



July 11, 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: Clarification on media report titled "Telecom department gives conditional nod to Vodafone – Idea merger"**

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

This has reference to the captioned subject, seeking clarification on media report about conditional approval of DoT to Vodafone – Idea merger.

In this regard, we invite your attention to earlier letter dated 20<sup>th</sup> March, 2017, copy enclosed for your ready reference, where by we had informed you of Vodafone – Idea merger pursuant to the Scheme of Amalgamation to be approved by the shareholders and other stakeholders of the companies.

We would also humbly submit that there are multiple interim steps before a final, firm approval is granted by the concerned statutory / regulatory authorities. Whenever a definitive approval has been granted by a concerned authority such as the CCI, SEBI, NCLT, etc., with regard to Vodafone – Idea merger, we have expeditiously shared the same with the Stock Exchanges, and will continue to do so.

Approval of the DoT was a condition precedent to the completion of merger. The current approval of DoT is conditional and not the final approval.

As you are aware any Scheme of Amalgamation would entail several approvals to be obtained before merger it is completed. These approvals by themselves are not an independent or material event which is covered by regulation 30 as long as the main event, e.g. Vodafone – Idea merger is notified, which we have as aforesaid.

Hope you will find the same in order.

Thanking you,

Yours truly,  
For Idea Cellular Limited

**Pankaj Kapdeo**  
Company Secretary





20<sup>th</sup> March 2017

**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: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

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

We wish to inform you that the Board of Directors of Idea Cellular Limited (**Company**) at its meeting held today, 20 March 2017, have approved the scheme of amalgamation of Vodafone India Limited (**VIL**) and its wholly owned subsidiary Vodafone Mobile Services Limited (**VMSL**) with the Company subject to receipt of necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Competition Commission of India, the Department of Telecommunications (**DoT**), the Foreign Investment Promotion Board, the Reserve Bank of India and other governmental authorities and third parties (as may be required).

Upon the amalgamation becoming effective, the entire business of VIL and VMSL (excluding VIL's investment in Indus Towers Limited, its international network assets and information technology platforms) will vest in the Company.

Details of the entities forming part of the amalgamation (together, the **Parties**) are given below:

VIL

Name: Vodafone India Limited

Size (net worth): INR 128.55 billion

Turnover: INR 50.25 billion

VMSL

Name: Vodafone Mobile Services Limited

Size (net worth): INR 37.37 billion

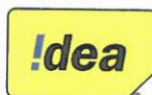
Turnover: INR 403.78 billion

Company

Name: Idea Cellular Limited

Size (net worth): INR 242.96 billion

Turnover: INR 360 billion





All the entities forming part of the amalgamation are engaged in the business of cellular mobile telecommunication services pursuant to licences granted to them by the DoT.

The Board of Directors of the Company believes that the proposed amalgamation will result in, amongst others, the following:

- (a) Creation of largest Indian telecom operator with widest mobile network in the country and pan India 3G /4G footprint;
- (b) Sufficient spectrum to compete with major operators in the market while offering innovative and attractively priced mobile service to customers;
- (c) Acceleration of expansion of wireless broadband networks across India to deliver the Government of India's "Digital India" mission;
- (d) Substantial cost and capex synergies creating value for shareholders; and
- (e) Leveraging the customer's affinity for both the existing brands.

On the scheme of amalgamation of VMSL with the Company becoming effective, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid-up) to VIL equal to 47% of the post issue paid-up capital of the Company on a fully diluted basis. Immediately thereafter, on the amalgamation of VIL with the Company, the shares issued to VIL pursuant to the amalgamation of VMSL with the Company shall stand cancelled and, post such cancellation, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid-up) equal to 50% of the post issue paid up capital of the Company to the Shareholder of VIL (**Vodafone**).

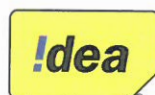
Vodafone will own 45.1% of the combined Company after transferring a stake of ~4.9% to the Promoters of Idea and / or their affiliates (together **Promoters of Idea**) for INR 38.74 billion in cash concurrent with the completion of the amalgamation. The Promoters of Idea will hold 26% of the Company and the balance will be held by the public.

At its aforesaid meeting, the Board also approved the execution of the Implementation Agreement amongst the Company and the Promoters of Idea, VIL, VMSL, Vodafone and Vodafone International Holdings BV, the Shareholders' Agreement amongst the Company, the Promoters of Idea, Vodafone, Vodafone International Holdings BV and certain incidental agreements relating to the licensing of trademarks and provision of services with the affiliates of Vodafone and the Promoters of Idea.

The Implementation Agreement sets out in detail the terms and conditions on which the proposed amalgamation would be undertaken, the representations and warranties and indemnities being given by each party, etc. The agreement contemplates the completion of the proposed amalgamation within a period of 24 months.

The significant terms of the Shareholders' Agreement are:

- (a) Promoters of Idea and Vodafone have the right to nominate 3 directors each. The Board will include Independent Directors as required under law;







- (b) The Promoters of Idea have the sole right to appoint the Chairman. The appointment of the Chief Executive Officer and the Chief Operation Officer will require the approval of both the Promoters of Idea and Vodafone. Vodafone has the right to appoint the Chief Financial Officer of the Company;
- (c) Certain critical matters of the Company such as the issue of shares otherwise than on a rights basis, consolidation, subdivision or reclassification of share capital, liquidation, amendments to the constitutional documents, entry into related party transactions, change to the name or key brands or branding strategy of the Company, etc. are subject to the affirmative consent of the Promoters of Idea and Vodafone; and
- (d) The Promoters of Idea have the right to acquire up to a 9.5% additional stake from Vodafone under an agreed mechanism with a view to equalising the shareholdings over time. If Vodafone and the Promoters of Idea do not have equal shareholding by the expiry of the 4<sup>th</sup> year from completion of the amalgamation, Vodafone is obliged to reduce its holding in order to equalise its ownership with that of the Promoters of Idea over the following 5 year period. Until equalisation is achieved, the additional shares held by Vodafone will be restricted and votes will be exercised jointly under the terms of the Shareholders' Agreement.

The Shareholders' Agreement will become effective only upon the scheme of amalgamation becoming effective.

None of the above including the scheme of amalgamation, the entry into the Shareholders' Agreement and the entry into the Implementation Agreement is a related party transaction.

A copy of the press release to be issued by the Company and the Vodafone Group is enclosed.

The above is for information and dissemination to the members.

Thanking you,

Yours truly,

For Idea Cellular Limited

A handwritten signature in blue ink, appearing to read "Pankaj Kapdeo", written over a horizontal line.

**Pankaj Kapdeo**  
**Company Secretary**

Encl : As above

