vodafone idea

29 October 2020

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: Financial Results for the Second Quarter and Half Year Ended 30th September 2020 - Regulation 33 of SEBI (LODR) Regulations, 2015

Ref: “Vodafone Idea Limited” (IDEA / 532822)

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Financial Results (Standalone and Consolidated) of the Company for the second quarter and half year ended 30th September 2020, together with the Report of the Statutory Auditors' thereon.

The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced at 3:00 P.M. and concluded at 6:00 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

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Vodafone Idea Limited (formerly Idea Cellular Limited)
An Aditya Birla Group & Vodafone partnership
Birla Centurion, 10th to 12th Floor, Century Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai - 400030.
T: +91 95940 04000 | F: +91 22 2482 0095

Registered Office:
Suman Tower, Plot no. 18, Sector 11,
Gandhinagar - 382011, Gujarat.
T: +91 79667 14000 | F: +91 79 2323 2251
CIN: L32100GJ1996PLC030976

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

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

Review Report to
The Board of Directors
Vodafone Idea Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Vodafone Idea Limited (the "Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as referred to in the Annexure.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty on Going Concern

   We draw attention to in Note 3 to the financial results, which states that the Company has breached its debt covenants as at March 31, 2020 for which it is in discussions with various lenders. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

   The said assumption of going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on September 4, 2020 has approved the fund-raising plan of up to Rs 250,000 Mn. Our conclusion is not modified in respect of this matter.

7. Material uncertainty arising out of certain developments and its consequential impact on business operations- Reported in the auditors' report on the financial statements of Indus Towers Limited, a joint venture company, as at September 30, 2020:

   As stated in Note 4, the audit report of Indus Towers Limited ("Indus"), a Joint Venture Company, on the financial statements for the period ended September 30, 2020, includes a matter which describes on the effect on business, results of operations, financial position of the Company's top customer caused by financial stress post the AGR judgement of the Hon'ble Supreme Court dated October 24, 2019 and relief granted by the Hon'ble Supreme Court directing 10% of dues to be paid by March 31, 2021 and thereafter to make balance payment in yearly instalment over a period of 10 years.

8. The accompanying Statement of unaudited consolidated financial results includes the Group's share of net profit after tax and total comprehensive income of Rs 9 million and Rs 13 million for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, as considered in the unaudited consolidated financial results in respect of a joint venture, based on its interim financial results which have not been reviewed by any auditor. These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management. Our conclusion, in so far as it relates to the affairs of the joint venture, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group. Our conclusion is not modified with respect of this matter.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership No.: 58814
UDIN: 20058814AAAAFV9319

Place: Mumbai
Date: October 29, 2020

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

List of Subsidiaries, Joint Ventures and Associate

Subsidiaries

1. Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)
2. Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited)
3. Vodafone Idea Communication Systems Limited (formerly Mobile Commerce Solution Limited)
4. Vodafone M-Pesa Limited
5. Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited)
6. You Broadband India Limited
7. Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited)
8. Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited)
9. Vodafone Foundation
10. Connect (India) Mobile Technologies Private Limited
11. You System Integration Private Limited

Joint Ventures

1. Indus Towers Limited
2. FireFly Networks Limited

Associate

Aditya Birla Idea Payments Bank Limited

VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)
Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
Unaudited Consolidated Financial Results for the quarter and six months ended 30-September-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-20 Unaudited	30-June-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-March-20 Audited
INCOME						
Service Revenue	107,861	106,545	108,389	214,406	221,027	449,123
Sale of Trading Goods	21	12	13	33	22	44
Other Operating Income	30	36	38	66	90	408
REVENUE FROM OPERATIONS	**107,912**	**106,593**	**108,440**	**214,505**	**221,139**	**449,575**
Other Income	393	553	3,024	946	5,820	10,393
TOTAL INCOME	**108,305**	**107,146**	**111,464**	**215,451**	**226,959**	**459,968**
EXPENSES						
Cost of Trading Goods	27	11	27	38	60	129
Employee Benefit Expenses	5,104	5,718	6,479	10,822	12,322	21,643
Network Expenses and IT Outsourcing Costs	24,319	24,110	26,804	48,429	56,790	109,916
License Fees and Spectrum Usage Charges	9,948	10,017	11,141	19,965	23,051	48,482
Roaming & Access Charges	15,347	15,026	14,276	30,373	27,474	59,976
Marketing, Content, Customer Acquisition & Service Costs	7,505	6,475	11,144	13,980	20,757	40,983
Finance Costs	47,002	38,039	37,028	85,041	74,929	153,920
Depreciation & Amortisation Expenses	60,286	59,757	63,094	120,043	124,402	243,564
Other Expenses	4,138	4,252	4,613	8,390	9,565	19,321
TOTAL EXPENSES	**173,676**	**163,405**	**174,606**	**337,081**	**349,350**	**697,934**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS,TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	**(65,371)**	**(56,259)**	**(63,142)**	**(121,630)**	**(122,391)**	**(237,966)**
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	857	889	1,295	1,746	1,876	3,553
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	**(64,514)**	**(55,370)**	**(61,847)**	**(119,884)**	**(120,515)**	**(234,413)**
Exceptional Items (Net) (Refer Note 6)	(7,671)	(199,232)	(307,745)	(206,903)	(315,815)	(383,557)
PROFIT/ (LOSS) BEFORE TAX	**(72,185)**	**(254,602)**	**(369,592)**	**(326,787)**	**(436,330)**	**(617,970)**
Tax expense:						
- Current tax	-	1	1	1	10	4
- Deferred tax	(3)	(3)	139,626	(6)	121,618	120,807
PROFIT /(LOSS) AFTER TAX	**(72,182)**	**(254,600)**	**(509,219)**	**(326,782)**	**(557,958)**	**(738,781)**
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	157	(71)	225	86	(303)	(281)
- Income tax effect	(8)	2	18	(6)	202	193
- Group's share in other comprehensive income of joint ventures and associate	(1)	(1)	(3)	(2)	(3)	(2)
TOTAL COMPREHENSIVE INCOME/(LOSS)	**(72,034)**	**(254,670)**	**(508,979)**	**(326,704)**	**(558,062)**	**(738,871)**
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(227,555)
Earnings Per Share for the period (₹)						
- Basic	(2.51)	(8.86)	(17.72)	(11.38)	(21.89)	(27.26)
- Diluted	(2.51)	(8.86)	(17.72)	(11.38)	(21.89)	(27.26)
Debenture Redemption Reserve				4,408	4,408	4,408
Networth				(266,998)	240,686	59,799
Debt Service Coverage Ratio (DSCR) *				0.37	0.32	0.44
Interest Service Coverage Ratio (ISCR) **				0.56	0.55	0.57
Debt - Equity Ratio ***				(4.34)	4.87	19.23

* DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

** ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised]

*** Debt - Equity Ratio = Debt / Equity

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

VODAFONE IDEA LIMITED

Notes

1. The above unaudited 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 29th October, 2020.
2. The Hon'ble Supreme Court on 24th October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23rd April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. On 1st September 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that for the demand raised by the Department of Telecom in respect of the AGR dues based on the judgment of this Court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any reassessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by 31st March 2021 and thereafter, Telecom Operators to make payment in yearly instalments commencing from 1st April 2021 to 31st March 2031 payable by 31st March of every succeeding financial year.

   The Group, till the previous quarter, without prejudice and on prudence, had recognized total estimated liability of ₹ 654,405 Mn including the amount of ₹ 582,540 Mn as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by the Group for the periods thereafter computed based on the terms of the License Agreement, AGR Judgement, etc. together with interest, penalty and interest on penalty up to 30th June, 2020. Against the above, the Group had made payments of ₹ 68,544 Mn in three installments up to 31st March 2020 and has made a further payment of ₹ 10,000 Mn during the quarter. The cumulative amount paid by the Group till date exceeds 10% of the total liability and accordingly, the Group believes, the next instalment would be payable only by 31st March 2022. Subsequent to the judgment, the Group has written to the DoT requesting them for corrections of certain computational errors, admissible pass-through and payments made in the past not considered while computing DoT demands. The Group is awaiting response from the DoT. Accordingly, during the quarter, the Group has continued to recognize its AGR obligations based on the judgment of the Hon'ble Supreme Court, License Agreement, etc. As the next installment payable by the Group is due by 31st March 2022, the Group has reclassified the requisite amount to Other non-current liabilities.

3. As at 31st March, 2020, the Company had classified ₹ 142,757 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31st March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the previous quarter, the Company had received waivers for borrowings amounting to ₹ 45,000 Mn and reclassified the amount that was due beyond one year to non-current borrowings. Further, as a result of the rating downgrade, certain lenders had asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 125,335 Mn are due to expire during the next twelve months and ₹ 15,104 Mn of incremental guarantees are to be provided.

   The Company's ability to continue as a going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle / refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on 4th September 2020 has approved the fund-raising plan of up to ₹ 250,000 Mn. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis

4. Indus Towers Limited (Indus), a joint venture of the Company ("JV Company"), in its interim financial statements for the quarter and half year ended 30th September, 2020 reported that the JV Company's two major customers in the telecom services industry impacted by the above AGR judgement (refer note 2 above) contributed substantial and material portion of the net sales which resulted in significant and material part of the trade receivables due from these customers. Indus's largest customer in its declared results for the quarter ended June 30, 2020, had expressed its ability to continue as going concern to be dependent on positive outcome with regard to the timeframe for the payment of AGR dues to be made in installments. The said customer has paid part of the amount as determined by its self-assessment filed with DoT and in addition has officially announced that its Board in the meeting held on 4th September, 2020 has approved the fund-raising plan up to Rs 250,000 Mn. These developments appear positive vis-à-vis the previous quarter. However, loss of the significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JV Company. This matter is included in the auditor's report on the interim financial statements of Indus Towers Limited as at 30th September, 2020.

