



**28<sup>th</sup> April, 2018**

**National Stock Exchange of India Limited**  
"Exchange Plaza",  
Bandra - Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sirs,

**Sub: Audited Financial Results for the fourth quarter and financial year ended 31<sup>st</sup> March 2018**

**Ref: "Idea Cellular Limited" (IDEA / 532822)**

In continuation of our letter dated April 21, 2018, we wish to inform you that the Board of Directors of the Company at their meeting held today, inter-alia, have:

1. Approved the Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018.
2. Approved issuance of redeemable non-convertible debentures on Public / Private placement basis for the operations of the Company, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the following:

- (i) Audited Financial Results (Standalone and Consolidated) for the quarter / financial year ended March 31, 2018 and declaration on unmodified opinion on Auditor's Report;
- (ii) Auditors' Report on the Audited Financial Results (Standalone and Consolidated)

The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced on 11:00 A.M. and concluded at 1:30 P.M.

A copy of Press Release issued in this regard is also attached herewith.

The above is for your information and dissemination to the public at large.

Thanking you,

Yours truly,  
For **Idea Cellular Limited**

**Pankaj Kapdeo**  
Company Secretary

Encl: As above



Idea Cellular Limited, 9th to 12th Floors, Birla Centurion, Century Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai 400030, India. Telephone: + 91 95940 04000, Fax: + 91 95940 03182.  
E mail: info@idea.adityabirla.com, Website: www.ideacellular.com Corporate Identity Number: L32100GJ1996PLC030976.

**Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
Idea Cellular Limited

1. We have audited the accompanying statement of quarterly consolidated financial results of Idea Cellular Limited ('the Company') comprising its subsidiaries (together, 'the Group'), its associate and joint venture for the quarter ended March 31, 2018 and the consolidated financial results for the year ended March 31, 2018, ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Regulation') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, ('the Circular'). The consolidated financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2017, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of associate and joint venture, these quarterly consolidated financial results as well as the year to date results:

- i. includes the results of the following entities;

1	Idea Cellular Limited
Subsidiaries	
2	Idea Cellular Infrastructure Services Limited
3	Idea Cellular Services Limited
4	Aditya Birla Telecom Limited
5	Idea Telesystems Limited
6	Idea Mobile Commerce Services Limited*
Joint venture and Associate	
7	Indus Towers Limited
8	Aditya Birla Idea Payments Bank Limited

\*Merged with Aditya Birla Idea Payments Bank Limited on February 22, 2018

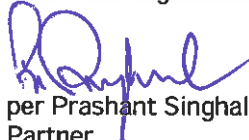


# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - iii. give a true and fair view of the consolidated total comprehensive loss and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.
4. We draw your attention to Note 2 of the Statement which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.
5. The comparative Ind AS financial information of the Group including its Associate and Joint Venture for the quarter and for the year ended March 31, 2018, included in these consolidated Ind AS financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 13, 2017 expressed an unmodified opinion.
6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

  
per Prashant Singhal  
Partner

Membership No.: 93283



Mumbai  
April 28, 2018

**IDEA CELLULAR LIMITED**

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
Audited Consolidated Financial Results for the quarter and year ended 31-March-2018

(₹ Mn, except per share data)

Particulars	Quarter Ended			Year Ended	
	31-Mar-18 Audited (Refer Note 11)	31-Dec-17 Unaudited	31-Mar-17 Audited (Refer Note 11)	31-Mar-18 Audited	31-Mar-17 Audited
<b>INCOME</b>					
Service Revenue	61,210	65,055	81,075	282,420	355,299
Sale of Trading Goods	5	8	16	51	228
Other Operating Income	158	33	170	318	231
<b>REVENUE FROM OPERATIONS</b>	<b>61,373</b>	<b>65,096</b>	<b>81,261</b>	<b>282,789</b>	<b>365,768</b>
Other Income	2,504	420	684	3,530	3,069
<b>TOTAL INCOME</b>	<b>63,877</b>	<b>65,516</b>	<b>81,945</b>	<b>286,319</b>	<b>368,827</b>
<b>EXPENSES</b>					
Cost of Trading Goods	6	12	21	73	279
Employee Benefit Expenses	2,595	4,242	4,367	15,430	17,978
Network Expenses and IT Outsourcing Costs	21,429	23,661	25,380	97,334	101,817
License Fees and Spectrum Usage Charges	5,327	6,985	8,935	28,667	40,515
Roaming & Access Charges	7,109	6,361	9,424	35,358	42,754
Marketing, Content, Customer Acquisition & Service Costs	8,167	9,052	9,386	36,090	39,695
Finance Costs	12,246	11,910	10,050	48,130	40,085
Depreciation & Amortisation Expenses	20,854	21,415	19,885	84,091	78,272
Other Expenses	2,269	2,549	2,549	9,362	10,285
<b>TOTAL EXPENSES</b>	<b>80,002</b>	<b>86,187</b>	<b>89,997</b>	<b>354,535</b>	<b>371,678</b>
<b>LOSS BEFORE TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURE AND ASSOCIATE</b>	<b>(16,125)</b>	<b>(20,671)</b>	<b>(8,052)</b>	<b>(68,216)</b>	<b>(12,851)</b>
Add: Share in Profit / (Loss) of Joint Venture and Associate (net)	745	818	983	3,224	4,218
<b>LOSS BEFORE TAX</b>	<b>(15,380)</b>	<b>(19,853)</b>	<b>(7,069)</b>	<b>(64,992)</b>	<b>(8,633)</b>
<b>Tax expense:</b>					
- Current tax	314	311	271	1,234	990
- Deferred tax	(6,072)	(7,319)	(4,063)	(24,544)	(5,626)
<b>LOSS AFTER TAX</b>	<b>(9,622)</b>	<b>(12,845)</b>	<b>(3,277)</b>	<b>(41,682)</b>	<b>(3,997)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
- Re-measurement gains/ (losses) of defined benefit plans	489	(16)	30	442	(56)
- Income tax effect	(168)	5	(10)	(152)	19
- Group's share in other comprehensive income of joint venture and associate	(5)	-	1	(7)	(6)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(9,306)</b>	<b>(12,856)</b>	<b>(3,256)</b>	<b>(41,399)</b>	<b>(4,040)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,593	36,075	36,053	43,593	36,053
Reserves excluding Revaluation Reserve				229,031	211,269
Earnings Per Share for the period (₹)					
- Basic	(2.45)	(3.58)	(0.93)	(11.36)	(1.23)
- Diluted	(2.45)	(3.58)	(0.93)	(11.36)	(1.23)
Debenture Redemption Reserve				4,408	1,317
<b>Networth</b>				<b>272,624</b>	<b>247,322</b>
<b>Debt Service Coverage Ratio (DSCR) *</b>				1.51	1.99
<b>Interest Service Coverage Ratio (ISCR) **</b>				1.75	2.63
<b>Debt - Equity Ratio ***</b>				2.13	2.23

\* DSCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised+scheduled long term principal repayments excluding prepayments)

\*\* ISCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised)

\*\*\* Debt - Equity Ratio = Debt / Equity





## IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
Audited Consolidated Financial Results for the quarter and year ended 31-March-2018

Segmental Reporting Particulars	Quarter Ended			Year Ended		₹ Mn
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17	
	Audited (Refer Note 11)	Unaudited	Audited (Refer Note 11)	Audited	Audited	
<b>Segment Revenue</b>						
Revenue from Operations from each segment						
Mobility	59,620	63,111	79,556	275,105	348,788	
International Long Distance	1,375	1,584	1,589	6,129	7,510	
Passive Infrastructure	2,271	2,975	2,602	11,211	7,586	
<b>Total</b>	<b>63,266</b>	<b>67,670</b>	<b>83,747</b>	<b>292,445</b>	<b>363,884</b>	
Less: Inter Segment Eliminations	(1,893)	(2,574)	(2,486)	(9,656)	(8,126)	
<b>Revenue from Operations</b>	<b>61,373</b>	<b>65,096</b>	<b>81,261</b>	<b>282,789</b>	<b>355,758</b>	
<b>Segment Results</b>						
Profit / (Loss) from Operations before Other Income, Finance Charges and Tax from each segment						
Mobility	(7,630)	(10,281)	782	(27,390)	22,414	
International Long Distance	292	145	80	692	542	
Passive Infrastructure	956	955	452	3,083	1,209	
<b>Profit / (Loss) from Operations before Other Income, Finance Charges and Tax</b>	<b>(6,382)</b>	<b>(9,181)</b>	<b>1,314</b>	<b>(23,615)</b>	<b>24,165</b>	
Unallocable Income	2,503	420	684	3,529	3,069	
Finance Costs	(12,246)	(11,910)	(10,050)	(48,130)	(40,085)	
<b>Loss before Tax and share in profit / (loss) of Joint Venture and Associate</b>	<b>(16,125)</b>	<b>(20,671)</b>	<b>(8,052)</b>	<b>(68,216)</b>	<b>(12,851)</b>	
<b>Segment Assets</b>						
Mobility	866,792	863,558	877,084	866,792	877,084	
International Long Distance	1,044	920	975	1,044	975	
Passive Infrastructure *	25,379	24,716	23,165	25,379	23,165	
Unallocated	92,863	41,196	67,078	92,863	67,078	
<b>Gross Assets</b>	<b>986,078</b>	<b>930,390</b>	<b>968,302</b>	<b>986,078</b>	<b>968,302</b>	
Less: Inter Segment Eliminations	(306)	(869)	(1,255)	(306)	(1,255)	
<b>Total Assets</b>	<b>985,772</b>	<b>929,521</b>	<b>967,047</b>	<b>985,772</b>	<b>967,047</b>	
<b>Segment Liabilities</b>						
Mobility	710,585	711,688	703,837	710,585	703,837	
International Long Distance	232	554	480	232	480	
Passive Infrastructure	1,973	2,768	3,050	1,973	3,050	
Unallocated	663	512	13,613	663	13,613	
<b>Gross Liabilities</b>	<b>713,453</b>	<b>715,522</b>	<b>720,980</b>	<b>713,453</b>	<b>720,980</b>	
Less: Inter Segment Eliminations	(306)	(869)	(1,255)	(306)	(1,255)	
<b>Total Liabilities</b>	<b>713,147</b>	<b>714,653</b>	<b>719,725</b>	<b>713,147</b>	<b>719,725</b>	

\* Includes the Group's investment in Indus Towers Limited of ₹ 14,712 Mn ( Dec'17: ₹ 13,906 Mn, Mar'17: ₹ 14,737 Mn)



## Notes

- The above audited 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 28<sup>th</sup> April, 2018.
- On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
  - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 3,691 Mn, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 17,444 Mn.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

- The listed 9.45% Non-Convertible Debentures (NCD's) aggregating to ₹ 3,960 Mn have a pari-passu charge on the tangible fixed assets of the company excluding passive telecom infrastructure.

