



QUARTERLY REPORT

Second Quarter ended September 30, 2019

STRONGER TOGETHER. FOR YOU.

Vodafone Idea Limited

India's Leading Telecom company



Vodafone Idea Limited (formerly Idea Cellular Limited)

An Aditya Birla Group & Vodafone partnership

Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat, India
www.vodafoneidea.com

Supplemental Disclosures

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

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

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

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1. Vodafone Idea Limited (formerly Idea Cellular Limited) – An Overview

Vodafone India Limited has merged into Idea Cellular Limited (ICL) on August 31, 2018. Consequently, the name of the company has been changed from ICL to Vodafone Idea Limited. Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is India's leading telecom service provider. The company provides Voice and Data services on 2G, 3G and 4G technologies across 22 service areas. With its 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 world-class infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on the ground presence. The company is listed on the National Stock Exchange (NSE) and the BSE in India.

Promoter Groups

Vodafone Group is one of the world's leading telecoms and technology service providers. We have extensive experience in connectivity, convergence and the Internet of Things, as well as championing mobile financial services and digital transformation in emerging markets. Vodafone Group has mobile operations in 24 countries, partnerships with mobile networks in 42 more, and fixed broadband operations in 19 countries. As of September 30, 2019, Vodafone Group had approximately 625 million mobile customers, 27 million fixed broadband customers and 22 million TV customers, including all of the customers in Vodafone's joint ventures and associates.

Aditya Birla Group, a US\$48 billion corporation, is one of the largest business group in India, and is in the league of Fortune 500. The Aditya Birla Group is a conglomerate with operations in 34 countries having business interest, among others, in mobile telecommunications, metals and mining, fashion retail, cement, carbon black, textiles, garments, chemicals, fertilizer and financial services industries etc.

Corporate Structure

Vodafone Idea Limited									
100% Subsidiaries							Joint Venture		
Vodafone Idea Manpower Services Limited	Idea Telesystems Limited	Vodafone Idea Business Services Limited	Vodafone Idea Communication Systems Limited	Vodafone Idea Shared Services Limited	You Broadband India Limited	Vodafone Foundation	Vodafone Towers Limited	Firefly Networks Limited	Indus Towers Limited
Manpower Services	Trading of communication devices	Data Centre, OSP Services	Trading of communication devices	Shared service center	Fixed line Broadband	Section 8 Company - CSR activities	Fibre assets	Wi-Fi Site Acquisitions, Installation, Maintenance	Passive infrastructure

Other subsidiaries (Insignificant business / non-operating)

- Vodafone India Digital Limited
- Vodafone Idea Technology Solutions Limited
- You System Integration Private Limited
- Connect India Mobile Technologies Private Limited
- Vodafone M-Pesa Limited
- Aditya Birla Idea Payment Bank Limited (in the process of winding up)

Business Segments

a. Mobility

- **Voice Business** – Vodafone Idea offers Voice services coverage in all 22 service areas on the Vodafone and Idea brands. The company covers around 91% of the Indian population in over 487,000 Census towns and villages with its Voice services. The company has also introduced 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers.
- **Broadband Services** – The broadband services of Vodafone Idea on 3G and 4G platforms are available in all 22 service areas of India for both brands – Vodafone and Idea. The company's broadband coverage is available in over 314,000 Census towns and villages, covering 74.4% of the Indian population.
- **Content Offerings** – To provide best in class content to its customers through the applications Vodafone Play and Ideas Movies & TV, the company has tied up with various content creators and aggregators like Eros, Sony Liv, Zee5, Sun NXT, Shemaroo Me, Hoichoi, Lionsgate Play, Hungama, TV Today, Discovery and others. Both these apps provide a range of content including Movies, Live TV, TV shows, Originals and short formats. Additionally, the company has tie ups with leading content providers like Amazon Prime and Netflix for its premium customers.

b. Enterprise Services

Vodafone Idea Business Services provides total communications solutions to empower global and Indian corporations, public sector & government bodies, small & medium enterprises and start-ups. With market-leading enterprise mobility, robust fixed line connectivity, world-class IoT solutions and insightful business analytics & enabling solutions, the company brings the smartest and newest technologies to serve businesses in the digital era. With the advantage of its global expertise and knowledge of local markets, Vodafone Idea Business Services endeavours to be a trusted and valued partner for businesses in a digital world.