5. The Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

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VODAFONE IDEA LIMITED

6. Exceptional Items :-

₹ Mn

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-20 Unaudited	30-June-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-March-20 Audited
Integration and merger related costs	(3,384)	(3,746)	(2,746)	(7,130)	(5,008)	(10,012)
Provision for additional depreciation / impairment of assets	(2,977)	377	(48,220)	(2,600)	(51,936)	(57,571)
Provision for impairment towards investment in associate	-	-	-	-	(2,092)	(1,596)
License fees and SUC on AGR	-	(194,405)	(256,779)	(194,405)	(256,779)	(275,143)
One Time Spectrum Charges (including interest)	(1,287)	(1,230)	-	(2,517)	-	(38,871)
Others	(23)	(228)	-	(251)	-	(364)
Total	**(7,671)**	**(199,232)**	**(307,745)**	**(206,903)**	**(315,815)**	**(383,557)**

7. Financial results of Vodafone Idea Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-20 Unaudited	30-June-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-March-20 Audited
Revenue from Operations	107,235	105,939	108,045	213,174	220,133	447,150
Profit /(Loss) before Tax	(72,156)	(253,339)	(370,663)	(325,495)	(439,205)	(622,867)
Net Profit /(Loss) after Tax	(72,156)	(253,339)	(497,273)	(325,495)	(547,652)	(731,315)

8. Details required with regards to the listed unsecured NCD's are as follows:

SL No.	Particulars	Principal Amount (₹ Mn)	Previous Due Date		Next Due Date	
			Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-20	4-Jan-22	4-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	1-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-20	3-Sep-23	3-Sep-21

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 B+" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (SL. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks.

9. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at September 30, 2020	As at March 31, 2020
A ASSETS		
1 Non-current Assets		
Property, plant and equipment (including RoU Assets)	608,764	663,113
Capital work-in-progress	6,091	10,415
Investment property	654	660
Other Intangible assets	1,150,713	1,194,592
Intangible assets under development	459	966
Investments accounted for using the equity method	15,781	15,244
Financial assets		
Long term loans to employees	1	2
Other non-current financial assets	78,701	82,457
Deferred tax assets (net)	17	20
Other non-current assets	125,936	134,866
Sub-total non-current assets	**1,987,117**	**2,102,335**
2 Current Assets		
Inventories	27	25
Financial assets		
Current investments	3,238	4,548
Trade receivables	24,209	30,943
Cash and cash equivalents	2,553	3,708
Bank balance other than cash and cash equivalents	14,672	22,922
Loans to joint venture and others	8	9
Other current financial assets	5,296	23,033
Other current assets	84,371	81,673
Sub-total current assets	**134,374**	**166,861**
TOTAL – ASSETS	**2,121,491**	**2,269,196**
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	287,354
Other equity	(554,352)	(227,555)
Sub-total equity	**(266,998)**	**59,799**
2 Non-Current Liabilities		
Financial liabilities		
Long term borrowings	1,052,135	962,804
Trade payables	3,236	6,660
Other non-current financial liabilities	219,603	274,073
Long term provisions	829	3,421
Deferred tax liabilities (net)	35	38
Other non-current liabilities	547,896	4,611
Sub-total non-current liabilities	**1,823,734**	**1,251,607**
3 Current Liabilities		
Financial liabilities		
Short term borrowings	-	322
Trade payables	139,754	117,634
Other current financial liabilities (Includes amounts reclassified from long term borrowings (refer note 3))	317,955	377,135
Other current liabilities	106,439	462,206
Short term provisions	607	493
Sub-total current liabilities	**564,755**	**957,790**
TOTAL – EQUITY AND LIABILITIES	**2,121,491**	**2,269,196**

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10. Statement of Cash Flows:

₹ Mn

Particulars	For the period ended September 30, 2020	For the period ended September 30, 2019
Operating activities		
Loss before tax	**(326,787)**	**(436,330)**
Adjustments to reconcile loss before tax to net cash flows		
Share in profit of joint ventures and associate (net)	(1,746)	(1,876)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	74,286	77,808
Amortisation of intangible assets	45,757	46,594
Share-based payment expense (ESOS)	21	(81)
Loss on disposal of property, plant and equipment and intangible assets (net)	1	4
Accelerated depreciation on account of network re-alignment	2,600	52,431
License fees and SUC on AGR	194,405	256,779
One Time Spectrum Charges	2,517	-
Impairment of investment in associates	-	1,597
Finance costs (including fair value change in financial instruments)	85,041	74,929
Provision for gratutity and compensated absences	361	332
Bad debts / advances written off	40	-
Allowance for doubtful debts / advances	1,770	1,618
Liabilities / provisions no longer required written back	(21)	(8)
Other income	(893)	(5,716)
Working capital adjustments		
Decrease in trade receivables	5,131	648
(Increase)/Decrease in inventories	(2)	14
Decrease/(Increase) in other financial and non-financial assets	15,337	(88,961)
Increase/(Decrease) in trade payables	13,613	(12,236)
(Decrease)/Increase in other financial and non-financial liabilities	(18,936)	92,189
Cash flows from operating activities	**92,495**	**59,735**
Income tax refund/(paid) (including TDS) (net)	7,433	(811)
Net cash flows from operating activities	**99,928**	**58,924**
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(21,427)	(53,351)
Proceeds from sale of property, plant and equipment and intangible assets	1,106	964
Net sale of current investments	1,603	41,620
Interest received	1,264	1,177
Fixed deposits with banks having maturity of 3 to 12 months	7,956	(91,492)
Dividend received from joint venture (Indus)	1,115	-
Net cash flows used in investing activities	**(8,383)**	**(101,082)**
Financing activities		
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 847 Mn)	-	249,151
Payment of interest and finance charges	(13,496)	(66,585)
Repayment of long term borrowings	(37,757)	(47,420)
Proceeds from short term borrowings	-	30,015
Repayment of short term borrowings	(283)	(69,124)
Payment of lease liabilities	(41,125)	(27,432)
Net cash flows (used in)/from financing activities	**(92,661)**	**68,605**
Net (decrease)/increase in cash and cash equivalents during the period	**(1,116)**	**26,447**
Cash and cash equivalents at the beginning of the period	3,669	8,479
Cash and cash equivalents at the end of the period	**2,553**	**34,926**