The listed 8.12% NCD's aggregating to ₹ 50 Mn have a pari-passu charge on movable fixed assets of the company excluding Spectrum and Telecom Licenses, Vehicles and Passive Telecom Infrastructure.

Additional details required with regards to the listed secured and unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount (₹ Mn)	Previous Due Date		Next Due Date	
			Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's	3,960	N.A	31-Oct-17	31-Oct-19	31-Oct-18
2	Secured 8.12% NCD's	50	N.A	8-Feb-18	8-Feb-24	8-Feb-19
3	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-17	13-Dec-21	13-Dec-18
4	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-18	4-Jan-22	4-Jan-19
5	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-18	17-Jan-22	17-Jan-19
6	Unsecured 8.04% NCD's	20,000	N.A	29-Jan-18	27-Jan-22	28-Jan-19
7	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-18	31-Jan-22	31-Jan-19
8	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-18	14-Feb-22	14-Feb-19

Interest has been paid on the respective due dates and the principal is not yet due.

- All the NCD's listed above have been rated "CARE AA+" with ("Credit Watch with Developing Implications) outlook by CARE and additionally its 8.12% NCD (Sl. No.2);7.57% NCD (Sl. No.3); 7.77% NCD (Sl. No.5) and 8.03% NCD (Sl. No. 7) issues have been rated as "BWR AA+" with "Stable" outlook by Brickwork.
- Audited financial results of Idea Cellular Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended	
	31-Mar-18 Audited (Refer Note11)	31-Dec-17 Unaudited	31-Mar-17 Audited (Refer Note11)	31-Mar-18 Audited	31-Mar-17 Audited
Revenue from Operations	60,336	63,919	80,316	278,286	352,786
Loss before Tax	(18,197)	(21,821)	(8,526)	(72,967)	(14,190)
Net Loss after Tax	(11,928)	(14,282)	(4,564)	(47,808)	(8,311)



## 6. Statement of Assets and Liabilities :-

₹ Mn

Particulars	As at 31-Mar-18 Audited	As at 31-Mar-17 Audited
<b>A ASSETS</b>		
<b>1 Non-current Assets</b>		
Property, Plant and Equipment	244,549	228,443
Capital work-in-progress	6,513	13,303
Goodwill on consolidation	61	61
Other Intangible assets	552,309	539,128
Intangible assets under development	29,340	62,048
Financial Assets		
Investments accounted for using the equity method	16,601	14,785
Long term loans to employees	24	26
Other non-current financial assets	4,180	4,865
Deferred Tax Assets (Net)	12,052	369
Other non-current assets	17,797	27,694
<b>Sub-total Non-current assets</b>	<b>883,426</b>	<b>890,722</b>
<b>2 Current Assets</b>		
Inventories	367	588
Financial Assets		
Current investments	56,304	48,998
Trade receivables	8,874	13,139
Cash and cash equivalents	193	782
Bank balance other than cash and cash equivalents	98	45
Current portion of loans to employees	20	21
Other current financial assets	314	399
Current tax assets (Net)	7,752	25
Other current assets	17,915	12,312
	<b>91,837</b>	<b>76,309</b>
Non-Current assets classified as held for sale	10,509	16
<b>Sub-total current assets</b>	<b>102,346</b>	<b>76,325</b>
<b>TOTAL – ASSETS</b>	<b>985,772</b>	<b>967,047</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	43,593	36,053
Other equity	229,031	211,269
<b>Sub-total Equity</b>	<b>272,624</b>	<b>247,322</b>
<b>2 Non-Current Liabilities</b>		
Financial liabilities		
Long term borrowings	569,408	516,378
Other non-current financial liabilities	26,062	10,382
Long term provisions	3,107	3,842
Deferred tax liabilities (Net)	659	13,587
Other non-current liabilities	5,601	4,921
<b>Sub-total non-current liabilities</b>	<b>604,837</b>	<b>549,110</b>
<b>3 Current Liabilities</b>		
Financial liabilities		
Short term borrowings	217	347
Trade payable	35,479	40,777
Other current financial liabilities	43,820	102,560
Other current liabilities	26,598	26,732
Short term provisions	224	199
<b>Sub-total current liabilities</b>	<b>106,338</b>	<b>170,615</b>
Liabilities classified as held for sale	1,973	-
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>985,772</b>	<b>967,047</b>





7. The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank limited (ABIPBL), an associate was approved by the Hon'ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL.

Pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The excess of the value of such shares issued over the net assets of IMCSL that have been vested into ABIPBL on the effective date amounting to ₹ 1,016 Mn has been grouped under finance cost in the consolidated statement of profit and loss. The Group now holds 49% interest in ABIPBL.

