

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Third Quarter Ended December 31, 2015



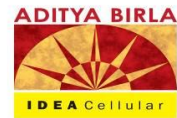
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## Supplemental Disclosures

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

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

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

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## 1. Reporting Guidelines:

To facilitate an analytical perspective, the results have been formatted and grouped as under:

- a) **Standalone** – Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the Indus.
- b) **Consolidated** – Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea Standalone, this covers the proportionate consolidation of Indus (16%). JV financials have been consolidated as jointly controlled entities as per “AS 27 - Financial reporting of Interests in Joint Ventures”. It may be noted that the consolidation of financials of two or more entities requires elimination of inter entity transactions. Illustratively, rentals paid by Idea to Indus, become expenses for Idea and revenues for Indus, on a standalone basis. However, upon consolidation, the proportionate revenue of Indus gets reduced to the extent contributed by Idea. The rental expenses of Idea also stand correspondingly reduced in the consolidated financials.



## 2. Performance at a glance – Idea Standalone

Particulars	Unit	For the Quarter		For the Year				
		Q3FY16	Q2FY16	FY 15	FY 14	FY 13	FY 12	FY 11
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	171.9	166.6	157.8	135.8	121.6	112.7	89.5
2G - Cell Sites (EoP)	nos.	1,22,515	1,19,276	1,12,367	1,04,778	90,094	83,190	73,668
3G+4G - Cell Sites (EoP)	nos.	47,545	39,867	30,291	21,381	17,140	12,825	
Total Minutes of Use	Mn	1,99,165	1,89,452	6,83,427	5,87,768	5,32,120	4,53,123	3,62,565
Total Data Volume (2G+3G+4G)	Mn MB	80,994	72,013	1,72,531	79,381	37,381		
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	90,089	86,799	3,15,548	2,65,036	2,25,949	1,96,800	1,56,380
EBITDA <sup>1</sup>	Rs mn	28,513	27,773	97,679	73,467	53,516	44,658	33,339
PAT	Rs mn	6,614	7,102	34,772	17,932	10,080	6,036	8,378
Cash Profit	Rs mn	23,493	25,318	84,820	64,350	46,968	36,079	30,899
Gross Block + CWIP <sup>2</sup>	Rs mn	9,67,852	7,36,692	6,13,843	5,71,211	4,46,007	3,92,602	3,51,045
Net Worth	Rs mn	2,51,037	2,44,292	2,28,518	1,58,787	1,41,808	1,29,058	1,22,748
Loan Funds	Rs mn	3,84,833	2,35,393	2,58,754	1,93,616	1,26,688	1,20,957	1,05,575
Cash & Cash Equivalent	Rs mn	7,946	14,084	1,30,714	1,761	10,806	1,406	13,902
Net Debt	Rs mn	3,76,887	2,21,309	1,28,041	1,91,855	1,15,881	1,19,550	91,673
Net Debt to EBITDA <sup>3</sup>	unit	3.30	1.99	1.31	2.61	2.17	2.68	2.75
Net Debt to Net Worth	unit	1.50	0.91	0.56	1.21	0.82	0.93	0.75
ROCE	%	6.4%	8.0%	10.7%	7.1%	6.0%	5.2%	5.7%

<sup>1</sup>Forex Loss/Gain which was part of net interest & finance cost earlier, has been regrouped to Other Expenditure in Q2FY15 (impacting the EBITDA). Past period figures are restated.

<sup>2</sup>Includes:- Spectrum payout of Rs. 57,686mn for 2100MHz band (FY11 onwards), additional Rs. 20,313mn for 1800MHz band (FY13 onwards), additional Rs. 104,242mn for 900/1800 Mhz band (FY14 onwards), additional Rs. 65,274mn for 900 Mhz band (Q2FY16 onwards) and additional Rs.211,925 for mn 900/1800 Mhz million (Q3FY16 onwards).

Excludes:- Gross Block value of 11,094 towers transferred to Indus from Q1FY14 onwards.

<sup>3</sup>Net Debt to EBITDA, for the quarter, is based on the annualised figure of quarterly EBITDA.

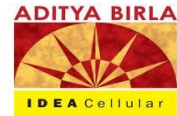
Note: Dividend received from Indus is considered while calculating standalone (Idea+ Subsidiaries) PAT, Cash Profit and ROCE.

## 3. Company Overview

Idea Cellular Limited ("Idea") is the third largest wireless operator in India with a Revenue Market Share (RMS) of 18.5% (Q2FY16). In the 15 Established Service Areas, its RMS stands at a strong level of 21.5% (Q2FY16). The company carried around 2.16 billion minutes on a daily basis during the quarter Q3FY16. Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September 2015). Company is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 517 billion (as on December 31, 2015).

### A. Promoter Group

Idea is part of the Aditya Birla Group, which is one of the largest business groups in India. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years



and has businesses in, among others, mobile telecommunications, metals and mining, retail, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries. The Group currently has shareholding holding of 42.24% in Idea, through following entities;

Aditya Birla Nuvo Ltd.	23.26%
Birla TMT Holdings Pvt. Ltd.	7.88%
Hindalco Industries Ltd.	6.34%
Grasim Industries Ltd.	4.75%
Others	0.01%
<b>Total</b>	<b>42.24%</b>

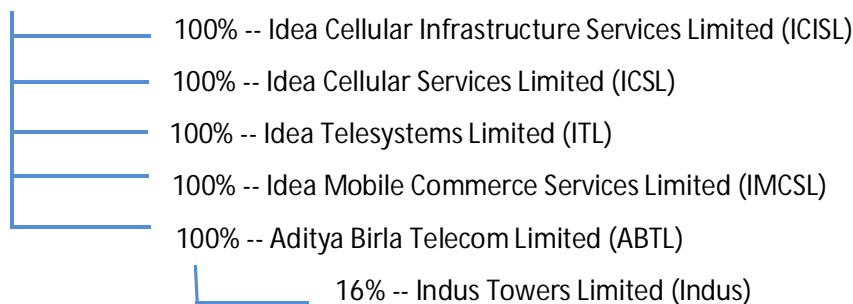
## B. Key Shareholders

**Axiata Group Berhad**, through its affiliates, has 19.78% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication group focused on high growth low penetration emerging markets. The Group currently has controlling interests in its mobile communications operations in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as significant strategic stakes in India and Singapore through its various subsidiaries and affiliates. The Group, including its subsidiaries and associates, has over 260 million mobile subscribers in Asia and provides employment to 25,000 people across Asia.

**Providence Equity Partners**, through its affiliates has a 6.81% shareholding in Idea, and has also invested INR 20,982 mn in ABTL through Compulsorily Convertible Preference Shares.

## C. Corporate Structure

Idea Cellular Limited (Idea)



ICISL – A tower company owning towers in Bihar and Orissa service areas.

ICSL – Provides manpower services to Idea.

ITL – Engaged in the business of sale and purchase of communication devices.

IMCSL – To promote mobile banking related initiatives.

ABTL – Holds 16% shareholding in Indus and engaged in business of sale & purchase of communication devices.

Indus – A joint venture between Bharti Infratel, Vodafone Essar and Idea (through ABTL), to provide passive infrastructure services in 15 service areas.



## D. Business Segments

### 1. Mobile Operations –

- **Voice Business** - Idea provides Pan India GSM mobile services in all 22 service areas of India. In the March'15 spectrum auction Idea has successfully secured 900 MHz spectrum in all nine service areas due for the telecom licenses expiring in December 2015/April 2016, ensuring continuity of existing business for its 115 million subscribers (~67% of the customer base). After including 7 new telecom licenses and spectrum acquired in November 2012 auction, Idea has achieved amongst the highest renewal of 16 out of 22 service areas, laying solid foundation for growth of business till year 2035 (2032 for 7 licenses).

