



## **QUARTERLY REPORT**

Third Quarter ended December 31, 2018

**STRONGER TOGETHER. FOR YOU.**

**Vodafone Idea Limited**

India's #1 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  
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## Supplemental Disclosures

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

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

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

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

Vodafone India Limited has merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 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.

### 1.1 Promoter Groups

**Vodafone Group** is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partnerships with mobile networks in 44 more, and fixed broadband operations in 19 markets. As of December 31, 2018, Vodafone Group had approximately 700 million mobile customers and 21 million fixed broadband customers, including all of the customers in Vodafone's joint ventures and associates.

**Aditya Birla Group**, a US\$44 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 35 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.

## 1.2 Corporate Structure

Vodafone Idea Limited											
100% Subsidiaries									Joint Venture		Associate
Idea Cellular Services Limited	Idea Telesystems Limited	Vodafone Business Services Limited	Aditya Birla Telecom Limited	Mobile Commerce Solutions Limited	Vodafone M-Pesa Limited	Vodafone India Ventures Limited	You Broadband India Limited	Vodafone Foundation	Firefly Networks Limited	Indus Towers Limited	Aditya Birla Idea Payment Bank Limited
Manpower Services	Trading of communication devices	Data Centre	Investment in Indus Towers	Trading of communication devices	Mobile Wallet services	Shared service center	Fixed line Broadband	Section 8 Company - CSR activities	Wi-Fi Site Acquisitions, Installation, Maintenance	Passive infrastructure	Payments Bank

### Other subsidiaries (Insignificant business / non-operating)

- Vodafone India Digital Limited
- Vodafone Towers Limited
- Vodafone Technology Solutions Limited
- You System Integration Private Limited
- Connect India Mobile Technologies Private Limited

## 1.3 Business Segments

### 1.3.1 Mobility

- **Voice Business** – Vodafone Idea offers Voice services coverage in all 22 service areas on the Vodafone and Idea brand. The company covers ~91% of the Indian population in over 480,000 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 and for better capacity management.
- **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 270,000 towns and villages, covering ~69% of the Indian population.
- **Content Offerings** – To provide best in class contents to its customers, the company has tied up with various third parties like Amazon, Netflix, Sony, Zee, Hoichoi, Sun TV etc. These arrangements are in addition to our own digital platforms like Idea Music, Idea Movies & TV, Idea News & Magazines and Vodafone Play.

### 1.3.2 Enterprise Services

Vodafone Idea Enterprise services provides total communications solutions to empower global and Indian corporations, public sector & government bodies, small & medium enterprises and start-ups. In addition to market-leading enterprise mobility offerings, we also offer robust connectivity, world-class IoT solutions, business communication, cloud services and insightful business analytics to our enterprise customers. We bring the smartest and newest technologies to serve businesses in the digital era. The

global expertise of Vodafone Group and deep local knowledge makes us the preferred digital enablement partner of enterprises across India.

### **1.3.3 Payments Bank**

Aditya Birla Idea Payment Bank Limited (APIPBL) on April 03, 2017, received banking license from RBI. Payments Banking services were launched on February 22, 2018. Presently, the Bank is running a pilot across five districts of Gujarat and Maharashtra to test business concepts along with evaluation of its systems and processes. The Bank has also launched its Mobile Banking, Internet Banking and UPI services. The Payments Bank intends to promote a wide range of banking products & services including current and savings bank account, domestic remittances, merchant payments and enterprise solutions.

Vodafone India Limited was merged with Idea Cellular Limited to form a new entity, Vodafone Idea Limited with effect from August 31, 2018. The merger had resulted in Vodafone Idea Limited holding 100% ownership of Vodafone M-Pesa Limited (VMPL) besides 49% shareholding in Aditya Birla Idea Payments Bank Limited (ABIPBL). As per the RBI guidelines, same promoter group cannot have Payments Banking business in one entity and Prepaid Payment Instruments (PPI) business in another entity. Based on various discussions, the Regulator had initially permitted these two entities to carry on the business until December 31, 2018. Thereafter RBI has extended this date to March 31, 2019.

