



30<sup>th</sup> July, 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: Un-audited Financial Results for the First Quarter Ended 30<sup>th</sup> June, 2018 - Regulation 33 of SEBI (LODR) Regulations, 2015**

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

In continuation of our letter dated July 23, 2018 and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Un-audited Financial Results (Standalone and Consolidated) of the Company for the first quarter ended 30<sup>th</sup> June, 2018, together with the Limited Review Report of the Statutory Auditors' thereon.

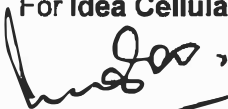
The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced at 2:00 P.M. and concluded at 3:40 P.M. .

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

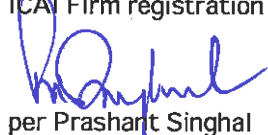


Independent Auditor's Review Report on Interim Ind AS Consolidated Financial Results

Review Report to  
The Board of Directors  
Idea Cellular Limited

1. We have reviewed the accompanying statement of unaudited consolidated Ind AS financial results of Idea Cellular Limited (the 'Company') comprising its subsidiaries (together referred to as 'the Group'), its joint venture and associate, for the quarter ended June 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular, which is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated Ind AS financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 6 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.

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

  
per Prashant Singh  
Partner  
Membership No.: 93283



Place: Mumbai  
Date: July 30, 2018

Idea

## IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Unaudited Consolidated Financial Results for the three months ended 30-June-2018

(₹ Mn, except per share data)

Particulars	Quarter Ended			Year Ended
	30-Jun-18 Unaudited	31-Mar-18 Audited (refer note 8)	30-Jun-17 Unaudited	31-Mar-18 Audited
<b>INCOME</b>				
Service Revenue	58,664	61,210	81,550	282,420
Sale of Trading Goods	3	5	24	51
Other Operating Income	225	158	91	318
<b>REVENUE FROM OPERATIONS</b>	<b>58,892</b>	<b>61,373</b>	<b>81,665</b>	<b>282,789</b>
Other Income	1,414	2,504	152	3,530
<b>TOTAL INCOME</b>	<b>60,306</b>	<b>63,877</b>	<b>81,817</b>	<b>286,319</b>
<b>EXPENSES</b>				
Cost of Trading Goods	4	6	35	73
Employee Benefit Expenses	3,920	2,595	4,195	15,430
Network Expenses and IT Outsourcing Costs	26,427	21,429	26,883	97,334
License Fees and Spectrum Usage Charges	5,961	5,327	8,666	28,667
Roaming & Access Charges	7,744	7,109	10,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	6,236	8,167	10,017	36,090
Finance Costs	15,258	12,246	11,691	48,130
Depreciation & Amortisation Expenses	20,924	20,854	20,679	84,091
Other Expenses	2,006	2,269	2,425	9,362
<b>TOTAL EXPENSES</b>	<b>88,480</b>	<b>80,002</b>	<b>95,281</b>	<b>354,535</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURE AND ASSOCIATE</b>	<b>(28,174)</b>	<b>(16,125)</b>	<b>(13,464)</b>	<b>(68,216)</b>
Add: Share in Profit / (Loss) of Joint Venture and Associate (net)	598	745	818	3,224
<b>LOSS BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>(27,576)</b>	<b>(15,380)</b>	<b>(12,646)</b>	<b>(64,992)</b>
Exceptional Items				
- Gain on sale of ICISL (refer note 2)	33,645	-	-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>6,069</b>	<b>(15,380)</b>	<b>(12,646)</b>	<b>(64,992)</b>
Tax expense:				
- Current tax	157	314	288	1,234
- Deferred tax (refer note 2)	3,347	(6,072)	(4,785)	(24,544)
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>2,565</b>	<b>(9,622)</b>	<b>(8,149)</b>	<b>(41,682)</b>
Items not to be reclassified to profit or loss in subsequent periods:				
- Re-measurement gains/ (losses) of defined benefit plans	108	489	(15)	442
- Income tax effect	(38)	(168)	5	(152)
- Group's share in other comprehensive income of joint venture and associate	0	(5)	-	(7)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>2,635</b>	<b>(9,306)</b>	<b>(8,159)</b>	<b>(41,399)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,599	43,593	36,064	43,593
Reserves excluding Revaluation Reserve				229,031
Earnings Per Share for the period (₹)				
- Basic	0.57	(2.45)	(2.28)	(11.36)
- Diluted	0.57	(2.45)	(2.28)	(11.36)




