



## VODAFONE IDEA 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-2021



(Rs. Mn, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
<b>INCOME</b>						
Service Revenue	94,015	91,440	107,861	185,455	214,406	419,331
Sale of Trading Goods	8	20	21	28	33	51
Other Operating Income	41	63	30	104	66	140
<b>REVENUE FROM OPERATIONS</b>	<b>94,064</b>	<b>91,523</b>	<b>107,912</b>	<b>185,587</b>	<b>214,505</b>	<b>419,522</b>
Other Income	291	335	393	626	946	1,742
<b>TOTAL INCOME</b>	<b>94,355</b>	<b>91,858</b>	<b>108,305</b>	<b>186,213</b>	<b>215,451</b>	<b>421,264</b>
<b>EXPENSES</b>						
Cost of Trading Goods	1	12	13	13	21	30
Employee Benefit Expenses	4,386	3,829	5,104	8,215	10,822	20,300
Network Expenses and IT Outsourcing Costs	26,157	24,927	24,319	51,084	48,429	95,938
License Fees and Spectrum Usage Charges	10,254	9,977	9,948	20,231	19,965	41,295
Roaming & Access Charges	6,997	6,696	15,347	13,693	30,373	52,906
Marketing, Content, Customer Acquisition & Service Costs	6,538	6,283	7,519	12,821	13,997	25,552
Finance Costs	51,114	52,284	47,002	103,398	85,041	179,981
Depreciation & Amortisation Expenses	59,227	60,098	60,286	119,325	120,043	236,385
Other Expenses	1,102	2,722	4,138	3,824	8,390	14,044
<b>TOTAL EXPENSES</b>	<b>165,776</b>	<b>166,828</b>	<b>173,676</b>	<b>332,604</b>	<b>337,081</b>	<b>666,431</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS,TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE</b>	<b>(71,421)</b>	<b>(74,970)</b>	<b>(65,371)</b>	<b>(146,391)</b>	<b>(121,630)</b>	<b>(245,167)</b>
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	3	5	857	8	1,746	2,314
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(71,418)</b>	<b>(74,965)</b>	<b>(64,514)</b>	<b>(146,383)</b>	<b>(119,884)</b>	<b>(242,853)</b>
Exceptional Items (Net) (Refer Note 6)	135	1,779	(7,671)	1,914	(206,903)	(199,681)
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>(71,283)</b>	<b>(73,186)</b>	<b>(72,185)</b>	<b>(144,469)</b>	<b>(326,787)</b>	<b>(442,534)</b>
<b>Tax expense:</b>						
- Current tax	57	39	-	96	1	(180)
- Deferred tax	(17)	(34)	(3)	(51)	(6)	(23)
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>(71,323)</b>	<b>(73,191)</b>	<b>(72,182)</b>	<b>(144,514)</b>	<b>(326,782)</b>	<b>(442,331)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>						
- Re-measurement gains/ (losses) of defined benefit plans	(125)	62	157	(63)	86	374
- Income tax effect on re-measurement gains/ (losses) of defined plans	2	-	(8)	2	(6)	(4)
- Group's share in other comprehensive income of joint ventures and associate	-	-	(1)	-	(2)	(2)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(71,446)</b>	<b>(73,129)</b>	<b>(72,034)</b>	<b>(144,575)</b>	<b>(326,704)</b>	<b>(441,963)</b>
Paid up Equity Share Capital (Face value Rs. 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(669,634)
Earnings Per Share for the period (Rs.)						
- Basic	(2.48)	(2.55)	(2.51)	(5.03)	(11.38)	(15.40)
- Diluted	(2.48)	(2.55)	(2.51)	(5.03)	(11.38)	(15.40)

