



12 November 2021

National Stock Exchange of India Limited
“Exchange Plaza”
Bandra-Kurla Complex,
Bandra (East),
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 2021 – Regulation 33 of SEBI (LODR) Regulations, 2015

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

Pursuant to Regulation 33, 52 and 54 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, 2021, together with the Limited Review Report of the Statutory Auditors’ thereon.

The aforesaid results have been approved by the Board of Directors of the Company at the meeting held today, which commenced at 11.00 AM and concluded at 2.25 PM. The signed copies of the Limited Review Report (Standalone and Consolidated) were received from the Statutory Auditors’ of the Company at 2:55 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.

Yours truly,

For **Vodafone Idea Limited**

Pankaj Kapdeo
Company Secretary

Encl: As above

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

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 venture for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 (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 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial results, which describes the Company's financial condition as of September 30, 2021 and its debt obligations due for the next 12 months. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due.

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. Our conclusion is not modified in respect of this matter.

7. The accompanying Statement of unaudited consolidated financial results includes the Group's share of net profit after tax and total comprehensive income of Rs 3 million and Rs 8 million for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 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



per Nilangshu Katriar
Partner

Membership No.: 58814

UDIN: 21058814AAAAGE6340

Place: Mumbai

Date: November 12, 2021

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 Venture and Associate

Subsidiaries

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

Joint Venture

1. FireFly Networks Limited

Associate

1. Aditya Birla Idea Payments Bank Limited





VODAFONE IDEA 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-2021

BSE
301003

(Rs. Mn, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
INCOME						
Service Revenue	94,015	91,440	107,861	185,455	214,406	419,331
Sale of Trading Goods	8	20	21	28	33	51
Other Operating Income	41	63	30	104	66	140
REVENUE FROM OPERATIONS	94,064	91,523	107,912	185,587	214,505	419,522
Other Income	291	335	393	626	946	1,742
TOTAL INCOME	94,355	91,858	108,305	186,213	215,451	421,264
EXPENSES						
Cost of Trading Goods	1	12	13	13	21	30
Employee Benefit Expenses	4,386	3,829	5,104	8,215	10,822	20,300
Network Expenses and IT Outsourcing Costs	26,157	24,927	24,319	51,084	48,429	95,938
License Fees and Spectrum Usage Charges	10,254	9,977	9,948	20,231	19,965	41,295
Roaming & Access Charges	6,997	6,696	15,347	13,693	30,373	52,906
Marketing, Content, Customer Acquisition & Service Costs	6,538	6,283	7,519	12,821	13,997	25,552
Finance Costs	51,114	52,284	47,002	103,398	85,041	179,981
Depreciation & Amortisation Expenses	59,227	60,098	60,286	119,325	120,043	236,385
Other Expenses	1,102	2,722	4,138	3,824	8,390	14,044
TOTAL EXPENSES	165,776	166,828	173,676	332,604	337,081	666,431
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	(71,421)	(74,970)	(65,371)	(146,391)	(121,630)	(245,167)
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	3	5	857	8	1,746	2,314
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(71,418)	(74,965)	(64,514)	(146,383)	(119,884)	(242,853)
Exceptional Items (Net) (Refer Note 6)	135	1,779	(7,671)	1,914	(206,903)	(199,681)
PROFIT/ (LOSS) BEFORE TAX	(71,283)	(73,186)	(72,185)	(144,469)	(326,787)	(442,534)
Tax expense:						
- Current tax	57	39	-	96	1	(180)
- Deferred tax	(17)	(34)	(3)	(51)	(6)	(23)
PROFIT / (LOSS) AFTER TAX	(71,323)	(73,191)	(72,182)	(144,514)	(326,782)	(442,331)
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	(125)	62	157	(63)	86	374
- Income tax effect on re-measurement gains/ (losses) of defined plans	2	-	(8)	2	(6)	(4)
- Group's share in other comprehensive income of joint ventures and associate	-	-	(1)	-	(2)	(2)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(71,446)	(73,129)	(72,034)	(144,575)	(326,704)	(441,963)
Paid up Equity Share Capital (Face value Rs. 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(669,634)
Earnings Per Share for the period (Rs.)						
- Basic	(2.48)	(2.55)	(2.51)	(5.03)	(11.38)	(15.40)
- Diluted	(2.48)	(2.55)	(2.51)	(5.03)	(11.38)	(15.40)



