

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Fourth Quarter Ended March 31st, 2018



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## Supplemental Disclosures

Unless stated otherwise, the financial data in this report is derived from our un-audited / audited financial statements prepared in accordance with Ind AS adopted in Q1FY17, with transition date of April 01, 2015. The earlier period financial data is based on IGAAP. Our financial year ends on 31<sup>st</sup> March of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year. In this report, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS, Ind AS and U.S. GAAP; accordingly, the degree to which the Ind AS financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

Unless stated otherwise, industry data used throughout this report has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this report is reliable, it has not been independently verified.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

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## 1. Reporting Guidelines

To facilitate an analytical perspective, the results have been formatted and grouped as under:

- **Standalone** – Idea, and its subsidiaries. Effectively, this encompasses all operations, excluding Indus and ABIPBL.
- **Consolidated** – In addition to Idea Standalone as defined above, this covers the proportionate consolidation of Indus and ABIPBL at PAT level.

## 2. Performance at a glance – Idea Standalone

Particulars	Unit	Ind AS		Ind AS			IGAAP	
		Q4FY18	Q3FY18	FY 18	FY 17	FY 16	FY 15	FY 14
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	194.5	188.5	194.5	189.5	175.1	157.8	135.8
2G - Cell Sites (EoP)	no.	131,446	131,366	131,446	131,486	126,833	112,367	104,778
Broadband cell sites (3G+4G)	no.	154,910	143,565	154,910	110,054	64,703	30,291	21,381
Total Minutes of Use	mn	330,364	282,574	1,118,702	836,012	785,975	683,427	587,768
Total Data Volume (2G+3G+4G)	Mn MB	818,085	571,301	2,080,895	436,422	297,920	172,531	79,381
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	61,373	65,097	282,789	355,757	359,494	315,548	265,036
EBITDA <sup>1</sup>	Rs mn	14,473	12,233	60,476	102,436	120,063	97,941	73,883
PAT	Rs mn	(10,179)	(13,519)	(41,628)	(4,075)	23,781	34,772	17,932
Cash Profit <sup>2</sup>	Rs mn	4,377	200	17,069	69,386	99,011	84,820	64,350
Gross Investment in Fixed Assets <sup>3</sup>	Rs mn	1,255,403	1,239,268	1,255,403	1,184,914	986,633	613,841	571,211
Net Worth	Rs mn	276,638	219,366	276,638	250,990	232,642	228,518	158,787
Loan Funds	Rs mn	579,851	573,429	579,851	550,546	405,413	258,754	193,616
Cash & Cash Equivalent	Rs mn	56,596	15,612	56,596	49,825	20,996	130,714	1,761
Net Debt	Rs mn	523,256	557,818	523,256	500,721	384,417	128,041	191,855
Net Debt to EBITDA <sup>4</sup>	unit	9.04	11.40	8.65	4.89	3.20	1.31	2.60
Net Debt to Net Worth	unit	1.89	2.54	1.89	1.99	1.65	0.56	1.21
ROCE	%	-2.0%	-3.1%	-1.6%	2.6%	7.5%	10.7%	7.2%

<sup>1</sup> Forex loss/gain, earlier forming part of pre-EBITDA cost, has been regrouped with Interest and Finance Cost from Q1FY18. EBITDA for earlier periods is restated to reflect the same.

<sup>2</sup> Dividend received from Indus is considered while calculating standalone (Idea+ Subsidiaries) PAT and Cash Profit.

<sup>3</sup> Including gross block of ICISL.

<sup>4</sup> Net Debt to EBITDA for the quarter is based on Annualised figure of quarterly EBITDA.

## 3. Company Overview

Idea Cellular Limited (“Idea”) is the third largest wireless operator by subscribers in India with Adjusted Gross Revenue (AGR) Market Share of 17.1% (Q3FY18). In the 15 Established Service Areas, its AGR RMS stands at a strong level of 20.4% (Q3FY18). The company carried around 3.7 billion minutes on a daily basis during Q4FY18. Company is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India with a market capitalization of Rs. 331 billion (as on March 31<sup>st</sup>, 2018).

### A. Promoter Group

Idea is part of the Aditya Birla Group, a US\$43 billion corporation which is one of the largest business groups in India, and is in the league of Fortune 500. The Aditya Birla Group is a conglomerate with operations in more than 35 countries. The Aditya Birla group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, retail, cement, carbon black, textiles, garments, chemicals, fertilizers, life

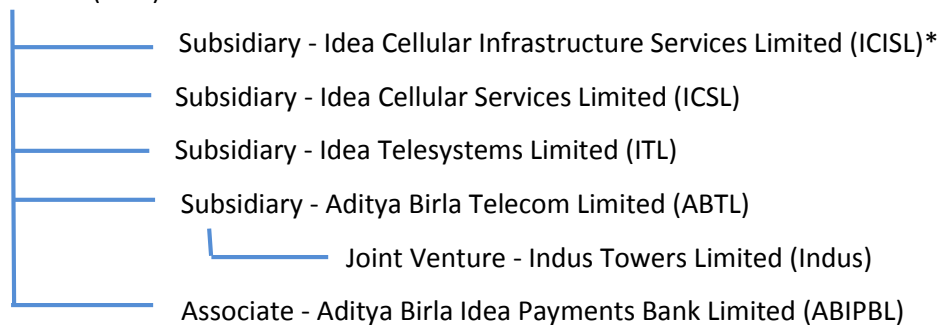


insurance and financial services industries etc. The Group currently has shareholding of 42.56% in Idea, through following entities:

Grasim Industries Ltd.	23.14%
Birla TMT Holdings Pvt. Ltd.	6.51%
Hindalco Industries Ltd.	5.24%
Oriana Investments Pte. Ltd.	3.74%
Elaine Investments Pte Ltd.	3.74%
Others	0.19%
<b>Total</b>	<b>42.56%</b>

## B. Corporate Structure

Idea Cellular Limited (Idea)



*\*On 13<sup>th</sup> November 2017, Idea has agreed to sell its entire stake in ICISL to ATC Telecom Infrastructure Private Ltd*

ICISL – A tower company owning almost all towers of Idea group’s tower portfolio.