2. Our Strengths

Spectrum Portfolio

Vodafone Idea has a total of 1,849.6 MHz of spectrum across difference frequency bands out of which 1,714.8 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Further, 1,316.8 MHz of spectrum acquired through auction between year 2014 and 2016 is having the validity until 2034 to 2036. This large spectrum portfolio across 22 circles will allow the company to create enormous broadband capacity.

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



Large Customer Base

Vodafone Idea is a leading mobile telecommunications company in India. The company had over 311 million subscribers as of September 30, 2019. As the company is expanding its broadband coverage and capacity, this large subscriber base provides a great platform for the company to upgrade voice only customers to users of data services, digital content & payment services.

Robust Network Infrastructure

The company has large network assets in the form of 2G, 3G, 4G equipment and country wide optical fibre cable (OFC). The company has over 187,000 2G sites and 405,000 broadband (3G+4G) sites. The company continues to expand its broadband population coverage which stands at 74.4% as of September 30, 2019. The company has a combined portfolio of ~353,000 km of OFC (vs. ~349,000 km in June 30, 2019) including own built, IRU OFC and common routes. The incremental capex coupled with redeployment of co-located broadband sites is allowing the company to expand its broadband coverage and create large capacities. Consolidation of spectrum with each site using spectrum of both the erstwhile entities, coupled with deployment of TDD sites and Massive MIMO is providing further capacity increase.

Strong Brands

The company has two strong brands that have contributed significantly to its strong market position. The brands  and  are complementary in nature with each brand having a strong affinity with different segment of customers across 22 service areas.

Enterprise Offerings

The company is well positioned in enterprise offerings across industry verticals. Vodafone Idea Business Services has clear leadership in IoT offerings which is an emerging segment and has potential to grow multi fold in the near future amid government's push towards 'Digital India' and 'Smart Cities'. Our end-to end IoT offerings are enabling leading automobile players in India to make connected cars a reality. The company has built strong relationship with its enterprise customers by providing Enterprise grade solutions and services over last several years. We continue to innovate and develop advanced networking, connectivity and cloud solutions to expand our suite of enterprise solutions. The strong relationship with customers and global know how of Vodafone Group provide strong platform for future growth in this segment. Vodafone Idea Business Services has been recognized at Frost & Sullivan ICT awards 2019 as 'Enterprise Telecom Service Provider of the Year - SMB Segment' (3rd time in the last 4 years), 'Managed Enterprise

Wi-Fi Provider of the Year' and 'Enterprise Mobile Service Provider of the Year' (8th time in the last 9 years).

Tower Investments (Indus)

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone Group and Vodafone Idea Ltd, is one of the world's leading tower company with 124,692 towers and a tenancy ratio of 1.86 as of September 30, 2019. Vodafone Idea owns 11.15% stake in Indus. The proportionate profit/loss of Indus is presently consolidated at the PAT level in Vodafone Idea's financial statements.

On April 25, 2018, the merger of Bharti Infratel and Indus towers was announced which will create a listed pan-India tower company. The merger is awaiting regulatory approval from the Department of Telecommunications, having received all other required approvals. The long stop date on the original agreement has been extended to December 24, 2019. Vodafone Idea plans to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger.

3. Financial Highlights

A. Profit & Loss Account (Rs mn)

	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
Gross Revenue	76,636	117,648	117,750	112,699	108,440
Opex	72,022	106,279	99,897	76,199	74,969
EBITDA	4,614	11,368	17,853	36,500	33,471
EBITDA Margin	6.0%	9.7%	15.2%	32.4%	30.9%
Depreciation & Amortisation	30,059	47,734	46,639	61,308	63,094
EBIT	(25,445)	(36,365)	(28,786)	(24,808)	(29,623)
Interest and Financing Cost (net)	19,511	26,068	27,894	34,441	33,519
Share of Profit from Indus & Payments Bank	422	398	549	581	1,295
Exceptional Items					
- Impairment (non-cash)	(100)	(350)	(5,061)	(5,808)	(48,222)
- Other Exceptional Items	(5,558)	(7,658)	(6,397)	(2,262)	(259,523)
PBT	(50,192)	(70,043)	(67,589)	(66,738)	(369,592)
Tax Expenses	(454)	(19,997)	(18,770)	(17,999)	139,627
PAT	(49,738)	(50,046)	(48,819)	(48,739)	(509,219)
Other comprehensive income (net of Tax)	233	(11)	36	(344)	240
Total comprehensive income for the period	(49,505)	(50,057)	(48,783)	(49,083)	(508,979)

Note: The merger of Vodafone India with Idea cellular was completed on August 31, 2018, accordingly the consolidated financials include Vodafone India figures from August 31, 2018. Hence Q2FY19 figures are not comparable to other quarters as reported above. Further, as we have adopted Ind AS 116 from April 01, 2019, Q1FY20 and Q2FY20 figures are not comparable to earlier quarters.