**IDEA CELLULAR LIMITED**

 Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976  
 Unaudited Consolidated Financial Results for the three months ended 30-June-2018

Segmental Reporting Particulars	₹ Mn			
	Quarter Ended			Year Ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Audited (refer note 8)	Unaudited	Audited
<b>Segment Revenue</b>				
Revenue from Operations from each segment				
Mobility	57,453	59,620	79,728	275,105
International Long Distance	1,347	1,375	1,599	6,129
Passive Infrastructure (Refer Note 2)	1,842	2,271	2,828	11,211
<b>Total</b>	<b>60,642</b>	<b>63,266</b>	<b>84,155</b>	<b>292,445</b>
Less: Inter Segment Eliminations	(1,750)	(1,893)	(2,490)	(9,656)
<b>Revenue from Operations</b>	<b>58,892</b>	<b>61,373</b>	<b>81,665</b>	<b>282,789</b>
<b>Segment Results</b>				
Profit / (Loss) from Operations before Other Income, Finance costs and Tax from each segment				
Mobility	(15,198)	(7,630)	(2,483)	(27,390)
International Long Distance	357	292	105	692
Passive Infrastructure (Refer Note 2)	511	956	453	3,083
<b>Loss from Operations before Other Income, Finance Costs and Tax</b>	<b>(14,330)</b>	<b>(6,382)</b>	<b>(1,925)</b>	<b>(23,615)</b>
Unallocable Income	1,414	2,503	152	3,529
Finance Costs	(15,258)	(12,246)	(11,691)	(48,130)
<b>Loss before Exceptional Items, Tax and share in profit / (loss) of Joint Venture and Associate</b>	<b>(28,174)</b>	<b>(16,125)</b>	<b>(13,464)</b>	<b>(68,216)</b>
<b>Segment Assets</b>				
Mobility	856,033	866,792	865,755	866,792
International Long Distance	711	1,044	803	1,044
Passive Infrastructure * (Refer Note 2)	11,837	25,379	20,443	25,379
Unallocated	160,164	92,863	21,314	92,863
<b>Gross Assets</b>	<b>1,028,745</b>	<b>986,078</b>	<b>908,315</b>	<b>986,078</b>
Less: Inter Segment Eliminations	(44)	(306)	(1,562)	(306)
<b>Total Assets</b>	<b>1,028,701</b>	<b>985,772</b>	<b>906,753</b>	<b>985,772</b>
<b>Segment Liabilities</b>				
Mobility	752,976	710,585	657,143	710,585
International Long Distance	375	232	726	232
Passive Infrastructure (Refer Note 2)	-	1,973	2,877	1,973
Unallocated	185	663	8,439	663
<b>Gross Liabilities</b>	<b>753,536</b>	<b>713,453</b>	<b>669,185</b>	<b>713,453</b>
Less: Inter Segment Eliminations	(44)	(306)	(1,562)	(306)
<b>Total Liabilities</b>	<b>753,492</b>	<b>713,147</b>	<b>667,623</b>	<b>713,147</b>

\* Includes the Group's Investment in Indus Towers Limited of ₹ 11,837 Mn ( Jun'17: ₹ 12,315 Mn, Mar'18: ₹ 14,712 Mn)



## Notes

1. The above unaudited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30<sup>th</sup> July 2018.
2. Pursuant to Share Purchase Agreement entered into by the Company with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC, becoming effective on 31<sup>st</sup> May, 2018 the Company has received a cash consideration, of ₹ 41,340 Mn out of the total expected consideration of ₹ 42,840 Mn which is subject to further working capital adjustments to be finalized within the stipulated period as per the agreement. The balance consideration is likely to be received within three months from the effective date.