ICSL – Provides manpower services to Idea

ITL – Engaged in the business of sale and purchase of communication devices

ABTL – Currently holds 11.15% shareholding in Indus and engaged in business of sale & purchase of communication devices

Indus – A joint venture between Bharti Infratel, Vodafone India and Idea (through ABTL), to provide passive infrastructure services in 15 service areas

ABIPBL – An association with Grasim Industries Limited holding license in payment bank

## C. Business Segments

For the purpose of reporting, the mobile business at Idea is segregated as 15 Established Service Areas (evolved with time in terms of profitability) and 7 New Service Areas (launched in FY10, spectrum reacquired in 2012 and gestating in terms of profitability).

### 1. Mobile Operations

- **Voice Business** - Idea has pan India GSM coverage in all 22 service areas. With acquisition of 7 new licenses in Nov 2012 auction and renewal of 900 MHz in nine service areas in Mar 2015 auctions, Idea has achieved renewal in 16 out of 22 service areas, laying solid foundation for growth of business till year 2035 (2032 for 7 licenses).
- **Broadband Services** - Idea provides broadband services in all 22 service areas of India. The company owns 74 broadband carriers (44 carriers on FDD and 30 carriers on TDD) providing it sufficient capacity to cater its growing broadband data customers base. Over last one year, the population under broadband (3G+4G) sites has increased from ~480 million in Q4FY17 to ~650 million in Q4FY18, reflecting Idea's aggressive growth strategy in broadband. The 4G spectrum profile of the company covers nearly 97% of its own revenue and 93% of industry revenue (on AGR basis). The company currently offers 3G services across 15 circles using 17 carriers which can also be potentially redeployed for 4G as & when majority of the customers upgrade their devices to 4G.
- **Digital Services** –  
Idea embarked on the digital journey in January 2017, with the birth of Digital Idea offering suite of exciting Mobile Apps and services such as Idea Music, Idea Movies & TV, Idea Games and latest addition in the portfolio – a News & Magazines offering. These digital content applications are a one-stop destination, providing access on the fingertips to a large collection of popular and premium content, including a rich assortment of Hindi, Vernacular and International content. The company has entered into deep relationships with strong content owners such as Sony Music, Zee Entertainment, Universal Music, Hungama, Saregama amongst others. Idea has been successfully onboarding subscribers digitally for self-help on the MyIdea App with over 33 million customers installing it. This is the top rated app amongst all the Telecom Utility apps with 4.8 rating on Apple store and 4.3 rating on Google Play Store. Idea Music, Idea Movies & Live TV and Idea Games offers a complete suite of digital entertainment services and these applications cumulatively have an install base of 17.7 million.
- **Idea Music** offers a rich library of nearly 3.5 million Indian and international music tracks, which will grow to nearly 20 million tracks in near future. The Idea Music app constantly appears amongst the top ranked app on the Play Store. The app hosts diverse content not only across 13 Indian languages, including

Bollywood, South Indian Cinema etc. but also across International artists, albums and tracks from several major music labels. As on 31 March 2018, nearly 6.3 million customers have installed the app.

- **Idea Movie & Live TV** - The award winning Idea Movies & TV app offers 400+ Live TV channels and is seeing strong increase in consumption in the regional & vernacular genres. The app offers over 8,000 movies across Bollywood, Regional & International, TV shows with 7 days catch-up TV, music videos and have over 75,000 pieces of content. Live and Catch up TV including premium channels, is offered in collaboration with Ditto TV & Yupp TV. Additional bouquet of channels has been added from Discovery and MultiTV recently, ensuring that all major genres are covered. Consequently at 4.4 rating it has been amongst the top rated app on the Play Store. As on 31 March 2018, over 9.3 million customers have installed the app.
- **Idea Games** is the gaming destination with a collection of nearly 2,000 games across all genres. Targeted at the gaming aficionado and the casual gamer, these games can be played both in the online and offline mode. As on 31 March 2018, nearly 2.24 million customers have installed Idea Games app.
- **Idea News and Magazines** is the destination for latest news and magazines with a collection of more than 5,000 magazines across 65 languages and latest News updates delivered in 7 languages across categories including Health, Sports, and Technology. Idea has tied up with Magzter – the largest aggregator of Magazines in the world. As on March 31 2018, more than 30,000 subscribers have tried the Magazine service and more than 14,500 readers per month use the News service

With the suite of these Mobile apps and services, committed to the Prime Minister's Digital India vision, Idea is focused on transformation from a Telecom service provider to a Digital provider through inclusion rather than disruption.

2. **Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea NLD currently carries around 98.2% of its captive NLD minutes. Idea ILD services now handle around **100%** of captive ILD outgoing minutes. The Idea ISP service in addition to catering to the captive mobile subscriber traffic, offers ISP services to external customers like small ISP and enterprise customers for their wholesale internet backhaul needs.

### 3. Idea Mobile Banking Services -

To comply with the conditions prescribed by RBI for setting up Payments Bank, IMCSL (a wholly owned subsidiary of Idea) had filed a petition under section 391 to 394 of the Companies Act, 1956 with Hon'ble Delhi High Court for its amalgamation with Aditya Birla Idea Payments Bank Limited (ABIPBL). ABIPBL had also filed similar petition in Hon'ble Bombay High Court. Both the courts have approved the scheme of amalgamation and business of IMCSL has folded into ABIPBL since the commencement of banking operations by ABIPBL on February 22, 2018.