For the purpose of reporting the mobile business of Idea is segregated as 15 Established Service Areas (evolved with time in terms of profitability) and 7 New Service Areas (launched in FY10, spectrum reacquired in 2012 and gestating in terms of profitability).

Below table provides the details of future spectrum expiry

Name of Circles	No. of Circles	Spectrum Band	Year of Expiry	Remaining Period of Spectrum
Delhi, Rajasthan, UPE, H.P.	4	1800 MHz	2021	~6 years
Mumbai, Bihar	2	1800 MHz	2026	~11 years
Kolkata, West Bengal, TN, Orissa, Assam, J&K, NESA	7	1800 MHz	2032	~17 years
Kerala, MP, Maharashtra, UPW, AP, Haryana, Gujarat, Punjab, Karnataka	9	900 MHz	2035/36	20 years

- **Data Business**

**3G Service and Spectrum Profile** - Idea provides 3G services in 21 service areas of India (except Orissa), including through Intra-Circle Roaming (ICR) arrangements with other operators. In the month of March 2015, Idea launched its 3G services for the Delhi metro service area on 900 MHz spectrum band (won in Feb'14 spectrum auction). Further, in March'15 spectrum auction Idea won 5 MHz spectrum in 2100 MHz frequency band for Kolkata service area. 3G services for Kolkata service area has been launched in the month of December, 2015. The 3G foot-print of Idea's own 3G spectrum covering 13 service areas accounts for over 79% of its revenue, ~73% of subscribers and ~60% of national mobile industry revenue.

**4G LTE Spectrum Profile** – In February 2014 auction, Idea won 60.2 MHz spectrum in 1800 frequency band including 4G LTE compatible contiguous blocks of 5/10MHz in 8 service areas along with top-up GSM spectrum in 7 service areas. In March'15 spectrum auction, Idea won 20.4 MHz spectrum in 1800 band including 4G LTE compatible contiguous blocks of 5MHz in 2 additional service areas along with top-up GSM spectrum in 4



service areas. Post these spectrum auction the 4G spectrum profile of Idea covers 10 service areas representing ~61% of Idea's revenue and ~50% of national mobile industry revenue.

Idea is in the process of rolling out its 4G services with launch in 4 service areas of Tamil Nadu, Kerala, Karnataka and Andhra Pradesh on December 23, 2015 and 3 service areas of Madhya Pradesh, Punjab and Haryana on January 14, 2016. Idea is expanding its 4G services in these 7 services areas. In the remaining 3 services areas of Maharashtra, Orissa and North East the 4G services will be launched by March 2016. Idea intends to cover 750 towns and villages in these 10 service areas by June 2016.

The Broadband spectrum profile (3G or 4G) of Idea covers ~87% of Idea revenue and ~78% of Industry revenue. The Company has recently signed an agreement with Videocon Telecommunications Limited (Videocon) for transfer of 'Right to Use' 5 MHz contiguous 1800 MHz spectrum for Idea's leadership service areas of Gujarat and UPW. The company intends to use this spectrum to launch High Speed 4G services in these markets. On completion of transaction Idea 4G LTE service capability will expand to 12 service areas, covering ~75% of Idea revenue and ~60% of Industry revenue.

Idea has tied-up with Hungama Digital to offer a rich collection of Music content and with EROS to offer wide library of Movies and short format Videos and is in the process of introducing its own '**Idea Games Club**' powered by Opera. The company is also revisiting its existing Value Added Services offerings and Intends to introduce its own range of Content services across various categories like entertainment, information, communication, utilities and API services etc. in next financial year.

**2. Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea NLD currently carries around 98.6% of its captive NLD minutes. Idea ILD services handle around 99% of captive ILD outgoing minutes, besides bringing large volume of incoming minutes from top international carriers across the globe. In FY12 Idea launched its ISP services to cater to the captive requirement of its mobile business. It also offers ISP services to external customers like small ISP and enterprise customers for their wholesale Internet backhaul needs. Idea ISP handles all captive subscriber traffic requirements.

Idea is consistently investing in optical fibre cable (OFC) transmission network to tap the future potential of wireless broadband and currently has laid and energised over 105,600 kms OFC, in comparison to over 80,000 kms two years back (Q3FY14). Idea, now has over 6,360 OFC PoPs (3G & 2G) in all circles. The fibre backhaul network of the company optimally serves our 2G/ 3G/4G/ NLD/ ILD/ ISP needs. Idea has also introduced worlds' latest high capacity 100G DWDM network technology to cater to rising data demand.

Details with reference to NLD & ILD traffic and ISP & OFC capacity are as follows –



	Unit	For the Quarter					Growth	
		Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15	QoQ	YoY
Total NLD Minutes	mn	16,247	16,287	16,335	15,946	15,017	-0.2%	8.2%
Total ILD Minutes	mn	3,020	2,747	2,559	2,175	2,089	9.9%	44.6%
ISP Capacity*	Gbps	158.3	152.7	125.0	124.0	94.1	3.7%	68.2%
Optical Fibre Cable (OFC)*	KM	1,05,600	1,00,400	95,100	93,400	90,200	5.2%	17.1%

\*Approx capacity

### 3. Idea Mobile Banking Services

- **Bank led Model - NEFT and IMPS (Money Transfer Service)**

National Electronic Funds Transfer (NEFT) and Immediate Payment Service (IMPS) is a facility through which the customers can transfer funds to any Bank account across India at their own convenience by visiting any of our NEFT/ IMPS retailers and avail the services as Over the Counter (OTC) service. NEFT money transfer over the counter services were launched in November, 2013 and later IMPS services were added in April, 2014. Delhi and Mumbai are the 'originating' and leading circles in the space of 'Money Transfer' business.

- **Prepaid Payment Instrument (PPI)**

PPI is commonly known as semi closed wallet. RBI granted Idea Certificate of Authorisation for PPI in November 2013. Idea commenced PPI services in July 2014 and currently operates in 10 Circles with the plan to launch 9 more circles by end of this fiscal. Idea is also now aggressively acquiring new mobile wallet customers digitally through Idea Web and Idea App. The company offers both cash and web loading (through net banking) into the wallets. With PPI wallet balance one can recharge prepaid accounts for Idea and other operator's, recharge DTH accounts, pay bills and make mobile wallet to mobile wallet and wallet to bank account transfers. Customers can use the wallet on Android applications also. These wallet accounts can be opened with minimum KYC for balance up to Rs. 10,000/-.

The Company is also pursuing merchant acquisition program to increase digital money usage opportunity. The Company has signed / in process of signing up with e-commerce companies servicing in the field of Food, Travel, Taxi, Railways etc. Idea as of 31<sup>st</sup> Dec, 2015 has active 6,00,000 PPI mobile wallet & efforts are on to exponentially increase the number of active PPI digital wallet users.

- **Payments Bank**

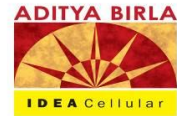
RBI has given in principle approval to set-up the Payments Bank to Aditya Birla Nuvo Limited (ABNL) as promoter, on 7<sup>th</sup> September, 2015. ABNL (51%) jointly with Idea (49%) is planning to setup the Payments Bank. The joint venture will apply for award of license subject to fulfilment of certain regulatory pre-





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requisites. The Joint Venture partners in the meantime are gearing to launch services by second half of Calendar Year 2016 and intend to leverage the strength of Idea's 2 Million+ retail distribution channel across 383,000 towns & villages while promoting range of services including opening of savings bank account, domestic remittances, merchant payments etc. and tying up with third parties for offering range of Credit, investment and Insurance products. In the long run the NEFT/IMPS and PPI business will be integrated with Payments Bank.



## 4. Spectrum Auction Update

Idea cellular participated in four (4) spectrum auctions since 2010 and prudently acquired spectrum to improve its competitive standing in the market. Company won 3G spectrum in 11 service areas in 2010 spectrum auction including all 8 of its established service areas. In November 2012 spectrum auction Idea reacquired its 7 cancelled licenses and ensured that its pan India presence continues. In Feb 2014 auction Idea won 65.2 MHz spectrum including 900 MHz spectrum for 3G in Delhi service area, expanding its 3G footprint to 12 service areas and 45 MHz of 1800 MHz 4G spectrum in 8 service areas.

