

13th February, 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 Third Quarter and Nine Months ended 31 December, 2019 - 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 third quarter and nine months ended 31 December, 2019, 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 02:45 P.M. and concluded at **6:30 Pm**

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

Vodafone Idea Limited (formerly Idea Cellular Limited)

An Aditya Birla Group & Vodafone partnership

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Registered Office: Suman Tower, Plot no. 18, Sector 11, Gandhinagar - 382 011, Gujarat. T: +91 79 6671 4000 | F: +91 79 2323 2251 | CIN: L32100GJ1996PLC030976

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 (*formerly* known as Idea Cellular Limited)

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Vodafone Idea Limited (*formerly* known as Idea Cellular Limited) (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (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 Related to Going Concern

We draw attention to Note 4 to the financial results regarding the Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the UASL agreement



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

and the liability on licence fee and spectrum usage charges and breach of debt covenants, its ability to generate the cash flow that it needs to settle, or refinance its liabilities and guarantees as they fall due resulting in a 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 dependent upon the Company obtaining a positive outcome of the application for modification of the Supplementary Order and its ability to generate the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due as discussed in Note 4. Our conclusion is not modified in respect of this matter.

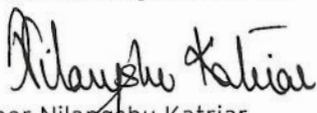
7. Material uncertainty arising out of certain developments and its consequential impact on business operations"- Reported in the auditors' report on the interim financial statements of Indus Towers Limited, a joint venture company, as at December 31, 2019:

As stated in Note 5, the audit report of Indus Towers Limited ('Indus'), a Joint Venture Company, on the interim financial statements for the nine months period ended December 31, 2019, includes a matter which describes on the effect on business, results of operations, and financial condition of Indus on account of uncertainty regarding continuance of operations of its two customers, including the Company, which are impacted by the AGR judgement of Hon'ble Supreme Court dated October 24, 2019, subsequently upheld on January 16, 2020.

Our conclusion is not modified in respect of this matter.

8. We draw your attention to Note 10 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one-time spectrum charges. Pending legal outcome of such matter no provision has been made in accompanying financial results. Our conclusion is not modified in respect of this matter.
9. The accompanying Statement of unaudited consolidated financial results includes the Group's share of net profit/(loss) after tax of Rs 2 million and Rs (116) million and total comprehensive income/(loss) of Rs 2 million and Rs (115) million, for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively, as considered in the Statement, in respect of a associate and joint venture, based on their interim financial results which have not been reviewed their auditor(s). These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of the, joint venture and associate, 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 statements are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter.