#### **Prepaid Payment Instrument (PPI)**

Details with reference to PPI business excluding Domestic Money Remittance (DMR) are as follows:

	Unit	For the Quarter					QoQ Growth
		Q4FY18	Q3FY18	Q2FY18	Q1FY18	Q4FY17	
EOP Wallet	000	4,531	13,030	12,304	11,760	11,012	-65.2%
Transaction Value	INR Mn	933	1,401	1,660	2,194	2,961	-33.4%
Transaction Count	000	1,487	2,257	2,481	2,434	6,891	-34.1%
Average Transaction Value	INR	627	621	669	901	424	1.0%

#### **Payments Bank -**

Aditya Birla Idea Payment Bank Limited (APIPBL) on April 03, 2017, received banking license from RBI. The Payments Bank services were launched on February 22, 2018. The company will acquire and service new Payments Bank customers both 'Online' leveraging the power of around 40 million digital customers of Idea and other entities (or businesses) of Aditya Birla Group as well as 'Offline' leveraging the strength of Idea's 2 Million+ retail distribution channel partners across over 400,000 towns & villages. The Payments Bank intends to promote a wide range of banking products & services including current and savings bank account, domestic remittances, merchant payments etc. while partnering with ABG financial services, select universal banks & financial institutions for offering range of full banking products including Demand Deposits, other related investment and Insurance products to its payments bank customer.

The proportionate Profit/ Loss of ABIPBL is consolidated at PAT level in Idea's financials.



## 4. Strength Areas

### A. Competitive Spectrum Profile

Following table provides the details regarding spectrum holding of Idea across all 22 service areas

Service Areas	FDD				TDD			FDD (2x)* +TDD	GSM (2G) services	Broadband Carrier		
	900	1800	2100	Total	2300	2500	Total			3G	4G	Total
Maharashtra	9.0	11.0	5.0	25.0	10.0	10.0	20.0	70.0	√	2	5	7
Kerala	6.0	10.0	5.0	21.0	10.0	10.0	20.0	62.0	√	1	5	6
Madhya Pradesh	7.4	11.6	5.0	24.0	10.0	20.0	30.0	78.0	√	2	7	9
Uttar Pradesh (West)	5.0	9.4	5.0	19.4		10.0	10.0	48.8	√	1	4	5
Gujarat	5.0	10.0	5.0	20.0		10.0	10.0	50.0	√	1	4	5
Andhra Pradesh	5.0	6.0	5.0	16.0		10.0	10.0	42.0	√	1	3	4
Punjab	5.6	10.0	5.0	20.6				41.2	√	1	2	3
Haryana	6.0	10.8	5.0	21.8		10.0	10.0	53.6	√	1	4	5
<b>8 Leadership Circle (Sub Total)</b>	<b>49.0</b>	<b>78.8</b>	<b>40.0</b>	<b>167.8</b>	<b>30.0</b>	<b>80.0</b>	<b>110.0</b>	<b>445.6</b>		<b>10</b>	<b>32</b>	<b>42</b>
Uttar Pradesh (East)		6.2	10.0	16.2		10.0	10.0	42.4	√	1	3	4
Rajasthan		11.2	5.0	16.2		10.0	10.0	42.4	√	1	3	4
Bihar		10.80	5.0	15.8		10.0	10.0	41.6	√	1	3	4
Himachal Pradesh		9.8	5.0	14.8		10.0	10.0	39.6	√	1	3	4
Delhi	5.0	8.6		13.6				27.2	√	1	0	1
Mumbai		6.4	5.0	11.4				22.8	√		1	1
Karnataka	5.0	6.0		11.0				22.0	√		1	1
<b>7 Emerging Circle (Sub Total)</b>	<b>10.0</b>	<b>59.0</b>	<b>30.0</b>	<b>99.0</b>		<b>40.0</b>	<b>40.0</b>	<b>238.0</b>		<b>5</b>	<b>12</b>	<b>17</b>
Tamil nadu		11.4		11.4				22.8	√		1	1
Kolkata		5.0	5.0	10.0				20.0	√	1		1
West Bengal		11.40		11.4		10.0	10.0	32.8	√		3	3
Orissa		10.0		10.0		10.0	10.0	30.0	√		3	3
Assam		10.0		10.0		10.0	10.0	30.0	√		3	3
North East		11.0		11.0		10.0	10.0	32.0	√		3	3
Jammu & Kashmir		10.0	5.0	15.0		10.0	10.0	40.0	√	1	3	4
<b>7 New Circle (Sub Total)</b>		<b>68.8</b>	<b>10.0</b>	<b>78.8</b>		<b>50.0</b>	<b>50.0</b>	<b>207.6</b>		<b>2</b>	<b>14</b>	<b>16</b>
<b>Total 22 Circle</b>	<b>59.0</b>	<b>206.6</b>	<b>80.0</b>	<b>345.6</b>	<b>30.0</b>	<b>170.0</b>	<b>200.0</b>	<b>891.2</b>	<b>22</b>	<b>17</b>	<b>57</b>	<b>74</b>

\*FDD spectrum consist of uplink and downlink; 5 MHz of paired FDD spectrum = 1 carrier, 10 MHz of unpaired TDD spectrum =1.5 carrier.

Idea has a total of 891.2 MHz spectrum across 22 circles of which 824 MHz has been acquired in the auctions held in the last 7 years while only 67.2 MHz is administratively allocated (1800 MHz). The spectrum acquired through auctions is liberalised and can be used towards deployment of any technology. For instance, Idea has launched 3G on its 2<sup>nd</sup> carrier of 900MHz (typically used for GSM) in the service areas of Maharashtra and Madhya Pradesh during Q4FY16 to increase wireless broadband capacity. Further, Idea currently offers 4G services in Mumbai and UPE on 2100 MHz band (typically used for 3G). At present, the company has total 74 broadband carriers across 22 service areas providing it sufficient capacity to cater to growing data demand.

As of 31<sup>st</sup> March 2018, Idea offers its 2G services to nearly 1 billion Indians spread across nearly 395,000 towns and villages. In comparison, Idea has installed 154,910 broadband sites (2G sites at 131,446) and offers its high speed broadband internet services to 650 million Indians spread across 164,159 towns and villages. Over 156,800 km of optical fiber provides necessary backbone and capacity for 2G, 3G & 4G services.