In March 2015 Spectrum Auction, Idea won 79.4 MHz of spectrum, including 54 MHz in 900 MHz band ensuring continuity of services in 9 service areas where license were due for expiry in December 2015/April 2016. Idea also expanded its 3G spectrum footprint to 13th service area; Kolkata Metro, covering 79% of Idea revenue base and acquired 1800 MHz 4G spectrum in service areas of Tamil Nadu and Orissa, expanding LTE spectrum to 10 service areas covering 61% of its revenue base.

Idea, post allocation of the spectrum won in March 2015 auction has 237.1 MHz of spectrum acquired in auction i.e. 87.6% spectrum out of total spectrum holding of 270.7 MHz. Idea now has auction acquired spectrum for running its operations in 16 out of 22 service areas of India being the highest number of service areas for any operator. The spectrum acquired through auction provides flexibility to offer any service (2G, 3G or 4G), based on the consumer demand and development of eco-system. The following table summarizes capability of Idea to offer GSM, 3G and 4G services with its own spectrum.

Circles	Capability to offer (No. of Circles)		
	2G	3G	4G
8 Established Circles	8	8	6
7 Emerging Circles	7	3	1
7 New Circles	7	2	3
<b>Total</b>	<b>22</b>	<b>13</b>	<b>10</b>
% of Revenue Covered – Idea / Industry	100% / 100%	79% / 60%	61% / 50%
% of Subscriber Covered – Idea / Industry	100% / 100%	74% / 59%	57% / 48%

On completion of transaction for transfer of 'Right to Use' spectrum with Videocon for 5 MHz of liberalised 1800 MHz spectrum for Idea's leadership service areas of Gujarat and UPW, availability of Idea 4G services will expand to 12 service areas, covering ~75% of its revenue, 71% of its subscriber base and ~60% of Industry revenue. Idea's overall spectrum quantum will increase to 280.7 MHz

## 5. Strength Areas

### A. Competitive Spectrum Profile

Following table provides the details regarding spectrum holding of Idea across all 22 service areas

Circles	Current Spectrum Profile (in MHz)					Capability to Offer		
	900	1800 GSM	1800 LTE	2100	Total	GSM	3G	LTE
Maharashtra	9.0	4.0	5.0*	5.0	23.0	✓	✓✓	✓
Kerala	6.0		10.0	5.0	21.0	✓	✓	✓✓
M.P.	7.4	2.0	5.0	5.0	19.4	✓	✓	✓
Punjab	5.6	3.0	5.0*	5.0	18.6	✓	✓	✓
Haryana	6.0	1.0	5.0*	5.0	17.0	✓	✓	✓
Andhra Pradesh	5.0	1.0	5.0	5.0	16.0	✓	✓	✓
HP		9.2**		5.0	14.2	✓	✓	✗
Delhi	5.0	8.6			13.6	✓	✓	✗
UP (W)	5.0	2.2**		5.0	12.2	✓	✓	✗
Gujarat	5.0	1.6		5.0	11.6	✓	✓	✗
Tamil Nadu		6.4	5.0		11.4	✓	✗	✓
UP (E)		6.2		5.0	11.2	✓	✓	✗
Karnataka	5.0	1.0	5.0		11.0	✓	✗	✓
North East		6.0**	5.0*		11.0	✓	✗	✓
J&K		5.0		5.0	10.0	✓	✓	✗
Kolkata		5.0		5.0	10.0	✓	✓	✗
Orissa		5.0	5.0		10.0	✓	✗	✓
Mumbai		6.4			6.4	✓	✗	✗
West Bengal		6.25			6.25	✓	✗	✗
Rajasthan		6.2			6.2	✓	✗	✗
Bihar		5.65			5.65	✓	✗	✗
Assam		5.0			5.0	✓	✗	✗
<b>Total Spectrum</b>	<b>59.0</b>	<b>96.7</b>	<b>55.0</b>	<b>60.0</b>	<b>270.7</b>			
Number of markets where Idea can deploy						22	13+1 <sup>#</sup>	10+1 <sup>#</sup>
Industry Revenue Contribution %						100%	60%	50%
Idea Revenue Contribution %						100%	79%	61%

\*Contiguous block of 5 MHz (1800 MHz) spectrum is not available in Pune and Nasik for Maharashtra, Amritsar & Ludhiana for Punjab, Sirsa for Haryana and Khasi Hill & Tawang for North East Service Area

\*\*4.0 MHz in HP, 1.8MHz in UPW and 1 MHz in North East is partially available.

<sup>#</sup> Second Carrier

### B. Idea's Eight Leadership Geographies (~41% of National Mobile Industry Revenue)

The incumbency advantage coupled with the benefit of 900 MHz GSM spectrum and 3G services gives Idea an absolute leadership status in eight service areas with combined RMS of 30.3% (Q2FY16). These 'service areas' contribute ~41% of national mobile industry revenue and ~67% of Idea's revenue. In spite of intense market



competition, Idea has improved its revenue market share by 1.6% in these 8 leadership service areas over last one year to 30.3% (Q2FY15 RMS 28.7%) delivering 52% incremental RMS on YoY basis in Q2FY16.



Service Area	RMS Q2FY16*	RMS RANK	SPECTRUM PROFILE
Kerala	41.6%	1	2G/3G/4G
M.P.	41.3%	1	2G/3G/4G
UP (W)	32.0%	1	2G/3G
Maharashtra	31.8%	1	2G/3G/4G
Haryana	27.3%	2	2G/3G/4G
Punjab	26.1%	2	2G/3G/4G
A.P.	23.2%	2	2G/3G/4G
Gujarat	21.7%	2	2G/3G
<b>Total</b>	<b>30.3%</b>	<b>1</b>	

Incremental RMS@52% - Q2FY16 vs Q2FY15

\*Gross Revenue for Mobile & UAS Licenses released by TRAI

Idea has rolled out 3G services in all these 8 strategically important service areas. Idea has launched its 4G services in the service areas of Kerala and Andhra Pradesh in December 2015 and in the service areas of Madhya Pradesh, Haryana and Punjab in January 2016. Idea will be launching 4G services in Maharashtra service area by March 2016.

Idea's GSM, 3G and 4G spectrum footprint in these 8 service areas (6 for 4G) places the company in an advantageous competitive position to continue its march of strengthening its competitive market standing both in subscribers and revenue terms. Further, Idea has entered into an agreement with Videocon Telecommunications Limited (Videocon) for acquiring right to use 1800 MHz spectrum for the service areas of Gujarat and Uttar Pradesh (West). Post conclusion of Videocon deal, Idea will have 4G LTE spectrum in all 8 of its established service areas.

### C. Idea's Seven Emerging Geographies (~39% of National Mobile Industry Revenue)

Over the last few years, Idea has strengthened its position in 7 emerging service areas, where it was a late entrant with 1800 MHz spectrum (except Karnataka service area with 900 MHz spectrum & Delhi service areas with 3G on 900 MHz). The emergence of Idea as a significant player in these 7 service areas reaffirms Idea's intrinsic competitive capabilities. These 7 service areas represents ~26% of Idea's revenue. Idea provides 3G services in 3 of these service areas i.e. UP (E), H.P. and Delhi (on 900 MHz spectrum won in Feb'14 and ICR arrangement) and has recently launched 4G services in service area of Karnataka in December 2015.