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


per Nilangshu Katriar
Partner

Membership No.: 58814
UDIN: 20058814AAAAG5025



Place: Mumbai
Date: February 13, 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. Idea Telesystems Limited
2. Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)
3. Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited)
4. Vodafone Idea Communication Systems Limited (formerly Mobile Commerce Solution Limited)
5. Vodafone M-Pesa Limited
6. Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited)
7. Vodafone India Digital Limited
8. You Broadband India Limited
9. Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited)
10. Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited)
11. Vodafone Foundation
12. Connect (India) Mobile Technologies Private Limited
13. 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 nine months ended 31-December-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-December-19 Unaudited	30-September-19 Unaudited	31-December-18 Refer Note 11	31-December-19 Unaudited	31-December-18 Audited	31-March-19 Audited
INCOME						
Service Revenue	110,753	108,389	117,359	331,780	252,481	369,865
Sale of Trading Goods	9	13	157	31	169	191
Other Operating Income	132	38	132	222	525	869
REVENUE FROM OPERATIONS	110,894	108,440	117,648	332,033	253,175	370,925
Other Income	2,911	3,024	2,180	8,731	5,745	7,311
TOTAL INCOME	113,805	111,464	119,828	340,764	258,920	378,236
EXPENSES						
Cost of Trading Goods	27	27	177	87	200	260
Employee Benefit Expenses	6,111	6,479	6,793	18,433	15,652	22,944
Network Expenses and IT Outsourcing Costs	27,254	26,804	56,659	84,044	119,062	170,052
License Fees and Spectrum Usage Charges	12,037	11,141	12,765	35,088	26,716	39,331
Roaming & Access Charges	16,402	14,276	11,972	43,876	29,194	41,690
Marketing, Content, Customer Acquisition & Service Costs	10,261	11,144	11,785	31,018	27,126	38,446
Finance Costs	37,222	37,028	28,511	112,150	65,667	95,425
Depreciation & Amortisation Expenses	58,774	63,094	47,734	183,176	98,717	145,356
Other Expenses	4,597	4,613	5,865	14,163	12,149	16,975
TOTAL EXPENSES	172,685	174,606	182,261	522,035	394,483	570,479
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	(58,880)	(63,142)	(62,433)	(181,271)	(135,563)	(192,243)
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	999	1,295	398	2,875	1,419	1,968
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(57,881)	(61,847)	(62,035)	(178,396)	(134,144)	(190,275)
Exceptional Items (Net) (Refer Note 7)	(6,333)	(307,745)	(8,008)	(322,148)	19,979	8,521
PROFIT/(LOSS) BEFORE TAX	(64,214)	(369,592)	(70,043)	(500,544)	(114,165)	(181,754)
Tax expense:						
- Current tax	(2)	1	15	8	169	182
- Deferred tax (Refer Note 6 & 7)	176	139,626	(20,012)	121,794	(17,115)	(35,897)
PROFIT/(LOSS) AFTER TAX	(64,388)	(509,219)	(50,046)	(622,346)	(97,219)	(146,039)
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	(149)	225	(30)	(452)	432	501
- Income tax effect	6	18	16	208	(143)	(178)
- Group's share in other comprehensive income of joint ventures and associate	(1)	(3)	3	(4)	3	5
TOTAL COMPREHENSIVE INCOME/(LOSS)	(64,532)	(508,979)	(50,057)	(622,594)	(96,927)	(145,711)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,354	287,354	87,354	87,356
Other Equity						508,992
Earnings Per Share for the period (₹)						
- Basic	(2.24)	(17.72)	(4.65)	(23.42)	(12.51)	(17.17)
- Diluted	(2.24)	(17.72)	(4.65)	(23.42)	(12.51)	(17.17)



R.P.

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 13th February, 2020.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the nine months ended 31st December, 2018 and year ended 31st March, 2019 includes consolidated financial results of the operations of erstwhile VInL for the period from 31st August, 2018 to 31st December, 2018 and 31st August, 2018 to 31st March, 2019 respectively.
3. The Group has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st April, 2019 which replaces the existing standard on leases – Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Group has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1st April, 2019. Accordingly, the Group has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter and nine months of the current financial year, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability.

4. A) The Hon'ble Supreme Court on 24th October, 2019 passed its judgement against the Company and other telecom operators on cross appeals against the Hon'ble TDSAT judgement dated 23rd April, 2015 relating to the definition of Adjusted Gross Revenue ('SC AGR Judgement'). The order upheld the levy of interest, penalty and interest on penalty along with a supplementary order directing payment of dues to be made within 3 months from the date of the order. A Review Petition filed by the Company and some of the telecom operators against the above SC AGR Judgement was dismissed on 16th January, 2020. Thereafter, the Company and some of the telecom operators have filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, seeking modification of the Order and permit Department of Telecom ('DoT') to decide on a schedule of payments and other reliefs, which is yet to be heard pending which, the Company has not yet made any payment.

Following the judgement, the Company had recognized a total estimated liability of ₹ 441,500 Mn in the previous quarter, mainly based on the DoT demands received and estimation for periods for which demands had not been raised by DoT till then, together with interest, penalty and interest on penalty, all taken for periods upto 30th September, 2019 and adjusted for certain computational errors. While continuing to recognize the liability in the same manner, the Company, during this quarter adjusted the estimated liability for subsequent demands received, errors in computation, applicable interest for this quarter, payments made in the past not considered in the DoT demands and consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger. Accordingly, the net impact of these effects amounting to ₹ 528 Mn has been recognized as Exceptional Items during the quarter.