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

VODAFONE IDEA

11. During the quarter, the Company has undertaken to sell its 11.15% stake in Indus for cash. The Company, during the previous quarter, had pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security which is yet to be done. Accordingly, as at the quarter end, the Investment in Indus held by the company is not available for immediate sale and hence the same continues to be classified as non-current Investment in Joint Venture and has not been reclassified as 'Asset Held for Sale'.

12. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24th March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of the previous quarter, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted due to the country wide lockdown, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

13. Previous period figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

VODAFONE IDEA LIMITED

VODAFONE IDEA LIMITED

Date: 29th October, 2020
Place: Gurugram

Ravinder Takkar
Managing Director & Chief Executive Officer

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

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

Review Report to
The Board of Directors
Vodafone Idea Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Vodafone Idea Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty Related to Going Concern

   We draw attention to in Note 3 to the financial results, which states that the Company has breached its debt covenants as at March 31, 2020 for which it is in discussions with various lenders. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due, which along with its financial condition is resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on September 4, 2020 has approved the fund-raising plan of up to Rs 250,000 Mn. Our conclusion is not modified in respect of this matter.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership No.: 58814
UDIN: 20058814AAAAFU9524

Place: Mumbai
Date: October 29, 2020

VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)
Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
Unaudited Financial Results for the quarter and six months ended 30-September-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Six Months Ended		Year Ended
	30-Sep-20 Unaudited	30-June-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-March-20 Audited
INCOME						
Service Revenue	107,203	105,895	107,992	213,098	220,016	446,827
Sale of trading goods	-	-	-	-	3	3
Other Operating Income	32	44	53	76	114	320
REVENUE FROM OPERATIONS	**107,235**	**105,939**	**108,045**	**213,174**	**220,133**	**447,150**
Other Income	270	1,640	3,165	1,910	6,127	10,861
TOTAL INCOME	**107,505**	**107,579**	**111,210**	**215,084**	**226,260**	**458,011**
EXPENSES						
Cost of Trading Goods	-	-	-	-	3	3
Employee Benefit Expenses	4,682	5,303	5,943	9,985	11,262	19,726
Network Expenses and IT Outsourcing Costs	24,396	24,258	26,620	48,654	56,397	109,849
License Fees and Spectrum Usage Charges	9,948	10,016	11,110	19,964	22,981	48,476
Roaming & Access Charges	15,347	15,026	14,276	30,373	27,474	59,976
Marketing, Content, Customer Acquisition & Service Costs	7,635	6,617	11,301	14,252	20,984	41,593
Finance Costs	46,971	38,009	36,993	84,980	74,869	153,772
Depreciation & Amortisation Expenses	58,440	57,938	62,662	116,378	123,483	238,888
Other Expenses	4,559	4,519	5,254	9,078	10,836	21,353
TOTAL EXPENSES	**171,978**	**161,686**	**174,159**	**333,664**	**348,289**	**693,636**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	**(64,473)**	**(54,107)**	**(62,949)**	**(118,580)**	**(122,029)**	**(235,625)**
Exceptional Items (net)	(7,683)	(199,232)	(307,714)	(206,915)	(317,176)	(387,242)
PROFIT/(LOSS) BEFORE TAX	**(72,156)**	**(253,339)**	**(370,663)**	**(325,495)**	**(439,205)**	**(622,867)**
Tax expense:						
- Current tax	-	-	(1)	-	-	-
- Deferred tax	-	-	126,611	-	108,447	108,448
NET PROFIT/(LOSS) AFTER TAX	**(72,156)**	**(253,339)**	**(497,273)**	**(325,495)**	**(547,652)**	**(731,315)**
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprehensive gains/(losses)	(2,543)	(1,537)	(9,515)	(4,080)	(14,788)	(19,403)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	-	-	1,229	1,229
- Re-measurement gains/ (losses) of defined benefit plans	127	(63)	281	64	(248)	(253)
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	-	-	185	185
TOTAL COMPREHENSIVE INCOME/(LOSS)	**(74,572)**	**(254,939)**	**(506,507)**	**(329,511)**	**(561,274)**	**(749,557)**
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(197,341)
Earnings/(Loss) Per Share for the period (₹)						
- Basic	(2.51)	(8.82)	(17.31)	(11.33)	(21.48)	(26.97)
- Diluted	(2.51)	(8.82)	(17.31)	(11.33)	(21.48)	(26.97)
Debenture Redemption Reserve				4,408	4,408	4,408
Networth				(239,499)	278,231	90,013
Debt Service Coverage Ratio (DSCR) *				0.35	0.29	0.40
Interest Service Coverage Ratio (ISCR) **				0.53	0.51	0.53
Debt - Equity Ratio ***				(4.85)	4.22	12.79

* DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

** ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised]

*** Debt - Equity Ratio = Debt / Equity

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

VODAFONE IDEA LIMITED

Notes

1. The above unaudited 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 29th October, 2020.

2. The Hon'ble Supreme Court on 24th October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23rd April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. On 1st September 2020, vide its judgment, the Hon'ble Supreme Court has inter-alia directed that for the demand raised by the Department of Telecom in respect of the AGR dues based on the judgment of this Court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any reassessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by 31st March 2021 and thereafter, Telecom Operators to make payment in yearly instalments commencing from 1st April 2021 to 31st March 2031 payable by 31st March of every succeeding financial year.

   The Company, till the previous quarter, without prejudice and on prudence, had recognized total estimated liability of ₹ 654,012 Mn including the amount of ₹ 582,540 Mn as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by the Company for the periods thereafter computed based on the terms of the License Agreement, AGR Judgement, etc. together with interest, penalty and interest on penalty up to 30th June, 2020. Against the above, the Company had made payments of ₹ 68,544 Mn in three installments up to 31st March 2020 and has made a further payment of ₹ 10,000 Mn during the quarter. The cumulative amount paid by the Company till date exceeds 10% of the total liability and accordingly, the Company believes, the next instalment would be payable only by 31st March 2022. Subsequent to the judgment, the Company has written to the DoT requesting them for corrections of certain computational errors, admissible pass-through and payments made in the past not considered while computing DoT demands. The Company is awaiting response from the DoT. Accordingly, during the quarter, the Company has continued to recognize its AGR obligations based on the judgment of the Hon'ble Supreme Court, License Agreement, etc. As the next installment payable by the Company is due by 31st March 2022, the Company has reclassified the requisite amount to Other non-current liabilities.

3. As at 31st March, 2020, the Company had classified ₹ 142,757 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31st March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the previous quarter, the Company had received waivers for borrowings amounting to ₹ 45,000 Mn and reclassified the amount that was due beyond one year to non-current borrowings. Further, as a result of the rating downgrade, certain lenders had asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 125,335 Mn are due to expire during the next twelve months and ₹ 15,104 Mn of incremental guarantees are to be provided.

   The Company's ability to continue as a going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle / refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on 4th September, 2020 has approved the fund-raising plan of up to ₹ 250,000 Mn. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

4. The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

5. Exceptional Items: -

₹ Mn

Particulars	Quarter ended			Six Months Ended		Year Ended
	30-Sep-20 Unaudited	30-June-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-March-20 Audited
Integration and merger related costs	(3,396)	(3,746)	(2,602)	(7,142)	(4,864)	(9,855)
Provision for additional depreciation / impairment of assets	(2,977)	377	(48,223)	(2,600)	(51,939)	(57,269)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	-	-	(110)	-	(3,594)	(6,224)
License fees and SUC on AGR	-	(194,405)	(256,779)	(194,405)	(256,779)	(274,886)
One Time Spectrum Charges (including interest)	(1,287)	(1,230)	-	(2,517)	-	(38,871)
Others	(23)	(228)	-	(251)	-	(137)
Total	**(7,683)**	**(199,232)**	**(307,714)**	**(206,915)**	**(317,176)**	**(387,242)**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

VODAFONE IDEA LIMITED

6. Details required with regards to the listed unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-20	4-Jan-22	4-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	1-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-20	3-Sep-23	3-Sep-21

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 B+" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (Sl. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks.

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

VODAFONE IDEA LIMITED

7. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at September 30, 2020	As at March 31, 2020
A ASSETS		
1 Non-current assets		
Property, plant and equipment (including RoU Assets)	554,369	607,052
Capital work-in-progress	5,495	8,598
Intangible assets	1,149,852	1,193,533
Intangible assets under development	459	966
Financial assets		
Non-current investments	40,960	45,040
Long term loans to employees	1	2
Other non-current financial assets	78,537	82,309
Other non-current assets	124,713	133,161
Sub-total non-current assets	**1,954,386**	**2,070,661**
2 Current assets		
Financial assets		
Current investments	3,238	4,548
Trade receivables	23,506	29,191
Cash and cash equivalents	1,967	3,223
Bank balance other than cash and cash equivalents	13,747	22,115
Loans to subsidiaries, joint venture and others	7,015	8,421
Other current financial assets	51,880	69,628
Other current assets	83,794	81,076
Sub-total current assets	**185,147**	**218,202**
TOTAL – ASSETS	**2,139,533**	**2,288,863**
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	287,354
Other equity	(526,853)	(197,341)
Sub-total equity	**(239,499)**	**90,013**
2 Non-current liabilities		
Financial liabilities		
Long term borrowings	1,052,135	962,804
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,235	6,656
Other non-current financial liabilities	219,471	273,904
Long term provisions	711	3,293
Other non-current liabilities	544,682	1,224
Sub-total non-current liabilities	**1,820,234**	**1,247,881**
3 Current liabilities		
Financial liabilities		
Short term borrowings	1,220	1,542
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	152	102
Total outstanding dues of creditors other than micro enterprises and small enterprises	137,324	114,702
Other current financial liabilities (Includes amounts reclassified from long term borrowings) (Refer Note 3)	314,856	373,696
Other current liabilities	104,667	460,464
Short term provisions	579	463
Sub-total current liabilities	**558,798**	**950,969**
TOTAL – EQUITY AND LIABILITIES	**2,139,533**	**2,288,863**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