## B. Idea's Eight Leadership Geographies (~43% of National Mobile Industry Revenue)

The incumbency advantage coupled with the benefit of 900 MHz GSM spectrum along with 3G & 4G services give Idea leadership status in eight service areas with combined RMS of 29.5% (Q3FY18). Following the acquisition of 4G spectrum in Oct 2016, the company now owns total 42 broadband carriers in these 8 service areas which will enable it to further strengthen its leadership position. Idea has already rolled out both 3G and 4G services in all these 8 strategically important service areas and currently covers ~69% of population. As planned, Idea has started deploying 2300 MHz TDD Spectrum in Maharashtra and Kerala circles and 2500 MHz in Andhra Pradesh to augment its 4G capacity. Further, deployment in remaining service areas is planned in FY19.



8 Established Service Areas				
Service Areas	RMS Q3FY18*	RMS Rank	Spectrum Profile	~43% of India Mobility Revenue and ~75% of Idea Revenue
M. P.	41.5%	1	2G/3G/4G	
Kerala	38.0%	1	2G/3G/4G	
Maharashtra	34.5%	1	2G/3G/4G	
UP – W	27.9%	1	2G/3G/4G	
A.P	22.4%	2	2G/3G/4G	
Punjab	24.0%	3	2G/3G/4G	
Gujarat	20.9%	3	2G/3G/4G	
Haryana	20.3%	3	2G/3G/4G	
<b>Total</b>	<b>29.5%</b>	<b>1</b>		

\*Adj. Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's Estimate

## C. Idea's Seven Emerging Geographies (~35% of National Mobile Industry Revenue)

Idea, over a period of time, has strengthened its position in 7 emerging service areas, where it was a late entrant with 1800 MHz spectrum (except Karnataka service area with 900 MHz spectrum & Delhi service areas with 3G on 900 MHz from calendar year 2015). The emergence of Idea as a significant player in these 7 service areas reaffirms Idea's intrinsic competitive capabilities. With the spectrum acquisition in Oct 2016 Spectrum Auction, Idea now has 17

7 Emerging Service Areas				
Service Areas	RMS Q3FY18*	RMS Rank	Spectrum Profile	~35% of India Mobility Revenue and ~19% of Idea Revenue
Bihar	11.4%	3	2G/3G/4G	
UP – E	11.1%	4	2G/3G/4G	
Karnataka	10.3%	4	2G/4G	
Rajasthan	9.4%	4	2G/3G/4G	
HP	7.0%	4	2G/3G/4G	
Delhi	6.9%	5	2G/3G	
Mumbai	4.6%	6	2G/4G	
<b>Total</b>	<b>9.3%</b>	<b>4</b>		

\*Adj. Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's Estimate

broadband carriers. Idea offers broadband services (3G and/or 4G) in all of these 7 service areas and currently

covers ~44% of population. The Company plans to further boost its 4G capacity with deployment of recently acquired 2500 MHz 4G Spectrum in 4 service areas during FY19.

#### D. Idea's Seven New Growth Geographies (~21% of National Mobile Industry Revenue)

Idea was among the last entrants for GSM services in 7 service Areas of Tamil Nadu, Kolkata, West Bengal, Orissa, J&K, Assam and North East with 1800 MHz spectrum acquired in November 2012 auction. In Oct'16 Auction Idea had expanded its 4G presence on 1800 MHz FDD band to 6 out of these 7 markets (ex. Kolkata). Company now offers broadband services in all 7 service areas with 16 broadband carriers and currently covers ~42% of population.

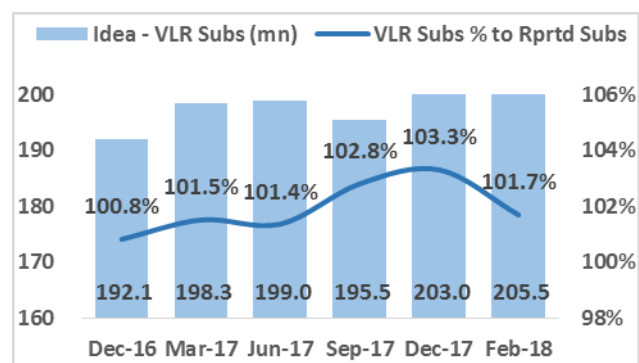
7 New Service Areas				~21% of India Mobility Revenue and ~6% of Idea Revenue
Service Areas	RMS Q3FY18*	RMS Rank	Spectrum Profile	
WB	7.7%	4	2G/4G	
Kolkata	6.0%	5	2G/3G	
Orissa	4.7%	6	2G/4G	
TN	4.1%	6	2G/4G	
J & K	3.9%	6	2G/3G/4G	
Assam	3.5%	6	2G/4G	
North East	2.6%	6	2G/4G	
<b>Total</b>	<b>4.9%</b>	<b>5</b>		

\*Adj. Gross Revenue for Mobile & UAS Licenses released by TRAI & Co's

The company also acquired 2500 MHz Spectrum in 5 out of these 7 Circles and intends to launch services on TDD band during FY19. As Idea expands its 2G, 3G & 4G network in these new markets, the company, has a quarterly EBITDA loss of Rs. 1,031 million in Q4FY18.

#### E. 208 million Quality Subscriber Base

Idea is the one of the largest mobile telecommunications company servicing around 208 million quality subscribers on VLR as of March 31, 2018. This large base of subscribers provides a great platform to the company for upgrading pure voice customers to Wireless Data services, Digital content & Payment services.



The latest (Feb 2018) data released by TRAI for active subscribers (VLR subscribers), reaffirms quality of Idea's subscriber base as among the best in terms of percentage of active subscribers. As of Feb 2018, Idea has 101.7% of reported subscribers as VLR subscribers, amongst the highest in the industry. Idea's EoP subscriber market share (on VLR) stands at 20.9% as of Feb 2018 compared to 19.4% as of Feb 2017.

## F. Tower Investment

- Indus Investment

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone India Ltd and Idea Cellular Ltd through its subsidiary Aditya Birla Telecom Ltd. (ABTL), is one of the world's leading tower company with 1,23,639 towers and tenancy ratio of 2.25 as of March 31, 2018. Idea through its subsidiary ABTL owns 11.15% of Indus stake. The proportionate profit/loss of Indus is presently consolidated at PAT level in Idea's financials.