Further, as directed by DoT, the Company is undertaking a self- assessment exercise for computation of liability as per the SC AGR Judgement.

During the quarter, the Government has provided relief in the form of moratorium on spectrum installments for a period of 2 years due to which the Company has an option to pay amounts falling due between 1st April, 2020 and 31st March, 2022, post 31st March, 2022.

- B) As at 31st March, 2019, the Company had classified ₹ 102,062 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, 2019. The Company had exchanged correspondences / been in discussions with these lenders for the next steps /waivers.

During the quarter, the credit rating of certain borrowings have been revised to "BBB-". As a result certain lenders have asked for increase of interest rates for which the Company is in discussion with such lenders. If the Company does not agree such increase of interest rates, it has an option to prepay.



The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle, or refinance its liabilities including those relating to the SC AGR Judgement and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in installments after some moratorium and other reliefs. Pending the outcome of the above matters, these financial results have been prepared on a Going Concern Basis.

5. Indus Towers Limited, a joint venture of the Company ("JV Company"), in its interim financial statements for the quarter and nine months ended 31st December, 2019 reported that the JV Company's two major customers in the telecom services industry impacted by the above SC AGR Judgement (refer note 4 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. Further, that the loss of significant customer/s 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 31st December, 2019.
6. During the previous quarter, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company had taken an accelerated depreciation charge of ₹ 40,320 Mn during the previous quarter and disclosed it as exceptional item. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets, and during the previous quarter derecognized the Deferred Tax Assets amounting to ₹ 139,356 Mn.

7. Exceptional Items :-

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-December-19	30-September-19	31-December-18	31-December-19	31-December-18	31-March-19
Integration and merger related costs	(4,020)	(2,746)	(7,473)	(9,028)	(21,043)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 6 above)	(1,637)	(48,220)	(350)	(53,573)	(350)	(5,511)
Provision for impairment towards investment in subsidiaries / associate	(98)	-	-	(2,190)	-	-
Re-assessment of certain estimates and accruals	-	-	(185)	-	7,899	7,893
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	33,473	33,473
AGR liability (Refer Note 4(A) above)	(528)	(256,779)	-	(257,307)	-	-
Others	(50)	-	-	(50)	-	(727)
Total	(6,333)	(307,745)	(8,008)	(322,148)	19,979	8,521
Deferred tax impact	-	-	2,240	1,671	(7,937)	(4,727)

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

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

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-December-19	30-September-19	31-December-18	31-December-19	31-December-18	31-March-19
	Unaudited	Unaudited	Refer Note 11	Unaudited	Audited	Audited
Revenue from Operations	110,298	108,045	116,785	330,428	251,441	368,588
Profit/(Loss) before Tax	(64,179)	(370,667)	(70,442)	(503,392)	(108,790)	(176,922)
Net Profit/(Loss) after Tax	(64,179)	(497,274)	(50,330)	(611,836)	(91,290)	(140,560)

10. One Time Spectrum Charges (Beyond 4.4 MHz):

In financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from 1st July, 2008 to 31st December, 2012, amounting to ₹10,687 Mn (31st March, 2019: ₹ 10,687 Mn), and
- For spectrum beyond 4.4 MHz in respective service areas effective 1st January, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (31st March, 2019: ₹ 57,254 Mn).

The Company believes the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay /TDSAT.



At the time of Merger approval of erstwhile Vodafone with ICL, the DoT while granting the approval demanded that the Company submits bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn as per clause 3 (i) and (m) of the M&A guidelines dated 20th February, 2014. The Company, without prejudice to its rights, complied with the aforesaid demand and submitted the bank guarantee to DoT under protest.

