



VODAFONE IDEA LIMITED (formerly 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-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended
	30-June-19 Unaudited	31-March-19 Audited Refer Note 12	30-June-18 Unaudited	31-March-19 Audited
<b>INCOME</b>				
Service Revenue	112,638	117,384	58,664	369,865
Sale of Trading Goods	9	22	3	191
Other Operating Income	52	344	225	869
<b>REVENUE FROM OPERATIONS</b>	<b>112,699</b>	<b>117,750</b>	<b>58,892</b>	<b>370,925</b>
Other Income	2,796	1,566	1,414	7,311
<b>TOTAL INCOME</b>	<b>115,495</b>	<b>119,316</b>	<b>60,306</b>	<b>378,236</b>
<b>EXPENSES</b>				
Cost of Trading Goods	33	60	4	260
Employee Benefit Expenses	5,843	7,292	3,920	22,944
Network Expenses and IT Outsourcing Costs	29,986	50,990	26,427	170,052
License Fees and Spectrum Usage Charges	11,910	12,615	5,961	39,331
Roaming & Access Charges	13,198	12,496	7,744	41,690
Marketing, Content, Customer Acquisition & Service Costs	9,613	11,320	6,236	38,446
Finance Costs	37,237	29,460	15,258	94,628
Depreciation & Amortisation Expenses	61,308	46,639	20,924	145,356
Other Expenses	5,616	5,124	2,006	17,772
<b>TOTAL EXPENSES</b>	<b>174,744</b>	<b>175,996</b>	<b>88,480</b>	<b>570,479</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE</b>	<b>(59,249)</b>	<b>(56,680)</b>	<b>(28,174)</b>	<b>(192,243)</b>
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	581	549	598	1,968
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(58,668)</b>	<b>(56,131)</b>	<b>(27,576)</b>	<b>(190,275)</b>
Exceptional Items (Net) (Refer Note 8)	(8,070)	(11,458)	33,645	8,521
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(66,738)</b>	<b>(67,589)</b>	<b>6,069</b>	<b>(181,754)</b>
<b>Tax expense:</b>				
- Current tax	9	13	157	182
- Deferred tax (Refer Note 8)	(18,008)	(18,783)	3,347	(35,897)
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>(48,739)</b>	<b>(48,819)</b>	<b>2,565</b>	<b>(146,039)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>				
- Re-measurement gains/ (losses) of defined benefit plans	(528)	69	108	501
- Income tax effect	184	(35)	(38)	(178)
- Group's share in other comprehensive income of joint ventures and associate	-	2	-	5
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(49,083)</b>	<b>(48,783)</b>	<b>2,635</b>	<b>(145,711)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	87,356	43,599	87,356
Other Equity				508,992
Earnings/(Loss) Per Share for the period (₹)				
- Basic	(2.08)	(4.54)	0.47	(17.17)
- Diluted	(2.08)	(4.54)	0.47	(17.17)

## 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 26<sup>th</sup> July, 2019.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the quarter ended 30<sup>th</sup> June, 2019 and 31<sup>st</sup> March, 2019 includes consolidated financial results of the operations of erstwhile VInL for the entire quarter whereas the consolidated financial results for the year ended 31<sup>st</sup> March, 2019 includes consolidated financial results of the operations of erstwhile VInL for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
3. On 4<sup>th</sup> May, 2019, the Company has allotted 19,999,830,911 Equity Shares of face value of ₹ 10 each to the eligible existing equity shareholders under a Rights Issue at a price of ₹ 12.50 (including a premium of ₹ 2.50) per equity share aggregating to ₹ 249,998 Mn. Based on the completion of the rights issue, the Board believes that there is no impairment in the value of its assets in accordance with Ind AS 36, Impairment of Assets and these financial statements are prepared on a going concern basis.
4. The Group has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1<sup>st</sup> April, 2019 which replaces the existing standard on leases – Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Group has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1<sup>st</sup> April, 2019. Accordingly, the Group has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

This has resulted in lease expenses no longer recorded in the statement of profit and loss effective 1<sup>st</sup> April, 2019 and depreciation and interest expenses recorded on Right of Use assets and lease liabilities respectively. Adoption of the standard has resulted in reduction of the net loss after tax for the quarter by ₹ 1,157 Mn.

5. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of the Company, into the business of Prepaid Payment Instruments (PPI) and Business Correspondence (BC) intimated Reserve Bank of India (RBI) to surrender its PPI license. RBI has granted an extension to VMPL to extinguish its liabilities towards PPI holders till 30<sup>th</sup> September, 2019 without further loading of balance in wallet.

Basis developments during the current quarter, on 8<sup>th</sup> July, 2019 the Group has decided to close its PPI and BC business and is currently exploring other business opportunities in VMPL. Accordingly, the Group has recorded an impairment provision amounting to ₹ 496 Mn towards the net assets of PPI and BC business.