B. Balance Sheet (Rs mn)

Particulars	As on	
	31-Mar-19	30-Sep-19
Assets		
Non-current assets		
Property, plant and equipment (including RoU Assets)	502,526	673,231
Capital work-in-progress	23,587	7,639
Investment property	672	666
Goodwill on consolidation	36	36
Other Intangible assets	1,274,767	1,258,549
Intangible assets under development	27,443	39
Investments accounted for using the equity method	15,298	13,673
Financial assets		
Long term loans to employees	8	3
Other non-current financial assets	10,362	10,167
Deferred Tax Assets (Net)	103,385	22
Other non-current assets	155,099	154,842
Total non-current assets (A)	2,113,183	2,118,867
Current assets		
Inventories	42	28
Financial assets		
Current investments	67,088	27,365
Trade receivables	33,000	31,114
Cash and cash equivalents	8,428	35,088
Bank balance other than cash and cash equivalents	1,480	93,186
Short term loans	19	17
Other current financial assets	680	86,887
Other current assets	71,260	76,916
Total current assets (B)	181,997	350,601
Assets classified as held for sale (C)	1,815	-
Total Assets (A+B+C)	2,296,995	2,469,468
Equity and liabilities		
Equity		
Equity share capital	87,356	287,354
Other equity	508,992	-46,668
Total equity (A)	596,348	240,686
Non-Current Liabilities:		
Financial liabilities		
Long term borrowings	1,044,029	994,904
Trade payables	8,680	12,543
Other non-current financial liabilities	97,381	234,577
Long term provisions	3,467	3,889
Deferred tax liabilities (net)	471	844
Other non-current liabilities	4,235	5,214
Total Non-Current Liabilities (B)	1,158,263	1,251,971
Current Liabilities:		
Financial liabilities		
Short term borrowings	41,207	1,698
Trade payable	126,486	110,207
Current maturities of long term debt	174,163	176,416
Other current financial liabilities	129,783	185,487
Other current liabilities	69,499	502,401
Short term provisions	379	602
Total Current Liabilities (C)	541,517	976,811
Liabilities classified as held for sale (D)	867	-
Total equity and liabilities (A+B+C+D)	2,296,995	2,469,468

4. Key Performance Indicators

Mobility KPIs	Unit	Vodafone Idea				
		Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20
Subscriber Base (EoP)	mn	422.3	387.2	334.1	320.0	311.1
VLR Subscribers (EoP)	mn	402.8	390.8	368.3	322.4	303.4
Pre-paid Subs (% of EoP subscribers)	%	94.3%	93.9%	93.1%	92.8%	92.7%
Average Revenue per User (ARPU) Blended	INR	88	89	104	108	107
Average Minutes of Use per User (MoU)	min	568	580	662	690	669
Blended Churn	%	4.3%	5.0%	7.2%	3.7%	3.5%
2G Coverage - No. of Census Towns	no.	7,986	7,955	7,938	7,986	7,986
2G Coverage - No. of Census Villages	no.	479,187	472,381	462,593	479,187	479,187
% of Population	%	91.3%	90.7%	89.5%	91.3%	91.3%
Broadband Coverage - No. of Census Towns	no.	7,580	7,573	7,570	7,580	7,580
Broadband Coverage - No. of Census Villages	no.	253,205	263,915	265,464	277,600	306,549
% of Population	%	67.6%	68.8%	69.1%	70.6%	74.4%
Total Unique Towers (EoP)	no.	202,650	198,171	192,580	189,547	187,357
Total Unique Broadband Towers (EoP)	no.	155,511	157,683	155,632	157,278	158,153
Total Broadband sites (3G+4G)	no.	365,575	376,816	371,922	392,747	405,346
Total Minutes of Use	mn	731,195	712,283	702,749	676,259	630,688
Total Data Volume (2G+3G+4G)	mn MB	2,426,213	2,705,157	2,947,472	3,222,159	3,491,899
Total Data Subscribers (2G+3G+4G)	mn	140.1	146.3	146.3	143.3	140.3
Broadband Subscribers (3G+4G)	mn	99.7	107.9	110.2	110.5	112.2
4G Subscribers	mn	65.8	75.3	80.7	84.8	90.3
Data Usage by Broadband Subscriber (3G+4G)	MB	8,142	8,546	8,815	9,657	10,350

Note: Q2FY19 numbers are pro-forma figures.