These 7 emerging service areas with high growth potential contribute over 26% of Idea's revenue and represent over 39% of national mobile industry revenue. Idea has improved its revenue market share (RMS) by 0.6% in these service areas over last one year to 12.3% in Q2FY16 (Q2FY15 RMS 11.7%) delivering 21.6% incremental RMS on YoY basis v/s Q2FY15

SERVICE AREA	RMS Q2FY16*	RMS RANK	SPECTRUM PROFILE
Bihar	13.5%	2	2G
H.P.	12.7%	2	2G/3G
UPE	13.7%	3	2G/3G
Rajasthan	13.7%	3	2G
Delhi	12.5%	3	2G/3G
Karnataka	11.0%	4	2G/4G
Mumbai	10.5%	4	2G
<b>Total</b>	<b>12.3%</b>	<b>3</b>	

Incremental RMS @ **21.6%** - vs Q2FY16 vs Q2FY15

\*Gross Revenue for Mobile & UAS Licenses released by TRAI

#### D. Idea's Seven New Growth Geographies (~20% of National Mobile Industry Revenue)

Idea was among the last entrants for GSM services in 7 service Areas of Tamil Nadu, Kolkata, West Bengal, Orissa, J&K, Assam and North East using 1800 MHz spectrum acquired in November 2012 auction. These seven new growth geographies represent ~20% of Indian Mobility Market but currently contribute 6.6% of Idea revenue. As Idea build its network and improve brand presence in these geographies, due to front loading of investments, the company, as per planned business model, has a quarterly EBITDA loss at Rs. 1,782 million in Q3FY16. The present combined RMS in these 7 service areas is at 6.2% in Q2FY16. In last one year Idea has increased its RMS by 1.4% (vs Q2FY15). Idea remains committed to increase its competitive strength. The incremental RMS in these 7 new service areas between Q2FY16 to Q2FY15 is 34.9%, indicating good potential of improving Idea presence in these service areas. The company offers 3G services in the

SERVICE AREA	RMS Q2FY16*	RMS RANK	SPECTRUM PROFILE
W.B.	9.0%	3	2G
J & K	6.7%	5	2G/3G
NESA	4.4%	5	2G/4G
Kolkata	7.0%	6	2G/3G
TN	5.6%	6	2G/4G
Assam	4.5%	6	2G
Orissa	5.2%	7	2G/4G
<b>Total</b>	<b>6.2%</b>	<b>6</b>	

Incremental RMS @ **34.9%** - vs Q2FY16 vs Q2FY15

\*Gross Revenue for Mobile & UAS Licenses released by TRAI

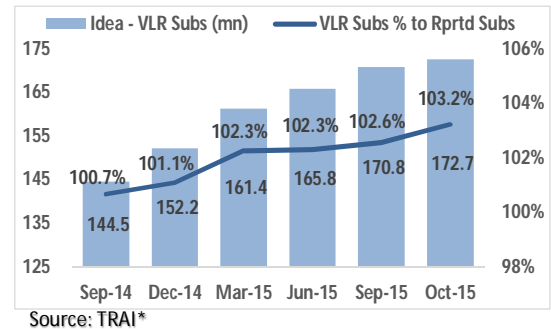
service area of J&K and Kolkata (launched in December 2015) on own 2100MHz spectrum. The company has also recently launched its 4G services in service areas of Tamil Nadu in December 2015 and intends to launch 4G services in Orissa and North East service areas by March2016.



## E. 182 million Quality Subscriber Base\*

Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September 2015) currently servicing ~182 million VLR subscribers as of December 31, 2015. This large base of subscribers provides a great platform to the company to upgrade the pure voice customers to wireless data services in future.

Idea has always been vigilant in monitoring the quality of its subscriber base. The latest (October 2015) data released by the TRAI for active subscribers (VLR subscribers), reaffirms quality of Idea's subscriber base as among the best in terms of percentage of active subscribers. As of Oct 2015, Idea has 103.2% of reported subscribers as VLR subscribers, which is highest in the industry.



Idea's EoP subscriber market share (on VLR) at the end of October, 2015 stands at 19.1% (as against a reported subscriber markets share @ 16.7%) an improvement of 1.2% on YoY basis.

In last 12 months from Nov'14 to Oct'15 Idea has added VLR subscribers of 25.6 million against overall industry annual VLR subscriber growth at 81 million. The company is pleased to consistently add over 31% of industry Active Subscriber base addition. Today, nearly 1 out of 3 Indian who buy new connection, prefer Idea and 182 million VLR subscribers milestone for the company opens multiple new vistas for growth.

## F. Leader in Mobile Number Portability Net Adds

The Mobile Number Portability (MNP) was implemented nation-wide on 20th January, 2011 and nearly 143.3 million customers have availed of the MNP facility offered by Indian Mobile Industry. Also government has introduced National MNP (NMNP) from July 03, 2015. The trends emerging from MNP are clearly distinguishing the strong operators in terms of customers' preference for better quality of services and brand value. Over the last 60 months in the MNP space, Idea has maintained leadership position on overall MNP Net Adds. As on December 31, 2015 Idea has a net MNP gain of 17.1 million customers from other telecom operators with one out of every four existing mobile customers, who chooses to port out from their existing mobile operator preferring to shift and stay with world class Idea services.



## G. Tower Investment

Indus towers, a joint venture between Bharti Infratel, Vodafone India and Idea Cellular (thru ABTL), is one of the world's leading tower company with 118,687 towers and tenancy ratio of 2.24 as of December 31, 2015. Idea (thru ABTL) holds 16% equity stake in Indus towers. Providence Equity Partners, through its entity P5 Asia Holding Investments (Mauritius) Limited, beneficially holds 1,925,000 compulsorily convertible preference shares, convertible into equity shares representing 30.3% of the total equity share capital post conversion of these preference shares of ABTL, which in turn reflects Providence Equity Partners' beneficial equity interest in Indus Towers of 4.85% (assuming no other change in the equity share capital of Indus Towers). The consolidated financials includes 16% consolidation from Indus Towers.

Besides investment in Indus Tower, Idea along with its subsidiary ICISL, owns 9,640 towers as on December 31, 2015. There are more than 15,800 tenants on these towers, resulting in tenancy ratio of 1.64. During the last one year the company has added 119 towers and around 600 tenancies as its reorganize itself to improve its tower tenancy ratio to industry standards.



## 6. Financial Highlights

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

	For the Quarter				
	Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15
Gross Revenue	90,089	86,799	87,965	84,165	80,148
Opex	61,576	59,026	58,351	56,337	55,288
EBITDA	28,513	27,773	29,613	27,828	24,860
<b>EBITDA Margin</b>	<b>31.6%</b>	<b>32.0%</b>	<b>33.7%</b>	<b>33.1%</b>	<b>31.0%</b>
Depreciation & Amortisation	15,206	14,327	14,128	13,837	13,792
EBIT	13,307	13,446	15,486	13,991	11,068
Interest and Financing Cost (net)	3,175	2,516	2,559	816	720
Dividend from Indus*	-	-	-	1,602	-
PBT	10,132	10,930	12,926	14,777	10,348
Tax	3,518	3,829	4,525	4,700	3,565
<b>PAT</b>	<b>6,614</b>	<b>7,102</b>	<b>8,401</b>	<b>10,077</b>	<b>6,783</b>
<b>Cash Profit</b>	<b>23,493</b>	<b>25,318</b>	<b>25,531</b>	<b>26,149</b>	<b>20,286</b>

### B. Consolidated Profit & Loss Account (Rs mn)

	For the Quarter				
	Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15
Gross Revenue	90,097	86,891	87,983	84,225	80,175
Opex	58,811	56,320	55,700	53,580	52,648
EBITDA	31,285	30,570	32,284	30,645	27,527
<b>EBITDA Margin</b>	<b>34.7%</b>	<b>35.2%</b>	<b>36.7%</b>	<b>36.4%</b>	<b>34.3%</b>
Depreciation & Amortisation	16,231	15,381	15,159	14,877	14,826
EBIT	15,054	15,190	17,125	15,768	12,700
Interest and Financing Cost (net)	3,349	2,726	2,792	1,052	983
PBT	11,705	12,464	14,333	14,715	11,717
Tax	4,063	4,371	5,024	5,298	4,046
<b>PAT</b>	<b>7,642</b>	<b>8,093</b>	<b>9,308</b>	<b>9,418</b>	<b>7,671</b>
<b>Cash Profit</b>	<b>25,512</b>	<b>27,360</b>	<b>27,437</b>	<b>26,602</b>	<b>22,216</b>

\*Dividend received from Indus is reflected in 'Standalone' PAT and Cash Profit. However, this dividend income gets eliminated in the 'Consolidated' financials.