Accordingly, the Company has recognized a gain of ₹ 33,645 Mn (net of expenses of ₹ 9 Mn) being difference between the interim consideration and net assets of ICISL included in the consolidated financial statements as of the effective date. The gain is disclosed as an exceptional item in the consolidated financial results. The related tax impact of the above is ₹ 13,235 Mn.

3. Pursuant to transaction entered into by the Company, along with its wholly owned subsidiary Aditya Birla Telecom Limited (ABTL), Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory / corporate approvals and certain closing conditions, 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. Till the time the decision on the option is taken, Indus continues to be accounted as joint venture of the Group and reflected as a non-current investment.
4. Effective 1<sup>st</sup> April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. In accordance with the first time adoption options available in the standard, the Company has chosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these consolidated financial results.
5. Unaudited financial results of Idea Cellular Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended
	30-June-18 Unaudited	31-Mar-18 Audited (Refer Note 8)	30-June-17 Unaudited	31-Mar-18 Audited
Revenue from Operations	58,268	60,336	80,541	278,286
Profit / (Loss) before Tax	8,888	(18,197)	(14,074)	(72,967)
Net Profit / (Loss) after Tax	5,779	(11,928)	(9,228)	(47,808)

6. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges (OTSC):
  - 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.



7. The Department of Telecommunications (DoT) vide letters dated 9<sup>th</sup> July 2018 and 26<sup>th</sup> July 2018 has taken on record the merger of Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VIL) with Idea Cellular Limited (the Company) consequent to the sanction of the scheme of amalgamation of the aforesaid companies by the Mumbai and Ahmedabad benches of the Hon'ble National Company Law Tribunal (NCLT). The DoT had directed the Company vide letter of 9<sup>th</sup> July 2018 to pay an amount of ₹ 39,263 Mn towards the differential between the entry fee paid and the market determined price of up to 4.4 Mhz spectrum that was assigned to VMSL. This differential is on a pro-rata basis from the date of approval of the said scheme by the Hon'ble NCLT Mumbai Bench i.e 19<sup>th</sup> January 2018 till the remaining validity period of the respective licenses. The Company has deposited the amount under protest, which is subject to final determination and outcome.

The Company was also asked to submit Bank Guarantees amounting to ₹ 33,224 Mn towards OTSC demand referred to in Note 6 for the spectrum holding beyond 4.4 Mhz (based on latest auction prices) even though the matter is currently sub-judice before the Hon'ble High Court of Bombay. The Company has submitted the bank guarantees also under protest.

8. The financial results for the quarter ended 31<sup>st</sup> March 2018 is the balancing figure between audited results for the full financial year and the published year to date figures upto the third quarter of the financial year.

9. Previous periods' figures have been regrouped and rearranged wherever necessary.

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

Date: 30<sup>th</sup> July, 2018  
Place: Mumbai

  
**Himanshu Kapania**  
Managing Director



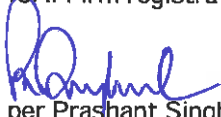


Independent Auditor's Review Report on Review of Interim Ind AS Standalone Financial Results

Review Report to  
The Board of Directors  
Idea Cellular Limited

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of Idea Cellular Limited (the 'Company') for the quarter ended June 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular, which is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 4 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.