Further, on 4th July, 2019 TDSAT issued its Judgement on OTSC matter quashing demands on erstwhile Vodafone holding that for spectrum beyond 6.2 MHz that has been allotted after 1st July, 2008, the Respondent is entitled to levy One Time Spectrum Charges (hereinafter referred to as "OTSC") from the date of allocation of such spectrum and that in case of spectrum beyond 6.2 MHz and allocated before 1st July, 2008, respondent can levy OTSC demand prospectively, i.e. with effect from 1st January, 2013. During the quarter, the Company has challenged the TDSAT order in Supreme Court. Matter is yet to be listed for hearing. No impact of the said order is considered as on 31st December, 2019.

11. The financial results for the quarter ended 31st December, 2018 are balancing figures between audited results for the nine months period ended 31st December, 2018 and published year to date figures upto 30th September, 2018.
12. Consolidated financial results for the nine months ended 31st December, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED

Managing Director & Chief Executive Officer

Date: 13th February, 2020

Place: Mumbai



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 (*formerly known as Idea Cellular Limited*)

1. We have reviewed the accompanying statement of unaudited standalone financial results of Vodafone Idea Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (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 Note 4 to the financial results regarding the Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the UASL agreement and the liability on licence fee and spectrum usage charges and breach of debt covenants, its ability to generate the cash flow that it needs to settle, or refinance its liabilities and guarantees as they fall due resulting in a material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.



S.R. BATLIBOI & ASSOCIATES LLP

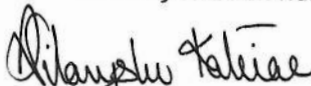
Chartered Accountants

The said assumption of going concern is dependent upon the Company obtaining a positive outcome of the application for modification of the Supplementary Order and its ability to generate the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due as discussed in Note 4. Our conclusion is not modified in respect of this matter.

6. We draw your attention to Note 9 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one-time spectrum charges. Pending legal outcome of such matter no provision has been made in accompanying financial results. Our conclusion is not modified in respect of this matter.

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004



per Niranjan Katriar
Partner

Membership No.: 58814

UDIN: 20058814AAAAAH8743



Place: Mumbai

Date: February 13, 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 nine months ended 31-December-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-December-19	30-September-19	31-December-18	31-December-19	31-December-18	31-March-19
	Unaudited	Unaudited	Refer Note 10	Unaudited	Audited	Audited
INCOME						
Service Revenue	110,165	107,992	116,645	330,181	250,909	367,668
Other Operating Income	133	53	140	247	532	920
REVENUE FROM OPERATIONS	110,298	108,045	116,785	330,428	251,441	368,588
Other Income	3,111	3,162	2,405	9,231	8,977	10,733
TOTAL INCOME	113,409	111,207	119,190	339,659	260,418	379,321
EXPENSES						
Employee Benefit Expenses	5,671	5,941	6,249	16,930	14,411	21,209
Network Expenses and IT Outsourcing Costs	27,424	26,623	56,325	83,826	118,641	169,269
License Fees and Spectrum Usage Charges	12,000	11,110	12,727	34,981	26,665	39,243
Roaming & Access Charges	16,402	14,276	11,972	43,876	29,194	41,690
Marketing, Content, Customer Acquisition & Service Costs	10,462	11,301	11,754	31,446	27,615	38,948
Finance Costs	37,171	36,993	28,572	112,040	65,681	95,510
Depreciation & Amortisation Expenses	56,926	62,662	47,176	180,409	97,939	144,098
Other Expenses	5,223	5,254	6,748	16,058	13,131	18,643
TOTAL EXPENSES	171,279	174,160	181,523	519,566	393,277	568,610
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(57,870)	(62,953)	(62,333)	(179,907)	(132,859)	(189,289)
Exceptional Items (net) (Refer Note 6)	(6,309)	(307,714)	(8,109)	(323,485)	24,069	12,367
PROFIT/(LOSS) BEFORE TAX	(64,179)	(370,667)	(70,442)	(503,392)	(108,790)	(176,922)
Tax expense:						
- Deferred tax (Refer Note 5 & 6)	-	126,607	(20,112)	108,444	(17,500)	(36,362)
NET PROFIT/(LOSS) AFTER TAX	(64,179)	(497,274)	(50,330)	(611,836)	(91,290)	(140,560)
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprehensive gains/(losses)	(198)	(9,515)	(4,124)	(14,986)	(16,556)	(4,621)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	961	1,229	4,008	1,076
- Re-measurement gains/ (losses) of defined benefit plans	(124)	281	(21)	(372)	430	534
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	16	185	(142)	(187)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(64,501)	(506,508)	(53,498)	(625,780)	(103,550)	(143,758)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,354	287,354	87,354	87,356
Other Equity						547,689
Earnings/(Loss) Per Share for the period (₹)						
- Basic	(2.23)	(17.31)	(4.67)	(23.02)	(11.72)	(16.50)
- Diluted	(2.23)	(17.31)	(4.67)	(23.02)	(11.72)	(16.50)