Note: Forex Loss/Gain which was part of net interest & finance cost earlier, has been regrouped to Other Expenditure in Q2FY15 (impacting the EBITDA). Past period figures are restated.





## C. Revenue & Profitability Break-up (Rs mn)

Revenue Break-up	For the Quarter	
	Q3FY16	Q2FY16
Gross Revenue - Established Service Areas	84,063	81,045
Gross Revenue - New Service Areas	6,026	5,754
<b>Revenue - Idea Standalone</b>	<b>90,089</b>	<b>86,799</b>
Revenue Contribution - Indus (@16.00%)	6,450	6,389
Consolidation Eliminations	(6,442)	(6,297)
<b>Revenue - Idea Consolidated</b>	<b>90,097</b>	<b>86,891</b>

EBITDA Break-up	For the Quarter	
	Q3FY16	Q2FY16
EBITDA - Established Service Areas	30,295	29,548
EBITDA - New Service Areas	(1,782)	(1,775)
<b>EBITDA - Idea Standalone</b>	<b>28,513</b>	<b>27,773</b>
EBITDA Contribution - Indus (@16.00%)	2,773	2,797
<b>EBITDA - Idea Consolidated</b>	<b>31,285</b>	<b>30,570</b>

EBITDA Margin	For the Quarter	
	Q3FY16	Q2FY16
EBITDA % - Established Service Areas	36.0%	36.5%
EBITDA % - New Service Areas	-29.6%	-30.9%
<b>EBITDA % - Idea Standalone</b>	<b>31.6%</b>	<b>32.0%</b>
Derived EBITDA % Indus	43.0%	43.8%
<b>EBITDA % - Idea Consolidated</b>	<b>34.7%</b>	<b>35.2%</b>

Dep. & Amort. Break-up	For the Quarter	
	Q3FY16	Q2FY16
Dep & Amort. - Idea Standalone	15,206	14,327
Dep. & Amort. Cost from Indus (@16.00%)	1,025	1,054
<b>Dep. &amp; Amort. - Idea Consolidated</b>	<b>16,231</b>	<b>15,381</b>

EBIT Break-up	For the Quarter	
	Q3FY16	Q2FY16
EBIT - Idea Standalone	13,307	13,446
EBIT Contribution - Indus (@16.00%)	1,747	1,743
<b>EBIT - Idea Consolidated</b>	<b>15,054</b>	<b>15,190</b>

Interest & Finance Cost Break-up	For the Quarter	
	Q3FY16	Q2FY16
Gross Interest Cost - Idea Standalone	3,465	2,845
Gross Interest Income - Idea Standalone	(290)	(329)
<b>Int. &amp; Fin. Cost (net) - Idea Standalone</b>	<b>3,175</b>	<b>2,516</b>
Int. & Fin. Cost (net) from Indus (@16.00%)	174	210
<b>Int &amp; Fin Cost (net) - Idea Consolidated</b>	<b>3,349</b>	<b>2,726</b>

Tax Break-up	For the Quarter	
	Q3FY16	Q2FY16
Tax - Idea Standalone	3,518	3,829
Tax - Indus (@16.00%)	545	542
<b>Tax - Idea Consolidated</b>	<b>4,063</b>	<b>4,371</b>

PAT Break-up	For the Quarter	
	Q3FY16	Q2FY16
PAT - Idea Standalone	6,614	7,102
PAT Contribution - Indus (@16.00%)	1,029	991
<b>PAT - Idea Consolidated</b>	<b>7,642</b>	<b>8,093</b>

**Note 1:** Impact of the joint venture is presented to provide a perspective to Idea's consolidated financials. Due to differences in accounting treatment, these may not be representative of the financial statements of joint ventures.



## D. Balance Sheet (Rs mn)

Particulars	Idea Standalone - As on		Idea Consolidated - As on	
	31-Dec-15	31-Mar-15	31-Dec-15	31-Mar-15
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Equity Share Capital	36,004	35,978	36,004	35,978
Reserves & Surplus	2,15,033	1,92,540	2,19,284	1,94,295
	<b>2,51,037</b>	<b>2,28,518</b>	<b>2,55,288</b>	<b>2,30,273</b>
Compulsorily Convertible Preference Shares	19	19	19	19
<b>Non-Current Liabilities</b>				
Long-Term Borrowings	3,70,167	1,60,065	3,74,818	1,66,032
Deferred Tax Liabilities (Net)	24,573	16,243	27,275	19,015
Other Long-Term Liabilities	34,662	11,719	32,569	9,633
Long-Term Provisions	3,576	2,843	6,588	5,735
	<b>4,32,978</b>	<b>1,90,870</b>	<b>4,41,250</b>	<b>2,00,415</b>
<b>Current Liabilities</b>				
Short-Term Borrowings	159	1,514	949	2,073
Trade Payables	33,106	29,952	33,480	30,974
Current maturities of long term debt	14,507	97,175	17,007	1,00,486
Other Current Liabilities	49,552	35,843	51,270	37,406
Short-Term Provisions	1,465	2,994	1,570	3,021
	<b>98,789</b>	<b>1,67,478</b>	<b>1,04,276</b>	<b>1,73,960</b>
<b>Total</b>	<b>7,82,824</b>	<b>5,86,885</b>	<b>8,00,833</b>	<b>6,04,668</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	1,94,497	1,81,328	2,26,095	2,13,136
Intangible Assets	3,98,555	1,42,159	3,98,578	1,42,200
Capital Work-in-Progress	1,10,373	50,804	1,11,025	51,405
	<b>7,03,425</b>	<b>3,74,290</b>	<b>7,35,699</b>	<b>4,06,741</b>
Goodwill	17,799	17,799	61	61
Long-Term Loans and Advances	27,738	41,324	29,243	42,752
Other Non-Current Assets	232	89	232	458
	<b>7,49,195</b>	<b>4,33,503</b>	<b>7,65,235</b>	<b>4,50,013</b>
<b>Current Assets</b>				
Current Investments	7,430	1,15,267	8,150	1,15,267
Inventories	928	710	928	710
Trade receivables	9,953	9,440	10,321	9,789
Cash and Bank Balance	515	15,446	903	15,537
Short-term loans and advances	14,802	11,456	15,295	12,290
Other current assets	0	1,062	0	1,062
	<b>33,629</b>	<b>1,53,382</b>	<b>35,598</b>	<b>1,54,656</b>
<b>Total</b>	<b>7,82,824</b>	<b>5,86,885</b>	<b>8,00,833</b>	<b>6,04,668</b>



## 7. Key Performance Indicators

### A. Financial Indicators – Idea Standalone

Parameters	Unit	For the Quarter				
		Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15
Gross Revenue	INR Mn	90,089	86,799	87,965	84,165	80,148
Growth QoQ	%	3.8%	-1.3%	4.5%	5.0%	5.9%
EBITDA	INR Mn	28,513	27,773	29,613	27,828	24,860
EBITDA	%	31.6%	32.0%	33.7%	33.1%	31.0%
EBIT	INR Mn	13,307	13,446	15,486	13,991	11,068
EBIT	%	14.8%	15.5%	17.6%	16.6%	13.8%
Gross Revenue/min	paisa	45.2	45.8	44.9	45.5	47.0
EBIT/min	paisa	6.7	7.1	7.9	7.6	6.5
Gross Fixed Assets (excl. CWIP)	INR Mn	8,57,479	5,98,089	5,78,035	5,63,037	5,12,646
Annualised Revenue/Gross Fixed Assets	%	42.0%	58.1%	60.9%	59.8%	62.5%
Gross Revenue per 2G Site/Month (INR)	INR	2,48,393	2,46,395	2,57,272	2,52,410	2,45,622