6. Basis developments during the quarter, Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company has decided to wind up business voluntarily (voluntary winding up) on 19<sup>th</sup> July, 2019 subject to requisite regulatory approvals and consent. Accordingly, the Group has impaired its net investments of ₹ 1,596 Mn towards its share of net assets in ABIPBL.
7. In the previous quarter, the Company had classified ₹ 102,062 Mn from non-current borrowings to current maturities of long term debt for not meeting certain covenant clauses for specified financial ratios as at 31<sup>st</sup> March, 2019. During the quarter ended 30<sup>th</sup> June, 2019, the Company has exchanged correspondences / been in discussions with these lenders for the next steps/waivers.
8. Exceptional items for the quarter ended 30<sup>th</sup> June, 2019 includes (a) Integration and merger related costs amounting to ₹ 2,262 Mn (b) provision for additional depreciation / impairment of assets amounting to ₹ 3,716 Mn on account of network re-alignment and integration and (c) Provision for impairment towards its share of net assets in subsidiaries / associate amounting to ₹ 2,092 Mn (Refer Note 5 and 6). Exceptional items for the quarter ended 30<sup>th</sup> June, 2018 consists of gain on sale of Idea Cellular Infrastructure Services Limited (ICISL) amounting to ₹ 33,645 Mn.

Deferred tax charge includes tax impact of ₹ (1,671) Mn and ₹ 13,235 Mn on the above items for the quarter ended 30<sup>th</sup> June, 2019 and 30<sup>th</sup> June, 2018 respectively.

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

10. Unaudited financial results of Vodafone Idea Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended
	30-June-19 Unaudited	31-March-19 Audited	30-June-18 Unaudited	31-March-19 Audited
Revenue from Operations	112,085	117,147	58,269	368,588
Profit / (Loss) before Tax	(68,546)	(68,132)	12,096	(176,922)
Net Profit / Loss after Tax	(50,383)	(49,270)	8,920	(140,560)

11. One Time Spectrum Charges (Beyond 4.4 MHz):

In financial year 2012-13, DoT had 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 ₹10,687 Mn (31<sup>st</sup> March, 2019: ₹ 10,687 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 ₹ 57,254 Mn (31<sup>st</sup> March, 2019: ₹ 57,254 Mn).

The Company believes 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 /TDSAT.

At the time of Merger approval of VinL and VM SL with Idea Cellular, the DoT while granting the approval demanded that the Company submits bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn (31<sup>st</sup> March, 2019: ₹ 33,224 Mn) as per clause 3 (i) and (m) of the M&A guidelines dated 20<sup>th</sup> February, 2014. The Company, without prejudice to its rights, complied with the aforesaid demand and submitted the bank guarantee to DoT under protest.

Further, on 4<sup>th</sup> July, 2019 TDSAT issued its Judgment on OTSC matter quashing demands on erstwhile Vodafone India Limited (VinL) and erstwhile Vodafone Mobile Services Limited (VM SL) holding that spectrum up to 6.2 MHz is not chargeable and that spectrum beyond 6.2 MHz shall be levied only from 1<sup>st</sup> January, 2013 for spectrum allotted before 1<sup>st</sup> July, 2008 and from the date of allotment for spectrum if allotted after 1<sup>st</sup> July, 2008 and directed DoT to issue revise demands, if any in terms of the above direction within a period of 3 months. No impact of the said order is considered as on 30<sup>th</sup> June, 2019.

12. The financial results for the quarter ended 31<sup>st</sup> March, 2019 is the balancing figure between audited results for the full financial year and the audited year to date figures upto the third quarter of the financial year.

13. Consolidated financial results for the quarter ended 30<sup>th</sup> June, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 4 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 26<sup>th</sup> July, 2019**

**Place: Mumbai**

**Director**



VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)

