



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 quarter and six months ended 30-September-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-19 Unaudited	30-Jun-19 Unaudited	30-Sep-18 Unaudited	30-Sep-19 Unaudited	30-Sep-18 Unaudited	31-Mar-19 Audited
INCOME						
Service Revenue	108,389	112,638	76,458	221,027	135,122	369,865
Sale of Trading Goods	13	9	9	22	12	191
Other Operating Income	38	52	168	90	393	869
REVENUE FROM OPERATIONS	108,440	112,699	76,635	221,139	135,527	370,925
Other Income	3,024	2,796	2,151	5,820	3,565	7,311
TOTAL INCOME	111,464	115,495	78,786	226,959	139,092	378,236
EXPENSES						
Cost of Trading Goods	27	33	19	60	23	260
Employee Benefit Expenses	6,479	5,843	4,939	12,322	8,859	22,944
Network Expenses and IT Outsourcing Costs	26,804	29,986	35,976	56,790	62,403	170,052
License Fees and Spectrum Usage Charges	11,141	11,910	7,990	23,051	13,951	39,331
Roaming & Access Charges	14,276	13,198	9,478	27,474	17,222	41,690
Marketing, Content, Customer Acquisition & Service Costs	11,144	9,613	9,105	20,757	15,341	38,446
Finance Costs	36,543	37,237	21,662	73,780	36,920	94,628
Depreciation & Amortisation Expenses	63,094	61,308	30,059	124,402	50,983	145,356
Other Expenses	5,098	5,616	4,514	10,714	6,520	17,772
TOTAL EXPENSES	174,606	174,744	123,742	349,350	212,222	570,479
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	(63,142)	(59,249)	(44,956)	(122,391)	(73,130)	(192,243)
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	1,295	581	423	1,876	1,021	1,968
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(61,847)	(58,668)	(44,533)	(120,515)	(72,109)	(190,275)
Exceptional Items (Net) (Refer Note 7)	(307,745)	(8,070)	(5,658)	(315,815)	27,987	8,521
PROFIT/ (LOSS) BEFORE TAX	(369,592)	(66,738)	(50,191)	(436,330)	(44,122)	(181,754)
Tax expense:						
- Current tax	1	9	(3)	10	154	182
- Deferred tax (Refer Note 6 & 7)	139,626	(18,008)	(450)	121,618	2,897	(35,897)
PROFIT/(LOSS) AFTER TAX	(509,219)	(48,739)	(49,738)	(557,958)	(47,173)	(146,039)
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	225	(528)	354	(303)	462	501
- Income tax effect	18	184	(121)	202	(159)	(178)
- Group's share in other comprehensive income of joint ventures and associate	(3)	-	-	(3)	-	5
TOTAL COMPREHENSIVE INCOME/(LOSS)	(508,979)	(49,083)	(49,505)	(558,062)	(46,870)	(145,711)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,351	287,354	87,351	87,356
Other Equity						508,992
Earnings Per Share for the period (₹)						
- Basic	(17.72)	(2.20)	(6.92)	(21.89)	(7.52)	(17.17)
- Diluted	(17.72)	(2.20)	(6.92)	(21.89)	(7.52)	(17.17)
Debt Redemption Reserve				4,408	4,408	4,408
Networth				240,686	695,405	596,348
Debt Service Coverage Ratio (DSCR) *				(3.51)	0.91	0.79
Interest Service Coverage Ratio (ISCR) **				(6.14)	1.06	0.97
Debt - Equity Ratio ***				4.87	1.81	2.11

* 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 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 14th November, 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 31st 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 30th September, 2019 and 30th June, 2019 includes consolidated financial results of the operations of erstwhile ViNl for the entire quarter whereas the consolidated financial results for the quarter and half year ended 30th September 2018 and year ended 31st March, 2019 includes consolidated financial results of the operations of erstwhile ViNl for the period from 31st August, 2018 to 30th September 2018 and 31st August 2018 to 31st March, 2019 respectively.
3. On 4th 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.
4. The Group has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st 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. 1st April, 2019. Accordingly, the Group has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

This has resulted in recognition of right-of-use assets of ₹ 227,822 Mn and lease liability of ₹ 284,312 Mn by with a corresponding impact to retained earnings of ₹ 44,649 Mn (net of deferred taxes impact of ₹ 17,677 Mn) as at 1st April, 2019. In the Statement of profit and loss for the current quarter, the nature of expenses in respect of operating leases has changed from rentals in previous periods to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability with the principal and interest portion of the lease liability presented as financing activities in the statement of cash flows. While there is no impact on the overall cash flows, the operating cash flows reflect an increase of ₹ 27,432 Mn with a corresponding reduction in cash flows from financing activities for the six months ended 30th September, 2019. The adoption of the standard has resulted in reduction of net loss after tax for the quarter and six months ended 30th September, 2019 by ₹ 1,390 Mn and ₹ 2,995 Mn respectively.