### B. Operational Indicators – Idea Standalone

Overall Business	Unit	For the Quarter				
		Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15
Subscriber Base (EoP) (2G+3G)	mn	171.9	166.6	162.1	157.8	150.5
VLR Subscribers (EoP)	mn	181.9	170.8	165.8	161.4	152.2
Net VLR Subscriber addition	mn	11.0	5.0	4.4	9.2	7.7
Pre-paid Subs (% of EoP subscribers)	%	95.6%	95.6%	95.6%	95.6%	95.7%
Number of 3G Devices (Including 4G devices)	mn	55.5	48.7	42.3	36.5	28.2
Out of Above - 4G Devices	mn	6.1				
3G Subscribers (Voice+Data) (EoP)	mn	27.6	24.5	21.3	18.7	16.1
2G Coverage - No. of Census Towns	no.	7,554	7,527	7,513	7,475	7,422
2G Coverage - No. of Villages	no.	3,76,122	3,70,320	3,63,580	3,57,321	3,54,011
2G Coverage - Population	Mn	974	966	957	948	942
3G+4G Coverage - No. of Census Towns	no.	3,977	3,584	3,394	3,187	3,065
3G+4G Coverage - No. of Villages	no.	51,630	42,091	29,378	22,919	19,882
3G+4G Coverage - Population	Mn	340	306	276	245	236

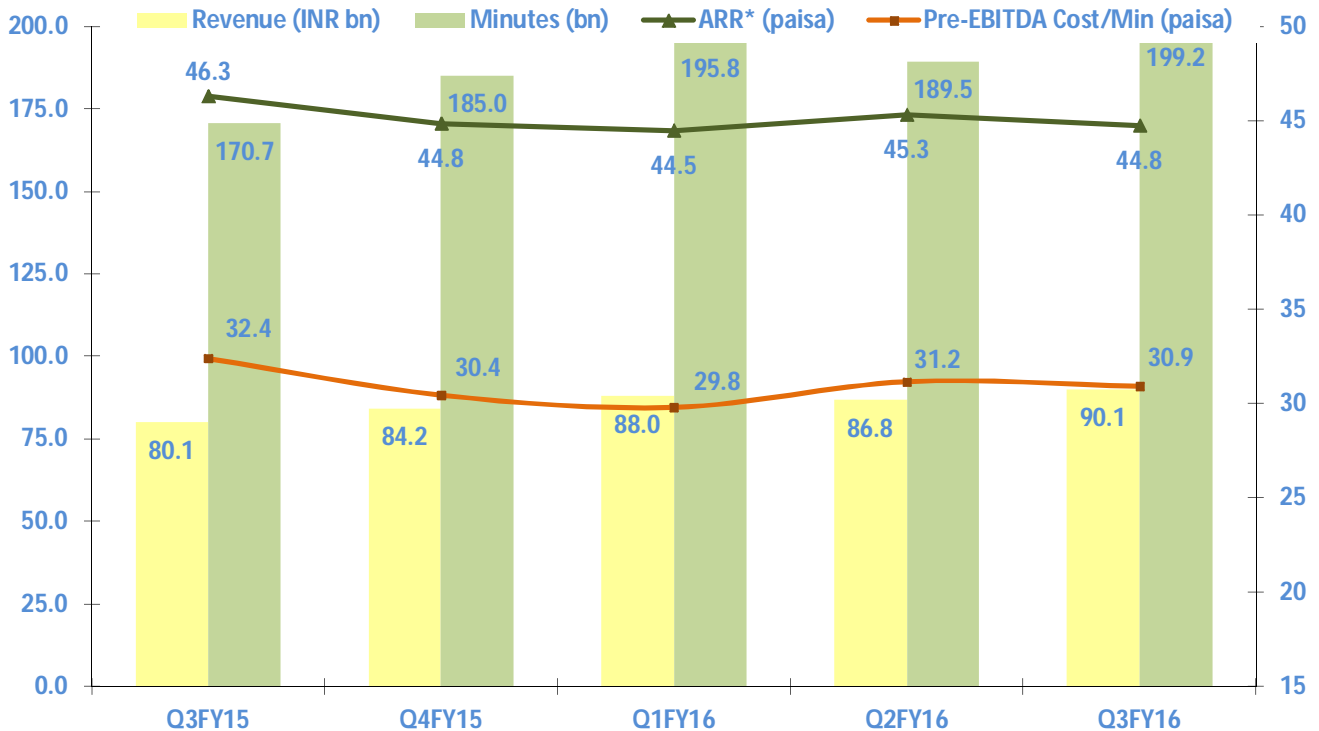


Overall Business	Unit	For the Quarter				
		Q3FY16	Q2FY16	Q1FY16	Q4FY15	Q3FY15
Average Revenue per User (ARPU)	INR	176	175	182	179	179
Average Voice Revenue Per User (Voice ARPU)	INR	125	126	134	135	138
Average Minutes of Use per User (MoU)	min	393	386	408	400	388
Average Realisation per Minute (ARPM)	paisa	44.8	45.3	44.5	44.8	46.3
Average Realisation per Minute (Voice ARPM)	paisa	31.8	32.7	32.9	33.9	35.6
Post-paid Churn	%	2.8%	3.2%	3.1%	2.6%	2.7%
Pre-paid Churn	%	5.4%	5.2%	4.7%	4.7%	4.3%
Blended Churn	%	5.3%	5.1%	4.7%	4.6%	4.2%
Total Minutes of Use	mn	1,99,165	1,89,452	1,95,752	1,85,028	1,70,706
Total 3G+4G Cell Sites (EoP)	no.	47,545	39,867	33,621	30,291	27,744
Total 2G Cell Sites (EoP)	no.	1,22,515	1,19,276	1,15,575	1,12,367	1,09,931
Towers - Rented Indus (EoP)	no.	64,721	63,287	61,593	60,161	58,799
Towers - Rented Others (EoP)	no.	48,249	46,489	44,508	42,709	41,665
Owned Towers (EoP)	no.	9,640	9,578	9,532	9,557	9,521
Tenancy Ratio - Owned Towers	times	1.64	1.61	1.61	1.60	1.59
Manpower on Rolls (EoP)	no.	16,948	16,218	15,776	15,470	15,088
<b>Non-Voice and Data Business (2G+3G+4G)</b>						
VAS as a % of Service Revenue	%	28.9%	27.9%	26.1%	24.5%	23.1%
Data as a % of Service Revenue	%	20.2%	19.6%	17.7%	16.9%	15.7%
Non-Data VAS as a % of Service Revenue	%	8.6%	8.2%	8.4%	7.6%	7.4%
Total Data Subscribers (2G+3G+4G)*	000	41,351	41,334	37,156	33,424	34,155
Total Data Volume (2G+3G+4G)	Mn MB	80,994	72,013	62,677	54,510	46,077
Blended Data ARMB	paisa	22.3	23.4	24.6	25.7	26.9
Data ARPU for Data Subscriber (2G+3G+4G)	INR	145	144	147	150	126
Data Usage by Data Subscriber (2G+3G+4G)	MB	653	615	599	586	470
3G Data Subscribers	000	21,199	19,585	16,660	14,512	12,945
3G Data Volume	Mn MB	53,600	43,051	36,031	30,680	24,977
3G Data ARPU for 3G Data Subscriber	INR	196	202	203	209	197
3G Data Uages by 3G Data Subscribers	MB	866	802	778	777	705

\*Refer revised definition for Data Subscriber

## 8. Management Discussion & Analysis

### A. Global Scale of Operations

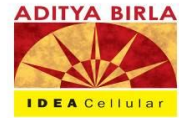


\*Calculated by dividing service revenue (excl. infrastructure and device revenue) by total Minutes of Use

### B. Strong Operating Performance

Consumer preference for brand Idea continues to rise as company added 29.7 million incremental subscribers (on VLR) in the calendar year 2015, now serving 182 million quality customers, providing Idea a unique platform for future growth in Mobile Voice, Wireless Broadband, Digital Content and Mobile banking services etc. The company's subscriber market share (on VLR) has raced past 19.1% (October 2015 TRAI Report) and Revenue Market Share at 18.5% for Q2FY16; an improvement of 1.2% share (VLR & RMS) over the last one year.