On 25<sup>th</sup> April 2018, merger of Bharti Infratel and Indus towers was announced which will create a listed pan-India tower company. Idea has the option to either: (1) sell its 11.15% shareholding in Indus towers for cash based on a valuation formula linked to the VWAP for Bharti Infratel's shares during the 60 trading days at the end of Idea's election period which triggers post completion of all regulatory approvals required for the merger. This currently equals to a cash consideration of ~Rs. 65 billion or alternatively; (2) receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus towers share).

- Own Towers

Besides investment in Indus Tower, Idea mainly through its 100% subsidiary ICISL, has 10,021 towers and 17,534 tenancies at a tenancy ratio of 1.75, as of March 31, 2018. On 13th November 2017, Idea Cellular Ltd and Vodafone India, in a joint press release have separately agreed to sell their respective standalone tower business in India to ATC Telecom Infrastructure Ltd (American Tower) for an aggregate enterprise value of Rs. 78.5 billion (Rs. 40 billion for Idea and Rs. 38.5 billion for Vodafone). Vodafone India has already received Rs. 38.5 billion for its standalone towers and Idea expects to receive the committed funds in H1CY18.

## 5. Financial Highlights

### A. Profit & Loss Account (Rs mn)

	Q4FY18	Q3FY18	Q2FY18	Q1FY18	Q4FY17
Gross Revenue	61,373	65,097	74,654	81,665	81,261
Opex	46,901	52,864	59,638	62,911	60,063
EBITDA	14,473	12,233	15,016	18,753	21,199
<b>EBITDA Margin</b>	<b>23.6%</b>	<b>18.8%</b>	<b>20.1%</b>	<b>23.0%</b>	<b>26.1%</b>
Depreciation & Amortisation	20,854	21,414	21,143	20,679	19,885
EBIT	(6,382)	(9,181)	(6,127)	(1,926)	1,314
Interest and Financing Cost (net)	9,743	11,490	11,829	11,538	9,366
Dividend from Indus	-	-	-	2,657	-
PBT	(16,124)	(20,671)	(17,956)	(10,807)	(8,052)
Tax	(5,945)	(7,152)	(6,196)	(4,637)	(3,752)
<b>PAT (standalone)</b>	<b>(10,179)</b>	<b>(13,519)</b>	<b>(11,760)</b>	<b>(6,170)</b>	<b>(4,300)</b>
Cash Profit	4,377	200	2,884	9,608	12,494
<b>Consolidation Impact</b>					
Elimination on Dividend recd from Indus	-	-	-	(2,657)	-
Share of Profit from Indus & Payments Bank	744	818	843	818	983
Deferred Tax on Undistributed earnings of Indus	187	145	148	140	(41)
<b>Consolidated PAT</b>	<b>(9,621)</b>	<b>(12,846)</b>	<b>(11,065)</b>	<b>(8,150)</b>	<b>(3,277)</b>
Other comprehensive income (net of Tax)	316	(11)	(12)	(10)	21
<b>Total comprehensive income for the period</b>	<b>(9,306)</b>	<b>(12,856)</b>	<b>(11,077)</b>	<b>(8,159)</b>	<b>(3,256)</b>

## B. Balance Sheet (Rs mn)

Particulars	Idea Consolidated as on	
	31-Mar-18	31-Mar-17
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	244,549	228,443
Capital work-in-progress	6,513	13,303
Goodwill	61	61
Intangible assets	552,309	539,128
Capital work-in-progress -Intangible assets	29,340	62,048
<b>Financial assets</b>		
Deferred Tax Assets	12,052	369
Non-current investments	16,601	14,785
Long term loans	24	26
Other non-current financial assets	4,180	4,865
Other non-current assets	17,797	27,694
<b>Total non-current assets (A)</b>	<b>883,426</b>	<b>890,722</b>
<b>Current assets</b>		
Inventories	367	588
<b>Financial assets</b>		
Current investments	56,304	48,998
Trade receivables	8,874	13,139
Cash and cash equivalents	193	782
Bank balance other than cash and cash equivalents	98	45
Short term loans	20	21
Other current financial assets	314	399
Current Tax Assets (Net)	7,752	25
Other current assets	17,915	12,312
<b>Total current assets (B)</b>	<b>91,837</b>	<b>76,309</b>
<b>Assets classified as held for sale (C)</b>	<b>10,509</b>	<b>16</b>
<b>Total Assets (A+B+C)</b>	<b>985,772</b>	<b>967,047</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	43,593	36,053
Other equity	229,031	211,269
<b>Total equity (A)</b>	<b>272,625</b>	<b>247,322</b>
<b>Non-Current Liabilities:</b>		
<b>Financial liabilities</b>		
Non-current borrowings	569,408	516,378
Other non-current financial liabilities	26,062	10,382
Long term provisions	3,107	3,842
Deferred tax liabilities (net)	659	13,587
Other non-current liabilities	5,601	4,920
<b>Total Non-Current Liabilities (B)</b>	<b>604,838</b>	<b>549,110</b>
<b>Current Liabilities:</b>		
<b>Financial liabilities</b>		
Current borrowings	217	347
Trade payable	35,479	40,777
Current maturities of long term debt	10,226	33,820
Other financial liabilities	33,594	68,740
Other current liabilities	26,597	26,732
Short term provisions	224	199
<b>Total Current Liabilities (C)</b>	<b>106,337</b>	<b>170,615</b>
<b>Liabilities classified as held for sale (D)</b>	<b>1,972</b>	<b>-</b>
<b>Total equity and liabilities (A+B+C+D)</b>	<b>985,772</b>	<b>967,047</b>

## 6. Pro-forma Revenue and Profitability Break

Rs mn

Revenue Break-up	For the Quarter	
	Q4FY18	Q3FY18
Gross Revenue - Established Service Areas	56,971	60,660
Gross Revenue - New Service Areas	4,403	4,437
<b>Total Revenue</b>	<b>61,373</b>	<b>65,097</b>

EBITDA Break-up	For the Quarter	
	Q4FY18	Q3FY18
EBITDA - Established Service Areas	15,504	14,001
EBITDA - New Service Areas	(1,031)	(1,768)
EBITDA - Idea Standalone	14,473	12,233
EBITDA Contribution - Indus, ABIPBL	2,092	2,180
<b>EBITDA - Incl. Indus &amp; ABIPBL Contribution</b>	<b>16,565</b>	<b>14,413</b>