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 13th February, 2020.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the nine months ended 31st December, 2018 and year ended 31st March, 2019 includes financial results of the operations of erstwhile Vodafone for the period from 31st August, 2018 to 31st December, 2018 and 31st August, 2018 to 31st March, 2019 respectively.
3. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st April, 2019 which replaces the existing standard on leases – Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1st April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter and nine months of the current financial year, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability.

4. A) The Hon'ble Supreme Court on 24th October, 2019 passed its judgement against the Company and other telecom operators on cross appeals against the Hon'ble TDSAT judgement dated 23rd April, 2015 relating to the definition of Adjusted Gross Revenue ('SC AGR Judgement'). The order upheld the levy of interest, penalty and interest on penalty along with a supplementary order directing payment of dues to be made within 3 months from the date of the order. A Review Petition filed by the Company and some of the telecom operators against the above SC AGR Judgement was dismissed on 16th January, 2020. Thereafter, the Company and some of the telecom operators have filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, seeking modification of the Order and permit Department of Telecom ('DoT') to decide on a schedule of payments and other reliefs, which is yet to be heard pending which, the Company has not yet made any payment.

Following the judgement, the Company had recognized a total estimated liability of ₹ 441,500 Mn in the previous quarter, mainly based on the DoT demands received and estimation for periods for which demands had not been raised by DoT till then, together with interest, penalty and interest on penalty, all taken for periods upto 30th September, 2019 and adjusted for certain computational errors. While continuing to recognize the liability in the same manner, the Company, during this quarter adjusted the estimated liability for subsequent demands received, errors in computation, applicable interest for this quarter, payments made in the past not considered in the DoT demands and consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger. Accordingly, the net impact of these effects amounting to ₹ 528 Mn has been recognized as Exceptional Items during the quarter.

Further, as directed by DoT, the Company is undertaking a self- assessment exercise for computation of liability as per the SC AGR Judgement.

During the quarter, the Government has provided relief in the form of moratorium on spectrum installments for a period of 2 years due to which the Company has an option to pay amounts falling due between 1st April, 2020 and 31st March, 2022, post 31st March, 2022.

- B) As at 31st March, 2019, the Company had classified ₹ 102,062 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, 2019. The Company had exchanged correspondences / been in discussions with these lenders for the next steps /waivers.

During the quarter, the credit rating of certain borrowings have been revised to "BBB-". As a result certain lenders have asked for increase of interest rates for which the Company is in discussion with such lenders. If the Company does not agree such increase of interest rates, it has an option to prepay.



The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle, or refinance its liabilities including those relating to the SC AGR Judgement and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in installments after some moratorium and other reliefs. Pending the outcome of the above matters, these financial results have been prepared on a Going Concern Basis.

- During the previous quarter, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company had taken an accelerated depreciation charge of ₹ 40,320 Mn during the previous quarter and disclosed it as exceptional item. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets and during the previous quarter derecognized the Deferred Tax Assets amounting to ₹ 126,607 Mn.

