VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)
Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
Consolidated Financial Results for the quarter and audited financial results for the nine months ended 31-December-2018

(₹ Mn, except per share data)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-18 Refer Note 10	30-Sep-18 Unaudited	31-Dec-17 Refer Note 10	31-Dec-18 Audited	31-Dec-17 Audited	31-Mar-18 Audited
INCOME						
Service Revenue	117,359	76,458	65,055	252,481	221,210	282,420
Sale of Trading Goods	157	9	8	169	46	51
Other Operating Income	132	168	33	525	160	318
REVENUE FROM OPERATIONS	**117,648**	**76,635**	**65,096**	**253,175**	**221,416**	**282,789**
Other Income	2,180	2,151	420	5,745	1,026	3,530
TOTAL INCOME	**119,828**	**78,786**	**65,516**	**258,920**	**222,442**	**286,319**
EXPENSES						
Cost of Trading Goods	177	19	12	200	67	73
Employee Benefit Expenses	6,793	4,939	4,242	15,652	12,835	15,430
Network Expenses and IT Outsourcing Costs	56,659	35,976	23,661	119,062	75,905	97,334
License Fees and Spectrum Usage Charges	12,765	7,990	6,985	26,716	23,340	28,667
Roaming & Access Charges	11,972	9,478	6,361	29,194	28,249	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,785	9,105	9,052	27,126	27,923	36,090
Finance Costs	28,248	21,662	11,910	65,168	35,884	48,130
Depreciation & Amortisation Expenses	47,734	30,059	21,415	98,717	63,237	84,091
Other Expenses	6,128	4,514	2,549	12,648	7,093	9,362
TOTAL EXPENSES	**182,261**	**123,742**	**86,187**	**394,483**	**274,533**	**354,535**
LOSS BEFORE EXCEPTIONAL ITEMS,TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	**(62,433)**	**(44,956)**	**(20,671)**	**(135,563)**	**(52,091)**	**(68,216)**
Add: Share in Profit / (Loss) of Joint Ventures and Associate (net)	398	423	818	1,419	2,479	3,224
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	**(62,035)**	**(44,533)**	**(19,853)**	**(134,144)**	**(49,612)**	**(64,992)**
Exceptional Item (Net) (Refer Notes 5 and 6)	(8,008)	(5,658)	-	19,979	-	-
LOSS BEFORE TAX	**(70,043)**	**(50,191)**	**(19,853)**	**(114,165)**	**(49,612)**	**(64,992)**
Tax expense:						
- Current tax	15	(3)	311	169	920	1,234
- Deferred tax (Refer Note 7)	(20,012)	(450)	(7,319)	(17,115)	(18,472)	(24,544)
LOSS AFTER TAX	**(50,046)**	**(49,738)**	**(12,845)**	**(97,219)**	**(32,060)**	**(41,682)**
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	(30)	354	(16)	432	(47)	442
- Income tax effect	16	(121)	5	(143)	16	(152)
- Group's share in other comprehensive income of joint ventures and associate	3	-	-	3	(2)	(7)
TOTAL COMPREHENSIVE LOSS	**(50,057)**	**(49,505)**	**(12,856)**	**(96,927)**	**(32,093)**	**(41,399)**
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,354	87,351	36,075	87,354	36,075	43,593
Other Equity						229,031
Earnings Per Share for the period (₹)						
- Basic	(5.74)	(8.54)	(3.58)	(15.42)	(8.95)	(11.36)
- Diluted	(5.74)	(8.54)	(3.58)	(15.42)	(8.95)	(11.36)

Notes

1. The above consolidated financial results for the quarter and audited consolidated financial results for the nine months ended 31st December, 2018 and 31st December, 2017, 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 6th February 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 31st 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 and nine months ended 31st December, 2018 includes consolidated financial results of the operations of erstwhile VInL for the entire quarter and for the period from 31st August, 2018 to 31st December, 2018, respectively.