8. After the requisite shareholders' approval, the Company, during the quarter, has issued and allotted 326,633,165 Equity Shares of face value of ₹ 10 to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 99.50 per Equity Share, including a premium of ₹ 89.50/- per (in line with Equity Share SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.
9. During the quarter, the Company has also issued and allotted 424,242,424 Equity Shares of face value of ₹ 10/- each to eligible Qualified Institutional Buyers at a price of ₹ 82.50/- per Equity Share, including a premium of ₹ 72.50/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.
10. Subsequent to the quarter end, the Company, along with its wholly owned subsidiary ABTL, Bharti Airtel Limited and Vodafone Group has entered into a transaction for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL). Idea Group has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. The transaction is subject to requisite regulatory / corporate approvals and certain closing conditions.
11. The financial results for the quarters ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 respectively are balancing figures between audited results for the full financial year and the published year to date figures up to the third quarter of the respective financial years.
12. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of  
**IDEA CELLULAR LIMITED**

Date: 28<sup>th</sup> April, 2018  
Place: Mumbai

*Himanshu Kapania*  
Himanshu Kapania  
Managing Director





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

To  
Board of Directors of  
Idea Cellular Limited

1. We have audited the accompanying statement of quarterly standalone financial results of Idea Cellular Limited ('the Company') for the quarter ended March 31, 2018 and for the year ended March 31, 2018, ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
  - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - ii. give a true and fair view of the total comprehensive loss and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.
4. We draw your attention to Note 2 of the Statement which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.
5. The comparative Ind AS financial information of the Company for the quarter and year ended March 31, 2017, included in these standalone financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 13, 2017 expressed an unmodified opinion.



# S.R. BATLIBOI & ASSOCIATES LLP

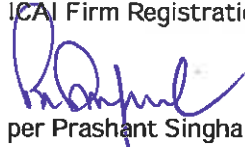
Chartered Accountants

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Prashant Singhal  
Partner

Membership No.: 93283



Mumbai

April 28, 2018

Idea

## IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
Audited Financial Results for the quarter and year ended 31-March-2018

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-18 Audited (refer note 9)	31-Dec-17 Unaudited	31-Mar-17 Audited (refer note 9)	31-Mar-18 Audited	31-Mar-17 Audited
<b>INCOME</b>					
Service Revenue	60,194	63,896	80,153	278,000	352,565
Other Operating Income	142	23	163	286	221
<b>REVENUE FROM OPERATIONS</b>	<b>60,336</b>	<b>63,919</b>	<b>80,316</b>	<b>278,286</b>	<b>352,786</b>
Other Income	2,281	211	488	2,982	1,971
<b>TOTAL INCOME</b>	<b>62,617</b>	<b>64,130</b>	<b>80,804</b>	<b>281,268</b>	<b>354,757</b>
<b>EXPENSES</b>					
Employee Benefit Expenses	2,244	3,887	3,926	13,968	16,256
Network Expenses and IT Outsourcing Costs	21,482	23,730	25,479	97,449	101,813
License Fees and Spectrum Usage Charges	5,327	6,985	8,935	28,667	40,515
Roaming & Access Charges	7,109	6,361	9,424	35,358	42,754
Marketing, Content, Customer Acquisition & Service Costs	8,491	9,348	9,590	37,298	40,832
Finance Costs	13,115	11,900	10,049	49,245	39,780
Depreciation & Amortisation Expenses	20,857	21,241	19,450	83,161	77,000
Other Expenses	2,189	2,499	2,477	9,089	9,997
<b>TOTAL EXPENSES</b>	<b>80,814</b>	<b>85,951</b>	<b>89,330</b>	<b>354,235</b>	<b>368,947</b>
<b>LOSS BEFORE TAX</b>	<b>(18,197)</b>	<b>(21,821)</b>	<b>(8,526)</b>	<b>(72,967)</b>	<b>(14,190)</b>
Tax expense:					
- Deferred tax	(6,269)	(7,539)	(3,962)	(25,159)	(5,879)
<b>LOSS AFTER TAX</b>	<b>(11,928)</b>	<b>(14,282)</b>	<b>(4,564)</b>	<b>(47,808)</b>	<b>(8,311)</b>
Items not to be reclassified to profit or loss in subsequent periods:					
- Re-measurement losses of defined benefit plans	474	(15)	23	428	(49)
- Income tax effect	(164)	5	(8)	(148)	17
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(11,618)</b>	<b>(14,292)</b>	<b>(4,549)</b>	<b>(47,528)</b>	<b>(8,343)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,593	36,075	36,053	43,593	36,053
Reserves excluding Revaluation Reserve				213,102	201,185
Earnings Per Share for the period (₹)					
- Basic	(3.01)	(3.96)	(1.27)	(12.95)	(2.31)
- Diluted	(3.01)	(3.96)	(1.27)	(12.95)	(2.31)
Debenture Redemption Reserve				4,408	1,317
Networth				256,695	237,238
Debt Service Coverage Ratio (DSCR) *				1.40	1.88
Interest Service Coverage Ratio (ISCR) **				1.61	2.50
Debt - Equity Ratio ***				2.26	2.32

\* DSCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised+scheduled long term principal repayments excluding prepayments)

\*\* ISCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs (excluding fair value gains / losses on derivatives) /(Gross Finance Costs (excluding fair value gains / losses on derivatives) +interest capitalised)

\*\*\* Debt - Equity Ratio = Debt / Equity



## Notes

1. The above audited 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 28<sup>th</sup> April, 2018.
2. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
  - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 3,691 Mn, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 17,444 Mn.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

3. The listed 9.45% Non-Convertible Debentures (NCD's) aggregating to ₹ 3,960 Mn have a pari-passu charge on the tangible fixed assets of the company excluding passive telecom infrastructure.