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 12th November, 2021.
2. The Adjusted Gross Revenue (AGR) judgment originally delivered by the Hon'ble Supreme Court on 24th October, 2019 and as subsequently directed on 1st September, 2020 to make yearly instalments commencing from 1st April, 2021 to 31st March, 2031. The company had on 10th August, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest / clerical / arithmetic errors in the computation of AGR demands. The date of hearing on the petition is not fixed. During the quarter, the Company has continued to recognize its AGR obligations based on the AGR judgment of the Hon'ble Supreme Court, License Agreement, etc.
3. The Union Cabinet on 15th September, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from 1st October 2021 to 30th September 2025 excluding the instalments due for spectrum auction 2021. On 14th October, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the Company on or before 29th October, 2021. It also provided a period of 90 days to confirm upfront conversion if any of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect. On the option of upfront equity conversion of the interest arising due to such deferment, the company would convey its decision before the end of the stipulated 90 days period.

Accordingly, the entire net liability towards AGR dues arising out of Hon'ble Supreme Court judgment amounting to Rs. 633,987 Mn (including interest till 30th September, 2021) and unpaid Spectrum liability amounting to Rs. 1,073,562 Mn (including interest till 30th September, 2021) is now classified as non-current liability for the period ended 30th September, 2021 in the financial results.

4. The Group has incurred a loss of Rs. 144,514 Mn for the half year ended 30th September, 2021 and its net worth stands at negative Rs. 526,855 Mn. As at 30th September, 2021, the total debt (including interest accrued but not due) of the Group stands at Rs.1,947,788 Mn. As of 30th September, 2021, an amount of Rs. 100,225 Mn (31st March, 2021: Rs. 85,472 Mn) (net of waiver received) has been classified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money / security against existing facilities. The Group has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing debt as payable by 30th September, 2022 is Rs. 97,324 Mn (excluding amount classified as current on account of not meeting certain covenant clauses).

The Group's ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The Group has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred above. As of date, the Group has met all its debt obligations. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

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



6. Exceptional Items :-

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gain on sale of stake in Indus (Joint Venture)	-	-	-	-	-	21,189
Integration and merger related costs	135	513	(4,168)	648	(8,413)	(9,892)
Impact due to cancellation of lease contract on network re-alignment	-	-	784	-	1,283	1,696
Provision for additional depreciation / impairment of assets	-	-	(2,977)	-	(2,600)	(5,745)
Impairment of Brand ⁽¹⁾	-	-	-	-	-	(7,246)
License fees and SUC on AGR Matter	-	-	-	-	(194,405)	(194,405)
One Time Spectrum Charges (including interest)	-	-	(1,287)	-	(2,517)	(5,027)
Gain on sale of leasehold land	-	1,266	-	1,266	-	-
Others	-	-	(23)	-	(251)	(251)
Total	135	1,779	(7,671)	1,914	(206,903)	(199,681)

⁽¹⁾ Impairment charge basis re-assessment of the usability of the existing Vodafone brand trademarks and logos over its useful life following the launch of a new integrated brand V!

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

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from Operations	93,215	90,882	107,235	184,097	213,174	416,727
Profit / (Loss) before Tax	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(463,145)
Net Profit / (Loss) after Tax	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(462,937)

8. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results) :-

(a) Financial Ratios

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Current Ratio ⁽¹⁾	0.33	0.31	0.29	0.33	0.29	0.32
Debt Equity Ratio ⁽²⁾	(3.53)	(4.09)	(4.34)	(3.53)	(4.34)	(4.72)
Debt Service Coverage Ratio (DSCR) ⁽³⁾	0.37	0.34	0.29	0.36	0.37	0.45
Interest Service Coverage Ratio (ISCR) ⁽⁴⁾	0.42	0.35	0.51	0.39	0.56	0.57
Long term debt to working capital Ratio ⁽⁵⁾	(6.18)	(5.71)	(3.59)	(6.18)	(3.59)	(6.12)
Bad debts to Trade receivable Ratio ⁽⁶⁾	0%	2%	2%	2%	4%	9%
Current liability Ratio ⁽⁷⁾	0.18	0.19	0.19	0.18	0.19	0.18
Total debts to total assets Ratio ⁽⁸⁾	0.94	0.93	0.55	0.94	0.55	0.89
Debtors turnover Ratio (number of days) ⁽⁹⁾	24	24	22	25	24	24
Operating Margin (%) ⁽¹⁰⁾	(22)%	(25)%	(17)%	(24)%	(17)%	(16)%
Net Profit Margin (%) ⁽¹¹⁾	(76)%	(80)%	(67)%	(78)%	(152)%	(105)%

(1) Current Ratio = Current asset/ Current liabilities (excluding Short term borrowings)