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

  
per Prashant Singhal  
Partner  
Membership No.: 93283



Place: Mumbai  
Date: July 30, 2018

Idea

## IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhl Nagar-382011, CIN-L32100GJ1996PLC030976

Unaudited Financial Results for the quarter ended 30-June-2018

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended
	30-Jun-18 Unaudited	31-Mar-18 Audited (refer note 6)	30-Jun-17 Unaudited	31-Mar-18 Audited
<b>INCOME</b>				
Service Revenue	58,045	60,194	80,451	278,000
Other Operating Income	223	142	90	286
<b>REVENUE FROM OPERATIONS</b>	<b>58,268</b>	<b>60,336</b>	<b>80,541</b>	<b>278,286</b>
Other Income	1,140	2,281	105	2,982
<b>TOTAL INCOME</b>	<b>59,408</b>	<b>62,617</b>	<b>80,646</b>	<b>281,268</b>
<b>EXPENSES</b>				
Employee Benefit Expenses	3,600	2,244	3,797	13,968
Network Expenses and IT Outsourcing Costs	26,418	21,482	26,847	97,449
License Fees and Spectrum Usage Charges	5,961	5,327	8,666	28,667
Roaming & Access Charges	7,744	7,109	10,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	6,547	8,491	10,325	37,298
Finance Costs	15,251	13,115	11,812	49,245
Depreciation & Amortisation Expenses	20,927	20,857	20,240	83,161
Other Expenses	1,908	2,189	2,343	9,089
<b>TOTAL EXPENSES</b>	<b>88,356</b>	<b>80,814</b>	<b>94,720</b>	<b>354,235</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(28,948)</b>	<b>(18,197)</b>	<b>(14,074)</b>	<b>(72,967)</b>
Exceptional Items:				
- Gain on sale of ICISL (refer note 2)	37,836	-	-	-
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>8,888</b>	<b>(18,197)</b>	<b>(14,074)</b>	<b>(72,967)</b>
Tax expense:				
- Deferred tax (refer note 2)	3,109	(6,269)	(4,846)	(25,159)
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>5,779</b>	<b>(11,928)</b>	<b>(9,228)</b>	<b>(47,808)</b>
Items not to be reclassified to profit or loss in subsequent periods:				
- Re-measurement gains/(losses) of defined benefit plans	107	474	(12)	428
- Income tax effect	(37)	(164)	4	(148)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	<b>5,849</b>	<b>(11,618)</b>	<b>(9,236)</b>	<b>(47,528)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,599	43,593	36,064	43,593
Reserves excluding Revaluation Reserve				213,102
Earnings Per Share for the period (₹)				
- Basic	1.33	(3.01)	(2.56)	(12.95)
- Diluted	1.33	(3.01)	(2.56)	(12.95)





## Notes

1. The above unaudited financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30<sup>th</sup> July, 2018.
2. Pursuant to Share Purchase Agreement entered into by the Company with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC, becoming effective on 31<sup>st</sup> May, 2018 the Company has received a cash consideration of ₹ 41,340 Mn out of the total expected consideration of ₹ 42,840 Mn which is subject to further working capital adjustments to be finalized within the stipulated period as per the agreement. The balance consideration is likely to be received within three months from the effective date.

Accordingly, the Company has recognized a gain of ₹ 37,836 Mn (net of expenses of ₹ 9 Mn) being difference between the interim consideration and the cost of investment of ICISL as of the effective date. The gain is disclosed as an exceptional item in the financial results. The related tax impact of the above is ₹ 13,235 Mn.

3. Effective 1<sup>st</sup> April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. In accordance with the first time adoption options available in the standard, the Company has chosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these results.
4. 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.

5. The Department of Telecommunications (DoT) vide letters dated 9<sup>th</sup> July 2018 and 26<sup>th</sup> July 2018 has taken on record the merger of Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VIL) with Idea Cellular Limited (the Company) consequent to the sanction of the scheme of amalgamation of the aforesaid companies by the Mumbai and Ahmedabad benches of the Hon'ble National Company Law Tribunal (NCLT). The DoT had directed the Company vide letter of 9<sup>th</sup> July 2018 to pay an amount of ₹ 39,263 Mn towards the differential between the entry fee paid and the market determined price of up to 4.4 Mhz spectrum that was assigned to VMSL. This differential is on a pro-rata basis from the date of approval of the said scheme by the Hon'ble NCLT Mumbai Bench i.e 19<sup>th</sup> January 2018 till the remaining validity period of the respective licenses. The Company has deposited the amount under protest, which is subject to final determination and outcome.