EBITDA Margin	For the Quarter	
	Q4FY18	Q3FY18
EBITDA % - Established Service Areas	27.2%	23.1%
EBITDA % - New Service Areas	-23.4%	-39.8%
EBITDA % - Idea Standalone	23.6%	18.8%
<b>EBITDA % - Incl. Indus &amp; ABIPBL Contribution</b>	<b>27.0%</b>	<b>22.1%</b>

Dep. & Amort. Break-up	For the Quarter	
	Q4FY18	Q3FY18
Dep & Amort. - Idea Standalone	20,854	21,414
Dep. & Amort. Cost - Indus, ABIPBL	757	789
<b>Dep. &amp; Amort. - Incl. Indus &amp; ABIPBL Contribution</b>	<b>21,612</b>	<b>22,203</b>

EBIT Break-up	For the Quarter	
	Q4FY18	Q3FY18
EBIT - Idea Standalone	(6,382)	(9,181)
EBIT Contribution - Indus, ABIPBL	1,335	1,391
<b>EBIT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(5,047)</b>	<b>(7,790)</b>

Interest & Finance Cost Break-up	For the Quarter	
	Q4FY18	Q3FY18
Gross Interest Cost - Idea Standalone	11,513	12,739
Gross Interest Income - Idea Standalone	(2,503)	(420)
Forex Loss/ (Gain)	733	(829)
Int. & Fin. Cost (net) - Idea Standalone	9,743	11,490
Int. & Fin. Cost (net) - Indus, ABIPBL	116	116
<b>Int &amp; Fin Cost (net) - Incl. Indus &amp; ABIPBL Contribution</b>	<b>9,859</b>	<b>11,606</b>

Tax Break-up	For the Quarter	
	Q4FY18	Q3FY18
Tax - Idea Standalone	(5,945)	(7,152)
Tax - Indus, ABIPBL	475	456
<b>Tax - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(5,470)</b>	<b>(6,696)</b>

PAT Break-up	For the Quarter	
	Q4FY18	Q3FY18
PAT - Idea Standalone	(10,179)	(13,519)
PAT Contribution - Indus, ABIPBL	744	818
Deferred Tax impact on Undistributed Indus Profit	187	145
<b>PAT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(9,621)</b>	<b>(12,845)</b>

### Note:

- Under Ind AS, Indus & ABIPBL are consolidated at PAT level. However, for above information the financials of Associates / Joint Ventures are considered as reported by them, without any changes for the differences in accounting treatment. The information provided here is only to provide a perspective to Idea's position on a consolidated basis and for comparing it to earlier reported periods.
- The proportionate share of Indus revenue is largely eliminated while consolidating with Idea. Hence, for the purpose of this presentation Indus Revenue is ignored.

## 7. Key Operational Indicators

Overall Business	Unit	For the Quarter				
		Q4FY18	Q3FY18	Q2FY18	Q1FY18	Q4FY17
Subscriber Base (EoP) (2G+3G+4G)	mn	194.5	188.5	182.4	189.0	189.5
VLR Subscribers (EoP)	mn	207.7	203.0	195.5	199.0	198.3
Net VLR Subscriber addition	mn	4.8	7.5	(3.5)	0.6	6.2
Pre-paid Subs (% of EoP subscribers)	%	95.8%	95.6%	95.5%	95.6%	95.6%
Broadband devices (3G+4G)**	mn	111.5	105.7	100.7	100.6	78.1
Broadband device penetration (3G+4G)	%	57.3%	56.1%	55.2%	53.2%	41.2%
Average Revenue per User (ARPU) Blended	INR	105	114	132	141	142
Average Voice Revenue Per User (Voice ARPU)	INR	78	86	101	108	107
Average Minutes of Use per User (MoU)	min	577	509	459	441	412
Average Realisation per Minute (ARPM)	paisa	18.1	22.5	28.7	32.0	34.5
Average Voice ARPM	paisa	13.4	16.8	22.0	24.4	25.9
Blended Churn	%	4.3%	4.8%	6.3%	6.7%	6.1%
2G Coverage - No. of Census Towns	no.	7,680	7,682	7,686	7,693	7,693
2G Coverage - No. of Villages	no.	387,238	387,411	387,456	387,863	389,061
2G Coverage - Population	mn	994	994	995	995	996
% of Population	%	82.1%	82.2%	82.2%	82.2%	82.3%
Broadband Coverage - No. of Census Towns	no.	6,569	6,483	5,996	5,628	5,242
Broadband Coverage - No. of Villages	no.	157,590	147,536	115,440	100,289	93,579
Broadband Coverage - Population	mn	650	634	568	524	480
% of Population	%	53.7%	52.4%	46.9%	43.3%	40.2%
Total Minutes of Use	mn	330,364	282,574	255,035	250,729	231,372
Total 2G Cell Sites (EoP)*	no.	131,446	131,366	131,239	131,059	131,486
Total Broadband sites (3G+4G)*	no.	154,910	143,565	133,685	117,386	110,054
Optical Fibre Cable (OFC)	KM	156,800	153,200	150,500	148,100	144,600



Non-Voice and Data Business (2G+3G+4G)						
VAS as a % of Service Revenue	%	25.8%	25.3%	23.3%	23.6%	24.9%
Data as a % of Service Revenue	%	18.8%	18.0%	16.5%	17.1%	18.3%
Non-Data VAS as a % of Service Revenue	%	7.0%	7.3%	6.8%	6.5%	6.6%
Total Data Suscribers (2G+3G+4G)	000	46,803	42,607	38,195	38,122	42,233
Total Data Volume (2G+3G+4G)	Mn MB	818,085	571,301	438,688	252,822	127,014
Blended Data ARMB	paisa	1.4	2.0	2.7	5.4	11.5
Data ARPU for Data Subscriber (2G+3G+4G)	INR	83	95	105	119	110
Data Usage by Data Subscriber (2G+3G+4G)	MB	6,065	4,742	3,805	2,204	957
Broadband Business (3G+4G)						
Broadband Subscribers	000	39,830	34,800	29,606	26,357	24,684
Broadband Data Volume	Mn MB	793,457	548,600	413,119	228,805	104,224
Broadband Data Usages by Broadband Subs	MB	7,013	5,708	4,853	3,083	1,381