## 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 12<sup>th</sup> November, 2021.
2. The Adjusted Gross Revenue (AGR) judgment originally delivered by the Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 and as subsequently directed on 1<sup>st</sup> September, 2020 to make yearly instalments commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2031. The company had on 10<sup>th</sup> August, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest / clerical / arithmetic errors in the computation of AGR demands. The date of hearing on the petition is not fixed. During the quarter, the Company has continued to recognize its AGR obligations based on the AGR judgment of the Hon'ble Supreme Court, License Agreement, etc.
3. The Union Cabinet on 15<sup>th</sup> September, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2025 excluding the instalments due for spectrum auction 2021. On 14<sup>th</sup> October, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the Company on or before 29<sup>th</sup> October, 2021. It also provided a period of 90 days to confirm upfront conversion if any of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect. On the option of upfront equity conversion of the interest arising due to such deferment, the company would convey its decision before the end of the stipulated 90 days period.

Accordingly, the entire net liability towards AGR dues arising out of Hon'ble Supreme Court judgment amounting to Rs. 633,987 Mn (including interest till 30<sup>th</sup> September, 2021) and unpaid Spectrum liability amounting to Rs. 1,073,562 Mn (including interest till 30<sup>th</sup> September, 2021) is now classified as non-current liability for the period ended 30<sup>th</sup> September, 2021 in the financial results.

4. The Group has incurred a loss of Rs. 144,514 Mn for the half year ended 30<sup>th</sup> September, 2021 and its net worth stands at negative Rs. 526,855 Mn. As at 30<sup>th</sup> September, 2021, the total debt (including interest accrued but not due) of the Group stands at Rs.1,947,788 Mn. As of 30<sup>th</sup> September, 2021, an amount of Rs. 100,225 Mn (31<sup>st</sup> March, 2021: Rs. 85,472 Mn) (net of waiver received) has been classified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money / security against existing facilities. The Group has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing debt as payable by 30<sup>th</sup> September, 2022 is Rs. 97,324 Mn (excluding amount classified as current on account of not meeting certain covenant clauses).

The Group's ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The Group has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred above. As of date, the Group has met all its debt obligations. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

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

6. Exceptional Items :-

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gain on sale of stake in Indus (Joint Venture)	-	-	-	-	-	21,189
Integration and merger related costs	135	513	(4,168)	648	(8,413)	(9,892)
Impact due to cancellation of lease contract on network re-alignment	-	-	784	-	1,283	1,696
Provision for additional depreciation / impairment of assets	-	-	(2,977)	-	(2,600)	(5,745)
Impairment of Brand <sup>(1)</sup>	-	-	-	-	-	(7,246)
License fees and SUC on AGR Matter	-	-	-	-	(194,405)	(194,405)
One Time Spectrum Charges (including interest)	-	-	(1,287)	-	(2,517)	(5,027)
Gain on sale of leasehold land	-	1,266	-	1,266	-	-
Others	-	-	(23)	-	(251)	(251)
<b>Total</b>	<b>135</b>	<b>1,779</b>	<b>(7,671)</b>	<b>1,914</b>	<b>(206,903)</b>	<b>(199,681)</b>

<sup>(1)</sup> Impairment charge basis re-assessment of the usability of the existing Vodafone brand trademarks and logos over its useful life following the launch of a new integrated brand V!

7. Financial results of Vodafone Idea Limited (Standalone) :-

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from Operations	93,215	90,882	107,235	184,097	213,174	416,727
Profit / (Loss) before Tax	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(463,145)
Net Profit / (Loss) after Tax	(71,717)	(74,157)	(72,156)	(145,874)	(325,495)	(462,937)

8. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results) :-

(a) Financial Ratios

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Current Ratio <sup>(1)</sup>	0.33	0.31	0.29	0.33	0.29	0.32
Debt Equity Ratio <sup>(2)</sup>	(3.53)	(4.09)	(4.34)	(3.53)	(4.34)	(4.72)
Debt Service Coverage Ratio ('DSCR') <sup>(3)</sup>	0.37	0.34	0.29	0.36	0.37	0.45
Interest Service Coverage Ratio ('ISCR') <sup>(4)</sup>	0.42	0.35	0.51	0.39	0.56	0.57
Long term debt to working capital Ratio <sup>(5)</sup>	(6.18)	(5.71)	(3.59)	(6.18)	(3.59)	(6.12)
Bad debts to Trade receivable Ratio <sup>(6)</sup>	0%	2%	2%	2%	4%	9%
Current liability Ratio <sup>(7)</sup>	0.18	0.19	0.19	0.18	0.19	0.18
Total debts to total assets Ratio <sup>(8)</sup>	0.94	0.93	0.55	0.94	0.55	0.89
Debtors turnover Ratio (number of days) <sup>(9)</sup>	24	24	22	25	24	24
Operating Margin (%) <sup>(10)</sup>	(22)%	(25)%	(17)%	(24)%	(17)%	(16)%
Net Profit Margin (%) <sup>(11)</sup>	(76)%	(80)%	(67)%	(78)%	(152)%	(105)%

(1) Current Ratio = Current asset/ Current liabilities (excluding Short term borrowings)

(2) Debt - Equity Ratio = Debt(excluding interest accrued but not due)/ Equity

(3) DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

(4) ISCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised]

(5) Long term debt to working capital Ratio = Long term borrowings including current maturities of long term borrowings (excluding interest accrued but not due)/ (Current asset - Current liability (excluding Short term borrowings))

(6) Bad debts to Trade receivables Ratio = Bad debts charge / Average gross Trade receivables

(7) Current liability Ratio = Current liabilities (excluding Short term borrowings) / Total liability

(8) Total debts to total assets Ratio = Total borrowing (excluding interest accrued but not due) / Total assets

(9) Debtors turnover Ratio (number of days) = (Revenue from operations/Average trade receivables)\*Number of days during the period

(10) Operating Margin (%) = [Profit/(loss) before exceptional items and tax + Finance costs - Other Income] / Revenue from Operations

(11) Net Profit Margin (%) = Net Profit/(loss) after tax / Revenue from operations

(b) Details of Debenture redemption reserve and Networth

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Debenture Redemption reserve	4,408	4,408	4,408	4,408	4,408	4,408
Net Worth	(526,855)	(455,409)	(266,998)	(526,855)	(266,998)	(382,280)

## 9. Statement of Assets and Liabilities :-

Rs. Mn

Particulars	As at 30-September-2021	As at 31-March-2021
<b>A ASSETS</b>		
<b>1 Non-current Assets</b>		
Property, plant and equipment (including RoU Assets)	543,947	575,704
Capital work-in-progress	5,036	5,996
Intangible assets	1,071,985	1,099,200
Intangible assets under development	213	63
Investments accounted for using the equity method	49	41
Financial assets		
Other non-current financial assets	89,203	77,323
Deferred tax assets (net)	54	23
Other non-current assets	124,271	135,461
<b>Sub-total non-current assets</b>	<b>1,834,758</b>	<b>1,893,811</b>
<b>2 Current Assets</b>		
Inventories	32	6
Financial assets		
Trade receivables	25,982	25,070
Cash and cash equivalents	2,474	3,503
Bank balance other than cash and cash equivalents	18,033	18,662
Loans to joint venture and others	-	9
Other current financial assets	3,012	2,117
Other current assets	96,258	90,975
	<b>145,791</b>	<b>140,342</b>
Assets classified as held for sale (AHFS)	-	653
<b>Sub-total current assets</b>	<b>145,791</b>	<b>140,995</b>
<b>TOTAL – ASSETS</b>	<b>1,980,549</b>	<b>2,034,806</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	287,354	287,354
Other equity	(814,209)	(669,634)
<b>Sub-total equity</b>	<b>(526,855)</b>	<b>(382,280)</b>
<b>2 Non-Current Liabilities</b>		
Financial liabilities		
Long term borrowings		
Loans from banks and others	25,353	64,846
Deferred payment obligations	1,635,735	1,509,309
Trade payables	511	1,268
Lease Liabilities	103,593	109,544
Other non-current financial liabilities	92,416	63,275
Long term provisions	435	416
Deferred tax liabilities (net)	-	22
Other non-current liabilities	5,466	4,381
<b>Sub-total non-current liabilities</b>	<b>1,863,509</b>	<b>1,753,061</b>
<b>3 Current Liabilities</b>		
Financial liabilities		
Short term borrowings	197,549	228,948
Trade payables	138,903	132,757
Lease Liabilities	111,188	104,555
Other current financial liabilities	128,819	133,316
Other current liabilities	67,105	63,991
Short term provisions	331	458
<b>Sub-total current liabilities</b>	<b>643,895</b>	<b>664,025</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>1,980,549</b>	<b>2,034,806</b>