6. Exceptional Items: -

Particulars	Quarter ended			Nine Months ended		Year ended
	31-December-19	30-September-19	31-December-18	31-December-19	31-December-18	31-March-19
Integration and merger related costs	(4,007)	(2,602)	(7,473)	(8,871)	(21,306)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 5 above)	(1,637)	(48,223)	(350)	(53,576)	(350)	(5,589)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	(98)	(110)	-	(3,692)	-	-
Re-assessment of certain estimates and accruals	-	-	(286)	-	8,081	7,646
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	37,644	37,644
AGR Liability (Refer Note 4(A) above)	(528)	(256,779)	-	(257,307)	-	-
Others	(39)	-	-	(39)	-	(727)
Total	(6,309)	(307,714)	(8,109)	(323,485)	24,069	12,367
Deferred tax impact	-	-	2,240	1,671	(9,400)	(6,077)

- The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.
- The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Idea Telecom Infrastructure Limited (VITIL) (Formerly known as Vodafone Towers Limited) for transfer of Fiber Infrastructure undertaking to VITIL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated 18th September, 2019. On filing of the said order with the Registrar of Companies (RoC) on 15th October, 2019, the Scheme has become effective with an appointed date of 1st October, 2019.

Pursuant to the above, the Company has de-recognized the fiber assets and liabilities from the appointed date and has recognized the net amount as receivable from VITIL of ₹ 46,572 Mn.

9. One Time Spectrum Charges (Beyond 4.4 MHz):

In financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from 1st July, 2008 to 31st December, 2012, amounting to ₹10,687 Mn (31st March, 2019: ₹ 10,687 Mn), and
- For spectrum beyond 4.4 MHz in respective service areas effective 1st January, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (31st March, 2019: ₹ 57,254 Mn).

The Company believes the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay /TDSAT.

At the time of Merger approval of erstwhile Vodafone with ICL, the DoT while granting the approval demanded that the Company submits bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn as per clause 3 (i) and (m) of the M&A guidelines dated 20th February, 2014. The Company, without prejudice to its rights, complied with the aforesaid demand and submitted the bank guarantee to DoT under protest.



Further, on 4th July, 2019 TDSAT issued its Judgement on OTSC matter quashing demands on erstwhile Vodafone holding that for spectrum beyond 6.2 MHz that has been allotted after 1st July, 2008, the Respondent is entitled to levy One Time Spectrum Charges (hereinafter referred to as "OTSC") from the date of allocation of such spectrum and that in case of spectrum beyond 6.2 MHz and allocated before 1st July, 2008, respondent can levy OTSC demand prospectively, i.e. with effect from 1st January, 2013. During the quarter, the Company has challenged the TDSAT order in Supreme Court. Matter is yet to be listed for hearing. No impact of the said order is considered as on 31st December, 2019.

10. The financial results for the quarter ended 31st December, 2018 are balancing figures between audited results for the nine months period ended 31st December, 2018 and published year to date figures upto 30th September, 2018.
11. Financial results for the nine months ended 31st December, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED



Managing Director & Chief Executive Officer

Date: 13th February, 2020

Place: Mumbai



Media Release – February 13, 2020

Revenue turnaround with growth of 2.3% supported by strong 4G additions; Integration progressing well with 86% districts consolidated

Highlights for the Quarter

- Revenue grew by 2.3% QoQ supported by strong growth in 4G additions; average daily revenue (ADR) returned to growth after 14 quarters of decline (except Q4FY19: +2.3% QoQ).
- 4G subscriber base now 104.2 million; 4G net additions accelerated to 8.3 million during the quarter.
- Synergy realization on track with **~85% of the guided synergy achieved** by Q3FY20.
- **86% of districts consolidated** driving a significant improvement in network speeds, leading to enhanced customer experience.
- **Fastest 4G network** in the three metros - Delhi, Mumbai and Kolkata, along with West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan in Q3FY20, according to Ookla.
- Deployed ~58,200 TDD sites to augment data capacity; **Massive MIMO rollout** remains the **largest in India**.
- **LTE 900 rollout** expanded to 9 circles, with launch in Uttar Pradesh (W) during Q3.
- **UP (E), Gujarat and Delhi circles consolidated in January, 2020** taking count of integrated circles to 17.
- Filed application with the Hon'ble Supreme Court for modification of Supplementary Order on AGR matter.