(2) Debt - Equity Ratio = Debt(excluding interest accrued but not due)/ Equity

(3) 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)]

(4) 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]

(5) Long term debt to working capital Ratio = Long term borrowings including current maturities of long term borrowings (excluding interest accrued but not due)/ (Current asset - Current liability (excluding Short term borrowings))

(6) Bad debts to Trade receivables Ratio = Bad debts charge / Average gross Trade receivables

(7) Current liability Ratio = Current liabilities (excluding Short term borrowings) / Total liability

(8) Total debts to total assets Ratio = Total borrowing (excluding interest accrued but not due) / Total assets

(9) Debtors turnover Ratio (number of days) = (Revenue from operations/Average trade receivables)*Number of days during the period

(10) Operating Margin (%) = [Profit/(loss) before exceptional items and tax + Finance costs - Other Income] / Revenue from Operations

(11) Net Profit Margin (%) = Net Profit/(Loss) after tax / Revenue from operations

(b) Details of Debenture redemption reserve and Network

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Debenture Redemption reserve	4,408	4,408	4,408	4,408	4,408	4,408
Net Worth	(526,855)	(455,409)	(266,998)	(526,855)	(266,998)	(382,280)



9. Statement of Assets and Liabilities :-

Rs. Mn

Particulars	As at 30-September-2021	As at 31-March-2021
A ASSETS		
1 Non-current Assets		
Property, plant and equipment (including RoU Assets)	543,947	575,704
Capital work-in-progress	5,036	5,996
Intangible assets	1,071,985	1,099,200
Intangible assets under development	213	63
Investments accounted for using the equity method	49	41
Financial assets		
Other non-current financial assets	89,203	77,323
Deferred tax assets (net)	54	23
Other non-current assets	124,271	135,461
Sub-total non-current assets	1,834,758	1,893,811
2 Current Assets		
Inventories	32	6
Financial assets		
Trade receivables	25,982	25,070
Cash and cash equivalents	2,474	3,503
Bank balance other than cash and cash equivalents	18,033	18,662
Loans to joint venture and others	-	9
Other current financial assets	3,012	2,117
Other current assets	96,258	90,975
	145,791	140,342
Assets classified as held for sale (AHFS)	-	653
Sub-total current assets	145,791	140,995
TOTAL – ASSETS	1,980,549	2,034,806
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	287,354
Other equity	(814,209)	(669,634)
Sub-total equity	(526,855)	(382,280)
2 Non-Current Liabilities		
Financial liabilities		
Long term borrowings		
Loans from banks and others	25,353	64,846
Deferred payment obligations	1,635,735	1,509,309
Trade payables	511	1,268
Lease Liabilities	103,593	109,544
Other non-current financial liabilities	92,416	63,275
Long term provisions	435	416
Deferred tax liabilities (net)	-	22
Other non-current liabilities	5,466	4,381
Sub-total non-current liabilities	1,863,509	1,753,061
3 Current Liabilities		
Financial liabilities		
Short term borrowings	197,549	228,948
Trade payables	138,903	132,757
Lease Liabilities	111,188	104,555
Other current financial liabilities	128,819	133,316
Other current liabilities	67,105	63,991
Short term provisions	331	458
Sub-total current liabilities	643,895	664,025
TOTAL – EQUITY AND LIABILITIES	1,980,549	2,034,806