## 10. Statement of Cash Flows:

Rs. Mn

Particulars	For the period ended 30-September-2021	For the period ended 30-September-2020
<b>Operating activities</b>		
<b>Loss before tax</b>	<b>(144,469)</b>	<b>(326,787)</b>
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Share in profit of joint ventures and associate (net)	(8)	(1,746)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	73,171	74,286
Amortisation of intangible assets	46,154	45,757
Share-based payment expense (ESOS)	(18)	21
Loss on disposal of property, plant and equipment and intangible assets (net)	(185)	1
Gain on sale of leasehold land (net)	(1,266)	-
Impact due to cancellation of lease contract on network re-alignment	-	(1,283)
Accelerated depreciation on account of network re-alignment/re-farming	-	2,600
License fees and SUC on AGR	-	194,405
One Time Spectrum Charges	-	2,517
Finance costs (including fair value change in financial instruments)	103,398	85,041
Provision for gratuity and compensated absences	119	361
Bad debts / advances written off	9	40
Allowance for doubtful debts / advances	746	1,770
Liabilities / provisions no longer required written back	(47)	(21)
Other income	(544)	(893)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(1,601)	5,131
(Increase) in inventories	(26)	(2)
(Increase)/Decrease in other financial and non-financial assets	(21,223)	15,337
Increase in trade payables	5,085	14,896
Increase/(Decrease) in other financial and non-financial liabilities	15,940	(18,936)
<b>Cash flows from operating activities</b>	<b>75,235</b>	<b>92,495</b>
Income tax refund (including TDS) (net)	8,972	7,433
<b>Net cash flows from operating activities</b>	<b>84,207</b>	<b>99,928</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(37,656)	(21,427)
Payment towards Spectrum and Licenses - Upfront payment	(1,035)	-
Proceeds from sale of property, plant and equipment and intangible assets	636	1,106
Proceeds from sale of asset held for sale	1,870	-
Repayment of loan given to joint venture	8	-
Net sale of current investments	56	1,603
Interest received	232	1,264
Placement/(Maturity) for Fixed deposits with banks having maturity of 3 to 12 months	(40)	7,956
Dividend received from joint venture (Indus)	-	1,115
<b>Net cash flows used in investing activities</b>	<b>(35,929)</b>	<b>(8,383)</b>
<b>Financing activities</b>		
Payment of interest and finance charges	(12,476)	(13,496)
Repayment of long term borrowings	(8,021)	(37,757)
Repayment of short term borrowings	-	(283)
Payment of lease liabilities	(28,810)	(41,125)
<b>Net cash flows used in financing activities</b>	<b>(49,307)</b>	<b>(92,661)</b>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<b>(1,029)</b>	<b>(1,116)</b>
Cash and cash equivalents at the beginning of the period	3,503	3,669
<b>Cash and cash equivalents at the end of the period</b>	<b>2,474</b>	<b>2,553</b>

11. Previous period figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 12<sup>th</sup> November, 2021**

**Place: Mumbai**

**Ravinder Takkar**  
**Managing Director & Chief Executive Officer**



**VODAFONE IDEA LIMITED**  
 Regd Office:- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100G11996PLC030976  
 Unaudited Financial Results for the quarter and six months ended 30-September-2021



