended March 31, 2019.**

Dear Sir/Madam,

We are acting as Debenture Trustee for the Secured/Unsecured, Redeemable Non-Convertible Debentures issued by Vodafone Idea Limited ("The Issuer") on a private placement basis.

In terms of the provisions of Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we certify that we have taken note of the disclosures made by the Issuer as enclosed herewith under Regulation 52(4) of the Regulations without verification.

Thanking you

Yours truly

**IDBI Trusteeship Services Limited**

  
**Authorized Signatory**

Media Release – May 13, 2019

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## **Revenues stabilising, integration moving at pace with ~60% of targeted synergies realised as of Q4FY19**

### **Highlights for the Quarter**

- **Sequential stabilization of revenues in Q4** benefitting from the introduction of ‘service validity vouchers’. Revenues grew by +0.1% QoQ in Q4 (Q3: -2.2%, Q2: -7.1%). Q4 average daily revenue grew by 2.3% QoQ, following 11 consecutive quarters of decline.
  - **Synergy realization well on track with ~60% of the synergy target achieved to date.** Normalised Q4 operating expenses excluding licence fee & spectrum usage charges and roaming & access charges were ~Rs. 12.8 billion (~Rs. 51 billion annualized) lower than our proforma operating expenses in Q1, i.e. the last quarter prior to completion of the merger.
  - EBITDA increased by 57% QoQ to Rs. 17.9 billion. EBITDA normalised for one-offs stands at Rs. 15.9 billion.
  - Network integration is moving at a fast pace, customers now benefit from a **unified network experience in the ten service areas** of West Bengal, Andhra Pradesh, Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East, J&K, Bihar and Punjab.
  - Successfully closed India’s largest rights issue, raising Rs. 250 billion of equity. The strong participation from public shareholders (ex-promoters) resulted in 1.2x subscription for the public component of the issue, demonstrating **investors’ strong support for our strategy.**
- 

**Balesh Sharma, CEO Vodafone Idea limited,** said *“We are pleased with the rapid progress we have made to deliver on our stated strategy. The initiatives we have taken since the merger are yielding positive results and we are well on track to deliver our synergy targets two years early. We remain focused on fortifying our position in key profitable districts by expanding coverage and capacity of our 4G network, targeting higher share of new 4G customers by offering an enhanced network experience, whilst also improving cash flows through cost transformation. The oversubscription of our recent rights issue, the largest in India, is a clear testament to investors’ support for our strategy.”*

### Financial highlights

The strategic initiatives taken post-merger to improve revenues and ARPU, have started to become visible in our financial results. The average daily revenue (ADR) for the quarter grew 2.3% QoQ after witnessing successive declines for the 11 prior quarters, benefitting from the introduction of 'service validity vouchers'. Revenue for the quarter was Rs. 117.8 billion, up 0.1% QoQ, lower than the ADR growth due to fewer days in Q4FY19.

Total operating expenses for the quarter declined sequentially due to the realisation of merger synergies. Q4 underlying operating expenses of Rs. 74.8 billion (excluding licence fees & spectrum usage charges and roaming & access charges) declined by Rs. 12.8 billion compared to Q1 after adjusting for certain one-offs of ~Rs. 2bn, inflation driven cost increases and incremental network rollout. This is equivalent to an annualised synergy realisation of ~Rs. 51 billion, ~60% of the Rs. 84 billion synergy target. As a result of the synergy realisation EBITDA increased to Rs. 17.9 billion, a 57% QoQ improvement. EBITDA normalized for one-offs stands at Rs. 15.9 billion, a 39.4% QoQ improvement.

Depreciation & Amortisation charges were Rs. 46.6 billion and Interest & Finance charges were Rs. 27.9 billion for the quarter. Capex has now been ramped up to Rs. 32.3 billion for the quarter. The pro-forma capex spend for FY19 was Rs. 102.2 billion.

Gross debt as at March 31, 2019 was Rs. 1,259.4 billion, including deferred spectrum payment obligations due to the Government of Rs. 906.8 billion. Cash & cash equivalents were Rs. 75.5 billion resulting in net debt of Rs. 1,183.9 billion (vs Rs. 1,148.8 billion in Q3FY19).

### Integration update

Following the merger of Vodafone India and Idea Cellular on August 31, 2018, we have accelerated the integration of the two businesses and are on track to deliver Rs. 84 billion of targeted run-rate costs synergies by FY21, two years ahead of the initial target set at the time of the merger announcement in March 2017.

Network integration continues to move at a fast pace. Customers of both brands now enjoy a unified network experience across the ten service areas of West Bengal (December 2018), Andhra Pradesh, Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East, J&K (January 2019), Bihar (February 2019) and Punjab (March 2019), along with part of the Delhi circle (East NCR), following the consolidation of spectrum and the radio access network. Post integration, the capacity in these circles has increased by ~34% QoQ, leading to improved Net Promoter Score and higher download speeds.