VODAFONE IDEA LIMITED

8. Statement of Cash Flows: -

₹ Mn

Particulars	For the period ended September 30, 2020	For the period ended September 30, 2019
Operating activities		
Loss before tax	**(325,495)**	**(439,205)**
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment (including RoU assets)	70,822	77,148
Amortisation of intangible assets	45,556	46,335
Share-based payment expense (ESOS)	21	(84)
Accelerated depreciation on account of network re-alignment	2,600	51,939
License fees and SUC on AGR	194,405	256,779
One Time Spectrum Charges	2,517	-
Provision for impairment towards its loan receivable/investment in subsidiaries/associate	-	3,594
Finance costs (including fair value change in financial instruments)	84,980	74,869
Provision for gratuity and compensated absences	352	272
Bad debts/advances written off	4	-
Allowance for doubtful debts / advances	1,615	1,622
Liabilities/provisions no longer required written back	(17)	(8)
Other income	(1,910)	(6,127)
Working capital adjustments		
Decrease in trade receivables	4,270	443
Decrease in inventories	-	3
Decrease/(Increase) in other financial and non-financial assets	15,404	(89,156)
Increase/(Decrease) in trade payables	14,173	(13,413)
(Decrease)/Increase in other financial and non-financial liabilities	(18,852)	92,298
Cash flows from operating activities	**90,445**	**57,309**
Income tax refund/ (paid) (including TDS) (net)	6,900	(553)
Net cash flows from operating activities	**97,345**	**56,756**
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(20,369)	(51,655)
Proceeds from sale of property, plant and equipment and intangible assets	1,031	1,090
Additional investment in subsidiaries and associate (including advance given for purchase of shares)	-	(649)
Net sale of current investments	1,603	41,621
Loans given to subsidiary	-	(55)
Repayment of loan given to subsidiary	1,405	1,124
Interest received	1,258	1,586
Fixed deposits with banks having maturity of 3 to 12 months	7,977	(91,492)
Dividend received from joint venture (Indus)	1,115	-
Net cash flows used in investing activities	**(5,980)**	**(98,430)**
Financing activities		
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 847 Mn)	-	249,151
Payment of interest and finance charges	(13,452)	(66,618)
Payment of lease liabilities	(41,090)	(27,299)
Repayment of long term borrowings	(37,757)	(47,420)
Proceeds from short term borrowings	-	30,015
Repayment of short term borrowings	(283)	(69,124)
Net cash flows (used in) / from financing activities	**(92,582)**	**68,705**
Net (decrease)/ increase in cash and cash equivalents during the period	**(1,217)**	**27,031**
Cash and cash equivalents at the beginning of the period	3,184	5,893
Cash and cash equivalents at the end of the period	**1,967**	**32,924**

VODAFONE IDEA LIMITED

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

9. During the quarter, the Company has undertaken to sell its 11.15% stake in Indus for cash. The Company, during the previous quarter, had pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security which is yet to be done. Accordingly, as at the quarter end, the Investment in Indus held by the company is not available for immediate sale and hence the same continues to be classified as non-current Investment in Joint Venture and has not been reclassified as 'Asset Held for Sale'.

10. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24th March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of the previous quarter, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted due to the country wide lockdown, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

11. Previous period figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

VODAFONE IDEA LIMITED

Ravinder Takkar
Managing Director & Chief Executive Officer

Date: 29th October, 2020
Place: Gurugram

Media Release – October 29, 2020

Sequential improvement in Q2 as lockdown started to ease; VIL's GIGAnet now the fastest 4G network in the country

Highlights for the Quarter

- Revenue up 1.2% QoQ to Rs. 107.9 billion, as impact of nationwide COVID-19 lockdown has gradually started to ease
- Launch of our **new unified brand "Vi"**, combining the legacy of two powerful brands
- VIL's GIGAnet is now the fastest 4G network in India and also the most consistent, as per Ookla
- Cost optimization underway with target to achieve **Rs. 40 billion annualized opex savings** over next 18 months; achieved ~25% of targeted annualized opex efficiency as of Q2FY21
- Significant network capacity expansion supported by spectrum refarming and TDD rollout
- **AGR update**: Hon'ble Supreme Court, in its final judgement, allowed payment to be made in 10 annual instalments commencing from April 01, 2021 to March 31, 2031
- **Fund raising** - Board has approved fund raise of upto Rs. 250 billion through a mix of debt and equity