(Rs. Mn, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
<b>INCOME</b>						
Service Revenue	93,166	90,813	107,203	183,979	213,098	416,589
Other Operating Income	49	69	32	118	76	138
<b>REVENUE FROM OPERATIONS</b>	<b>93,215</b>	<b>90,882</b>	<b>107,235</b>	<b>184,097</b>	<b>213,174</b>	<b>416,727</b>
Other Income	228	292	270	520	1,910	2,584
<b>TOTAL INCOME</b>	<b>93,443</b>	<b>91,174</b>	<b>107,505</b>	<b>184,617</b>	<b>215,084</b>	<b>419,311</b>
<b>EXPENSES</b>						
Employee Benefit Expenses	3,945	3,407	4,682	7,352	9,985	18,583
Network Expenses and IT Outsourcing Costs	27,068	25,843	24,396	52,911	48,654	97,941
License Fees and Spectrum Usage Charges	10,223	9,944	9,948	20,167	19,964	41,291
Roaming & Access Charges	6,997	6,696	15,347	13,693	30,373	52,906
Marketing, Content, Customer Acquisition & Service Costs	6,669	6,384	7,635	13,053	14,252	26,025
Finance Costs	51,128	52,232	46,971	103,360	84,980	179,916
Depreciation & Amortisation Expenses	57,438	58,319	58,440	115,757	116,378	229,062
Other Expenses	1,827	3,019	4,559	4,846	9,078	15,696
<b>TOTAL EXPENSES</b>	<b>165,295</b>	<b>165,844</b>	<b>171,978</b>	<b>331,139</b>	<b>333,664</b>	<b>661,420</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(71,852)</b>	<b>(74,670)</b>	<b>(64,473)</b>	<b>(146,522)</b>	<b>(118,580)</b>	<b>(242,109)</b>
Exceptional Items (net) (Refer Note 6)	135	513	(7,683)	648	(206,915)	(221,036)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(71,717)</b>	<b>(74,157)</b>	<b>(72,156)</b>	<b>(145,874)</b>	<b>(325,495)</b>	<b>(463,145)</b>
<b>Tax expense:</b>						
- Current tax	-	-	-	-	-	(208)
- Deferred tax	-	-	-	-	-	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(71,717)</b>	<b>(74,157)</b>	<b>(72,156)</b>	<b>(145,874)</b>	<b>(325,495)</b>	<b>(462,937)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>						
- Equity instrument through other comprehensive gains/(losses)	-	-	(2,543)	-	(4,080)	(4,512)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	-	-	-	-
- Re-measurement gains/ (losses) of defined benefit plans	(111)	59	127	(52)	64	360
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(71,828)</b>	<b>(74,098)</b>	<b>(74,572)</b>	<b>(145,926)</b>	<b>(329,511)</b>	<b>(467,089)</b>
Paid up Equity Share Capital (Face value Rs. 10 per share)	287,354	287,354	287,354	287,354	287,354	287,354
Other Equity						(664,430)
Earnings/(Loss) Per Share for the period (Rs.)						
- Basic	(2.50)	(2.58)	(2.51)	(5.08)	(11.33)	(16.11)
- Diluted	(2.50)	(2.58)	(2.51)	(5.08)	(11.33)	(16.11)

## 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 12<sup>th</sup> November, 2021.
2. The Adjusted Gross Revenue (AGR) judgment originally delivered by the Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 and as subsequently directed on 1<sup>st</sup> September, 2020 to make yearly instalments commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2031. The company had on 10<sup>th</sup> August, 2021 filed a review petition with the Hon'ble Supreme Court for considering to hear the modification application on correction of manifest / clerical / arithmetic errors in the computation of AGR demands. The date of hearing on the petition is not fixed. During the quarter, the Company has continued to recognize its AGR obligations based on the AGR judgment of the Hon'ble Supreme Court, License Agreement, etc.
3. The Union Cabinet on 15<sup>th</sup> September, 2021 approved major structural and process reforms in the telecom sector to boost the proliferation and penetration of broadband and telecom connectivity. Further to address liquidity requirements, the Cabinet has also approved deferment of AGR dues which are payable in annual instalments as determined by the Hon'ble Supreme Court for up to four years without any change in the instalment period and deferment of spectrum auction instalments payable from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2025 excluding the instalments due for spectrum auction 2021. On 14<sup>th</sup> October, 2021, DoT issued the required notifications giving an option for moratorium of Spectrum instalment and AGR dues to be confirmed by the Company on or before 29<sup>th</sup> October, 2021. It also provided a period of 90 days to confirm upfront conversion, if any, of the interest amount arising due to such deferment into equity. The Company has conveyed its acceptance for the deferment of Spectrum auction instalments & AGR dues by a period of four years with immediate effect. On the option of upfront equity conversion of the interest arising due to such deferment, the company would convey its decision before the end of the stipulated 90 days period.