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). With the merger of ICL and erstwhile VInL on 31st August 2018, VIL became a promoter in both the entities. Reserve Bank of India (RBI) had permitted VMPL to continue with the PPI business only for a period of four months from the Effective Date. The RBI has further extended the period till 31st March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers. Accordingly, the Group continues to classify the assets and liabilities of VMPL as Assets Held for Sale (AHFS).

4. The Board of Directors have considered and approved the capital raise for an amount aggregating upto ₹ 250,000 Mn by way of rights issue to existing eligible equity shareholders of the Company. The Promoter Shareholders Vodafone Group (VFG) and Aditya Birla Group (ABG) have re-iterated to the Board that they intend to contribute up to ₹ 110,000 Mn and up to ₹ 72,500 Mn, respectively, as part of such rights issue and indicated to subscribe the under subscribed portion, if any. On this basis, the Board 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.

5. The Company has given additional site exit notices to the tower vendors during the quarter. The unsettled demand on the Company (including additional exits) as at 31st December, 2018 aggregated to ₹ 27,825 Mn. Against these, the Company estimates the settlement amount not to exceed ₹ 12,850 Mn. Accordingly, the Company has recognised a provision of ₹ 7,250 Mn towards exit charges during the quarter in addition to ₹ 10,000 Mn provided in the previous quarter.

6. Exceptional items for the quarter ended 31st December 2018 includes (i) Integration and merger related costs amounting to Rs 7,473 Mn (including amount referred in Note 5 above), (ii) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration and (iii) re-assessment of certain accruals of Rs 185 Mn. Exceptional items for the nine months ended 31st December, 2018 includes a charge / (credit) towards (i) gain on sale of ICISL ₹ (33,473) Mn, (ii) Integration and merger related costs amounting to ₹ 21,043 Mn, (iii) re-assessment of certain estimates of ₹ (8,084) Mn and (iv) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration (v) re-assessment of certain accruals of Rs 185 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 30th September, 2018. Deferred tax charge also includes tax impact on exceptional items as disclosed in note 5 and 6 above of ₹ (2,240) Mn and ₹ 7,937 Mn for the quarter and nine month period ended 31st December, 2018, respectively.

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

₹ Mn

Particulars	**Quarter ended**			**Nine Months Ended**		**Year ended**
	31-Dec-18 (refer note 10)	30-Sep-18 Unaudited	31-Dec-17 (refer note 10)	31-Dec-18 Audited	31-Dec-17 Audited	31-Mar-18 Audited
Revenue from Operations	116,785	76,388	63,919	251,441	217,951	278,286
(Loss) before Tax	(70,442)	(50,443)	(21,650)	(108,790)	(51,596)	(69,608)
Net (Loss) after Tax	(50,330)	(49,881)	(14,161)	(91,291)	(32,856)	(44,583)

9. On 8th 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 1st July 2008 to 31st December 2012, amounting to ₹ 10,687 Mn (June 18: ₹ 3,691 Mn), and
   - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn (June 18: ₹ 17,444 Mn).
   - Subsequently on 9th July 2018 , DoT revised the demands for beyond 4.4mhz to INR 57,254 Mn as against INR 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 9th 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 21st January, 2019, the Company has received a favorable order from TDSAT directing DoT to release the BG ₹ 21,135 mn within 2 months.

10. The financial results for the quarter ended 31st December 2018 and 31st December 2017, respectively, are balancing figures between audited results for the nine months period ended 31st December 2018 and 31st December 2017 and published year to date figures up 30th September, 2018 and 30th September, 2017, respectively.

11. Consolidated financial results for the quarter and nine months ended 31st December 2018 are not comparable to those reported for the preceding periods 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: 6th February, 2019
Place: Mumbai

Director

VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Standalone financial results for the quarter and audited standalone financial results for the nine months ended 31-December-2018

(₹ Mn, except per share data)