The Company was also asked to submit Bank Guarantees amounting to ₹ 33,224 Mn towards OTSC demand referred to in Note 4 for the spectrum holding beyond 4.4 Mhz (based on latest auction prices) even though the matter is currently sub-judice before the Hon'ble High Court of Bombay. The Company has submitted the bank guarantees also under protest.



6. The financial results for the quarter ended 31<sup>st</sup> March 2018 is the balancing figure between audited results for the full financial year and the published year to date figures upto the third quarter of the financial year.
7. Previous periods' figures have been regrouped and rearranged wherever necessary.

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

Date: 30<sup>th</sup> July, 2018  
Place: Mumbai

*Himanshu Kapania*  
**Himanshu Kapania**  
Managing Director





## Media Release

Mumbai – July 30, 2018

Idea Cellular Ltd. (Idea) announces unaudited Ind AS results for the First Quarter (Q1) ended June 30, 2018

### Highlights for the First Quarter Results -

- Revenue of Rs. 58.9 billion, a QoQ decline of 2.9% on normalized basis (reported decline @ 4.0%)
- EBITDA of Rs. 6.6 billion, a QoQ decline of Rs. 2.8 billion on normalized basis (reported decline of Rs. 7.9 billion)
- QoQ volume growth sustained - Voice Minutes growth @ 5.8%, Data Volume growth @24.5%

### Other Highlights -

- Idea – Vodafone merger received final approval from DoT, merger expected to close shortly
- Completion of sale of standalone towers to ATC - Enterprise value of Rs. 40 billion, resulting in profit of Rs. 33.6 billion.
- Idea launched VoLTE services across all 20 circles where it holds 4G spectrum

	Q1FY19	Q4FY18	Q1FY18	YoY Change	
				INR MN	
				Absolute	%
Revenue	58,892	61,373	81,665	-22,773	-27.9%
EBITDA	6,595	14,473	18,753	-12,159	-64.8%
EBITDA%	11.2%	23.6%	23.0%	-11.8%	NA
Depreciation & Amortisation	20,924	20,854	20,679	244	1.2%
Interest and Financing Cost (Net)	13,844	9,743	11,538	2,306	20.0%
Dividend from Indus	2,990	-	2,657	332	12.5%
Gain on Sale of ICISL	33,645	-	-	33,645	NA
PBT	8,461	-16,124	-10,807	19,268	NA
PAT (Standalone <sup>1</sup> )	5,092	-10,179	-6,170	11,262	NA
Cash Profit <sup>3</sup> (Standalone)	-4,416	4,377	9,608	-14,024	-146.0%
Share of Profit/(Loss) from Indus & ABIPBL	599	744	818	-219	-26.8%
<b>Total Comprehensive Income (Consolidated<sup>2</sup>)</b>	<b>2,636</b>	<b>-9,306</b>	<b>-8,159</b>	<b>10,795</b>	<b>NA</b>

### Another challenging quarter with sustained rate pressure, explosive volume growth maintained

During Q1FY19, Indian mobile industry continued to decline under pressure from heavily discounted unlimited voice and bundled data plans & subsidised 4G feature phone offerings from one of the operator, forcing commensurate response from other existing mobile operators to retain subscribers. The sector presently offers 'Voice & Data' unlimited bundles at unsustainable below cost price levels impacting the financials of all incumbent operators. As existing customers continue to prefer lower value deep discounted unlimited voice and bundled data plans, the 'Average Revenue Per User' (ARPU) remained under pressure.

The revenue for the quarter declined to Rs. 58,892 million in Q1FY19, as against Rs. 61,373 million in Q4FY18 mainly on account of down trending of ARPU, representing a normalised decline of 2.9% QoQ, after adjusting for impact of exclusion



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of one month tower revenue (on completion of sale transaction of Idea standalone towers to ATC on May 31, 2018) and full quarter impact of TRAI directed International IUC rate reduction (vs 2 months impact in last quarter). The EBITDA for the quarter stands at Rs. 6,595 million. The ARPU for the quarter is Rs. 100 as against Rs. 105 in Q4FY18. Idea's VLR subscribers as on June 30, 2018 stands at 203.4 million with a market share of 20.9% (May 2018), an improvement of 1.4% compared to May 2017.