The listed 8.12% NCD's aggregating to ₹ 50 Mn have a pari-passu charge on movable fixed assets of the company excluding Spectrum and Telecom Licenses, Vehicles and Passive Telecom Infrastructure.

Additional details required with regards to the listed secured and unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount (₹ Mn)	Previous Due Date		Next Due Date	
			Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's	3,960	N.A	31-Oct-17	31-Oct-19	31-Oct-18
2	Secured 8.12% NCD's	50	N.A	8-Feb-18	8-Feb-24	8-Feb-19
3	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-17	13-Dec-21	13-Dec-18
4	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-18	4-Jan-22	4-Jan-19
5	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-18	17-Jan-22	17-Jan-19
6	Unsecured 8.04% NCD's	20,000	N.A	29-Jan-18	27-Jan-22	28-Jan-19
7	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-18	31-Jan-22	31-Jan-19
8	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-18	14-Feb-22	14-Feb-19

Interest has been paid on the respective due dates and the principal is not yet due.

4. All the NCD's listed above have been rated "CARE AA+" with ("Credit Watch with Developing Implications) outlook by CARE and additionally its 8.12% NCD (Sl. No.2);7.57% NCD (Sl. No.3); 7.77% NCD (Sl. No.5) and 8.03% NCD (Sl. No. 7) issues have been rated as "BWR AA+" with "Stable" outlook by Brickwork.



## 5. Statement of Assets and Liabilities :-

₹ Mn

Particulars	As at 31-Mar-18 Audited	As at 31-Mar-17 Audited
<b>A ASSETS</b>		
<b>1 Non-current Assets</b>		
Property, Plant and Equipment	244,542	221,885
Capital work-in-progress	6,513	13,244
Intangible assets	552,536	539,365
Intangible assets under development	29,340	62,048
Financial Assets		
Non-current investments	18,583	22,266
Long term loans to employees	24	26
Other non-current financial assets	4,182	5,079
Deferred Tax Assets (Net)	8,220	-
Other non-current assets	17,744	27,497
<b>Sub-total Non-current assets</b>	<b>881,684</b>	<b>891,410</b>
<b>2 Current Assets</b>		
Inventories	339	542
Financial Assets		
Current investments	45,279	40,247
Trade receivables	8,874	12,581
Cash and cash equivalents	190	269
Bank balance other than cash and cash equivalents	33	44
Current portion of loans to employees	20	21
Other current financial assets	313	403
Current tax assets	7,750	-
Other current assets	17,884	12,091
	<b>80,682</b>	<b>66,198</b>
Non-Current assets classified as held for sale	4,865	16
<b>Sub-total current assets</b>	<b>85,547</b>	<b>66,214</b>
<b>TOTAL – ASSETS</b>	<b>967,231</b>	<b>957,624</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	43,593	36,053
Other equity	213,102	201,185
<b>Sub-total Equity</b>	<b>256,695</b>	<b>237,238</b>
<b>2 Non-Current Liabilities</b>		
Financial liabilities		
Long term borrowings	569,408	516,378
Other non-current financial liabilities	26,062	10,034
Long term provisions	3,080	3,311
Deferred tax liabilities (Net)	-	16,791
Other non-current liabilities	5,601	4,908
<b>Sub-total non-current liabilities</b>	<b>604,151</b>	<b>551,422</b>
<b>3 Current Liabilities</b>		
Financial liabilities		
Short term borrowings	217	337
Trade payable	35,605	39,921
Other current financial liabilities	43,820	102,295
Other current liabilities	26,525	26,250
Short term provisions	218	161
<b>Sub-total current liabilities</b>	<b>106,385</b>	<b>168,964</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>967,231</b>	<b>957,624</b>



6. The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank limited (ABIPBL), an associate was approved by the Hon'ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL.

Pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The excess of the value of such shares issued over the book value of investment in IMCSL amounting to ₹ 149 Mn has been grouped under finance cost in the Statement of Profit and Loss. The Company now holds 49% stake in ABIPBL.

7. After the requisite shareholders' approval, the Company, during the quarter, has issued and allotted 326,633,165 Equity Shares of face value of ₹ 10 to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 99.50 per Equity Share, including a premium of ₹ 89.50/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.
8. During the quarter, the Company has also issued and allotted 424,242,424 Equity Shares of face value of ₹ 10/- each to eligible Qualified Institutional Buyers at a price of ₹ 82.50/- per Equity Share, including a premium of ₹ 72.50/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.
9. The financial results for the quarters ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 respectively are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter of the respective financial years.
10. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of  
**IDEA CELLULAR LIMITED**

Date: 28<sup>th</sup> April, 2018  
Place: Mumbai

*Himanshu Kapania*  
Himanshu Kapania  
Managing Director





28<sup>th</sup> April, 2018

**National Stock Exchange of India Limited**  
"Exchange Plaza",  
Bandra - Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sirs,

**Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.**

**Ref: "Idea Cellular Limited" (IDEA / 532822)**

I, Akshaya Moondra, Whole Time Director & Chief Financial Officer of Idea Cellular Limited ('the Company') hereby declare that, the Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on 31<sup>st</sup> March, 2018.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours truly,  
For **Idea Cellular Limited**

**Akshaya Moondra**  
Whole Time Director & Chief Financial Officer



Idea Cellular Limited, 9th to 12th Floors, Birla Centurion, Century Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai 400030, India. Telephone: + 91 95940 04000, Fax: + 91 95940 03182.  
E mail: info@idea.adityabirla.com, Website: www.ideacellular.com Corporate Identity Number: L32100GJ1996PLC030976.