Particulars	**Quarter ended**			**Nine Months ended**		**Year ended**
	31-Dec-18	**30-Sep-18**	**31-Dec-17**	**31-Dec-18**	**31-Dec-17**	**31-Mar-18**
	Refer Note 10	**Unaudited**	**Refer Note 10**	**Audited**	**Audited**	**Audited**
INCOME						
Service Revenue	116,645	76,219	63,896	250,909	217,807	278,000
Other Operating Income	140	169	23	532	144	286
REVENUE FROM OPERATIONS	**116,785**	**76,388**	**63,919**	**251,441**	**217,951**	**278,286**
Other Income	2,405	2,221	385	8,977	3,609	6,065
TOTAL INCOME	**119,190**	**78,609**	**64,304**	**260,418**	**221,560**	**284,351**
EXPENSES						
Employee Benefit Expenses	6,249	4,562	3,887	14,411	11,724	13,968
Network Expenses and IT Outsourcing Costs	56,325	35,898	23,730	118,641	75,967	97,449
License Fees and Spectrum Usage Charges	12,727	7,977	6,985	26,665	23,340	28,667
Roaming & Access Charges	11,972	9,478	6,361	29,194	28,249	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,754	9,314	9,348	27,615	28,807	37,298
Finance Costs	28,309	21,622	11,900	65,182	35,869	48,968
Depreciation & Amortisation Expenses	47,176	29,839	21,238	97,939	62,293	83,148
Other Expenses	7,011	4,704	2,505	13,630	6,907	9,103
TOTAL EXPENSES	**181,523**	**123,394**	**85,954**	**393,277**	**273,156**	**353,959**
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	**(62,333)**	**(44,785)**	**(21,650)**	**(132,859)**	**(51,596)**	**(69,608)**
Exceptional Items(net) (Refer Notes 6 and 7)	(8,109)	(5,658)	-	24,069	-	-
LOSS BEFORE TAX	**(70,442)**	**(50,443)**	**(21,650)**	**(108,790)**	**(51,596)**	**(69,608)**
Tax expense:						
- Current tax	-	-	(1)	-	97	173
- Deferred tax (Refer Note 8)	(20,112)	(562)	(7,488)	(17,500)	(18,837)	(25,198)
NET LOSS AFTER TAX	**(50,330)**	**(49,881)**	**(14,161)**	**(91,290)**	**(32,856)**	**(44,583)**
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprhensive gains/(losses)	(4,124)	(2,262)	5,005	(16,556)	15,239	(6,047)
- Income tax effect on equity instrument through other comprhensive gains/(losses)	961	527	(1,155)	4,008	(3,516)	1,250
- Re-measurement gains/ (losses) of defined benefit plans	(21)	344	(15)	430	(45)	428
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	16	(121)	5	(142)	15	(148)
TOTAL COMPREHENSIVE LOSS	**(53,498)**	**(51,393)**	**(10,321)**	**(103,550)**	**(21,163)**	**(49,100)**
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,354	87,351	36,075	87,354	36,075	43,593
Other Equity						262,415
Earnings Per Share for the period (₹)						
- Basic	(5.76)	(8.55)	(3.93)	(14.45)	(9.11)	(12.07)
- Diluted	(5.76)	(8.55)	(3.93)	(14.45)	(9.11)	(12.07)

Notes

1. The above standalone financial results for the quarter and audited standalone financial results for the nine months ended 31st December, 2018, 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 6th February 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 31st 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 and nine months ended 31st December, 2018 include the financial results of the operations of erstwhile Vodafone for the full quarter and for the period from 31st August, 2018 to 31st December, 2018, respectively.

   The Company has accounted for this merger under 'pooling of interest' method based on assets and liabilities of erstwhile Vodafone at the Effective Date. As at 30th September, 2018, the net effect of the merger related adjustments was an increase in the Total Equity of the Company by ₹ 477,310 Mn. The above effect was based on the limited reviewed special purpose financial statements of erstwhile Vodafone as at 30th August 2018 which have since been audited. Basis evaluation of the investments in some of the erstwhile Vodafone subsidiaries, the Company has finally adjusted an additional ₹ 4,384 Mn to Other Equity towards impairment of some of these investments.

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). With the merger of ICL and erstwhile VInL on 31st 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 only for a period of four months from the Effective Date. The RBI has further extended the period till 31st March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.