Financial Highlights

Consolidated (Rs Mn)	**Q1FY21**	**Q2FY21**
Revenue	106,593	107,912
EBITDA	40,984	41,524
EBITDA%	*38.4%*	*38.5%*
Depreciation & Amortisation	59,757	60,286
EBIT	(18,773)	(18,762)
Interest and Financing Cost (Net)	37,486	46,609
Exceptional Items		
- Impairment (non-cash)	(263)	(2,937)
- Others	(198,969)	(4,734)
Share of Profit/(Loss) from Indus & ABIPBL	889	857
PBT	(254,602)	(72,185)
PAT	**(254,600)**	**(72,182)**
Other Comprehensive Income (net of Tax)	(70)	148
Total Comprehensive Income (Consolidated)	**(254,670)**	**(72,034)**

Ravinder Takkar, MD & CEO, Vodafone Idea Limited, said "*As we reach the end of our integration journey, we have become the fastest and most consistent 4G network of India, as validated by Ookla, a testimony to our superior and improved 4G GIGAnet network covering 1 billion Indians. We have launched our new unified brand "Vi", built on the legacy of two of the most loved brands of the country, and are all set to regain customer mind share. While we continue to face COVID-19 induced challenges, Q2FY21 showed signs of recovery with a gradual improvement in economic activities. We are executing on our strategy and our cost optimization exercise has already started to yield incremental savings. We have also initiated a fund raising exercise to support our strategic intent. Further, we continue to interact with the government seeking long term solutions to the critical challenges, which the industry faces.*"

Operational highlights

The impact of outbreak of Coronavirus (COVID-19) pandemic and the subsequent slowdown of economic activities continued during Q2FY21. However, we witnessed some recovery with partial easing of lockdown at state levels, and gradual resumption of economic activities. As a telecom service provider, Vodafone Idea continues to offer uninterrupted connectivity to millions of Indians. We, as a socially responsible corporate, remain committed to help our customers and society during these challenging times.

The subscriber base declined to 271.8 million in Q2FY21 from 279.8 million in Q1FY21. However, the gross additions improved with gradual reopening of retail stores. The subscriber churn increased to 2.6% (vs 2.0% in Q1FY21), as the market activity increased during the quarter with lifting up of restrictions. ARPU for Q2FY21 improved to Rs. 119 compared to Rs. 114 in Q1FY21.

We continue to invest in 4G to increase coverage and capacity. We added ~10,000 4G FDD sites primarily through refarming of 2G/3G spectrum to expand our 4G capacity. We also made progress in implementing LTE 900 in select locations, including through dynamic spectrum refarming, to improve customer experience. We have deployed ~61,300 TDD sites in addition to deployment of ~12,400 Massive MIMO sites and ~11,800 small cells till date. Our overall broadband site count stood at 457,386 as of Q2FY21 compared to 446,131 in Q1FY21, with 4G coverage to ~1 billion Indians.

These network investment initiatives have delivered a significant capacity uplift and enabled us to offer superior customer experience. Our relentless pursuit to drive network improvement, through integration and incremental network investments post-merger, are clearly visible through our improved rankings in various third party reports. As per Ookla, the global leader in Internet Performance Testing, we are now the fastest 4G network in the country, a significant improvement compared to having fastest speed in 3 circles (Delhi, Madhya Pradesh and West Bengal) a year ago, thus reflecting our journey of becoming the superior and improved 4G network. We are also the most consistent 4G network of the country, offering 4G download and upload speeds above the minimum threshold, as defined by Ookla*.

At the end of the quarter, the 4G subscriber base stands at 106.1 million (vs 104.6 million in Q1). The data volumes declined by 4.0% QoQ, as data usage normalised compared to the significantly higher volumes witnessed during the early months of lockdown. Total minutes on the network declined by 4.0% during the quarter.

Launch of unified brand "Vi"

After successful completion of our network and IT consolidation, as the last leg of our integration journey, we launched our new unified brand "Vi", on September 07, 2020. The new brand leverages on the legacy of two of the most loved brands of the country - Vodafone and Idea, which have brand saliency established over decades. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these

**Based on analysis by Ookla® of Speedtest Intelligence ® data of average 4G download speeds on 4G LTE devices in India for Q3 2020. Ookla trademarks used under license and reprinted with permission. Visit myvi.in for more details.*

ever-changing times. We also recently launched **GIGAnet** - an integrated 4G network for its users. GIGAnet is the result of the largest network integration completed in record time and the world's largest DSR (Dynamic Spectrum Refarming) exercise. It has India's largest AI-powered Massive MIMO sites along with largest deployment of universal cloud.