In contrast to higher subscriber market size, estimated Industry revenue growth in the first nine months of FY16 vs FY15 is trending to as low as 5.5% - 6.5% against 10.9% growth in the same period previous year. This lower revenue growth is primarily due to fall in Voice Realised rate led by reduction in TRAI regulated Mobile incoming IUC charge settlement rate from earlier 20p to 14p/min effective from March 01, 2015, lowering of cap for national roaming call & SMS charges effective from May 01, 2015, and intense pressure on Mobile data realised rate, as wireless broadband consumer demand growth is slower than increased supply from operators launching/expanding 3G/4G footprints.



In comparison, Idea's long term business trends remain robust as standalone revenue for the quarter has grown by 12.4% (16.4% post normalization of IUC settlement change) to Rs. 90,089 million against Rs. 80,148 million in Q3FY15. The factors driving revenue growth were volume led including YoY expansion of a) Voice Minutes @ 16.7% to 199.2 billion minutes and b) Mobile Data (2G+3G+4G) @ 75.8% to 81.0 billion MB, in Q3FY16. However, YoY decline in Voice Realised Rate @ 10.6% (Including IUC impact) and Mobile Data Realised rate @17.2%, depressed overall gross revenue growth.

During calendar year 2015, Idea supported its consumer centricity vision by integrating highest ever 32,385 (2G+3G+4G) cell sites, expanding Idea 2G services population coverage to nearly 974 million Indians and wireless broadband 3G and 4G services footprint to cover 340 million Indian population, while its fibre network expanded beyond 105,000 KMs, helping the company to gear itself for next wave of mobile internet revolution. The capex spend in Q3FY16 of Rs. 23,135 million was financed by Cash Profit of Rs. 23,493 million for the quarter.

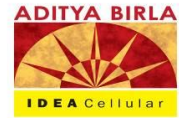
The standalone quarterly EBITDA of Rs. 28,513 million grew annually by 14.7% (Rs. 24,860 million in Q3FY15) at 31.6% margin, an improvement of 0.6% over Q3FY15.

During December 2015, the expired 900 MHz spectrum (from 1995-2015 license) for 7 established service areas was replaced with New 900 MHz liberalised spectrum won in March 2015 spectrum auction (spectrum in remaining two service areas of Karnataka and Punjab would be replaced with new 900 MHz liberalised spectrum in April 2016). In the month of December Idea launched its own 3G services in the 13<sup>th</sup> circle of Kolkata metro service area, extending own 3G spectrum coverage to 79% of Idea revenue base. Also, in the same month, company launched its 4G services in four south Indian telecom service areas. Consequently, the 'Depreciation & Amortisation' charge of Rs. 15,206 million and 'Interest & Finance Cost (net)' of Rs. 3,175 million include additional charges related to above new spectrum from date of shift/ launch.

Idea standalone 'Profit after Tax' stands at Rs. 6,614 million against Rs. 6,783 million in Q3FY15. The Net Debt now at Rs. 376.9 billion, includes almost all Deferred Payment Liability from past spectrum auctions, including March 2015 auction. The Net Debt to annualised Q3FY16 EBITDA stands at 3.30.

The Net mobile data customer base (2G+3G+4G) has remained flat at 41.4 million (41.3 million in Q2FY16) as company tightened its Data Subscriber reporting. The higher Mobile data usage per data customer @ 653 MB (470 MB in Q3FY15) helped improve blended mobile data ARPU to Rs. 145 in Q3FY16 (vs Rs. 126 in Q3FY15). The Non Voice Revenue contribution improved to 28.1% this quarter against 23.1% a year earlier.

Over the last one year, the 3G data subscriber base for the company has increased by 8.2 million to 21.2 million in Q3FY16, still at a low penetration of 12.3% on EoP subscribers, while in comparison 55.5 million (annual increase



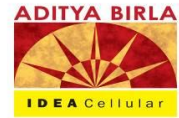
of 27.3 million) of Idea's strong 172 million subscriber base has upgraded their phones to 3G/4G smartphone/devices. The Data ARPU of a 3G Data customer is at a healthy level of Rs. 196 during Q3FY16, in addition to customer spend on Voice and Non data VAS.

On December 23, 2015 Company announced the next important historic step in Idea's telecom journey with launch of its High Speed 4G network across four south Indian service areas of Andhra Pradesh (incl. Telangana), Karnataka, Kerala and Tamil Nadu. Idea, further, on January 14, 2016 has extended its 4G services to telecom circles of Madhya Pradesh & Chhattisgarh, Punjab and Haryana, now covering 183 towns across 7 circles for high speed LTE services. Idea currently holds 1800 MHz 4G spectrum in 10 telecom circles which covers 50% of Indian telecom market but over 60% of Idea's Revenue. The company is poised to launch its 4G services in remaining 3 telecom service areas of Maharashtra & Goa, Orissa and North East by March 2016 and plans to extend 4G footprint to over 750 Towns by June 2016. Idea's own 3G and /or 4G wireless broadband spectrum covers 87% of its revenue base.

Additionally, Idea has recently signed an agreement with Videocon Telecommunications Limited for transfer of 'Right to Use' 1800 MHz spectrum in two of Idea's key telecom leadership markets of Gujarat and Uttar Pradesh (West). Post completion of this transaction, Idea 4G services will be extended to 12 service areas covering 75% of Idea's revenue base. To augment the usage of mobile data services, the company has recently announced launch of Idea Digital Content Services with attractive subscription plans in partnership with leading content providers including latest and wide range of content for Music, Movies and Gaming etc.

At consolidated level including 16% of Indus contribution, Idea gross revenue in Q3FY16 has grown by 12.4% YoY to Rs. 90,097 million, the EBITDA at Rs. 31,285 million grew by 13.7%, EBITDA margin improved by 0.4% to 34.7% and this quarter PAT stands at Rs. 7,642 million.

The growing consumer demand and brand affinity, accelerated wireless infrastructure expansion and strong cash flows of company reaffirms Idea's ability to remain on course of its slated mission of consistent, competitive, responsible and profitable growth. The brand with its enviable track record of the fastest growing telecom service provider for last 8 years is fully capable to meet all volatile, uncertain, complex and ambiguous developments, as its strengthens its market standing both in Mobile Voice and Data Market.

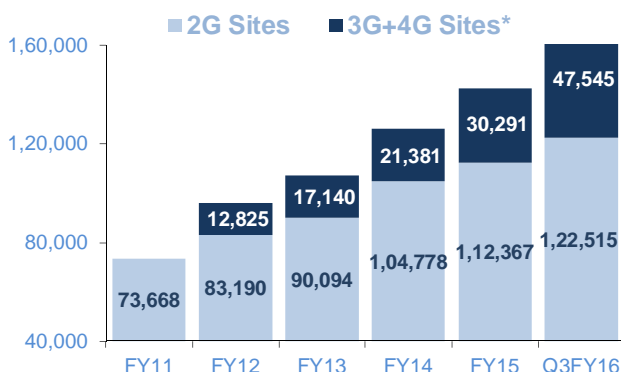


## C. Balance Sheet

During the quarter company has recognised Deferred Payment liability of Rs. 158.9 billion related to the spectrum allocation received for the 6 service areas of Maharashtra & Goa, Gujarat, Madhya Pradesh & Chhattisgarh, Uttar Pradesh West, Punjab & Karnataka. With this, except for Rs. 1240 million, related to 1 MHz spectrum (1800 MHz) for Karnataka service area, all spectrum related liability is now reflecting as Debt.