In addition, we are offering a unified 4G experience in Bangalore (January 2019) and Orissa (March 2019). In other circles, network integration is progressing on a cluster-by-cluster basis and subscribers of both the brands are gradually moving to a network with greater coverage and capacity. Further, we have enhanced capabilities of some of our 900 MHz sites to provide 4G service through dynamic spectrum refarming in the service areas of Kerala and Delhi.

As a result of our focus on accelerating network integration, we have removed surplus equipment on 24,000 sites out of the total 67,000 co-located sites. Additionally, we have also exited ~9,900 low utilization sites. Both initiatives have yielded significant cost savings for the company.

On the operational side, we have already completed the integration of distributors, retailers, service stores and service centres. We also signed a multi-year agreement with IBM for deployment of future-fit technologies including Cloud, Advanced Analytics and Business Intelligence to enhance the company's digital transformation and deliver further cost savings.

### **Operational highlights**

We introduced 'service validity vouchers' on a national basis during Q3, which required customers to make a minimum recharge of Rs. 35 (28 days validity). As expected, this resulted in a decline of 53.2 million subscribers as 'Incoming-only' or 'Low ARPU' customers migrated their spending from multiple SIMs to single SIM, taking the overall subscriber base to 334.1 million. The service validity vouchers resulted in QoQ increase in ADR, despite the decline in subscriber numbers. Consequently, ARPU for the quarter grew by 16.3% QoQ to Rs. 104 (vs Rs. 89 in Q3).

We added 8,915 4G TDD sites during the quarter to augment capacity, and deployed massive MIMO on around 2,000 sites in select key locations. However, unique broadband locations and broadband sites declined this quarter as the process of redeployment is currently underway. Once the redeployment exercise is completed the overall broadband site count, and subsequently, the population coverage would improve significantly. Our 4G population coverage reached 65% as of March 31, 2019, compared to less than 50% for each of the brands in August 2018.

During the quarter, we added 5.4 million 4G customers, taking the overall 4G subscriber base to 80.7 million. The broadband subscriber base for the quarter was 110.2 million. Total data volumes grew by 9% to 2,947 billion MB compared to the last quarter and the average daily data volume increased by 11.4% (32.7 billion MB in Q4 vs 29.4 billion MB in Q3). Total minutes on the network declined by 1.3% during the quarter, due to reduction in incoming minutes following the disconnection of 'Incoming only' or 'Low ARPU' customers.

### Fund raising / Asset monetisation

The company successfully completed India's largest rights issue raising Rs. 250 billion. The strong participation from public shareholders (ex-promoters) resulted in 1.2x subscription for the public component of the issue.

The merger of Bharti Infratel and Indus Towers has received approval from the Competition Commission India, the Securities and Exchange Board of India, shareholders and creditors. An application for sanction of the scheme has been filed with the NCLT and the matter is listed for final hearing. Vodafone Idea has an option to sell its 11.15% stake in Indus, which has an implied value of ~Rs. 61.6 billion (based on the VWAP for Bharti Infratel's shares during the last 60 trading days as at March 31, 2019), for cash at completion.

The company is also exploring options to monetize over 158,000 Kilometers of intra-city and inter-city fibre.

### Financial Highlights

<i>Consolidated (Rs Mn)</i>	Q3FY19	Q4FY19
Revenue	117,648	117,750
EBITDA	11,368	17,853
EBITDA%	9.7%	15.2%
Depreciation & Amortisation	47,734	46,639
EBIT	(36,366)	(28,786)
Interest and Financing Cost (Net )	26,068	27,894
Exceptional Items		
- Impairment (non-cash)	(350)	(5,061)
- Others	(7,658)	(6,397)
Share of Profit/(Loss) from Indus & ABIPBL	398	549
PBT	(70,043)	(67,589)
<b>PAT</b>	<b>(50,046)</b>	<b>(48,819)</b>
Other Comprehensive Income (net of Tax)	(11)	36
<b>Total Comprehensive Income (Consolidated)</b>	<b>(50,057)</b>	<b>(48,783)</b>

### **About Vodafone Idea Ltd. (formerly Idea Cellular Ltd)**

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is India's leading telecom service provider. The company provides pan India Voice and Data services across 2G, 3G and 4G platform. With the large spectrum portfolio to support the growing demand for data and voice, the company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence. The company is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Vodafone Idea Limited (formerly Idea Cellular Ltd) - CIN L32100GJ1996PLC030976, Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382011, Gujarat, India. Tel: 91 79 6671 4000, Fax: 91 79 2323 2251. Web Site: [www.vodafoneidea.com](http://www.vodafoneidea.com); E-mail: [info@vodafoneidea.com](mailto:info@vodafoneidea.com)