Accordingly, the entire net liability towards AGR dues arising out of Hon'ble Supreme Court judgment amounting to Rs. 633,987 Mn (including interest till 30<sup>th</sup> September, 2021) and unpaid Spectrum liability amounting to Rs. 1,073,562 Mn (including interest till 30<sup>th</sup> September, 2021) is now classified as non-current liability for the period ended 30<sup>th</sup> September, 2021 in the financial results.

4. The Company has incurred a loss of Rs. 145,874 Mn for the half year ended 30<sup>th</sup> September, 2021 and its net worth stands at negative Rs. 523,002 Mn. As at 30<sup>th</sup> September, 2021, the total external debt (including interest accrued but not due) of the Company stands at Rs.1,947,788 Mn. As of 30<sup>th</sup> September, 2021, an amount of Rs. 100,225 Mn (31<sup>st</sup> March, 2021: Rs. 85,472 Mn) (net of waiver received) has been classified from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements. Further, as a result of earlier rating downgrade, certain lenders had asked for increase of interest rates and additional margin money / security against existing facilities. The Company has exchanged correspondences and continues to be in discussion with the lenders for next steps/waivers. The existing external debt as payable by 30<sup>th</sup> September, 2022 is Rs. 97,324 Mn (excluding amount classified as current on account of not meeting certain covenant clauses).

The Company's ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. The Company has already availed the moratorium with respect to AGR and Deferred Spectrum Obligation as referred above. As of date, the Company has met all its debt obligations. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis

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



6. Exceptional Items: -

Rs. Mn

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21 Unaudited	30-June-21 Unaudited	30-September-20 Unaudited	30-September-21 Unaudited	30-September-20 Unaudited	31-March-21 Audited
Loss on sale of stake in Indus (Joint Venture)	-	-	-	-	-	(170)
Integration and merger related costs	135	513	(4,180)	648	(8,425)	(9,907)
Impact due to cancellation of lease contract on network re-alignment	-	-	784	-	1,283	1,696
Provision for additional depreciation / impairment of assets	-	-	(2,977)	-	(2,600)	(5,716)
Impairment of Brand <sup>(1)</sup>	-	-	-	-	-	(7,246)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	-	-	-	-	-	(10)
License fees and SUC on AGR Matter	-	-	-	-	(194,405)	(194,405)
One Time Spectrum Charges (including interest)	-	-	(1,287)	-	(2,517)	(5,027)
Others	-	-	(23)	-	(251)	(251)
<b>Total</b>	<b>135</b>	<b>513</b>	<b>(7,683)</b>	<b>648</b>	<b>(206,915)</b>	<b>(221,036)</b>

<sup>(1)</sup> Impairment charge basis re-assessment of the usability of the existing Vodafone brand trademarks and logos over its useful life following the launch of a new integrated brand V!

7. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results):

(a) Financial Ratios

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Current Ratio <sup>(1)</sup>	0.43	0.41	0.41	0.43	0.41	0.44
Debt Equity Ratio <sup>(2)</sup>	(3.55)	(4.13)	(4.85)	(3.55)	(4.85)	(4.78)
Debt Service Coverage Ratio ('DSCR') <sup>(3)</sup>	0.33	0.31	0.26	0.32	0.35	0.41
Interest Service Coverage Ratio ('ISCR') <sup>(4)</sup>	0.37	0.32	0.47	0.35	0.53	0.53
Long term debt to working capital Ratio <sup>(5)</sup>	(7.40)	(6.80)	(4.37)	(7.40)	(4.37)	(7.52)
Bad debts to Trade receivables Ratio <sup>(6)</sup>	0%	2%	2%	3%	4%	8%
Current liability Ratio <sup>(7)</sup>	0.18	0.19	0.19	0.18	0.19	0.18
Total debts to total assets Ratio <sup>(8)</sup>	0.94	0.93	0.54	0.94	0.54	0.89
Debtors turnover Ratio (number of days) <sup>(9)</sup>	24	24	21	24	23	23
Operating Margin(%) <sup>(10)</sup>	(22)%	(25)%	(17)%	(24)%	(17)%	(16)%
Net Profit Margin (%) <sup>(11)</sup>	(77)%	(82)%	(67)%	(79)%	(153)%	(111)%

<sup>(1)</sup> Current Ratio = Current asset/ Current liabilities (excluding Short term borrowings)

<sup>(2)</sup> Debt - Equity Ratio = Debt(excluding interest accrued but not due)/ Equity

<sup>(3)</sup> DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

<sup>(4)</sup> ISCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities) + interest capitalised]

<sup>(5)</sup> Long term debt to working capital Ratio = Long term borrowings including current maturities of long term borrowings (excluding interest accrued but not due)/ (Current asset - Current liability (excluding Short term borrowings))

<sup>(6)</sup> Bad debts to Trade receivables Ratio = Bad debts charge / Average gross Trade receivables

<sup>(7)</sup> Current liability Ratio = Current liabilities (excluding Short term borrowings) / Total liability

<sup>(8)</sup> Total debts to total assets Ratio = Total borrowing (excluding interest accrued but not due) / Total assets

<sup>(9)</sup> Debtors turnover Ratio (number of days) = (Revenue from operations/Average trade receivables)\*Number of days during the period

<sup>(10)</sup> Operating Margin (%) = [Profit/(loss) before exceptional items and tax + Finance costs - Other Income] / Revenue from Operations

<sup>(11)</sup> Net Profit Margin (%) = Net Profit/(loss) after tax / Revenue from operations

(b) Details of Debenture redemption reserve and Networth

Particulars	Quarter ended			Six months ended		Year ended
	30-September-21	30-June-21	30-September-20	30-September-21	30-September-20	31-March-21
Debenture Redemption reserve	4,408	4,408	4,408	4,408	4,408	4,408
Net Worth	(523,002)	(451,174)	(239,499)	(523,002)	(239,499)	(377,076)

## 8. Statement of Assets and Liabilities: -

Rs. Mn

Particulars	As at	As at
	30-September-21	31-March-21
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
Property, plant and equipment (including RoU Assets)	494,453	523,677
Capital work-in-progress	4,388	5,343
Intangible assets	1,071,564	1,098,542
Intangible assets under development	213	63
Financial assets		
Non-current investments	2,885	2,885
Other non-current financial assets	88,895	77,115
Other non-current assets	122,934	134,530
<b>Sub-total non-current assets</b>	<b>1,785,332</b>	<b>1,842,155</b>
<b>2 Current assets</b>		
Financial assets		
Trade receivables	24,885	24,408
Cash and cash equivalents	1,909	2,402
Bank balance other than cash and cash equivalents	17,096	17,736
Loans to subsidiaries, joint venture and others	3,641	5,556
Other current financial assets	49,586	48,691
Other current assets	95,757	90,366
<b>Sub-total current assets</b>	<b>192,874</b>	<b>189,159</b>
<b>TOTAL – ASSETS</b>	<b>1,978,206</b>	<b>2,031,314</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	287,354	287,354
Other equity	(810,356)	(664,430)
<b>Sub-total equity</b>	<b>(523,002)</b>	<b>(377,076)</b>
<b>2 Non-current liabilities</b>		
Financial liabilities		
Long term borrowings		
Loans from banks and Others	25,353	64,846
Deferred payment obligations	1,635,735	1,509,309
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	511	1,266
Lease liabilities	103,506	109,424
Other non-current financial liabilities	92,416	63,275
Long term provisions	227	261
Other non-current liabilities	1,387	1,286
<b>Sub-total non-current liabilities</b>	<b>1,859,135</b>	<b>1,749,667</b>
<b>3 Current liabilities</b>		
Financial liabilities		
Short term borrowings	197,959	229,678
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	574	1,015
Total outstanding dues of creditors other than micro enterprises and small enterprises	141,274	130,652
Lease liabilities	111,083	104,447
Other current financial liabilities	125,896	130,306
Other current liabilities	65,025	62,201
Short term provisions	262	424
<b>Sub-total current liabilities</b>	<b>642,073</b>	<b>658,723</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>1,978,206</b>	<b>2,031,314</b>