**IDBI Trusteeship Services Ltd**

CIN : U65991MH2001GOI131154



991/ITSL/OPR/2018

28<sup>th</sup> April, 2018

To,

The Company Secretary  
IDEA Cellular Limited  
5th floor "Windsor", Off C.S.T Road,  
Kalina, Santacruz (East),  
Mumbai-400 085.

Subject: Certificate u/r 52(5) of SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015, for all the Non-Convertible Debentures Issued by IDEA Cellular Limited, for the half year ended 31<sup>st</sup> March, 2018.

Dear Sir/Madam,

We are acting as Debenture Trustee for the Secured/Unsecured, Redeemable Non-Convertible Debentures issued by IDEA Cellular Limited ("The Issuer") on a private placement basis.

In terms of the provisions of Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we certify that we have taken note of the disclosures made by the Issuer as enclosed herewith under Regulation 52(4) of the Regulations.

Thanking you

Yours truly

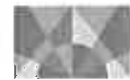
IDBI Trusteeship Services Limited

*Meerab Iyer*

Authorised Signatory



Encl: As above



ADITYA BIRLA GROUP

## Media Release

Mumbai – April 28, 2018

Idea Cellular announces audited Ind AS results for the Fourth Quarter (Q4) and Year ended March 31, 2018

### Highlights Standalone<sup>1</sup> Results -

Revenue - Rs. 61,373 million,

EBITDA - Rs. 14,473 million,

PAT - Rs. -10,179 million

INR million

	Q4FY18	Q3FY18	FY18	FY17	YoY Change
Revenue - Established Service Areas <sup>3</sup>	56,971	60,660	262,654	329,586	-20.3%
Revenue - New Service Areas <sup>4</sup>	4,403	4,437	20,136	26,171	-23.1%
<b>Total Revenue</b>	<b>61,373</b>	<b>65,097</b>	<b>282,789</b>	<b>355,757</b>	<b>-20.5%</b>
EBITDA - Established Service Areas <sup>3</sup>	15,504	14,001	66,156	107,880	-38.7%
EBITDA - New Service Areas <sup>4</sup>	-1,031	-1,768	-5,680	-5,444	-4.3%
<b>Total EBITDA</b>	<b>14,473</b>	<b>12,233</b>	<b>60,476</b>	<b>102,436</b>	<b>-41.0%</b>
EBITDA% - Established Service Areas <sup>3</sup>	27.2%	23.1%	25.2%	32.7%	-7.5%
EBITDA% - New Service Areas <sup>4</sup>	-23.4%	-39.8%	-28.2%	-20.8%	-7.4%
<b>EBITDA%</b>	<b>23.6%</b>	<b>18.8%</b>	<b>21.4%</b>	<b>28.8%</b>	<b>-7.4%</b>
Depreciation & Amortisation	20,854	21,414	84,091	78,272	7.4%
EBIT	-6,382	-9,181	-23,615	24,163	NA
Interest and Financing Cost (Net)	9,743	11,490	44,600	37,014	20.5%
Dividend from Indus	0	0	2,657	3,623	-26.6%
PBT	-16,124	-20,671	-65,558	-9,228	NA
<b>PAT (Standalone<sup>1</sup>)</b>	<b>-10,179</b>	<b>-13,519</b>	<b>-41,628</b>	<b>-4,075</b>	<b>NA</b>
<b>Cash Profit<sup>5</sup> (Standalone)</b>	<b>4,377</b>	<b>200</b>	<b>17,069</b>	<b>69,386</b>	<b>-75.4%</b>
Share of Profit/(Loss) from Indus & ABIPBL	744	818	3,224	4,218	-23.6%
Deferred Tax on Undistributed earnings of Indus	187	145	620	518	19.7%
Other Comprehensive Income (net of Tax)	316	-11	283	-43	NA
<b>Total Comprehensive Income (Consolidated<sup>2</sup>)</b>	<b>-9,306</b>	<b>-12,856</b>	<b>-41,399</b>	<b>-4,040</b>	<b>NA</b>

### Another Challenging Year, Long term growth trends visible

The Indian mobile industry witnessed another year of hyper-competition as well as high regulatory headwinds. The super aggressive price plans including the deep discounted unlimited voice bundled data plans, offered by most of the incumbent operators to retain existing subscribers against abysmally low priced plans offered by new 4G operator, exploded the voice and data volume growth multi-folds. But this led to a sharp decline in consumer ARPU resulting in industry AGR (Adjusted Gross Revenue) falling by nearly Rs. 322 billion @ 21.7% (CY17 vs CY16). Idea had the lowest drop in AGR Revenue Market Share from 20.0% in CY16 to 19.5% in CY17 among the top 3 industry operators in spite of major gains by new 4G operator.