5. A) Subsequent to the quarter end, the Hon'ble Supreme Court on 24th October, 2019 passed the judgment ('SC AGR Judgement') on cross appeals against the Hon'ble TDSAT judgment dated 23rd April, 2015, wherein it has held that the definition of Gross Revenue under Clause 19 of the UASL is all encompassing and comprehensive. Hon'ble Supreme Court has further held that the Gross Revenue definition shall prevail over the Accounting Standards and is binding on the parties to the contract / License Agreement. The Hon'ble Supreme Court has then dealt with different heads of revenue / inflow and has held that these will fall within the definition of Adjusted Gross Revenue. Further, the Hon'ble Supreme Court has upheld the levy of interest, penalty and interest on penalty stating that the levy is as per the terms and conditions of the License Agreement.

Consequent to the above, the Company has estimated License Fee of ₹ 276,100 Mn and Spectrum Usage Charges (SUC) of ₹ 165,400 Mn; (including interest, penalty and interest thereon of ₹ 330,050 Mn) ('AGR liability') based on the DoT demands received till date and estimation for periods for which demands have not been raised by DoT, together with interest and penalty, all taken for periods upto 30th September, 2019 and adjusted for certain computational errors. Whilst the Company has provided for SUC, considering that no spectrum is used for generating non-telecom income, the Company is evaluating the levy of SUC on such income. Accordingly, during the quarter, the Company has recognised a charge of ₹ 256,779 Mn as an exceptional item after adjusting the available provisions and adjustments for potential payments under a mechanism on satisfaction of contractual conditions as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile ViNl and ICL in relation to the crystallisation of certain contingent liabilities which existed at the time of merger. Also, the Company has informed the lenders and bond holders about the SC AGR judgement, as required under the financing agreements entered with them and also notified the Stock Exchanges.

The Hon'ble Supreme Court has directed the Telecom operators to pay the dues within 90 days from the date of the SC AGR Judgement. By its letter of 13th November, 2019, the DoT has directed the Company to make payment in accordance with SC AGR judgment based on its own assessment with requisite documents. The Company would complete its assessment, reconcile/validate the DoT demands, and true up the estimates considered in accordance with SC AGR judgement.

The Company is in the process of filing a review petition with the Hon'ble Supreme Court. Further, the Company through Cellular Operators Association of India ('COAI') has made representations to the Government to provide relief to the telecom sector, including but not limited to requesting to not press for the AGR liability payment and grant waivers, not levy spectrum usage charges on non-licensed revenue / income, reduction of licence fee and SUC rates, use of GST credit for payment of Government levies and allow payment to be made in instalments after some moratorium and grant a moratorium of two years for the payment of Spectrum dues beyond 1st April, 2020 up to 31st March, 2022. The Government has taken cognizance of these representations and has recently set-up a Committee of Secretaries ('CoS') to evaluate the telecom operators' plea and suggest measures to mitigate the financial stress.

- B) During the year ended 31st March, 2019, the Company had classified ₹ 102,062 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31st March, 2019. The Company had exchanged correspondences / been in discussions with these lenders for the next steps / waivers.

Based on the above, waiver and/or grant of deferred payment terms for the AGR liability by the Government, reduction of license fee and/ or SUC rates and a moratorium on payment of DoT spectrum instalments are essential to meet the funding requirement for the aforesaid payments. The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle, or refinance its liabilities and guarantees as they fall due, including those relating to the SC AGR judgement. The Company's ability to continue as going concern is dependent on obtaining the reliefs from the Government, as discussed in Note 5(A) above and positive outcome of the proposed legal remedy. Pending the outcome of the above matters, these financial results have been prepared on a Going Concern Basis.

6. During the quarter, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹. 40,320 Mn during the quarter and disclosed it as exceptional item. Further, in line with the above and the matters discussed in Note 5, the Company has reassessed the recoverability of deferred tax assets, stopped further recognition and derecognized the Deferred Tax Assets amounting to ₹ 139,356 Mn recorded upto 30th June, 2019.