5. Management Discussion and Analysis

Financial highlights

Q2FY20 revenue of Rs. 108.4 billion declined 3.8% QoQ, impacted by seasonality and by severe floods in many of our major markets. We also continue to see ARPU down trading.

EBITDA for the quarter decreased to Rs. 33.5 billion, (Rs. 10.5 billion excluding Ind AS 116 impact vs Rs. 12.5 billion in Q1) a QoQ decline of 8.3% as lower revenue was partially offset by continued cost synergy realisation. As the lease rentals are no longer included as a part of network expenses and other expenses, these were lower by Rs. 22.2 bn and Rs. 0.7 bn respectively, for the quarter. Q2FY20 underlying operating expenses (excluding License fees & Spectrum Usage Charges and roaming & access charges) were Rs. 15.8 billion lower compared to Q1FY19, after adjusting for inflation driven cost increases and incremental network rollout. On an annualised basis, this represents ~75% of our target opex synergy of Rs. 84 billion. We therefore remain well on track to realize our full opex synergy targets by Q1FY21.

Further, Depreciation & Amortisation expenses and Finance costs were higher Rs. 15.9 bn and Rs. 6.2 bn, respectively, due to adoption of Ind AS 116. Adoption of this standard resulted in a positive impact of Rs. 1.4 billion at PAT for the quarter.

We remain committed to delivering 4G coverage to 1 billion Indians by the end of FY20. However the Capex guidance has been revised to ~Rs. 130 billion from Rs. 170 billion for FY20, primarily on account of savings resulting from better pricing, disaggregation of components while ordering and reduction in planned 4G footprint in non-priority areas. Furthermore, lower than expected capacity requirement during the year has also resulted in capex deferral to FY21. Reflecting these benefits, Q2FY20 capex spend was Rs. 21.4 billion.

Gross debt as of September 30, 2019 was Rs. 1,173 billion, including deferred spectrum payment obligations due to the Government of Rs. 891.7 billion, but excluding lease liabilities. Cash & cash equivalents were Rs. 153.9 billion and net debt Rs. 1,019.1 billion (vs Rs. 992.6 billion in Q1FY20).

Adoption of Ind AS 116 with effect from April 01, 2019 has resulted in recognition of right-of-use assets of Rs. 227.8 bn and lease liability of Rs. 284.3 bn with a corresponding impact to adjusting retained earnings by of Rs. 44.6 bn (net of deferred taxes impact of Rs. 17.7 bn) as at April 01, 2019.

Consequent to the recent judgement by Hon'ble Supreme Court, we have accounted for the estimated liability of Rs. 276.1 billion related to License Fee and Rs. 165.4 billion related to Spectrum Usage Charges up to September 30, 2019 including the interest, penalty and interest thereon of Rs. 330.1 billion. This

estimate is based on demands received from DoT till date, an estimation for the period for which demands have not been raised, together with interest and penalty adjusting for certain computation corrections. Whilst the Company has provided for SUC, considering that no spectrum is used for generating non-telecom income, the Company is evaluating the levy of SUC on such income. Accordingly, during the quarter we recognised a charge of Rs. 256.8 billion as a part of exceptional item after adjusting the available provision and potential payments, on satisfaction of contractual conditions, under a mechanism with Vodafone Group.

In addition, based on revisions in our business plan, we are in the process of re-farming our 3G spectrum for offering 4G services along with our Network integration / alignment exercise. Accordingly, certain assets capitalised earlier may no longer be usable, resulting in an accelerated depreciation charge of Rs. 40.3 billion disclosed as part of exceptional items.

In line with the above changes, we have reassessed the recoverability of deferred tax assets, stopped further recognition and derecognized the Deferred Tax Assets amounting to Rs. 139.4 billion recorded up to June 30, 2019. As a result, loss for the quarter stands at Rs. 509.2 billion.

Integration update

Integration is progressing well and is expected to complete by Q1FY21. Opex synergies of Rs. 84 billion are targeted to be achieved two years earlier than the initial plan set at the time of the merger announcement in March 2017.