10. Statement of Cash Flows:

Rs. Mn

Particulars	For the period ended 30-September-2021	For the period ended 30-September-2020
Operating activities		
Loss before tax	(144,469)	(326,787)
Adjustments to reconcile loss before tax to net cash flows		
Share in profit of joint ventures and associate (net)	(8)	(1,746)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	73,171	74,286
Amortisation of intangible assets	46,154	45,757
Share-based payment expense (ESOS)	(18)	21
Loss on disposal of property, plant and equipment and intangible assets (net)	(185)	1
Gain on sale of leasehold land (net)	(1,266)	-
Impact due to cancellation of lease contract on network re-alignment	-	(1,283)
Accelerated depreciation on account of network re-alignment/re-farming	-	2,600
License fees and SUC on AGR	-	194,405
One Time Spectrum Charges	-	2,517
Finance costs (including fair value change in financial instruments)	103,398	85,041
Provision for gratuity and compensated absences	119	361
Bad debts / advances written off	9	40
Allowance for doubtful debts / advances	746	1,770
Liabilities / provisions no longer required written back	(47)	(21)
Other income	(544)	(893)
Working capital adjustments		
(Increase)/Decrease in trade receivables	(1,601)	5,131
(Increase) in inventories	(26)	(2)
(Increase)/Decrease in other financial and non-financial assets	(21,223)	15,337
Increase in trade payables	5,085	14,896
Increase/(Decrease) in other financial and non-financial liabilities	15,940	(18,936)
Cash flows from operating activities	75,235	92,495
Income tax refund (including TDS) (net)	8,972	7,433
Net cash flows from operating activities	84,207	99,928
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(37,656)	(21,427)
Payment towards Spectrum and Licenses - Upfront payment	(1,035)	-
Proceeds from sale of property, plant and equipment and intangible assets	636	1,106
Proceeds from sale of asset held for sale	1,870	-
Repayment of loan given to joint venture	8	-
Net sale of current investments	56	1,603
Interest received	232	1,264
Placement/(Maturity) for Fixed deposits with banks having maturity of 3 to 12 months	(40)	7,956
Dividend received from joint venture (Indus)	-	1,115
Net cash flows used in investing activities	(35,929)	(8,383)
Financing activities		
Payment of interest and finance charges	(12,476)	(13,496)
Repayment of long term borrowings	(8,021)	(37,757)
Repayment of short term borrowings	-	(283)
Payment of lease liabilities	(28,810)	(41,125)
Net cash flows used in financing activities	(49,307)	(92,661)
Net (decrease) in cash and cash equivalents during the period	(1,029)	(1,116)
Cash and cash equivalents at the beginning of the period	3,503	3,669
Cash and cash equivalents at the end of the period	2,474	2,553



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

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED



Ravinder Takkar
Managing Director & Chief Executive Officer

Date: 12th November, 2021
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

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, 2021 and year to date from April 1, 2021 to September 30, 2021 (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, which describes the Company's financial condition as of September 30, 2021 and its debt obligations due for the next 12 months. The Company's financial performance has impacted its ability to generate the cash flow that it needs to settle/refinance its liabilities as they fall due.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. Our conclusion 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: 21058814AAAAGF2563

Place: Mumbai

Date: November 12, 2021



VODAFONE IDEA 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-2021

vodafone
idea

(Rs. Mn, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
INCOME						
Service Revenue	93,166	90,813	107,203	183,979	213,098	416,589
Other Operating Income	49	69	32	118	76	138
REVENUE FROM OPERATIONS	93,215	90,882	107,235	184,097	213,174	416,727
Other Income	228	292	270	520	1,910	2,584
TOTAL INCOME	93,443	91,174	107,505	184,617	215,084	419,311
EXPENSES						
Employee Benefit Expenses	3,945	3,407	4,682	7,352	9,985	18,583
Network Expenses and IT Outsourcing Costs	27,068	25,843	24,396	52,911	48,654	97,941
License Fees and Spectrum Usage Charges	10,223	9,944	9,948	20,167	19,964	41,291
Roaming & Access Charges	6,997	6,696	15,347	13,693	30,373	52,906
Marketing, Content, Customer Acquisition & Service Costs	6,669	6,384	7,635	13,053	14,252	26,025
Finance Costs	51,128	52,232	46,971	103,360	84,980	179,916
Depreciation & Amortisation Expenses	57,438	58,319	58,440	115,757	116,378	229,062
Other Expenses	1,827	3,019	4,559	4,846	9,078	15,696
TOTAL EXPENSES	165,295	165,844	171,978	331,139	333,664	661,420
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(71,852)	(74,670)	(64,473)	(146,522)	(118,580)	(242,109)
Exceptional Items (net) (Refer Note 6)	135	513	(7,683)	648	(206,915)	(221,036)
PROFIT/(LOSS) BEFORE TAX	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(463,145)
Tax expense:						
- Current tax	-	-	-	-	-	(208)
- Deferred tax	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(462,937)
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprehensive gains/(losses)	-	-	(2,543)	-	(4,080)	(4,512)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	-	-	-	-
- Re-measurement gains/ (losses) of defined benefit plans	(111)	59	127	(52)	64	360
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)	(71,828)	(74,098)	(74,572)	(145,926)	(329,511)	(467,089)
Paid up Equity Share Capital (Face value Rs. 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(664,430)
Earnings/(Loss) Per Share for the period (Rs.)						
- Basic	(2.50)	(2.58)	(2.51)	(5.08)	(11.33)	(16.11)
- Diluted	(2.50)	(2.58)	(2.51)	(5.08)	(11.33)	(16.11)



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 12th November, 2021.
2. The Adjusted Gross Revenue (AGR) judgment originally delivered by the Hon'ble Supreme Court on 24th October, 2019 and as subsequently directed on 1st September, 2020 to make yearly instalments commencing from 1st April, 2021 to 31st March, 2031. The company had on 10th August, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest / clerical / arithmetic errors in the computation of AGR demands. The date of hearing on the petition is not fixed. During the quarter, the Company has continued to recognize its AGR obligations based on the AGR judgment of the Hon'ble Supreme Court, License Agreement, etc.
3. The Union Cabinet on 15th September, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from 1st October 2021 to 30th September 2025 excluding the instalments due for spectrum auction 2021. On 14th October, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the Company on or before 29th October, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect. On the option of upfront equity conversion of the interest arising due to such deferment, the company would convey its decision before the end of the stipulated 90 days period.