7. Exceptional Items :-

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-19 Unaudited	30-Jun-19 Unaudited	30-Sep-18 Unaudited	30-Sep-19 Unaudited	30-Sep-18 Unaudited	31-Mar-19 Audited
Integration and merger related costs	(2,746)	(2,262)	(13,570)	(5,008)	(13,570)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 6 above)	(48,220)	(3,716)	-	(51,936)	-	(5,511)
Provision for impairment towards investment in subsidiaries / associate	-	(2,092)	-	(2,092)	-	-
AGR liability (Refer Note 5(A) above)	(256,779)	-	-	(256,779)	-	-
Re-assessment of certain estimates and accruals	-	-	8,084	-	8,084	7,893
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	(172)	-	33,473	33,473
Others	-	-	-	-	-	(727)
Total	(307,745)	(8,070)	(5,658)	(315,815)	27,987	8,521
Deferred tax impact	-	1,671	1,581	1,671	(11,653)	(4,727)

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

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

Particulars	Quarter ended			Six Months Ended		Year ended
	30-Sep-19 Unaudited	30-Jun-19 Unaudited	30-Sep-18 Unaudited	30-Sep-19 Unaudited	30-Sep-18 Unaudited	31-Mar-19 Audited
Revenue from Operations	108,045	112,085	76,388	220,130	134,657	368,588
Profit / (Loss) before Tax	(370,667)	(68,546)	(50,443)	(439,213)	(38,347)	(176,922)
Net Profit / (Loss) after Tax	(497,274)	(50,383)	(49,881)	(547,657)	(40,961)	(140,560)

10. 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.

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

SL No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's*	3,960	N.A	31-Oct-18	31-Oct-19	31-Oct-19
2	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-18	13-Dec-21	13-Dec-19
3	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-19	4-Jan-22	4-Jan-20
4	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-19	17-Jan-22	17-Jan-20
5	Unsecured 8.04% NCD's	20,000	N.A	28-Jan-19	28-Jan-22	28-Jan-20
6	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-19	31-Jan-22	31-Jan-20
7	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-19	14-Feb-22	14-Feb-20
8	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-19	3-Sep-23	3-Sep-20

*Secured 9.45% NCD has been repaid fully on the scheduled date 31st October, 2019.

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

The NCD's listed above have currently been rated "CARE A-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE A" with Negative Outlook. Additionally, its 7.57% NCD (Sl. No.2); 7.77% NCD (Sl. No.4) and 8.03% NCD (Sl. No. 6) issues have been rated as "BWR A-" with (Outlook: Rating under Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR A+" with Negative Outlook.

Further, the Company has prepaid Secured 8.12% NCD (Outstanding: ₹ 50 Mn.) in its entirety on 4th, September 2019. The same was due for payment on 8th February, 2024.

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 1st July, 2008 to 31st December, 2012, amounting to ₹10,687 Mn (31st, March, 2019: ₹ 10,687 Mn), and

- For spectrum beyond 4.4 MHz in respective service areas effective 1st January, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (31st 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 (31st March, 2019: ₹ 33,224 Mn) as per clause 3 (i) and (m) of the M&A guidelines dated 20th 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 4th 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 for spectrum beyond 6.2 MHz that has been allotted after 01st July, 2008, the Respondent is entitled to levy One Time Spectrum Charges (hereinafter referred to as "OTSC") from the date of allocation of such spectrum and that in case of spectrum beyond 6.2 MHz and allocated before 01st July, 2008, respondent can levy OTSC demand prospectively, i.e. with effect from 01st January, 2013. The Company plans to challenge the TDSAT order in Supreme Court. No impact of the said order is considered as on 30th September, 2019.