## 2. Our Strengths

### 2.1 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 to 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
<b>Total</b>	<b>12.4</b>	<b>55.0</b>	<b>129.2</b>	<b>333.2</b>	<b>195.0</b>	<b>30.0</b>	<b>370.0</b>	<b>1,849.6</b>

### 2.2 Large Customer Base



Vodafone Idea is the largest mobile telecommunications company in India in terms of subscribers. The company had over 387.2 million subscribers as of December 31, 2018. As the company is expanding its broadband coverage and capacity, this large subscriber base provides a great platform for the company upgrade voice only customers to users of data services, digital content & payment services.

### 2.3 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 198,000 2G sites and over 376,000 broadband (3G+4G) sites. The company continues to expand its broadband coverage and added 11,241 broadband sites, including the addition of 9,066 sites on TDD spectrum to enhance capacity, during the quarter. The

company has a combined portfolio of ~240,000 km of OFC (vs. ~239,000 in September 2018) post elimination of common routes including own built and IRU OFC. The incremental capex coupled with redeployment of co-located broadband sites will allow the company to expand its broadband coverage and create large capacities.

## 2.4 Strong Brands

We have two strong brands that, we believe, have contributed significantly to our strong market position. We also believe that our brands  and  are complementary in nature with the Idea brand having a mass market focus and the Vodafone brand having an urban focus, creating strong customer affinity across country.

## 2.5 Enterprise Offerings

The company is well positioned in enterprise offerings across industry verticals. Vodafone Idea Limited has clear leadership in IoT offerings which is an emerging segment and has the potential to grow multi-fold in the near future amid the Government's push towards 'Digital India' and 'Smart Cities'. The company has built strong relationship with its enterprise customers by providing Enterprise grade solutions and services over the last few years. The strong relationship with customers and global know-how of Vodafone Group provides a strong platform for future growth in this segment.

## 2.6 Tower Investments (Indus)

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone Group and Vodafone Idea Ltd through its subsidiary Aditya Birla Telecom Ltd. (ABTL), is one of the world's leading tower company with 124,069 towers and a tenancy ratio of 1.86 as of December 31, 2018. 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 25th April 2018, the merger of Bharti Infratel and Indus towers was announced which will create a listed pan-India tower company. Vodafone Idea has the option to either: (1) sell its 11.15% shareholding in Indus towers for cash based on a valuation formula linked to the VWAP for Bharti Infratel's shares during the 60 trading days at the end of Vodafone Idea's election period which triggers post completion of all regulatory approvals required for the merger. This would be equivalent to a cash consideration of ~Rs. 49.6 billion (as at December 31, 2018) subject to closing adjustments or alternatively; (2) receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus towers share) subject to closing adjustments.

### 3. Financial Highlights

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

	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Gross Revenue	65,097	61,373	58,892	76,636	117,648
Opex	52,864	46,901	52,297	72,022	106,279
EBITDA	12,233	14,473	6,595	4,614	11,368
<b>EBITDA Margin</b>	<b>18.8%</b>	<b>23.6%</b>	<b>11.2%</b>	<b>6.0%</b>	<b>9.7%</b>
Depreciation & Amortisation	21,414	20,854	20,924	30,059	47,734
EBIT	(9,181)	(6,382)	(14,329)	(25,445)	(36,365)
Interest and Financing Cost (net)	11,490	9,743	13,844	19,511	26,068
Share of Profit from Indus & Payments Bank	818	744	599	422	398
Gain on Sale of ICISL/ Exceptional Item	-	-	33,645	(5,658)	(8,008)
PBT	(19,853)	(15,380)	6,071	(50,192)	(70,043)
Tax Expenses	(7,007)	(5,759)	3,505	(454)	(19,997)
PAT	(12,845)	(9,621)	2,565	(49,738)	(50,046)
<b>Other comprehensive income (net of Tax)</b>	<b>(11)</b>	<b>316</b>	<b>70</b>	<b>233</b>	<b>(11)</b>
<b>Total comprehensive income for the period</b>	<b>(12,856)</b>	<b>(9,306)</b>	<b>2,636</b>	<b>(49,505)</b>	<b>(50,057)</b>

**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 & Q3FY19 figures as reported above are not comparable to earlier periods.