Accordingly, the entire net liability towards AGR dues arising out of Hon'ble Supreme Court judgment amounting to Rs. 633,987 Mn (including interest till 30th September, 2021) and unpaid Spectrum liability amounting to Rs. 1,073,562 Mn (including interest till 30th September, 2021) is now classified as non-current liability for the period ended 30th September, 2021 in the financial results.

4. The Company has incurred a loss of Rs. 145,874 Mn for the half year ended 30th September, 2021 and its net worth stands at negative Rs. 523,002 Mn. As at 30th September, 2021, the total external debt (including interest accrued but not due) of the Company stands at Rs.1,947,788 Mn. As of 30th September, 2021, an amount of Rs. 100,225 Mn (31st March, 2021: Rs. 85,472 Mn) (net of waiver received) has been classified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money / security against existing facilities. The Company has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing external debt as payable by 30th September, 2022 is Rs. 97,324 Mn (excluding amount classified as current on account of not meeting certain covenant clauses).

The Company's ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The Company has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred above. As of date, the Company has met all its debt obligations. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis

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



6. Exceptional Items: -

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
Loss on sale of stake in Indus (Joint Venture)	-	-	-	-	-	(170)
Integration and merger related costs	135	513	(4,180)	648	(8,425)	(9,907)
Impact due to cancellation of lease contract on network re-alignment	-	-	784	-	1,283	1,696
Provision for additional depreciation / impairment of assets	-	-	(2,977)	-	(2,600)	(5,716)
Impairment of Brand ⁽¹⁾	-	-	-	-	-	(7,246)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	-	-	-	-	-	(10)
License fees and SUC on AGR Matter	-	-	-	-	(194,405)	(194,405)
One Time Spectrum Charges (including interest)	-	-	(1,287)	-	(2,517)	(5,027)
Others	-	-	(23)	-	(251)	(251)
Total	135	513	(7,683)	648	(206,915)	(221,036)

⁽¹⁾ Impairment charge basis re-assessment of the usability of the existing Vodafone brand trademarks and logos over its useful life following the launch of a new integrated brand V!

7. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results):

(a) Financial Ratios

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Current Ratio ⁽¹⁾	0.43	0.41	0.41	0.43	0.41	0.44
Debt Equity Ratio ⁽²⁾	(3.55)	(4.13)	(4.85)	(3.55)	(4.85)	(4.78)
Debt Service Coverage Ratio (DSCR) ⁽³⁾	0.33	0.31	0.26	0.32	0.35	0.41
Interest Service Coverage Ratio (ISCR) ⁽⁴⁾	0.37	0.32	0.47	0.35	0.53	0.53
Long term debt to working capital Ratio ⁽⁵⁾	(7.40)	(6.80)	(4.37)	(7.40)	(4.37)	(7.52)
Bad debts to Trade receivables Ratio ⁽⁶⁾	0%	2%	2%	3%	4%	8%
Current liability Ratio ⁽⁷⁾	0.18	0.19	0.19	0.18	0.19	0.18
Total debts to total assets Ratio ⁽⁸⁾	0.94	0.93	0.54	0.94	0.54	0.89
Debtors turnover Ratio (number of days) ⁽⁹⁾	24	24	21	24	23	23
Operating Margin (%) ⁽¹⁰⁾	(22)%	(25)%	(17)%	(24)%	(17)%	(16)%
Net Profit Margin (%) ⁽¹¹⁾	(77)%	(82)%	(67)%	(79)%	(153)%	(111)%

⁽¹⁾ Current Ratio = Current asset/ Current liabilities (excluding Short term borrowings)

⁽²⁾ Debt - Equity Ratio = Debt(excluding interest accrued but not due)/ Equity

⁽³⁾ 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)]

⁽⁴⁾ 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]

⁽⁵⁾ Long term debt to working capital Ratio = Long term borrowings including current maturities of long term borrowings (excluding interest accrued but not due)/ (Current asset - Current liability (excluding Short term borrowings))