12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at	As at
	September 30, 2019	March 31, 2019
A ASSETS		
1 Non-current Assets		
Property, plant and equipment (including RoU Assets)	673,231	502,526
Capital work-in-progress	7,639	23,587
Investment property	666	672
Goodwill on consolidation	36	36
Other Intangible assets	1,258,549	1,274,767
Intangible assets under development	39	27,443
Investments accounted for using the equity method	13,673	15,298
Financial assets		
Long term loans to employees	3	8
Other non-current financial assets	10,167	10,362
Deferred tax assets (net)	22	103,385
Other non-current assets	154,842	155,099
Sub-total non-current assets	2,118,867	2,113,183
2 Current Assets		
Inventories	28	42
Financial assets		
Current investments	27,365	67,088
Trade receivables	31,114	33,000
Cash and cash equivalents	35,088	8,428
Bank balance other than cash and cash equivalents	93,186	1,480
Short term Loans	17	19
Other current financial assets	86,887	680
Other current assets	76,916	71,260
	350,601	181,997
Assets classified as held for sale (AHFS)	-	1,815
Sub-total current assets	350,601	183,812
TOTAL – ASSETS	2,469,468	2,296,995
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	87,356
Other equity	(46,668)	508,992
Sub-total equity	240,686	596,348
2 Non-Current Liabilities		
Financial liabilities		
Long term borrowings	994,904	1,044,029
Trade payables	12,543	8,680
Other non-current financial liabilities	234,577	97,381
Long term provisions	3,889	3,467
Deferred tax liabilities (net)	844	471
Other non-current liabilities	5,214	4,235
Sub-total non-current liabilities	1,251,971	1,158,263
3 Current Liabilities		
Financial liabilities		
Short term borrowings	1,698	41,207
Trade payables	110,207	126,486
Other current financial liabilities	361,903	303,946
Other current liabilities	502,401	69,499
Short term provisions	602	379
	976,811	541,517
Liabilities classified as held for sale	-	867
Sub-total current liabilities	976,811	542,384
TOTAL – EQUITY AND LIABILITIES	2,469,468	2,296,995

13. Statement of Cash Flows: -

₹ Mn

Particulars	For the period ended September 30, 2019	For the period ended September 30, 2018
Operating activities		
Profit/(Loss) before tax	(436,330)	(44,122)
Adjustments to reconcile loss before tax to net cash flows		
Share in (profit) of joint ventures and associate (net)	(1,876)	(1,021)
Depreciation of property, plant and equipment and investment property	77,808	29,242
Amortisation of intangible assets	46,594	21,741
Share-based payment expense (ESOS)	(81)	103
(Gain)/loss on disposal of property, plant and equipment and intangible assets (net)	4	(15)
Accelerated depreciation on account of network re-alignment/integration	52,431	100
Impairment of investment in associates	1,597	-
Finance costs (including fair value change in financial instruments)	73,780	36,920
Provision for gratuity and compensated absences	332	55
Bad debts / advances written off	-	16
Allowance for doubtful debts / advances	1,618	1,149
Liabilities / provisions no longer required written back	(8)	(333)
Gain on sale of ICISL and profit before tax of ICISL upto date of sale	-	(33,766)
Other income	(5,716)	(3,564)
Working capital adjustments		
Decrease/(Increase) in trade receivables	648	(2,605)
Decrease in inventories	14	352
Increase in other financial and non-financial assets	(88,961)	(3,292)
(Decrease)/Increase in trade payables	(12,236)	15,746
Increase/(Decrease) in other financial and non-financial liabilities	348,968	(5,411)
Cash flows from operating activities	58,586	11,295
Income tax refund/(paid) (including TDS) (net)	(811)	4,929
Net cash flows from operating activities	57,775	16,224
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(53,351)	(27,313)
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	964	124
Proceeds from sale of subsidiary	-	42,303
Additional investment in associate	-	(406)
Net (purchase) /sale of current investments	41,620	(61,908)
Interest received	1,177	187
Fixed deposits with bank With maturity of 3 Months to 1 year	(91,492)	-
Dividend received from joint venture (Indus)	-	2,990
Net cash flows used in investing activities	(101,082)	(83,286)
Financing activities		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from issue of right shares (net of share issue expenses of ₹ 847 Mn)	249,151	-
Stamp duty on issue of shares on amalgamation of VMSL and VInL with the Company	-	(80)
Payment of interest and finance charges	(65,436)	(9,583)
Proceeds from long term borrowings	-	55,000
Repayment of long term borrowings	(47,420)	(6,690)
Proceeds from short term borrowings	30,015	765
Repayment of short term borrowings	(69,124)	(17,103)
Payment of lease liabilities including interest	(27,432)	-
Net cash flows from / (used in) financing activities	69,754	22,310
Net decrease in cash and cash equivalents during the period	26,447	(44,752)
Cash and cash equivalents at the beginning of the year	8,479	(23)
Add: Cash and cash equivalent of VInL and its subsidiaries on amalgamation of VMSL and VInL with the Company (net of bank overdraft ₹ Nil Mn (September 30, 2018: ₹ 5,991Mn))	-	58,307
Less: Cash and cash equivalents of VMPL	-	(988)
Cash and cash equivalents at the end of the period	34,926	12,544