## B. Balance Sheet (Rs mn)

Particulars	As on	
	30-Sep-18	31-Dec-18
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	516,663	512,653
Capital work-in-progress	22,927	13,719
Investment Property	678	675
Goodwill	61	36
Intangible assets	1,244,344	1,275,666
Capital work-in-progress -Intangible assets	99,553	46,534
<b>Financial assets</b>		
Non-current investments	14,308	14,728
Long term loans	1,240	1,236
Other non-current financial assets	10,826	10,725
Deferred Tax Assets	64,564	84,575
Other non-current assets	152,279	153,595
<b>Total non-current assets (A)</b>	<b>2,127,444</b>	<b>2,114,142</b>
<b>Current assets</b>		
Inventories	51	38
<b>Financial assets</b>		
Current investments	121,677	77,025
Trade receivables	40,291	40,736
Cash and cash equivalents	12,699	10,848
Bank balance other than cash and cash equivalents	1,155	1,170
Short term loans	26	23
Other current financial assets	3,779	894
Current Tax Assets (Net)	2	1
Other current assets	68,990	66,669
<b>Total current assets (B)</b>	<b>248,670</b>	<b>197,405</b>
<b>Assets classified as held for sale (C)</b>	<b>2,053</b>	<b>1,972</b>
<b>Total Assets (A+B+C)</b>	<b>2,378,167</b>	<b>2,313,518</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	87,351	87,354
Other equity	608,054	557,984
<b>Total equity (A)</b>	<b>695,405</b>	<b>645,338</b>
<b>Non-Current Liabilities:</b>		
<b>Financial liabilities</b>		
Non-current borrowings	1,151,925	1,156,076
Non-current trade payables	-	2,759
Other non-current financial liabilities	147,295	125,387
Long term provisions	4,202	4,013
Deferred tax liabilities (net)	414	413
Other non-current liabilities	3,815	3,930
<b>Total Non-Current Liabilities (B)</b>	<b>1,307,652</b>	<b>1,292,578</b>
<b>Current Liabilities:</b>		
<b>Financial liabilities</b>		
Current borrowings	49,436	10,906
Trade payable	110,475	133,894
Current maturities of long term debt	59,236	69,654
Other financial liabilities	125,801	129,730
Other current liabilities	28,648	30,021
Short term provisions	460	412
<b>Total Current Liabilities (C)</b>	<b>374,057</b>	<b>374,617</b>
<b>Liabilities classified as held for sale (D)</b>	<b>1,054</b>	<b>985</b>
<b>Total equity and liabilities (A+B+C+D)</b>	<b>2,378,167</b>	<b>2,313,518</b>

## 4. Key Performance Indicators

Mobility KPIs	Unit	Vodafone Idea		
		Q1FY19	Q2FY19	Q3FY19
Subscriber Base (EoP)	mn	435.4	422.3	387.2
VLR Subscribers (EoP)	mn	411.6	402.8	390.8
Net VLR Subscriber addition	mn	(5.8)	(8.7)	(12.0)
Pre-paid Subs (% of EoP subscribers)	%	94.2%	94.3%	93.9%
Average Revenue per User (ARPU) Blended	INR	92	88	89
Average Minutes of Use per User (MoU)	min	555	568	580
Blended Churn	%	4.1%	4.3%	5.0%
2G Coverage - No. of Census Towns	no.	7,985	7,986	7,955
2G Coverage - No. of Villages	no.	478,554	479,187	472,381
2G Coverage - Population	mn	1,104	1,104	1,097
% of Population	%	91.2%	91.3%	90.7%
Broadband Coverage - No. of Census Towns	no.	7,519	7,580	7,573
Broadband Coverage - No. of Villages	no.	231,117	253,205	263,915
Broadband Coverage - Population	mn	779	817	833
% of Population	%	64.4%	67.6%	68.8%
Total Unique Towers (EoP)	no.	201,854	202,650	198,171
Total Unique Broadband Towers (EoP)	no.	151,544	155,511	157,683
Total Broadband sites (3G+4G)	no.	340,709	365,575	376,816
Total Minutes of Use	mn	732,837	731,195	712,283
Total Data Volume (2G+3G+4G)	mn MB	2,028,393	2,426,213	2,705,157
Total Data Subscribers (2G+3G+4G)	mn	141.7	140.1	146.3
Data Usage by Data Subscriber (2G+3G+4G)	MB	5,114	5,740	6,324
Broadband Subscribers (3G+4G)	mn	95.3	99.7	107.9
4G Subscribers	mn	57.4	65.8	75.3

**Note: Q1FY19 and Q2FY19 numbers are pro-forma figures.**

## 5. Management Discussion and Analysis

### Financial Highlights

The Q3FY19 results are the first full quarter results for Vodafone Idea, post completion of the merger of Vodafone India and Idea Cellular on August 31, 2018.