As at September 30, 2019, we had completed network integration in 14 service areas with Orissa, Karnataka, Rajasthan and Kolkata integrated during Q2. In the remaining circles, integration continues to move at a rapid pace based on a cluster-by-cluster approach, with subscribers of both brands gradually migrating to the new network, which has significantly greater coverage and capacity. We have already completed network integration in 78% of districts.

The improved coverage and capacity following integration, coupled with the deployment of TDD sites, Massive MIMO and LTE 900 MHz on select sites, continues to materially improve data speeds across circles. The data capacity in the 14 integrated circles as of September, 2019 has almost doubled compared to September, 2018. We now deliver the fastest 4G network speeds in the circles of Delhi, Madhya Pradesh and West Bengal as well as in Sikkim and Chennai, based on Ookla data. We have witnessed improving trends on 4G subscriber additions, successively in September and October 2019. As the integration is now moving towards our stronger circles, we expect further support to these trends.

As part of our network integration, we had removed surplus equipment from ~50,000 sites out of the total ~73,000 co-located sites by the end of September, 2019, further benefiting our cost base. In addition, we had exited ~16,000 low utilization sites by the end of September, 2019.

Operational highlights

The subscriber base declined to 311.1 million from 320 million in Q1FY20. Subscriber churn continues to improve, reaching 3.5% in Q2FY20 compared to 3.7% in Q1FY20 and 7.2% in Q4FY19. During the quarter, gross subscriber additions has also increased QoQ. ARPU for Q2 was Rs. 107 vs Rs. 108 in Q1FY20.

We continue to invest in 4G to increase coverage and capacity. During the quarter we added ~12,000 4G FDD sites to increase 4G coverage, and deployed ~6,000 TDD sites in addition to deployment of Massive MIMO in key circles to increase capacity. We are making progress in implementing LTE 900 in select locations, including through dynamic spectrum refarming. Our overall broadband site count stood at 405,346 in Q2 compared to 392,747 in Q1FY20.

Our network investment initiatives have delivered a significant capacity uplift and enhanced our customers' experience. Our 4G population coverage continues to improve and stands at ~72.2% as of September 30, 2019, compared to less than 50% for each of the brand at the start of the operations.

During the quarter, we added 5.5 million 4G customers (Q1FY20: 4.1 million), taking our overall 4G subscriber base to 90.3 million and we continue to see improving trends in 4G net adds. Total data volumes grew by 8.4% to 3,492 billion MB compared to the last quarter. Total minutes on the network declined by 6.7% during the quarter, primarily due to a reduction in incoming minutes.

Fund raising / Asset monetization

The merger of Indus Towers and Bharti Infratel is awaiting regulatory approval from the Department of Telecommunications, having received all other required approvals. The long stop date on the original agreement has been extended to December 24, 2019. Vodafone Idea plans to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger. In addition to exploring options to monetize nearly 160,000 Kilometers of intra-city and inter-city fibre, we are exploring monetization of our Data Centre.

AGR Judgement by Hon'ble Supreme Court and its impact

The Hon'ble Supreme Court on October 24, 2019 announced its judgment on the Adjusted Gross Revenue (AGR) matter which has significant financial implications for the industry. Further, the Hon'ble Supreme Court has provided 90 days' time to pay the amount and report compliance. We have accounted for the estimated liability of Rs. 276.1 billion related to License Fee and Rs. 165.4 billion

related to Spectrum Usage Charges up to September 30, 2019, including the interest, penalty and interest thereon of Rs. 330.1 billion. This estimate is based on demands received from DoT till date, an estimation for the period for which demands have not been raised, together with interest and penalty adjusting for certain computation corrections. Whilst the Company has provided for SUC, considering that no spectrum is used for generating non-telecom income, the Company is evaluating the levy of SUC on such income. Accordingly, during the quarter we recognised a charge of Rs. 256.8 billion as a part of exceptional item after adjusting the available provision and potential payments, on satisfaction of contractual conditions, under a mechanism with Vodafone Group. We are in the process of filing a review petition.

Further, the Company through Cellular Operators Association of India ('COAI') has made representations to the Government to provide relief to the telecom sector, including but not limited to requesting to not press for the AGR liability payment and grant waivers, not levy Spectrum Usage Charges on non-licensed revenue / income, reduction of License fee and SUC rates, use of GST credit for payment of Government levies and allow payment to be made in installments after some moratorium and grant a moratorium of two years for the payment of Spectrum dues beyond April 01, 2020 up to March 31, 2022. The Government has also taken cognizance of the financial stress on the telecom sector and has recently set-up a Committee of Secretaries ('CoS') to evaluate the telecom operators' plea and suggest measures to mitigate the financial stress.