14. Consolidated financial results for the six months and quarter ended 30th September, 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: 14th November, 2019

Place: Mumbai

Managing Director & Chief Executive Officer



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 quarter and six months ended 30-September-2019

(₹ Mn, except per share data)

Particulars	Quarter ended			Six Months ended		Year ended
	30-September-19 Unaudited	30-June-19 Unaudited	30-September-18 Unaudited	30-September-19 Unaudited	30-September-18 Unaudited	31-March-19 Audited
INCOME						
Service Revenue	107,992	112,024	76,219	220,016	134,264	367,668
Other Operating Income	53	61	169	114	393	920
REVENUE FROM OPERATIONS	108,045	112,085	76,388	220,130	134,657	368,588
Other Income	3,162	2,958	2,221	6,120	6,572	10,733
TOTAL INCOME	111,207	115,043	78,609	226,250	141,229	379,321
EXPENSES						
Employee Benefit Expenses	5,941	5,318	4,562	11,259	8,161	21,209
Network Expenses and IT Outsourcing Costs	26,623	29,779	35,898	56,402	62,317	169,269
License Fees and Spectrum Usage Charges	11,110	11,871	7,977	22,981	13,938	39,243
Roaming & Access Charges	14,276	13,198	9,478	27,474	17,222	41,690
Marketing, Content, Customer Acquisition & Service Costs	11,301	9,683	9,314	20,984	15,862	38,948
Finance Costs	36,508	37,213	21,622	73,721	36,872	94,713
Depreciation & Amortisation Expenses	62,662	60,821	29,839	123,483	50,763	144,098
Other Expenses	5,739	6,244	4,704	11,983	6,619	19,440
TOTAL EXPENSES	174,160	174,127	123,394	348,287	211,754	568,610
	(62,953)	(59,084)	(44,785)	(122,037)	(70,525)	(189,289)
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX						
Exceptional Items (net) (Refer Note 7)	(307,714)	(9,462)	(5,658)	(317,176)	32,178	12,367
PROFIT/(LOSS) BEFORE TAX	(370,667)	(68,546)	(50,443)	(439,213)	(38,347)	(176,922)
Tax expense:						
- Current tax	-	-	-	-	-	-
- Deferred tax (Refer Note 6 & 7)	126,607	(18,163)	(562)	108,444	2,614	(36,362)
NET PROFIT/(LOSS) AFTER TAX	(497,274)	(50,383)	(49,881)	(547,657)	(40,961)	(140,560)
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprehensive gains/(losses)	(9,515)	(5,273)	(2,262)	(14,788)	(12,431)	(4,621)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	1,229	527	1,229	2,905	1,076
- Re-measurement gains/ (losses) of defined benefit plans	281	(529)	344	(248)	451	534
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	185	(121)	185	(158)	(187)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(506,508)	(54,771)	(51,393)	(561,279)	(50,194)	(143,758)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,351	287,354	87,351	87,356
Other Equity						547,689
Earnings/(Loss) Per Share for the period (₹)						
- Basic	(17.31)	(2.27)	(6.94)	(21.48)	(6.51)	(16.50)
- Diluted	(17.31)	(2.27)	(6.94)	(21.48)	(6.51)	(16.50)
Debenture Redemption Reserve				4,408	4,408	4,408
Networth				278,067	733,055	635,045
Debt Service Coverage Ratio (DSCR) *				(3.42)	1.04	0.83
Interest Service Coverage Ratio (ISCR) **				(5.99)	1.21	1.01
Debt - Equity Ratio ***				4.22	1.72	1.98

* 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 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 14th November, 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 31st 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 financial results for the quarter ended 30th September, 2019 and 30th June, 2019 includes financial results of the operations of erstwhile VInL for the entire quarter whereas the financial results for the quarter and half year ended 30th September, 2018 and year ended 31st March, 2019 includes financial results of the operations of erstwhile VInL for the period from 31st August, 2018 to 30th September, 2018 and 31st August, 2018 to 31st March, 2019 respectively.
3. On 4th 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.
4. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st 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. 1st April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

This has resulted in recognition of right-of-use assets of ₹ 227,129 Mn and lease liability of ₹ 284,030 Mn with a corresponding impact to retained earnings of ₹ 44,649 Mn (net of deferred taxes impact of ₹ 17,677 Mn) as at 1st April, 2019. In the Statement of profit and loss for the current quarter, the nature of expenses in respect of operating leases has changed from rentals in previous periods to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability with the principal and interest portion of the lease liability presented as financing activities in the statement of cash flows. While there is no impact on the overall cash flows, the operating cash flows reflect an increase of ₹ 27,299 Mn with a corresponding reduction in cash flows from financing activities for the six months ended 30th September, 2019. The adoption of the standard has resulted in reduction of net loss after tax for the quarter and six months ended 30th September, 2019 by ₹ 1,383 Mn and ₹ 2991 Mn respectively.