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

Unaudited Financial Results for the three months ended 30-June-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			
	30-June-19 Unaudited	31-March-19 Audited Refer Note 10	30-June-18 Unaudited	31-March-19 Audited
<b>INCOME</b>				
Service Revenue	112,024	116,759	58,045	367,668
Other Operating Income	61	388	224	920
<b>REVENUE FROM OPERATIONS</b>	<b>112,085</b>	<b>117,147</b>	<b>58,269</b>	<b>368,588</b>
Other Income	2,958	1,756	4,351	10,733
<b>TOTAL INCOME</b>	<b>115,043</b>	<b>118,903</b>	<b>62,620</b>	<b>379,321</b>
<b>EXPENSES</b>				
Employee Benefit Expenses	5,318	6,798	3,599	21,209
Network Expenses and IT Outsourcing Costs	29,779	50,628	26,419	169,269
License Fees and Spectrum Usage Charges	11,871	12,578	5,961	39,243
Roaming & Access Charges	13,198	12,496	7,744	41,690
Marketing, Content, Customer Acquisition & Service Costs	9,683	11,333	6,548	38,948
Finance Costs	37,213	29,531	15,250	94,713
Depreciation & Amortisation Expenses	60,821	46,159	20,924	144,098
Other Expenses	6,244	5,810	1,915	19,440
<b>TOTAL EXPENSES</b>	<b>174,127</b>	<b>175,333</b>	<b>88,360</b>	<b>568,610</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(59,084)</b>	<b>(56,430)</b>	<b>(25,740)</b>	<b>(189,289)</b>
Exceptional Items (net) (Refer Note 8)	(9,462)	(11,702)	37,836	12,367
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(68,546)</b>	<b>(68,132)</b>	<b>12,096</b>	<b>(176,922)</b>
<b>Tax expense:</b>				
- Current tax	-	-	-	-
- Deferred tax (Refer Note 8)	(18,163)	(18,862)	3,176	(36,362)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(50,383)</b>	<b>(49,270)</b>	<b>8,920</b>	<b>(140,560)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>				
- Equity instrument through other comprehensive gains/(losses)	(5,273)	11,935	(10,169)	(4,621)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	1,229	(2,932)	2,378	1,076
- Re-measurement gains/ (losses) of defined benefit plans	(529)	104	107	534
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	185	(45)	(37)	(187)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(54,771)</b>	<b>(40,208)</b>	<b>1,199</b>	<b>(143,758)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	87,356	43,599	87,356
Other Equity				547,689
Earnings/(Loss) Per Share for the period (₹)				
- Basic	(2.14)	(4.58)	1.66	(16.50)
- Diluted	(2.14)	(4.58)	1.66	(16.50)

## 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 26<sup>th</sup> July, 2019.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMPL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the quarter ended 30<sup>th</sup> June, 2019 and 31<sup>st</sup> March, 2019 includes financial results of the operations of erstwhile VInL for the entire quarter whereas the financial results for the year ended 31<sup>st</sup> March, 2019 includes financial results of the operations of erstwhile VInL for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
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4. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1<sup>st</sup> April, 2019 which replaces the existing standard on leases - Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1<sup>st</sup> April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

This has resulted in lease expenses no longer recorded in the statement of profit and loss effective 1<sup>st</sup> April, 2019 and depreciation and interest expenses recorded on Right of Use assets and lease liabilities respectively. Adoption of the standard has resulted in reduction of the net loss after tax for the quarter by ₹ 1,158 Mn.

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Basis the development during the current quarter, on 8<sup>th</sup> July, 2019, VMPL has decided to close its PPI and BC business and is currently exploring other business opportunities. Accordingly, the Company has recorded an impairment provision amounting to ₹ 696 Mn towards loan given to VMPL.

6. Basis developments during the quarter, Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company has decided to wind up business voluntarily (voluntary winding up) on 19<sup>th</sup> July, 2019 subject to requisite regulatory approvals and consent. Accordingly, the Company has impaired its investments of ₹ 2,788 Mn in ABIPBL.
7. In the previous quarter, the Company had classified ₹ 102,062 Mn from non-current borrowings to current maturities of long term debt for not meeting certain covenant clauses for specified financial ratios as at 31<sup>st</sup> March, 2019. During the quarter ended 30<sup>th</sup> June, 2019, the Company has exchanged correspondences / been in discussions with these lenders for the next steps/waivers.
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9. One Time Spectrum Charges (Beyond 4.4 MHz):

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- 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 ₹ 57,254 Mn (31<sup>st</sup> March, 2019: ₹ 57,254 Mn).

The Company believes 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 /TDSAT.

At the time of Merger approval of VInL and VMSL with Idea Cellular, the DoT while granting the approval demanded that the Company submits bank guarantee towards one-time spectrum fees beyond 4.4 MHz amounting to ₹ 33,224 Mn (31<sup>st</sup> March, 2019: ₹ 33,224 Mn) as per clause 3 (i) and (m) of the M&A guidelines dated 20<sup>th</sup> February, 2014. The Company, without prejudice to its rights, complied with the aforesaid demand and submitted the bank guarantee to DoT under protest.

Further, on 4<sup>th</sup> July, 2019 TDSAT issued its Judgment on OTSC matter quashing demands on erstwhile Vodafone India Limited (VInL) and erstwhile Vodafone Mobile Services Limited (VMSL) holding that spectrum up to 6.2 MHz is not chargeable and that spectrum beyond 6.2 MHz shall be levied only from 1<sup>st</sup> January, 2013 for spectrum allotted before 1<sup>st</sup> July, 2008 and from the date of allotment for spectrum if allotted after 1<sup>st</sup> July, 2008 and directed DoT to issue revised demands, if any in terms of the above direction within a period of 3 months. No impact of the said order is considered as on 30<sup>th</sup> June, 2019.

10. The financial results for the quarter ended 31<sup>st</sup> March, 2019 are the balancing figure between audited results for the full financial year and the audited year to date figures upto the third quarter of the financial year.
11. Financial results for the quarter ended 30<sup>th</sup> June, 2019 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 4 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 26<sup>th</sup> July, 2019**

**Place: Mumbai**

**Director**