It is to be noted that our ability to continue as going concern is dependent on obtaining the reliefs from the Government as discussed above and positive outcome of the proposed legal remedy. Pending the outcome of the above matters, these financial results have been prepared on a Going Concern Basis.

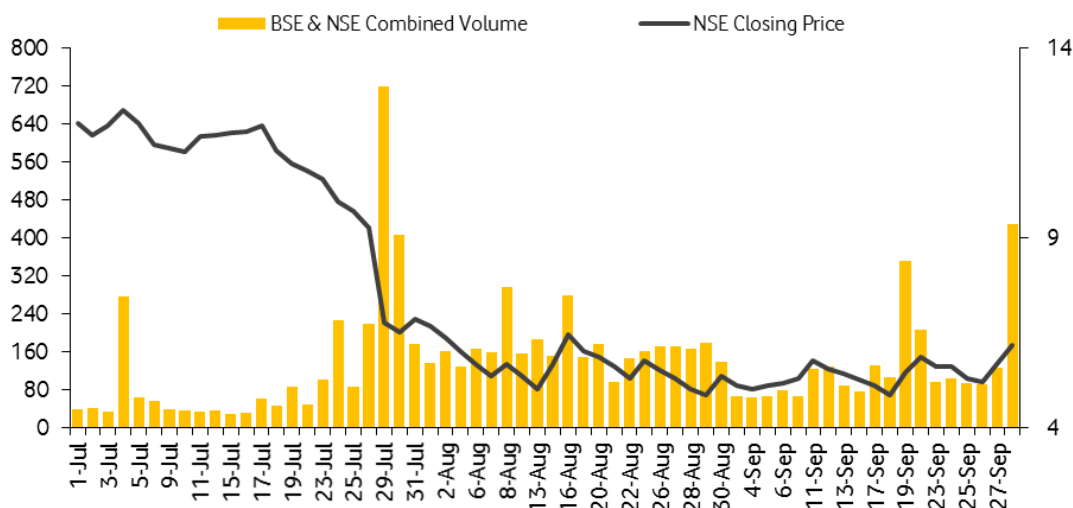
6. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.NS
No of Shares Outstanding (30/09/2019)	mn	28735.39
Closing Market Price - NSE (30/09/2019)	INR/share	6.15
Combined Volume (NSE & BSE) (01/07/2019 to 30/09/2019)	mn/day	140.4
Combined Value (NSE & BSE) (01/07/2019 to 30/09/2019)	INR mn/day	953.6
Market Capitalisation (30/09/2019)	INR bn	177
EPS for the Quarter (Annualised)	INR/share	NA
Enterprise Value (30/09/2019)	INR bn	1196
Price to Earning	times	NA

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

Volume (no. of Shares in mn)

Closing Price (INR)



7. Shareholding Pattern

Particulars	As on Sep 30, 2019	
Promoter and Promoter Group	No. of Shares	% holding
Aditya Birla Group	7,948,341,627	27.66%
Vodafone Group	12,755,576,455	44.39%
Total Promoter Holding	20,703,918,082	72.05%
Public Shareholding	No. of Shares	% holding
Institutional Holding	6,065,295,955	21.11%
Non-Institutional Holding	1,966,175,203	6.84%
Total	28,735,389,240	100.00%

8. Glossary

Definitions/Abbreviation	Description/Full Form
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure, fixed line 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.
Broadband Subscriber / Broadband Data Subscriber	Any subscriber with data usage of more than 0KB on 3G or 4G network in last 30 days.
Churn	Is calculated by dividing gross add-net add 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 churn.
Data Subscriber	Any subscriber with data usage of more than 0KB in last 30 days.
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, Employee benefit expenses, Network expenses and IT outsourcing cost, License fees and spectrum usage charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement, business promotion and content cost, and other expenses.
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt
EPS	Earnings 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 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
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of 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, deferred spectrum payment obligations due to the Government, reduced by cash and cash equivalents

Definitions/Abbreviation	Description/Full Form
Net Worth	Calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
Price to Earning	Is calculated by dividing the closing market price (NSE) at the end of the period by the annualised EPS
Site	Represents unique combination of Technology and Spectrum band (frequency). Site count does not include Massive MIMO and Small Cells
Service Area/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT

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