5. A) Subsequent to the quarter end, the Hon'ble Supreme Court on 24th October, 2019 passed the judgment ('SC AGR Judgement') on cross appeals against the Hon'ble TDSAT judgment dated 23rd April, 2015, wherein it has held that the definition of Gross Revenue under Clause 19 of the UASL is all encompassing and comprehensive. Hon'ble Supreme Court has further held that the Gross Revenue definition shall prevail over the Accounting Standards and is binding on the parties to the contract / License Agreement. The Hon'ble Supreme Court has then dealt with different heads of revenue / inflow and has held that these will fall within the definition of Adjusted Gross Revenue. Further, the Hon'ble Supreme Court has upheld the levy of interest, penalty and interest on penalty stating that the levy is as per the terms and conditions of the License Agreement.

Consequent to the above, the Company has estimated License Fee of ₹ 276,100 Mn and Spectrum Usage Charges (SUC) of ₹ 165,400 Mn; (including interest, penalty and interest thereon of ₹ 330,050 Mn) ('AGR liability') based on the DoT demands received till date and estimation for periods for which demands have not been raised by DoT, together with interest and penalty, all taken for periods upto 30th September, 2019 and adjusted for certain computational errors. Whilst the Company has provided for SUC, considering that no spectrum is used for generating non-telecom income, the Company is evaluating the levy of SUC on such income. Accordingly, during the quarter, the Company has recognised a charge of ₹ 256,779 Mn as an exceptional item after adjusting the available provisions and adjustments for potential payments under a mechanism on satisfaction of contractual conditions as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile VInL and ICL in relation to the crystallisation of certain contingent liabilities which existed at the time of merger. Also, the Company has informed the lenders and bond holders about the SC AGR judgement, as required under the financing agreements entered with them and also notified the Stock Exchanges.

The Hon'ble Supreme Court has directed the Telecom operators to pay the dues within 90 days from the date of the SC AGR Judgement. By its letter of 13th November, 2019, the DoT has directed the Company to make payment in accordance with SC AGR judgment based on its own assessment with requisite documents. The Company would complete its assessment, reconcile/validate the DoT demands, and true up the estimates considered in accordance with SC AGR judgement.

The Company is in the process of filing a review petition with the Hon'ble Supreme Court. Further, the Company through Cellular Operators Association of India ('COAI') has made representations to the Government to provide relief to the telecom sector, including but not limited to requesting to not press for the AGR liability payment and grant waivers, not levy spectrum usage charges on non-licensed revenue / income, reduction of licence fee and SUC rates, use of GST credit for payment of Government levies and allow payment to be made in instalments after some moratorium and grant a moratorium of two years for the payment of Spectrum dues beyond 1st April, 2020 up to 31st March, 2022. The Government has taken cognizance of these representations and has recently set-up a Committee of Secretaries ('CoS') to evaluate the telecom operators' plea and suggest measures to mitigate the financial stress.

- B) During the year ended 31st March, 2019, the Company had classified ₹ 102,062 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31st March, 2019. The Company had exchanged correspondences / been in discussions with these lenders for the next steps /waivers.

Based on the above, waiver and/or grant of deferred payment terms for the AGR liability by the Government, reduction of license fee and/ or SUC rates and a moratorium on payment of DoT spectrum instalments are essential to meet the funding requirement for the aforesaid payments. The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle, or refinance its liabilities and guarantees as they fall due, including those relating to the SC AGR judgement. The Company's ability to continue as going concern is dependent on obtaining the reliefs from the Government, as discussed in Note 5(A) above and positive outcome of the proposed legal remedy. Pending the outcome of the above matters, these financial results have been prepared on a Going Concern Basis.

6. During the quarter, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn during the quarter and disclosed it as exceptional item. Further, in line with the above and the matters discussed in Note 5, the Company has reassessed the recoverability of deferred tax assets, stopped further recognition and derecognized the Deferred Tax Assets amounting to ₹ 126,607 Mn recorded upto 30th June, 2019.