Our headline tariffs remained stable during the quarter. However customers continue to migrate to lower ARPU plans. Within this context, the company has implemented various initiatives to improve its revenue, profitability and competitive standing in line with its stated strategy, which began to impact performance positively towards the end of the quarter. As a result, the pace of QoQ revenue decline slowed to 2.2% in the quarter, compared to a 7.1% reduction in Q2, and we experienced growth in daily revenue on a month-on-month basis during December 2018, which continued into January 2019.

The QoQ trends for key parameters are as follows

	Unit	Q2FY19 <sup>1</sup>	Q3FY19	QoQ <sup>1</sup>
Revenue	Rs mn	120,238	117,648	-2.2%
EBITDA	Rs mn	9,778	11,368	16.3%
EBITDA %	%	8.1%	9.7%	1.5%
Capex	Rs mn	32,956	11,690	-21,266
ARPU	Rs	88	89	1.5%
Minutes on Network	mn	731,195	712,283	-2.6%
Data Volume	mn MB	2,426,213	2,705,157	11.5%

Overall operating expenses for the quarter were lower sequentially due to the realisation of merger synergies. Q3 operating expenses<sup>3</sup> were Rs. 81.5 billion (excluding licence fees & spectrum usage charges and roaming & access charges), lower by ~Rs. 7.5 billion (annualised ~Rs. 30 bn) compared to Q1 operating expenses<sup>3</sup>. As a result, despite the reduction in revenue, EBITDA<sup>2</sup> increased to Rs. 11.4 billion, a 16.3% improvement QoQ.

In the quarter, Depreciation & Amortisation charges were Rs. 47.7 billion and Interest & Finance charges were Rs. 26.1 billion. Capex for the quarter was Rs. 11.7 billion. The level of capital expenditure is expected to be higher in Q4 as contracts with suppliers were finalised during Q3.

Gross debt as at December 31, 2018 was Rs. 1,236.6 billion, including deferred spectrum payment obligations due to the Government of Rs. 914.8 billion. Cash & cash equivalents were Rs. 89 billion, resulting in net debt of Rs. 1,147.6 billion (vs Rs. 1,125.1 billion in Q2FY19).

<sup>1</sup> Quarter on quarter comparison is with the pro-forma figures of Q2FY19, which are derived without considering the alignment of accounting policies.

<sup>2</sup> EBITDA is a non-Ind AS financial measure. It is calculated as revenue excluding other income less operating expenses.

<sup>3</sup> Operating expenses are calculated as total expenses less finance cost and depreciation & amortization.

## **Integration update**

The merger of Vodafone India with Idea Cellular completed on August 31, 2018. The company, in line with its stated strategy, has accelerated the integration of the two businesses. We have given a guidance of Rs. 84 billion of run-rate costs synergies to be achieved during FY21, two years ahead of the initial target set at the time of the original merger announcement in March 2017.

The pricing plans on both brands (Vodafone and Idea) for pre-paid and post-paid offerings have been harmonised. Integration of the distribution channels, retail footprint and our customer service operations are expected to be completed shortly.

With the implementation of national roaming on both networks, each brand now offers 4G across all 22 service areas. To ensure the best customer experience, subscribers connect to the stronger of the two networks while roaming outside their home circle. In addition, during the quarter, radio access network vendor selection and equipment orders for the company was completed for all circles.

Network integration is moving at pace. In the eight service areas of West Bengal (December 2018), AP (except Hyderabad), Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East and J&K (January 2019), customers of both brands enjoy a unified network experience (following the consolidation of spectrum and the radio access network). In addition, we are offering unified 4G experience in Bangalore (January 2019). In other circles, network integration is taking place on a cluster-by-cluster basis and the subscribers of both brands are gradually moving to a much larger and better network. Furthermore, the process of spectrum consolidation in these areas has resulted in enhanced network capacity and improved customer experience.