The capex and net debt amounts reflecting in our balance sheet are higher by Rs. 277 million each due to capitalisation of amount relating to foreign exchange difference during the quarter on long term loans taken for acquiring fixed assets. The Net-Worth of Rs. 251,037 million combined with an average (current and preceding three quarters) Cash Profit of ~Rs. 25,100 million per quarter provides a solid foundation to support the company's growth plan.

## D. Capex



\*4G sites included from Q3FY16

Idea rolled out 3,239 2G cell sites and 7,678 3G+4G cell sites during the quarter, taking Network EoP site count for 2G to 122,515 and 47,545 for 3G+4G sites.

The total addition to the Gross Block including CWIP (excluding capitalised forex fluctuation of Rs. 277 million for the quarter, spectrum capitalisation and capitalised interest of Rs. 13.3 billion related to capitalised spectrum) for the quarter was Rs. 23.1 billion.

The capex guidance for FY16 is revised to Rs. 75 billion (excluding any spectrum related payment) on account of accelerated 4G rollout.

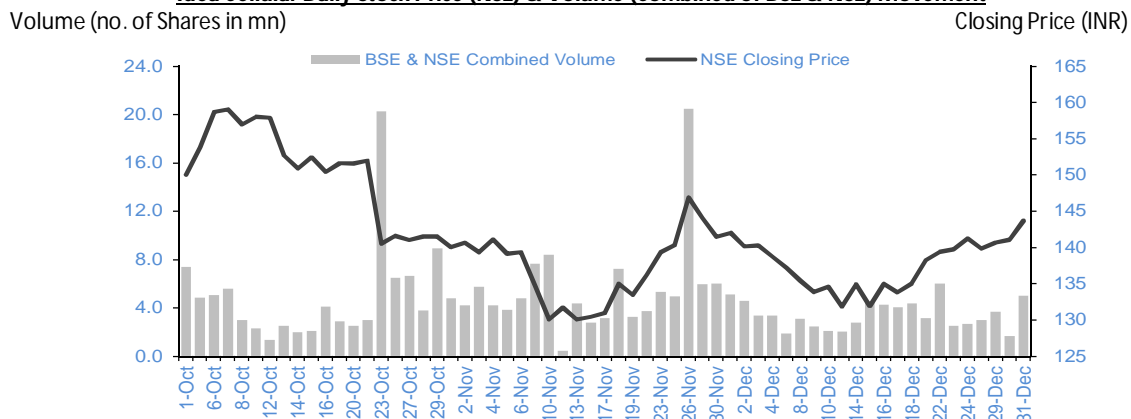




## 9. Stock Market Highlights

General Information		
BSE Code		532817
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/12/2015)	mn	3600.36
Closing Market Price - NSE (31/12/2015)	INR/share	143.65
Combined Volume (NSE & BSE) (01/10/2015 to 31/12/2015)	mn/day	4.6
Combined Value (NSE & BSE) (01/10/2015 to 31/12/2015)	INR mn/day	649.8
Market Capitalisation (31/12/2015)	INR bn	517
EPS for the Quarter (Annualised)	INR/share	8.49
Enterprise Value (31/12/2015)	INR bn	901
Price to Earning	times	16.9
Price to Cash Earning	times	5.1
Price to Book Value	times	2.0
EV/Annualised EBITDA	times	7.2

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



## 10. Shareholding Pattern as on December 31, 2015:

Particulars	Idea Cellular Ltd.	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Indian	1,52,06,79,047	42.24%
Foreign	-	
<b>Public Shareholding</b>		
Foreign Holding	1,82,56,49,131	50.71%
Indian Institutions	18,17,01,362	5.05%
Others	7,23,30,066	2.01%
<b>Total</b>	<b>3,60,03,59,606</b>	<b>100.00%</b>

## 11. Glossary

Definitions/Abbreviation	Description/Full Form
3G	Third Generation of Mobile Telephony
3G Subscriber	Any Subscriber with any usage event on 3G network, during last 30 days
Established service areas	represent 15 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan, Himachal Pradesh, Punjab, Karnataka as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13 and Established Service Areas were 13, not including Mumbai and Bihar
Annualized EBITDA	Annualised figure of quarterly EBITDA
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ARPM (Average realisation per Minute)	ARPM is calculated as ARPU divided by MoUs/Subscriber
Average Subscribers	Average number of subscribers during the period is calculated as average of average subscribers for each month.
Book Value/Share	Is calculated as Net Worth divided by the number of outstanding equity shares
Churn	Churn relates to subscribers who are removed from the EoP base for no usages/usage of services below a threshold level.
Cash Profit	Is calculated as the summation of PAT, Depreciation, charge on account of ESOPs and Deferred Tax, for the relevant period.
Cash Earning / Share	Is calculated by dividing the cash profit for the period by weighted average number of outstanding equity shares.
Data Subscriber	Any Subscriber with data usage of more than 1MB in last 30 days from Q4FY14 till Q3FY15 Any Subscriber with data usage of more than 10MB in last 30 days from Q4FY15 till Q2FY16 Any Subscriber with data usage of more than 15MB in last 30 days from Q3FY16 onwards
Data Revenue	Revenue from the use of data services including Blackberry services
Data Usage	Data consumed by Idea subscribers
Data ARPU	Is calculated by dividing data revenue for the relevant period by the average number of data subscribers during the period. The result



Definitions/Abbreviation	Description/Full Form
	obtained is divided by the number of months in that period to arrive at the Data ARPU per month figure
Data ARMB	Is calculated by dividing data revenue for the relevant period by the Data usage in MB during the period
EBIT	Earnings Before Interest and Tax
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from total income. Total income is comprised of service revenue, sales of trading goods and other income. Operating expenditure is comprised of cost of trading goods, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses
Effective Tax Rate	Is calculated as tax charged to Profit and Loss Account divided by PBT (excluding Indus Dividend)
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt
EPS	Earning per share, is calculated by dividing the Profit after Tax for the period by the weighted average number of outstanding equity shares
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard for mobile telephony in the world
Gross Revenue	Is the summation of service revenue, revenue from sale of trading goods and other income.
Indian GAAP	Indian Generally Accepted Accounting Principles
IRU	Indefeasible right of use
Incremental Revenue Market Share	Is calculated as change in absolute revenue for Idea divided by change in absolute revenue for mobile Industry during the relevant period
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period.
MoUs/Sub (Average Minutes of Usages per Subs)	Is calculated as, total Minutes of Use by mobile subscriber during the period divided by the average of subscribers during the period
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
New Service Areas	represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar.



Definitions/Abbreviation	Description/Full Form
NSE	National Stock Exchange
PBT	Profit before Tax
PAT	Profit after Tax
Price to Book Value	Is calculated by dividing the closing market price at the end of the period (NSE) by the Book Value/ Share
Price to Cash Earning	Is calculated by dividing the closing market price at the end of the period (NSE) by the annualised Cash Earning/Share
Price to Earning	Is calculated by dividing the closing market price (NSE) at the end of the period by the annualised EPS
ROCE	ROCE is calculated as a) for the year PAT plus net Interest and Finance Cost Less Tax at effective rate divided by average capital employed for the year, b) for the quarter : PAT (excluding non-recurring income) net Interest and Finance Cost Less Tax at effective rate for the quarter is annualised and increased by non-recurring income and then divided by average capital employed for the quarter. Capital employed is taken as the average of opening and closing of Shareholders Funds and Net Debt reduced by the debit balance of P&L account (If any), for the respective period
Service Area	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.