\*2G and broadband site count includes sites from Active infrastructure sharing

\*\*Broadband devices number is reinstated from Q1FY18 on account of definition change

## 8. Management Discussion & Analysis

### A. Operating Performance

#### **Another Challenging Year, Long term growth trends visible**

The Indian mobile industry witnessed another year of hyper-competition as well as high regulatory headwinds. The super aggressive price plans including the deep discounted unlimited voice bundled data plans, offered by most of the incumbent operators to retain existing subscribers against abysmally low priced plans offered by new 4G operator, exploded the voice and data volume growth multi-folds. But this led to a sharp decline in consumer ARPU resulting in industry AGR (Adjusted Gross Revenue) falling by nearly Rs. 322 billion @ 21.7% (CY17 vs CY16). Idea had the lowest drop in AGR Revenue Market Share from 20.0% in CY16 to 19.5% in CY17 among the top 3 industry operators in spite of major gains by new 4G operator.

The TRAI led regulation changes including (a) reduction of domestic 'Mobile Termination Charge' (MTC) from 14 paisa to 6 paisa per minute (effective 1<sup>st</sup> October 2017) and (b) 'International mobile termination' settlement charges from 53 paisa to 30 paisa per minute (effective 1<sup>st</sup> February 2018), further aggravated the financial stress for the existing industry operators. Resultantly, at least 5 Sub-Scale mobile operators were forced to exit / consolidate.

However, these trends are not reflective of the emerging long term opportunities offered by the sector – (1) the mobile services industry is consolidating among 3 large private operators, (2) multi SIM users are consolidating their usage to single operator, (3) subscribers are increasing / upgrading to higher broadband usage, (4) nearly 300-400 million Indians, primarily in the rural hinterland, are yet to adopt mobile telephony services.

#### **Structural changes in consumption of mobile telephony services**

The introduction of deep discounted unlimited voice bundled data plans by most operators during FY18 has led to a seismic shift in the consumption of mobile services. The voice usage per subscriber has risen sharply to 577 minutes in Q4FY18 from 412 minutes in Q4FY17. Similarly, broadband data usage per broadband data subscriber has seen a meteoric growth to 7GB in Q4FY18, compared to 1.4GB a year back. The broadband data volume of 1,984 billion MB increased by nearly 6 times (FY18 vs FY17). As wireless data adoption in FY18 saw a strong surge with launch of unlimited data bundled plans, Idea witnessed record wireless broadband data subscriber addition of 15.1 million this year, improving the overall broadband penetration from ~13.0% in FY17 to ~20.5% in FY18. The company's wireless broadband subscriber (EoP) base now stands at 39.8 million out of total 46.8 million mobile data users.

Similarly, Idea witnessed strong return of subscriber addition with 12.2 million 'Net customer adds' on VLR in H2FY18. Idea improved its 'Subscriber Market Share' (VLR) from 19.4% in February 2017 to 20.9% in February 2018. The company's overall subscriber base (VLR) stands at 207.7 million as on 31<sup>st</sup> March 2018.

### **Significant investments underway to build robust broadband infrastructure**

During FY18, Idea continued aggressive expansion of its wireless broadband infrastructure, adding 44,856 broadband sites (3G+4G) during the year. The broadband sites increased from 110,054 as of 31<sup>st</sup> March 2017 to 154,910 sites as of 31<sup>st</sup> March 2018, taking the overall network footprint on EoP to 286,356 sites (GSM+3G+4G). The wireless broadband population under coverage now expands beyond 650 million Indians spread across 164,000 towns and villages in 22 service areas. Idea started deploying 2300 MHz TDD spectrum in its leadership circles of Maharashtra & Kerala and 2500 MHz TDD spectrum in Andhra Pradesh to further augment its wireless data capacity. The company expanded its fibre network from 115,500 km (31<sup>st</sup> March 2016) to 156,800 km as on 31<sup>st</sup> March 2018. Idea also launched Voice over LTE (VoLTE) services for employees in select circles recently and is scheduled to introduce VoLTE services in phased manner for its customers from May 2018.

The overall capex spend for the year was Rs. 70 billion, majority of which was utilised for 4G expansion. The company's Gross Investment in Fixed Assets has risen to nearly Rs. 1,255 billion. The monetisation of this front loaded large investment in spectrum & equipment is inevitable as Digital India mission gathers momentum and mobile internet penetration improves.

### **Rates continued to fall in Q4FY18**

The explosion in voice volumes driven by higher adoption of unlimited bundled plans has led to Idea's highest ever sequential quarterly voice minutes growth @16.9% in Q4FY18 (on the back of 10.8% growth in Q3FY18). The sharp increase in volumes led to 'voice rate' (including the impact of reduction in international IUC rate) fall by 20% to 13.4 paisa per minute (vs 16.8 paisa in Q3FY18). Similarly, the mobile data volume (2G+3G+4G) continued to witness robust sequential quarterly growth of 43.2% (on back of sequential quarterly growth of 30.2% in Q3FY18) as Idea's pan India mobile data network carried 818 billion MB of data volume this quarter. However, the 'mobile data rate' declined to 1.4 paisa per MB, down 31.4% vs 2.0 paisa per MB in Q3FY18.

The overall subscriber momentum remained strong with 6 million net adds on EoP in Q4FY18. But the blended overall customer ARPU downgraded from Rs. 114 in Q3FY18 to Rs. 105 in Q4FY18 due to enhanced competitive intensity. This has led to a sequential quarterly revenue decline of 5.7% to Rs. 61,373 million in Q4FY18 (vs Rs. 65,097 million in Q3FY18) including revenue impact of Rs. 520 million due to reduction in International IUC from 53 paisa to 30 paisa per minute w.e.f. 1<sup>st</sup> February 2018. The EBITDA for the quarter stands at Rs. 14,473 million.