We have also enhanced the capabilities of some of our 900 MHz sites through dynamic spectrum re-farming and re-farmed 2100 MHz spectrum from 3G to 4G usage on selected sites. During the quarter we exited ~5,400 low utilisation sites and optimised the loading equipment on over ~21,000 co-located sites.

## **Operational highlights**

The introduction of 'service validity vouchers' on a national basis during the quarter, which require customers to make a minimum recharge of Rs. 35 (28 days validity), contributed to a reduction of 35.1 million customers in the quarter, as expected. 'Incoming-only' customers or 'minimal ARPU' customers consolidated their spending from multiple to single SIMs. ARPU for the quarter, grew 1.5% QoQ to Rs. 89, compared to a 4.7% decline in Q2. We expect to see further positive impact on revenue and ARPU from these actions.

We added 11,123 4G sites during the quarter, including the addition of 9,066 sites on TDD. Our 4G population coverage has improved rapidly to over 64% as at December 31, 2018 (compared to less than 50% for each of the brand in August 2018). During the quarter we added 9.5 million 4G customers (Q2: +8.4 million), taking

the overall 4G subscriber base to 75.3 million. Data volume of 2,705 billion MB for the quarter grew by 11.5% compared to the last quarter and average monthly data usage per data subscriber improved to 6.2 GB (vs 5.6 GB in Q2). Total minutes on the network declined by 2.6% during the quarter, largely attributable to the introduction of service validity vouchers.

On the content side, we have recently partnered with Sun TV to offer best of south content from Sun NXT in all four major South Indian Languages –Tamil, Telugu, Malayalam & Kannada.

### **Fund raising / Asset monetisation**

The Board of Directors in its meeting held on January 23, 2019 has considered and approved the offer and issue of fully paid-up and/or partly-paid up equity shares of the Company and/or other securities convertible into equity shares of the Company, including but not limited to, compulsorily convertible debentures, for an amount aggregating up to Rs. 250 billion, by way of a rights issue to existing eligible equity shareholders of the Company as at the record date. The Promoter shareholders (Vodafone Group and Aditya Birla Group), have re-iterated to the Board that they intend to contribute up to Rs. 110 billion and up to Rs. 72.5 billion respectively as part of the rights issue. Furthermore, the Promoter shareholders have indicated that in case the Rights Issue is undersubscribed, each of the Promoter shareholders reserves the right to subscribe to part or whole amount of the unsubscribed portion, subject to applicable law.

The merger of Bharti Infratel and Indus Towers has received approval from the Competition Commission India, the Securities and Exchange Board of India and on February 02, 2019 the transaction also received approval from shareholders and creditors. The Company has an option to sell its 11.15% stake in Indus, which currently has an implied value of ~Rs. 49.6 billion (based on the VWAP for Bharti Infratel's shares during the last 60 trading days as at December 31, 2018), for cash at completion.

The company continues to pursue its plans to monetize 158,000 Kilometres of intra-city and inter-city fibre.

## 6. Performance at a glance

Particulars	Unit	IGAAP		Ind AS			Ind AS	
		FY 14 <sup>1</sup>	FY 15 <sup>1</sup>	FY 16 <sup>1</sup>	FY 17 <sup>1</sup>	FY 18 <sup>1</sup>	Q2FY19 <sup>2</sup>	Q3FY19 <sup>2</sup>
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	135.8	157.8	175.1	189.5	194.5	422.3	387.2
Total Broadband sites (3G+4G)	No.	21,381	30,291	64,703	110,054	154,910	365,575	376,816
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	265,036	315,548	359,494	355,757	282,789	76,636	117,648
EBITDA	Rs mn	73,883	97,941	120,063	102,436	60,476	4,614	11,368
PAT	Rs mn	17,932	34,772	23,781	(4,075)	(41,628)	(49,738)	(50,046)
Net Worth	Rs mn	158,787	228,518	232,642	250,990	276,638	695,405	645,338
Loan Funds	Rs mn	193,616	258,754	405,413	550,546	579,851	1,260,597	1,236,636
Cash & Cash Equivalent	Rs mn	1,761	130,714	20,996	49,825	56,596	135,531	89,044
Net Debt	Rs mn	191,855	128,041	384,417	500,721	523,256	1,125,067	1,147,592
Net Debt to Net Worth	unit	1.21	0.56	1.65	1.99	1.89	1.62	1.78