4. The Board of Directors have considered and approved the capital raise for an amount aggregating upto ₹ 250,000 Mn by way of rights issue to existing eligible equity shareholders of the Company. The Promoter Shareholders i.e. Vodafone Group (VFG) and Aditya Birla Group (ABG) have re-iterated to the Board that they intend to contribute up to ₹110,000 Mn and up to ₹ 72,500 Mn, respectively, as part of such rights issue and indicated to subscribe the under subscribed portion, if any. On this basis, the Board believes that there is no impairment in the value of its assets in accordance with Ind AS 36 – Impairment of Assets.

5. On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an appointed date of 1st April 2018. During the quarter, the Company received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC).

   The Company has accounted for this merger under the 'pooling of interest' method for common control transactions as per the guidance in Ind AS 103 'Business Combinations'. Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the figures for all the past periods presented in these financial results. Accordingly, (i) Other Equity of the Company as on 31st March, 2018 has increased by ₹ 49,313 Mn and (ii) the following effects upto November 29, 2018 pertaining to ABTL has been reflected as income and expenses for the Company.

₹ Mn

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
Income	183	257	174	3,651	2,909	3,083
Expenses	4	(3)	6	4	(265)	(277)
Profit / (Loss) before Tax	178	260	168	3,646	3,174	3,361
Current and deferred tax	(13)	76	50	130	151	135
Profit / (Loss) after Tax	191	184	118	3,517	3,023	3,226
Other Comprehensive Income (net of tax)*	(3,233)	(1,735)	3,850	(12,617)	11,723	(4,797)
Total Comprehensive Income	(3,042)	(1,551)	3,968	(9,100)	14,746	(1,571)

* The company has followed the Accounting Policy to measure its value of investments in Joint Venture at fair value through Other Comprehensive Income (FVOCI)

6. The Company has given additional site exit notices to the tower vendors during the quarter. The unsettled demand on the Company (including additional exits) as at 31st December, 2018 aggregated to ₹ Rs.27,825 Mn. Against these, the Company estimates the settlement amount not to exceed ₹ 12,850 Mn. Accordingly, the Company has recognised a provision of ₹ 7,250 Mn towards exit charges during the quarter in addition to ₹ 10,000 Mn provided in the previous quarter.

7. Exceptional items for the quarter ended 31st December 2018 includes (i) Integration and merger related costs amounting to Rs 7,473 Mn (including amount referred in Note 6 above), (ii) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration and (iii) re-assessment of certain accruals of Rs 285 Mn. Exceptional items for the nine months ended 31st December, 2018 includes a charge / (credit) towards (i) gain on sale of ICISL ₹ (37,644) Mn, (ii) Integration and merger related costs amounting to ₹ 21,306 Mn, (iii) re-assessment of certain estimates of ₹ (8,081) Mn and provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration.

8. Consequent to the merger, the Company had 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 30th September, 2018. Deferred Tax Charge also includes tax impact on exceptional items as disclosed in Notes 6 and 7 above of ₹ (2,240) Mn and ₹ 9,400 Mn for the quarter and nine months ended 31st December, 2018, respectively.

9. On 8th 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 1st July 2008 to 31st December 2012, amounting to ₹ 10,687 Mn (June 18: ₹ 3,691 Mn), and
   - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn (June 18: ₹ 17,444 Mn).
   - Subsequently on 9th July 2018 , DoT revised the demands for beyond 4.4mhz to INR 57,254 Mn as against INR 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 9th 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 had complied with the aforesaid condition but thereafter approached TDSAT, seeking return of BGs of ₹ 33,224 Mn. On 21st January, 2019, company has received a favorable order from TDSAT directing DoT to release the BG ₹ 21,135 mn within 2 months.

10. The financial results for the quarter ended 31st December 2018 and 31st December 2017 respectively are balancing figures between audited results for the nine months period ended 31st December 2018 and 31st December 2017 and published year to date figures up 30th September, 2018 and 30th September, 2017, respectively.

11. Financial results for the quarter and nine months ended 31st December 2018 are not comparable to those reported for the preceding periods 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: 6th February, 2019
Place: Mumbai

Director