Financial Highlights

<i>Consolidated (Rs Mn)</i>	Q2FY20	Q3FY20
Revenue	108,440	110,894
EBITDA	33,956	34,205
EBITDA%	31.3%	30.8%
Depreciation & Amortisation	63,094	58,774
EBIT	(29,138)	(24,569)
Interest and Financing Cost (Net)	34,004	34,311
Exceptional Items		
- Impairment (non-cash)	(48,222)	(1,637)
- Others	(259,523)	(4,696)
Share of Profit/(Loss) from Indus & ABIPBL	1,295	999
PBT	(369,592)	(64,214)
PAT	(509,219)	(64,388)
Other Comprehensive Income (net of Tax)	240	(144)
Total Comprehensive Income (Consolidated)	(508,979)	(64,532)

Ravinder Takkar, MD & CEO, Vodafone Idea Limited, said "We continue to actively engage with the government seeking relief on the AGR and other matters. Post dismissal of our review petition, we have filed for modification of the Supplementary Order with Hon'ble Supreme Court. At the same time, we remain focused on rapid network integration as well as 4G coverage and capacity expansion in our key markets. We now lead the league tables on 4G data download speeds across several states, metros and large cities. We believe this is leading to improved customer experience which has contributed to robust 4G subscriber additions. As a result, after several quarters of pressure on topline, we witnessed consistent revenue turnaround from September onwards i.e. before the recent price hikes. The tariff increase effective December should further help in improving revenue performance going forward. We are currently on track to deliver our opex synergy targets by Q1FY21."

Financial highlights

Revenue for the quarter was Rs. 110.9 billion, an increase of 2.3% QoQ, primarily supported by strong 4G additions driving ARPU improvement.

EBITDA for the quarter increased to Rs. 34.2 billion, (Rs. 12.8 billion excluding Ind AS 116 impact vs Rs. 11 billion in Q2) a QoQ increase of 0.7% driven by higher revenue and incremental synergy realisation, which was partially offset by increased interconnect cost. EBITDA margins (excluding Ind AS 116 impact) stood at 11.6% vs 10.2% in Q2FY20. The underlying operating expenses for the quarter (excluding License fees & Spectrum Usage Charges and Roaming & Access charges) were Rs. 17.9 billion lower compared to Q1FY19, after adjusting for inflation driven cost increases and incremental network rollout. On an annualised basis, this reduction in operating expenses represents ~85% of our target opex synergy of Rs. 84 billion. We are currently on track to realize our full opex synergy targets by Q1FY21.

Gross debt (excluding lease liabilities) as of December 31, 2019 was Rs. 1,158.5 billion, including deferred spectrum payment obligations due to the Government of Rs. 885.3 billion. Cash & cash equivalents were Rs. 125.3 billion and net debt stood at Rs. 1,033.1 billion (vs Rs. 1,019.1 billion in Q2FY20). Capex spend in Q3FY20 was Rs. 33.3 billion compared to Rs. 21.4 billion in Q2FY20.

Integration update

Integration is progressing well and is expected to complete by Q1FY21. As at December 31, 2019, we had completed network integration in 86% of total districts. Integration of Uttar Pradesh (E), Gujarat and Delhi circles was completed in January, 2020, taking the integrated circles count to 17. In the remaining 5 circles, integration continues to move at a rapid pace based on a cluster-by-cluster approach, with subscribers of both brands benefitting from the integrated network, which has significantly greater coverage and capacity.

The improved coverage and capacity following integration, coupled with the deployment of TDD sites, Massive MIMO and LTE 900 on select sites has increased our data capacity, which has now almost doubled compared to September, 2018. This has driven a significant improvement in data speeds and customer experience across all circles. We now have the fastest 4G network speeds across the three metros of Delhi, Mumbai and Kolkata, along with West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan, based on Ookla data.

As part of our network integration, we had removed surplus equipment from ~58,000 sites out of the total ~73,000 co-located sites by the end of December, 2019, further reducing our cost. In addition, we had exited ~17,000 low utilization sites by the end of December, 2019.