The TRAI led regulation changes including (a) reduction of domestic 'Mobile Termination Charge' (MTC) from 14 paisa to 6 paisa per minute (effective 1<sup>st</sup> October 2017) and (b) 'International mobile termination' settlement charges from 53 paisa to 30 paisa per minute (effective 1<sup>st</sup> February 2018), further aggravated the financial stress



ADITYA BIRLA GROUP

for the existing industry operators. Resultantly, at least 5 Sub-Scale mobile operators were forced to exit / consolidate.

However, these trends are not reflective of the emerging long term opportunities offered by the sector – (1) the mobile services industry is consolidating among 3 large private operators, (2) multi SIM users are consolidating their usage to single operator, (3) subscribers are increasing / upgrading to higher broadband usage, (4) nearly 300-400 million Indians, primarily in the rural hinterland, are yet to adopt mobile telephony services.

### **Structural changes in consumption of mobile telephony services**

The introduction of deep discounted unlimited voice bundled data plans by most operators during FY18 has led to a seismic shift in the consumption of mobile services. The voice usage per subscriber has risen sharply to 577 minutes in Q4FY18 from 412 minutes in Q4FY17. Similarly, broadband data usage per broadband data subscriber has seen a meteoric growth to 7GB in Q4FY18, compared to 1.4GB a year back. The broadband data volume of 1,984 billion MB increased by nearly 6 times (FY18 vs FY17). As wireless data adoption in FY18 saw a strong surge with launch of unlimited data bundled plans, Idea witnessed record wireless broadband data subscriber addition of 15.1 million this year, improving the overall broadband penetration from ~13.0% in FY17 to ~20.5% in FY18. The company's wireless broadband subscriber (EoP) base now stands at 39.8 million out of total 46.8 million mobile data users. Similarly, Idea witnessed strong return of subscriber addition with 12.2 million 'Net customer adds' on VLR in H2FY18. Idea improved its 'Subscriber Market Share' (VLR) from 19.4% in February 2017 to 20.9% in February 2018. The company's overall subscriber base (VLR) stands at 207.7 million as on 31<sup>st</sup> March 2018.

### **Significant investments underway to build robust broadband infrastructure**

During FY18, Idea continued aggressive expansion of its wireless broadband infrastructure, adding 44,856 broadband sites (3G+4G) during the year. The broadband sites increased from 110,054 as of 31<sup>st</sup> March 2017 to 154,910 sites as of 31<sup>st</sup> March 2018, taking the overall network footprint on EoP to 286,356 sites (GSM+3G+4G). The wireless broadband population under coverage now expands beyond 650 million Indians spread across 164,000 towns and villages in 22 service areas. Idea started deploying 2300 MHz TDD spectrum in its leadership circles of Maharashtra & Kerala and 2500 MHz TDD spectrum in Andhra Pradesh to further augment its wireless data capacity. The company expanded its fibre network from 115,500 km (31<sup>st</sup> March 2016) to 156,800 km as on 31<sup>st</sup> March 2018. Idea also launched Voice over LTE (VoLTE) services for employees in select circles recently and is scheduled to introduce VoLTE services in phased manner for its customers from May 2018.

The overall capex spend for the year was Rs. 70 billion, majority of which was utilised for 4G expansion. The company's Gross Investment in Fixed Assets has risen to nearly Rs. 1,255 billion. The monetisation of this front loaded large investment in spectrum & equipment is inevitable as Digital India mission gathers momentum and mobile internet penetration improves.

### **Rates continued to fall in Q4FY18**

The explosion in voice volumes driven by higher adoption of unlimited bundled plans has led to Idea's highest ever sequential quarterly voice minutes growth @16.9% in Q4FY18 (on the back of 10.8% growth in Q3FY18). The sharp



ADITYA BIRLA GROUP

increase in volumes led to 'voice rate' (including the impact of reduction in international IUC rate) fall by 20% to 13.4 paisa per minute (vs 16.8 paisa in Q3FY18). Similarly, the mobile data volume (2G+3G+4G) continued to witness robust sequential quarterly growth of 43.2% (on back of sequential quarterly growth of 30.2% in Q3FY18) as Idea's pan India mobile data network carried 818 billion MB of data volume this quarter. However, the 'mobile data rate' declined to 1.4 paisa per MB, down 31.4% vs 2.0 paisa per MB in Q3FY18.

The overall subscriber momentum remained strong with 6 million net adds on EoP in Q4FY18. But the blended overall customer ARPU downgraded from Rs. 114 in Q3FY18 to Rs. 105 in Q4FY18 due to enhanced competitive intensity. This has led to a sequential quarterly revenue decline of 5.7% to Rs. 61,373 million in Q4FY18 (vs Rs. 65,097 million in Q3FY18) including revenue impact of Rs. 520 million due to reduction in International IUC from 53 paisa to 30 paisa per minute w.e.f. 1<sup>st</sup> February 2018. The EBITDA for the quarter stands at Rs. 14,473 million.

### **Overall financial performance remained under pressure in FY18**

During the year, the dual negative factors of (a) Steep reduction in domestic and international MTC settlement rate and (b) Unrelenting rate pressure on voice and mobile data services as high ARPU consumers migrate to lower priced 'unlimited voice bundled data plans' resulted in 20.5% decline in Idea's gross revenue in FY18 to Rs. 282,789 million (vs FY17 revenue of Rs. 355,757 million). While the company remains cautiously optimistic on India growth story & continues to expand its scale of operations, this tumultuous phase impacted Idea's EBITDA during the current financial year by 41.0% to Rs. 60,476 million (vs Rs. 102,436 million in FY17). The EBITDA margin for the year declined to 21.4% from 28.8% in FY17. Meanwhile, company remains committed to optimize its operating costs in the new sector paradigm.