⁽⁶⁾ Bad debts to Trade receivables Ratio = Bad debts charge / Average gross Trade receivables

⁽⁷⁾ Current liability Ratio = Current liabilities (excluding Short term borrowings) / Total liability

⁽⁸⁾ Total debts to total assets Ratio = Total borrowing (excluding interest accrued but not due) / Total assets

⁽⁹⁾ Debtors turnover Ratio (number of days) = (Revenue from operations/Average trade receivables)*Number of days during the period

⁽¹⁰⁾ Operating Margin (%) = [Profit/(loss) before exceptional items and tax + Finance costs - Other Income] / Revenue from Operations

⁽¹¹⁾ Net Profit Margin (%) = Net Profit/(loss) after tax / Revenue from operations

(b) Details of Debenture redemption reserve and Network

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Debenture Redemption reserve	4,408	4,408	4,408	4,408	4,408	4,408
Net Worth	(523,002)	(451,174)	(239,499)	(523,002)	(239,499)	(377,076)



8. Statement of Assets and Liabilities: -

Particulars	Rs. Mn	
	As at 30-September-21	As at 31-March-21
A ASSETS		
1 Non-current assets		
Property, plant and equipment (including RoU Assets)	494,453	523,677
Capital work-in-progress	4,388	5,343
Intangible assets	1,071,564	1,098,542
Intangible assets under development	213	63
Financial assets		
Non-current investments	2,885	2,885
Other non-current financial assets	88,895	77,115
Other non-current assets	122,934	134,530
Sub-total non-current assets	1,785,332	1,842,155
2 Current assets		
Financial assets		
Trade receivables	24,885	24,408
Cash and cash equivalents	1,909	2,402
Bank balance other than cash and cash equivalents	17,096	17,736
Loans to subsidiaries, joint venture and others	3,641	5,556
Other current financial assets	49,586	48,691
Other current assets	95,757	90,366
Sub-total current assets	192,874	189,159
TOTAL – ASSETS	1,978,206	2,031,314
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	287,354
Other equity	(810,356)	(664,430)
Sub-total equity	(523,002)	(377,076)
2 Non-current liabilities		
Financial liabilities		
Long term borrowings		
Loans from banks and Others	25,353	64,846
Deferred payment obligations	1,635,735	1,509,309
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	511	1,266
Lease liabilities	103,506	109,424
Other non-current financial liabilities	92,416	63,275
Long term provisions	227	261
Other non-current liabilities	1,387	1,286
Sub-total non-current liabilities	1,859,135	1,749,667
3 Current liabilities		
Financial liabilities		
Short term borrowings	197,959	229,678
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	574	1,015
Total outstanding dues of creditors other than micro enterprises and small enterprises	141,274	130,652
Lease liabilities	111,083	104,447
Other current financial liabilities	125,896	130,306
Other current liabilities	65,025	62,201
Short term provisions	262	424
Sub-total current liabilities	642,073	658,723
TOTAL – EQUITY AND LIABILITIES	1,978,206	2,031,314



9. Statement of Cash Flows: -

Rs. Mn

Particulars	For the period ended 30-September-21	For the period ended 30-September-20
Operating activities		
Loss before tax	(145,874)	(325,495)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment (including RoU assets)	69,840	70,822
Amortisation of intangible assets	45,917	45,556
Share-based payment expense (ESOS)	(18)	21
Gain on disposal of property, plant and equipment and intangible assets (net)	(175)	-
Impact due to cancellation of lease contract on network re-alignment	-	(1,283)
Accelerated depreciation on account of network re-alignment / re-farming	-	2,600
License fees and SUC on AGR	-	194,405
One Time Spectrum Charges	-	2,517
Finance costs (including fair value change in financial instruments)	103,360	84,980
Provision for gratuity and compensated absences	69	352
Bad debts/advances written off	12	4
Allowance for doubtful debts / advances	961	1,615
Liabilities/provisions no longer required written back	(47)	(17)
Other income	(520)	(1,910)
Working capital adjustments		
(Increase)/Decrease in trade receivables	(1,385)	4,270
(Increase)/Decrease in other financial and non-financial assets	(21,213)	15,404
Increase in trade payables	9,082	15,456
Increase/(Decrease) in other financial and non-financial liabilities	14,642	(18,852)
Cash flows from operating activities	74,651	90,445
Income tax refund (including TDS) (net)	9,426	6,900
Net cash flows from operating activities	84,077	97,345
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(36,730)	(20,369)
Payment towards Spectrum and Licenses - Upfront payment	(1,035)	-
Proceeds from sale of property, plant and equipment and intangible assets	609	1,031
Net sale of current investments	56	1,603
Loans given to subsidiary	(330)	-
Repayment of loan given to subsidiaries and joint venture	2,243	1,405
Interest received	197	1,258
Fixed deposits with banks having maturity of 3 to 12 months	-	7,977
Dividend received from joint venture (Indus)	-	1,115
Net cash flows used in investing activities	(34,990)	(5,980)
Financing activities		
Payment of interest and finance charges	(12,485)	(13,452)
Payment of lease liabilities	(28,754)	(41,090)
Repayment of long term borrowings	(8,021)	(37,757)
Proceeds from short term borrowings	130	-
Repayment of short term borrowings	(450)	(283)
Net cash flows used in financing activities	(49,580)	(92,582)
Net (decrease) in cash and cash equivalents during the period	(493)	(1,217)
Cash and cash equivalents at the beginning of the period	2,402	3,184
Cash and cash equivalents at the end of the period	1,909	1,967