Financial highlights

Revenue for the quarter was Rs. 107.9 billion, a growth of 1.2% QoQ, as economic activities have gradually started to resume. On reported basis, EBITDA for the quarter was Rs. 41.5 billion. EBITDA excluding IndAS 116 impact was up 5.9% QoQ at Rs. 16.3 billion, (after adjusting for one-off of Rs. 3 billion) on account of higher revenue and cost savings, but partially offset by higher subscriber acquisition costs as gross additions, which were impacted by closure of outlets during peak of lockdown, improved this quarter. The EBITDA margin, excluding IndAS 116 impact and adjusted for one-offs, improved to 15.1% vs 14.4% in Q1FY21.

Capex spend in Q2FY21 of Rs. 10.4 billion, improved compared to Rs. 6.0 billion in Q1FY21. Gross debt (excluding lease liabilities) as of September 30, 2020 was Rs. 1,159.4 billion, including deferred spectrum payment obligations due to the Government of Rs. 923.1 billion. Cash & cash equivalents were Rs. 14.3 billion and net debt stood at Rs. 1,145.1 billion (vs Rs. 1,155.0 billion in Q1FY21).

Cost optimization initiative launched

After successfully achieving targeted merger opex synergies of Rs. 84 billion, we embarked on a cost optimization exercise across the company in line with the evolving industry structure and business model. Through this exercise, we plan to achieve Rs. 40 billion of annualized cost savings over 18 months. As of Q2FY21, we have already achieved ~25% of the targeted annualised cost savings.

Fund Raising Initiatives

On September 04, 2020, the Board of Directors approved the raising of funds through (1) issue of equity shares or securities convertible into equity shares, Global Depository Receipts, American Depository Receipts, foreign currency convertible bonds, convertible debentures, warrants, composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares or a combination thereof up to an aggregate amount of Rs. 150 billion by way a public issue, preferential allotment, private placement, qualified institutions placement or through any other permissible mode in one or more tranches; and (2) issuance of unsecured and / or secured, non-convertible debentures up to an aggregate amount of Rs. 150 billion, by way of public offering or private placement basis or otherwise, in one or more tranches. However the total raising of funds shall not exceed Rs. 250 billion. We are currently evaluating various fund raising options.

Indus-Bharti Infratel merger update

On August 31, 2020, Vodafone Idea, along with other parties (Vodafone Group, Bharti Airtel, Indus Towers and Bharti Infratel) have agreed to proceed with the completion of the Indus-Infratel merger. On October 22, 2020, National Company Law Tribunal (NLCT) has given its approval for the aforesaid merger and the filing with Registrar of Companies (ROC) post final closing based on agreed closing adjustments is likely to be done within 30 days. VIL will monetize its 11.15% stake in Indus on completion of the merger. The value of VIL's 11.15% stake equates to a cash consideration of approximately Rs. 38 billion (~US$ 520 million) currently. The final determination will take place shortly before closing of the merger.

VIL has agreed to make a prepayment of Rs. 24 billion to the merged tower entity from the cash consideration to be received from Infratel at the time of closing. The prepayment amount will be adjusted to the extent of 50% of all undisputed and due amounts payable by VIL to the merged tower entity post-closing and VIL will be required to pay only the balance 50% of undisputed dues. The prepayment amount will accrue interest at 6% p.a. This will continue until the entire prepayment amount with accrued interest is fully adjusted.

AGR judgment by Hon'ble Supreme Court

The Hon'ble Supreme Court on October 24, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. On September 01, 2020, Hon'ble Supreme Court has directed that for the demand raised by DoT in respect of the AGR dues based on the judgement of this court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any re-assessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter shall make payments in yearly instalments commencing from April 01, 2021 to March 31, 2031 payable by March 31 of every succeeding financial year.

We, till the previous quarter, without prejudice and on prudence, had recognized total estimated liability of Rs. 654.4 billion including the amount of Rs. 582.5 billion as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by us for the periods thereafter computed based on the terms of the License Agreement, AGR Judgment, etc. together with interest, penalty and interest on penalty up to June 30, 2020. Against the above, we have made payments of Rs. 68.5 billion in three instalments up to March 31, 2020 and have made a further payment of Rs. 10 billion during the quarter. The cumulative amount paid by us till date exceeds 10% of the total liability and accordingly, we believe, the next instalment would be payable only by March 31, 2022.

Accordingly, during the quarter, we continued to recognize its AGR obligations based on the judgment of the Hon'ble Supreme Court, License Agreement, etc. As the next instalment payable by the Company is due by March 31, 2022, we have reclassified the requisite amount to other non-current liabilities.

We have also classified Rs. 142.8 billion from 'non-current' to 'current maturities of long term debt' for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2020. We had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the previous quarter, we have received waivers for borrowings amounting to Rs. 45.0 billion.

It is to be noted that our ability to continue as going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle / refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on September 04, 2020 has approved the fund-raising plan of up to Rs. 250 billion. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

Meanwhile, we continue to actively engage with the Government to provide relief on various industry related concerns.

About Vodafone Idea Ltd. (formerly Idea Cellular Ltd)

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is amongst India's leading telecom service provider. The company provides pan India Voice and Data services across 2G, 3G and 4G platforms. 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's equity share are listed on National Stock Exchange (NSE) and the BSE in India.

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