Operational highlights

The subscriber base declined to 304 million in Q3 from 311 million in Q2FY20. Subscriber churn further reduced in Q3FY20, reaching 3.3% compared to 3.5% in Q2FY20 and 3.7% in Q1FY20. ARPU for Q3 improved to Rs. 109 vs Rs. 107 in Q2FY20 supported by improved customer mix.

After several years of hyper competitiveness which led to tariff decline, we as well as other operators increased tariffs at the start of December, 2019 across all price points for both unlimited plans as well as combo vouchers. However, the tariff increase had limited impact on this quarter's revenue.

We continue to invest in 4G to increase coverage and capacity. During the quarter we added ~14,600 4G FDD sites, our highest addition in a single quarter since merger, to improve 4G population coverage which now stands at 974 million. We have deployed ~58,200 TDD sites in addition to deployment of ~11,400 Massive MIMO till date. These network investment initiatives have delivered a significant capacity uplift and enhanced our customers' experience. We are making progress in implementing LTE 900 in select locations, including through dynamic spectrum refarming, to improve customer experience. Our overall broadband site count stood at 417,361 in Q3 compared to 405,346 in Q2FY20.

During the quarter, we added 8.3 million 4G customer, taking overall 4G subscriber base (including VoLTE users) to 104.2 million. Total data volumes grew by 8.5% to 3,790 billion MB compared to the last quarter. Total minutes on the network declined by 1% during the quarter, due to reduction in incoming minutes while outgoing minutes witnessed strong growth.

Fund raising / Asset monetization

The merger of Indus Towers and Bharti Infratel is awaiting regulatory approval from the Department of Telecommunications (DoT), having received all other required approvals. The long stop date on the original agreement has been further extended to February 24, 2020. Vodafone Idea plans to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger. We are also exploring the options to monetize nearly 160,000 kilometers of intra-city and inter-city fibre as well as our Data Centre.

AGR Judgement by Hon'ble Supreme Court and its impact

The Hon'ble Supreme Court on October 24, 2019 had announced its judgment on the Adjusted Gross Revenue (AGR) matter which has significant financial implications for the industry. Further, the Hon'ble Supreme Court in a Supplementary order had provided three months' time to pay the amount to DoT and report compliance. A review petition filed by the company and some telecom operators was dismissed in January 2020. Thereafter, the company and some of the telecom operators have filed an application for modification of the Supplementary order before the Hon'ble Supreme Court, seeking modification of the Order and permit DoT to decide on a schedule of payments and other reliefs, which is yet to be heard, pending which, the Company has not yet made any payment.

We had accounted for the estimated liability of Rs. 441.5 billion related to License Fee and Spectrum Usage Charges in the previous quarter, mainly based on the DoT demands received and estimation for periods for which demands had not been raised by DoT till then, together with interest, penalty and interest on penalty, all taken for periods upto September 30, 2019 and adjusted for certain computational errors. While continuing to recognize the liability in the same manner, the Company, during this quarter, adjusted the estimated liability for subsequent demands received, errors in computation, applicable interest for this quarter, payments made in the past not considered in the DoT demands and consequential adjustments on satisfaction of contractual conditions under a mechanism with Vodafone Group. Accordingly, the net impact of these effects amounting to Rs. 528 million has been recognized as Exceptional Items during the quarter. Further, as directed by DoT, the Company is undertaking a self- assessment exercise for computation of liability as per the AGR Judgment.

Meanwhile, the Company continues to actively engage with the Government to provide relief on AGR matter. The Government has also taken cognizance of the financial stress faced by the telecom operators currently and has granted a moratorium of two years for the payment of Spectrum dues beyond April 01, 2020 up to March 31, 2022. Separately, the Telecom Regulatory Authority of India (TRAI) has initiated a consultation on floor pricing at the request of all the operators, through COAI.

It is to be noted that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle, or refinance its liabilities including those relating to the SC AGR Judgement and guarantees as they fall due. Our ability to continue as going concern is dependent on positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in instalments after some moratorium and other reliefs. Pending the outcome of the above matters, the financial results have been prepared on a Going Concern Basis.

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.