7. Exceptional Items: -

Particulars	Quarter ended			Six Months ended		Year ended
	30-September-19 Unaudited	30-June-19 Unaudited	30-September-18 Unaudited	30-September-19 Unaudited	30-September-18 Unaudited	31-March-19 Audited
Integration and merger related costs	(2,602)	(2,262)	(13,570)	(4,864)	(13,570)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 6 above)	(48,223)	(3,716)	-	(51,939)	-	(5,589)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	(110)	(3,484)	-	(3,594)	-	-
Re-assessment of certain estimates and accruals	-	-	8,086	-	8,086	7,646
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	(174)	-	37,662	37,644
AGR Liability (Refer Note 5(A) above)	(256,779)	-	-	(256,779)	-	-
Others	-	-	-	-	-	(727)
Total	(307,714)	(9,462)	(5,658)	(317,176)	32,178	12,367
Deferred tax impact	-	1,671	1,581	1,671	(11,653)	(6,077)

8. The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.
9. The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Towers Limited (VTL) for transfer of Fiber Infrastructure undertaking to VTL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated 18th September, 2019. On filing of the said order with the Registrar of Companies (RoC) on 15th October, 2019, the Scheme has become effective with an appointed date of 1st October, 2019. The assets and liabilities related to fiber Infrastructure business has been reclassified as held for sale as on 30th September, 2019.

10. 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.

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

Sl. No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Secured 9.45% NCD's*	3,960	N.A	31-Oct-18	31-Oct-19	31-Oct-19
2	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-18	13-Dec-21	13-Dec-19
3	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-19	4-Jan-22	4-Jan-20
4	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-19	17-Jan-22	17-Jan-20
5	Unsecured 8.04% NCD's	20,000	N.A	28-Jan-19	28-Jan-22	28-Jan-20
6	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-19	31-Jan-22	31-Jan-20
7	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-19	14-Feb-22	14-Feb-20
8	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-19	3-Sep-23	3-Sep-20

*Secured 9.45% NCD has been repaid fully on the scheduled date 31st October 2019.

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

The NCD's listed above have currently been rated "CARE A-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE A" with Negative Outlook. Additionally, its 7.57% NCD (Sl. No.2); 7.77% NCD (Sl. No.4) and 8.03% NCD (Sl. No. 6) issues have been rated as "BWR A-" with (Outlook: Rating under Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR A+" with Negative Outlook.

Further, the Company has prepaid Secured 8.12% NCD (Outstanding: ₹ 50 Mn) in its entirety on 4th, September 2019. The same was due for payment on 8th February, 2024.

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 1st July, 2008 to 31st December, 2012, amounting to ₹10,687 Mn (31st March, 2019: ₹ 10,687 Mn), and

- For spectrum beyond 4.4 MHz in respective service areas effective 1st January, 2013 till expiry of the period as per respective licenses amounting to ₹ 57,254 Mn (31st 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 (31st March, 2019: ₹ 33,224 Mn) as per clause 3 (i) and (m) of the M&A guidelines dated 20th 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 4th 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 for spectrum beyond 6.2 MHz that has been allotted after 1st July, 2008, the Respondent is entitled to levy One Time Spectrum Charges (hereinafter referred to as "OTSC") from the date of allocation of such spectrum and that in case of spectrum beyond 6.2 MHz and allocated before 1st July, 2008, respondent can levy OTSC demand prospectively, i.e. with effect from 1st January, 2013. The Company plans to challenge the TDSAT order in Supreme Court. No impact of the said order is considered as on 30th September, 2019.