## 9. Statement of Cash Flows: -

Rs. Mn

Particulars	For the period ended 30-September-21	For the period ended 30-September-20
<b>Operating activities</b>		
<b>Loss before tax</b>	<b>(145,874)</b>	<b>(325,495)</b>
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment (including RoU assets)	69,840	70,822
Amortisation of intangible assets	45,917	45,556
Share-based payment expense (ESOS)	(18)	21
Gain on disposal of property, plant and equipment and intangible assets (net)	(175)	-
Impact due to cancellation of lease contract on network re-alignment	-	(1,283)
Accelerated depreciation on account of network re-alignment / re-farming	-	2,600
License fees and SUC on AGR	-	194,405
One Time Spectrum Charges	-	2,517
Finance costs (including fair value change in financial instruments)	103,360	84,980
Provision for gratuity and compensated absences	69	352
Bad debts/advances written off	12	4
Allowance for doubtful debts / advances	961	1,615
Liabilities/provisions no longer required written back	(47)	(17)
Other income	(520)	(1,910)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(1,385)	4,270
(Increase)/Decrease in other financial and non-financial assets	(21,213)	15,404
Increase in trade payables	9,082	15,456
Increase/(Decrease) in other financial and non-financial liabilities	14,642	(18,852)
<b>Cash flows from operating activities</b>	<b>74,651</b>	<b>90,445</b>
Income tax refund (including TDS) (net)	9,426	6,900
<b>Net cash flows from operating activities</b>	<b>84,077</b>	<b>97,345</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(36,730)	(20,369)
Payment towards Spectrum and Licenses - Upfront payment	(1,035)	-
Proceeds from sale of property, plant and equipment and intangible assets	609	1,031
Net sale of current investments	56	1,603
Loans given to subsidiary	(330)	-
Repayment of loan given to subsidiaries and joint venture	2,243	1,405
Interest received	197	1,258
Fixed deposits with banks having maturity of 3 to 12 months	-	7,977
Dividend received from joint venture (Indus)	-	1,115
<b>Net cash flows used in investing activities</b>	<b>(34,990)</b>	<b>(5,980)</b>
<b>Financing activities</b>		
Payment of interest and finance charges	(12,485)	(13,452)
Payment of lease liabilities	(28,754)	(41,090)
Repayment of long term borrowings	(8,021)	(37,757)
Proceeds from short term borrowings	130	-
Repayment of short term borrowings	(450)	(283)
<b>Net cash flows used in financing activities</b>	<b>(49,580)</b>	<b>(92,582)</b>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<b>(493)</b>	<b>(1,217)</b>
Cash and cash equivalents at the beginning of the period	2,402	3,184
<b>Cash and cash equivalents at the end of the period</b>	<b>1,909</b>	<b>1,967</b>

10. Previous period figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 12<sup>th</sup> November 2021**  
**Place: Mumbai**

**Ravinder Takkar**  
**Managing Director & Chief Executive Officer**