The increasing adoption of unlimited voice and bundled data plans continued to drive significant volume consumption of mobile voice and broadband data. The quarterly voice minutes at 349.5 billion, grew at a staggering rate of 39.4% vs. 250.7 billion minutes in Q1FY18. The monthly voice consumption (per user) has risen exponentially to 609 minutes from 441 minutes per months in Q1FY18.

Similarly, broadband data usage per broadband data subscriber has risen sharply to monthly usage of 8GB in Q1FY19, compared to 3GB per month a year back. In Q1FY19, the broadband data volumes reached record level of 992 billion MB, more than 4 times compared to mobile broadband data volumes a year back. The company's wireless broadband subscriber (EoP) base now stands at ~41 million, an addition of 14.6 million broadband data customers over last one year. During the quarter, Idea completed the rollout of Voice over LTE (VoLTE) services across 20 – 4G Telecom Circles. With the merger round the corner, the 4G network rollout was muted during the quarter but expected to gather momentum in the remaining three quarters.

### **Nearly ready for Birth of New Idea – Vodafone Idea limited**

With the receipt of final DoT approval for merger Vodafone India Ltd. (VIL) & Vodafone Mobile Services Ltd. (VMSL) with Idea, the company is in the final phase of merger completion. The combined entity named 'Vodafone Idea Ltd.' will be India's largest mobile operator and the 2<sup>nd</sup> largest in the world, with nearly 408 million subscribers. The leadership team of Vodafone Idea Ltd. has already been announced on March 22, 2018 and the new management is ready with an extensive plan to consolidate the operations and network of the two companies in a phased manner. The key focus area for the merged team will be to fast forward the substantial cost synergies with an estimated NPV of ~\$10bn and rapidly expand the broadband coverage and capacity by redeployment of overlapping equipment & refarming /consolidation of spectrum etc.

Both the companies currently, under 'Active infrastructure sharing' and 'ICR (Intra Circle Roaming) arrangements' are already sharing nearly 66,000 sites.

### **Update on Asset Monetisation & Fund Raising**

The sale transaction of Idea Standalone towers to ATC was completed on May 31, 2018 for an enterprise value of Rs. 40 billion. In the meantime, the announced merger of Bharti Infratel & Indus Towers is on track with steady progress on regulatory approval. Bharti Infratel's release stated that the merger with Indus is estimated to be completed by end of Financial Year 2019, giving Idea the option of monetising its stake in Indus.

To summarise, with equity infusion of Rs. 67.5 billion by Idea in Q4FY18, sale of standalone tower of Idea & Vodafone for Rs. 78.5 billion (including Rs. 38.5 billion of Vodafone India in Q4FY18), planned equity infusion by Vodafone Group Plc to



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reduce Vodafone India's debt (in line the with merger agreement) and option of monetizing Idea's 11.15% Indus stake available by March 2019, the company has primarily completed this phase of augmenting its long term capital resources.

While near term challenges persist, long term opportunities in the mobile sector continue to remain attractive. With the exit of subscale operators, consolidation of Industry structure is nearly complete. Also, with the introduction of bundled plans, Indian mobile customer's habits has permanently settled at higher consumption of Voice & Data services. Once the current phase of below cost tariffs is over, it is inevitable that the Industry ARPU will revive. Additionally, the low rural penetration, improving adoption of data users and SIM consolidation augur well for long term prospects of existing large mobile operators.

**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. Cash Profit is calculated as summation of PAT, Depreciation & Amortisation, charge on account of ESOPs, charge on account of Deferred tax (excluding MAT) excluding exceptional (gain)/loss for relevant period (net of tax).
4. 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 16.6% of the Indian mobile telecommunications services industry (excluding wireline revenue for Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited) for the Q4FY18. 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.