The 'Depreciation & Amortisation' charge and 'Interest & Financing Cost (Net)' for FY18 stood at Rs. 84,091 million and Rs. 44,600 million respectively resulting in the unprecedented standalone PAT loss of Rs. 41,628 million in FY18 (vs PAT loss of Rs. 4,075 million in FY17). The consolidated Total Comprehensive Income (including proportionate share from Indus & ABIPBL) stands at a loss of Rs. 41,399 million in FY18 (vs loss of Rs. 4,040 million in FY17).

The 'Net Debt' as on 31<sup>st</sup> March 2018 stands at Rs. 523.3 billion, including a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions.

### **Merger Update**

The merger of Idea and Vodafone India is in the final leg of regulatory approvals and is expected to complete in H1CY18. The proposed new leadership team of merged entity has been announced on 22<sup>nd</sup> March 2018. Both the companies, have set up respective project management teams, preparing for the merger and initiated detailed planning for identified capex and opex synergies.

Both the companies now, under 'Active infrastructure sharing' programme and '2G & 4G ICR arrangements' across various service areas, share around 49,000 sites. Planned Fibre and PoP sharing programme is also underway in Top 220 cities across the 22 telecom service areas.



## **Update on Standalone Tower Asset Monetization**

On 13<sup>th</sup> November 2017, Idea and Vodafone, announced the sale of their respective standalone tower businesses in India to ATC Telecom Infrastructure Private Limited (“American Tower”) for a combined enterprise value of Rs. 78.5 billion to strengthen the balance sheet of the merged entity. Vodafone India has already received Rs. 38.5 billion for its standalone towers and Idea expects to receive its due Rs. 40 billion in H1CY18 after necessary FDI approval is received for acquisition of ICISL (Idea’s 100% tower subsidiary) by American Tower. The receipt of these proceeds prior to completion was anticipated and provided for in the merger agreement and hence would not affect the agreed terms of the Vodafone India and Idea merger, including the amount of debt which Vodafone will contribute to the combined entity at the closing of merger transaction.

## **Idea successfully completed equity raising of Rs. 67.5 billion, Monetization of Indus Tower stake**

On 12<sup>th</sup> February 2018, the company issued and allotted ~326.6 million equity shares at a price of Rs. 99.50 per share on preferential basis to the promoter group entities for a total consideration of Rs. 32.5 billion. The company also announced successful closure of its ‘Qualified Institutional Placement’ on February 23, 2018 and allotted approximately ~424.2 million equity shares to qualified institutional buyers, at an issue price of Rs. 82.50 per equity share, aggregating to approximately Rs. 35 billion. The equity raise of Rs. 67.5 billion has reduced Idea’s net-debt and as a result Vodafone net-debt contribution to the merged entity will also be reduced by a commensurate amount.

Recently, on 25<sup>th</sup> April 2018, merger of Bharti Infratel and Indus towers was announced which will create the largest tower infrastructure company in the world (excluding China) with 1,63,000 towers pan India. For Idea’s 11.15% stake in Indus, Idea has the option to either: (1) sell its 11.15% shareholding in Indus Towers for cash based on a valuation formula linked to the VWAP for Bharti Infratel’s shares during the 60 trading days at the end of Idea’s election period which triggers post completion of all regulatory approvals required for the merger. This currently equals to a cash consideration of ~Rs. 65 billion or alternatively; (2) receive new shares in the combined enlarged company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus Towers share). This transaction is subject to approvals from all the relevant regulatory authorities and is expected to complete before the end of FY19.

The equity infusion, sale of standalone tower businesses of Idea and Vodafone India for Rs. 78.5 billion and announced monetization of Idea’s 11.15% stake in Indus towers, will augment the long term capital resources of the combined entity.

In the meantime, Idea remains nimble, agile, adaptive, and focused on its execution capabilities. The company continues to strive for expanding coverage and capacity, optimising costs and delivering sustainable benefits to the consumers. Idea expects to benefit from faster than anticipated consolidation of industry and merged entity is expected to emerge as the largest Indian mobile service providers for both voice and broadband services across 2G, 3G and 4G platforms.



ADITYA BIRLA GROUP

**Notes:**

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding Indus and Payments Bank (ABIPBL).
2. Idea Consolidated represents Idea Standalone and proportionate consolidation of Indus and Payments Bank at PAT level.
3. 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, Mumbai and Bihar service areas.
4. New Service Areas represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East.
5. Cash Profit is calculated as summation of PAT, Depreciation & Amortisation, charge on account of ESOPs and Deferred tax (excluding MAT), for relevant period.
6. Figures for past periods have been regrouped, wherever necessary.

**About Idea Cellular Ltd.**

Idea Cellular Limited is the third largest wireless operator by subscribers in India with a Revenue Market Share (based on AGR) of approximately 17.1% of the Indian mobile telecommunications services industry (excluding wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited) for the Q3FY18. Idea is listed on National Stock Exchange (NSE), and the Bombay Stock Exchange (BSE) in India. 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 35 countries and has businesses interests in, among others, mobile telecommunications, financial services, metal and mining, cement, carbon black, textiles, garments, chemicals and fertilizers sectors.