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

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED



Ravinder Takkar
Managing Director & Chief Executive Officer

Date: 12th November 2021
Place: Mumbai





Media Release – November 12, 2021

Revenue on the path of recovery; Vi GIGAnet is the fastest mobile network in India

Highlights for the Quarter

- Revenue grew by 2.8% QoQ to Rs. 94.1 billion supported by the gradual resumption of economic activity post severe second wave of COVID, which had negatively impacted Q1
- Continued network capacity expansion supported by spectrum refarming and network upgrade to 4G
- Vi powered by GIGAnet is India's fastest mobile network as verified by Ookla®
- VIL has the best voice quality for 9 out of 11 months between November 2020 and September 2021, as per TRAI 'MyCall' App
- Cost optimization underway with 80% savings achieved as of Q2FY22 on a run rate basis against a target of **Rs. 40 billion annualized opex savings**
- Government announced a comprehensive reform package for the telecom sector on September 15, 2021 which will have a significant positive impact on the telecom sector

Financial Highlights

Consolidated (Rs Mn)	Q1FY22	Q2FY22
Revenue	91,523	94,064
EBITDA	37,077	38,629
EBITDA%	40.5%	41.1%
Depreciation & Amortisation	60,098	59,227
EBIT	(23,021)	(20,598)
Interest and Financing Cost (Net)	51,949	50,823
Exceptional Items		
- Impairment (non-cash)	-	-
- Others	1,779	135
Share of Profit/(Loss) from JV & associates	5	3
PBT	(73,186)	(71,283)
PAT	(73,191)	(71,323)
Other Comprehensive Income (net of Tax)	62	(123)
Total Comprehensive Income (Consolidated)	(73,129)	(71,446)

Ravinder Takkar, MD & CEO, Vodafone Idea Limited, said *"We welcome the Government's landmark reform package which addresses several industry concerns and provides immediate relief to the financial stress in the sector. We also appreciate the Government's recognition of the telecom sector's contribution in keeping the country connected during the pandemic. During the last quarter, we witnessed a recovery in our operating momentum as the economy has started to gradually open up aided by the ongoing rapid vaccination drive. We continue to improve our 4G subscriber base on the back of superior data and voice experience on Vi GIGAnet, India's fastest mobile network, which is testified through consistent top rankings in Ookla and TRAI. We continue to focus on executing our strategy to improve our competitive position and win in the marketplace."*



Financial highlights

Revenue for the quarter was Rs. 94.1 billion, an improvement of 2.8% QoQ, aided by pick up in the economic activities and easing of lockdown/restrictions induced by severe second wave of COVID, which impacted Q1FY22. On a reported basis, EBITDA for the quarter improved to Rs. 38.6 billion, up 4.2% QoQ, aided by improvement in revenue which was partially offset by increase in customer acquisition costs due to higher gross additions during the quarter and other inflationary cost increases. EBITDA margins were 41.1% vs 40.5% in Q1FY22. EBITDA excluding IndAS 116 impact was Rs. 15.6 billion, compared to Rs. 13.8 billion in Q1FY22. Capex spend for Q2FY22 was Rs. 13.0 billion vs Rs. 9.4 billion in Q1FY22.

The total gross debt (excluding lease liabilities and including interest accrued but not due) as of September 30, 2021 stands at Rs. 1,947.8 billion, comprising of deferred spectrum payment obligations of Rs. 1,086.1 billion, AGR liability of Rs. 634.0 billion that are due to the Government and debt from banks and financial institutions of Rs. 227.7 billion. Cash & cash equivalents were Rs. 2.5 billion and net debt stood at Rs. 1,945.3 billion.