12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at September 30, 2019	As at March 31, 2019
A ASSETS		
1 Non-current assets		
Property, plant and equipment (including RoU Assets)	614,916	493,411
Capital work-in-progress	6,545	23,325
Other Intangible assets	1,257,241	1,273,203
Intangible assets under development	39	27,443
Financial assets		
Non-current investments	49,697	66,624
Long term loans to employees	3	8
Other non-current financial assets	10,078	10,279
Deferred tax assets (net)	-	89,351
Other non-current assets	153,526	154,038
Sub-total non-current assets	2,092,045	2,137,682
2 Current assets		
Financial assets		
Current investments	27,160	66,890
Trade receivables	29,266	33,081
Cash and cash equivalents	33,082	6,759
Bank balance other than cash and cash equivalents	92,578	1,085
Loans to subsidiaries, joint venture and others	11,519	13,396
Other current financial assets	86,069	717
Other current assets	76,530	70,921
	356,204	192,849
Assets classified as held for sale (AHFS)	52,966	-
Sub-total current assets	409,170	192,849
TOTAL – ASSETS	2,501,215	2,330,531
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	87,356
Other equity	(9,287)	547,689
Sub-total equity	278,067	635,045
2 Non-current liabilities		
Financial liabilities		
Long term borrowings	994,904	1,044,029
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,540	8,678
Other non-current financial liabilities	234,395	97,383
Long term provisions	3,711	3,392
Other non-current liabilities	1,528	4,235
Sub-total non-current liabilities	1,247,078	1,157,717
3 Current liabilities		
Financial liabilities		
Short term borrowings	1,698	41,207
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	163	178
Total outstanding dues of creditors other than micro enterprises and small enterprises	107,184	126,565
Other current financial liabilities	358,995	300,627
Other current liabilities	500,878	68,821
Short term provisions	579	371
	969,497	537,769
Liabilities classified as held for sale	6,573	-
Sub-total current liabilities	976,070	537,769
TOTAL – EQUITY AND LIABILITIES	2,501,215	2,330,531

13. Statement of Cash Flows: -

₹ Mn

Particulars	For the period ended September 30, 2019	For the period ended September 30, 2018
Operating activities		
Loss before tax	(439,213)	(38,347)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment	77,148	29,049
Amortisation of intangible assets	46,335	21,714
Share-based payment expense (ESOS)	(84)	102
Gain on disposal of property, plant and equipment and intangible assets (net)	-	(10)
Accelerated depreciation on account of network re-alignment	51,939	100
Impairment of investment/loan in subsidiary and associate	3,594	-
Finance costs (including fair value change in financial instruments)	73,721	36,872
Provision for gratuity and compensated absences	272	93
Bad debts/advances written off	-	16
Allowance for doubtful debts / advances	1,622	1,110
Liabilities/provisions no longer required written back	(8)	(331)
Gain on sale of ICISL	-	(37,662)
Other income	(6,120)	(6,572)
Working capital adjustments		
Decrease/(Increase) in trade receivables	448	(3,010)
Decrease in inventories	-	339
Increase in other financial and non-financial assets	(89,156)	(3,901)
(Decrease)/Increase in trade payables	(13,416)	16,247
Increase/(Decrease) in other financial and non-financial liabilities	349,078	(5,544)
Cash flows from operating activities	56,160	10,265
Income tax refund/(paid) (including TDS) (net)	(553)	5,256
Net cash flows from operating activities	55,607	15,521
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(51,655)	(26,988)
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,090	87
Proceeds from sale of subsidiary	-	42,303
Additional investment in subsidiaries and associate (including advance given for purchase of shares)	(649)	(406)
Net sale/(purchase) of current investments	41,621	(61,932)
Loans given to subsidiaries	(55)	-
Repayment of loans by subsidiaries	1,124	-
Interest received	1,586	221
Fixed deposits with bank with maturity of 3 Months to 1 year	(91,492)	-
Dividend received from joint venture (Indus)	-	2,990
Net cash flows used in investing activities	(98,430)	(82,988)
Financing activities		
Proceeds from issue of equity shares on exercise of share options	-	1
Issue of right shares (net of share issue expenses of ₹ 847 Mn)	249,151	-
Stamp duty on issue of shares on amalgamation of VMSSL and VInL with the Company	-	(83)
Payment of interest and finance charges	(65,469)	(9,522)
Payment of lease liabilities	(27,299)	-
Proceeds from long term borrowings	-	55,000
Repayment of long term borrowings	(47,420)	(6,690)
Proceeds from short term borrowings	30,015	765
Repayment of short term borrowings	(69,124)	(16,653)
Net cash flows (used in)/from financing activities	69,854	22,818
Net (decrease)/ increase in cash and cash equivalents during the period	27,031	(44,649)
Cash and cash equivalents at the beginning of the period	5,889	(27)
Add: Cash and cash equivalent on amalgamation of VMSSL and VInL with the Company (net of bank overdraft ₹ Nil (September 30, 2018: ₹ 5,991 Mn))	-	55,249
Cash and cash equivalents at the end of the period	32,920	10,573

14. Financial results for the six months and quarter ended 30th September, 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: 14th November, 2019

Place: Mumbai

Managing Director & Chief Executive Officer