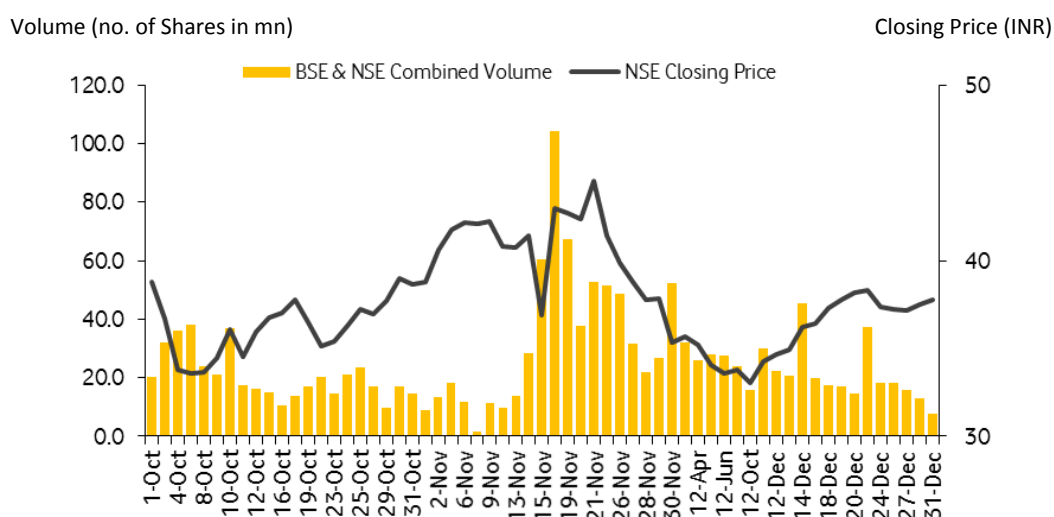
<sup>1</sup>The earlier period results are on Idea and its 100% subsidiaries. Effectively, this encompasses all operations for erstwhile Idea cellular, excluding Indus and ABIPBL.

<sup>2</sup>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.

## 7. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.NS
No of Shares Outstanding (31/12/2018)	mn	8735.39
Closing Market Price - NSE (31/12/2018)	INR/share	37.75
Combined Volume (NSE & BSE) (01/10/2018 to 31/12/2018)	mn/day	25.5
Combined Value (NSE & BSE) (01/10/2018 to 31/12/2018)	INR mn/day	966.2
Market Capitalisation (31/12/2018)	INR bn	330
EPS for the Quarter (Annualised)	INR/share	-22.9
Enterprise Value (31/12/2018)	INR bn	1477
Price to Earning	times	NA
Price to Book Value	times	0.5

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



## 8. Shareholding Pattern

Particulars	Vodafone Idea Limited	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Aditya Birla Group	2,275,103,721	26.04%
Vodafone Group	3,955,576,455	45.28%
<b>Total Promoter Holding</b>	<b>6,230,680,176</b>	<b>71.33%</b>
<b>Public Shareholding</b>		
Institutional Holding	1,610,456,515	18.44%
Non-Institutional Holding	894,250,051	10.24%
<b>Total</b>	<b>8,735,386,742</b>	<b>100.00%</b>

## 9. 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 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, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses.
Effective Tax Rate	Is calculated as tax charged to Profit and Loss Account divided by PBT (excluding Indus Dividend)
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt
EPS	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 Investment in Fixed Assets	Till FY16 – it is considered as equal to reported Gross Block +CWIP under IGAAP From Q1FY17 onwards, Additions during the period and change in CWIP is added to Gross Block + CWIP (as per IGAAP) value of March 31, 2016
Gross Revenue	Is the summation of service revenue, revenue from sale of trading goods and other income
Ind AS	Indian Accounting Standard
Indian GAAP	Indian Generally Accepted Accounting Principles
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period



<b>Definitions/Abbreviation</b>	<b>Description/Full Form</b>
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	Calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
Price to Book Value	Is calculated by dividing the closing market price at the end of the period (NSE) by the Book Value/ Share (Net Worth divided by the number of outstanding equity shares)
Price to Earning	Is calculated by dividing the closing market price (NSE) at the end of the period by the annualised EPS
Site	Represent unique combination of Technology and Spectrum band (frequency)
Service Area/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT

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