Operational highlights

We continue to invest in 4G to increase our coverage and capacity. During the quarter, we added ~10,800 4G FDD sites primarily through refarming of 2G/3G spectrum (shutdown ~9,600 3G sites) to expand our 4G coverage and capacity. Our overall broadband site count stood at 450,481, compared to 447,114 in Q1FY22. Till date, we have deployed over 65,000 TDD sites in addition to the deployment of ~13,850 Massive MIMO sites and ~13,000 small cells. We continue to expand our LTE 900 presence in 12 circles at multiple locations, including through dynamic spectrum refarming, to improve customer experience. Our 4G network covers over 1 billion Indians as of September 30, 2021 (4G coverage is the population reached/covered by VIL with its 4G network).

These network investment initiatives continue to deliver a significant capacity uplift with our data capacity now over 2.8x compared to September 2018. Our relentless pursuit to have a superior 4G network in the country, through integration and incremental network investments post-merger, are clearly visible through our top rankings on 4G speeds in various external reports. Vi powered by GIGAnet is India's fastest mobile network* as verified by Ookla®. We also have the highest rated voice quality in the country as per TRAI's "MyCall" app data for 9 out of 11 months between November 2020 and September 2021.

Our unified brand "Vi", celebrated its first anniversary in September 2021, and has already garnered strong awareness and continues to build brand affinity across all customer segments in the country. The subscriber base now stands at 253.0 million vs 255.4 million in Q1FY22, a decline of 2.4 million. However, the 4G subscriber base saw healthy addition of 3.3 million, with overall 4G base now at 116.2 million. Subscriber churn has also improved to 2.9% in Q2FY22 vs 3.5% in Q1FY22. As Q1FY22 witnessed significantly higher data usage during the lockdown, the QoQ data volume growth remained moderate at 0.4%. On a YoY basis, data volumes have witnessed strong growth of 27.1%. Data usage per 4G subscriber is now at 14.5 GB/month vs 11.8 GB/month a year ago.

ARPU improved to Rs. 109, up 5.3% QoQ vs Rs. 104 in Q1FY22. This quarter we had taken certain pricing initiatives to improve ARPU, in line with our stated strategy. We increased the entry level prepaid pricing plan from Rs. 49 to Rs. 79, in a phased manner, as well as increased the tariffs in some postpaid plans.



We conducted 5G trials on Government allocated spectrum bands like 26 GHz and 3.5 GHz in Pune (Maharashtra) and Gandhinagar (Gujarat). We have demonstrated peak speeds of 4.2 Gbps on 26 GHz band and 1.5 Gbps on 3.5 GHz. We also tested E band backhaul spectrum where we demonstrated the peak speeds of 9.8 Gbps.

Cost optimization initiative

After successfully achieving targeted merger opex synergies of Rs. 84 billion, we have undertaken the cost optimization exercise across the company in line with the evolving industry structure and business model. Through several initiatives, we have achieved ~80% annualised savings on a run-rate basis by the end of Q2FY22 against the target of Rs. 40 billion.

Government reform package

On September 15, 2021, the Government announced a comprehensive reform package for the Indian telecom sector including measures to address the structural, procedural and liquidity issues. To address the immediate liquidity concerns for the sector, Government has provided an option of up to four years of moratorium on AGR dues and spectrum instalments due between October 2021 and September 2025 with an option to convert interest arising from such deferment into equity upfront. Post moratorium period, the instalments arising from such deferment can also be converted into equity at the discretion of the Government. We have opted for 4 years of deferment for both Spectrum and AGR dues. We have the option to convert the interest arising from deferment of these instalments into equity, which can be exercised by January 12, 2022.

Other structural and procedural reforms include reduction in bank guarantees, rationalisation of AGR definition and reduction of interest rate & no penalty on delay in payment of quarterly license fee & spectrum usage charges and 100% FDI investment via Automatic Route. These measures will be beneficial to all the operators in the long run and allow the operators to further invest in network expansion and upgrade. This will further lead to enhanced experience for telecom consumers and enterprises whose dependence on digital connectivity is increasing every day.

**Based on analysis by Ookla® of Speedtest Intelligence® data of India for Q1–Q2 2021. Ookla trademarks used under license and reprinted with permission. T&C apply. Visit myvi.in for more details.*

About Vodafone Idea 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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**Vodafone Idea Limited (formerly Idea Cellular Limited)
An Aditya Birla Group & Vodafone partnership**

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CIN: L32100GJ1996PLC030976