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## Overall financial performance remained under pressure in FY18

During the year, the dual negative factors of (a) Steep reduction in domestic and international MTC settlement rate and (b) Unrelenting rate pressure on voice and mobile data services as high ARPU consumers migrate to lower priced 'unlimited voice bundled data plans' resulted in 20.5% decline in Idea's gross revenue in FY18 to Rs. 282,789 million (vs FY17 revenue of Rs. 355,757 million). While the company remains cautiously optimistic on India growth story & continues to expand its scale of operations, this tumultuous phase impacted Idea's EBITDA during the current financial year by 41.0% to Rs. 60,476 million (vs Rs. 102,436 million in FY17). The EBITDA margin for the year declined to 21.4% from 28.8% in FY17. Meanwhile, company remains committed to optimize its operating costs in the new sector paradigm.

The 'Depreciation & Amortisation' charge and 'Interest & Financing Cost (Net)' for FY18 stood at Rs. 84,091 million and Rs. 44,600 million respectively resulting in the unprecedented standalone PAT loss of Rs. 41,628 million in FY18 (vs PAT loss of Rs. 4,075 million in FY17). The consolidated Total Comprehensive Income (including proportionate share from Indus & ABIPBL) stands at a loss of Rs. 41,399 million in FY18 (vs loss of Rs. 4,040 million in FY17).

The 'Net Debt' as on 31<sup>st</sup> March 2018 stands at Rs. 523.3 billion, including a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions.

## Merger Update

The merger of Idea and Vodafone India is in the final leg of regulatory approvals and is expected to complete in H1CY18. The proposed new leadership team of merged entity has been announced on 22<sup>nd</sup> March 2018. Both the companies, have set up respective project management teams, preparing for the merger and initiated detailed planning for identified capex and opex synergies.

Both the companies now, under 'Active infrastructure sharing' programme and '2G & 4G ICR arrangements' across various service areas, share around 49,000 sites. Planned Fibre and PoP sharing programme is also underway in Top 220 cities across the 22 telecom service areas.

## Update on Standalone Tower Asset Monetization

On 13<sup>th</sup> November 2017, Idea and Vodafone, announced the sale of their respective standalone tower businesses in India to ATC Telecom Infrastructure Private Limited ("American Tower") for a combined enterprise value of Rs. 78.5 billion to strengthen the balance sheet of the merged entity. Vodafone India has already received Rs. 38.5 billion for its standalone towers and Idea expects to receive its due Rs. 40 billion in H1CY18 after necessary FDI approval is received for acquisition of ICISL (Idea's 100% tower subsidiary) by American Tower. The receipt of these proceeds prior to completion was anticipated and provided for in the merger agreement and hence would



not affect the agreed terms of the Vodafone India and Idea merger, including the amount of debt which Vodafone will contribute to the combined entity at the closing of merger transaction.

### **Idea successfully completed equity raising of Rs. 67.5 billion, Monetization of Indus Tower stake**

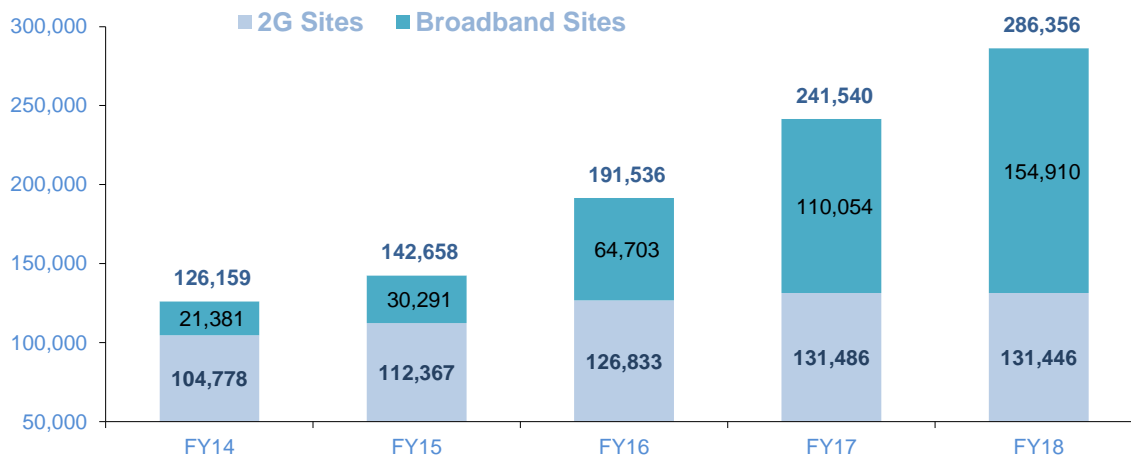
On 12<sup>th</sup> February 2018, the company issued and allotted ~326.6 million equity shares at a price of Rs. 99.50 per share on preferential basis to the promoter group entities for a total consideration of Rs. 32.5 billion. The company also announced successful closure of its 'Qualified Institutional Placement' on February 23, 2018 and allotted approximately ~424.2 million equity shares to qualified institutional buyers, at an issue price of Rs. 82.50 per equity share, aggregating to approximately Rs. 35 billion. The equity raise of Rs. 67.5 billion has reduced Idea's net-debt and as a result Vodafone net-debt contribution to the merged entity will also be reduced by a commensurate amount.

Recently, on 25<sup>th</sup> April 2018, merger of Bharti Infratel and Indus towers was announced which will create the largest tower infrastructure company in the world (excluding China) with 1,63,000 towers pan India. For Idea's 11.15% stake in Indus, Idea has the option to either: (1) sell its 11.15% shareholding in Indus Towers for cash based on a valuation formula linked to the VWAP for Bharti Infratel's shares during the 60 trading days at the end of Idea's election period which triggers post completion of all regulatory approvals required for the merger. This currently equals to a cash consideration of ~Rs. 65 billion or alternatively; (2) receive new shares in the combined enlarged company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus Towers share). This transaction is subject to approvals from all the relevant regulatory authorities and is expected to complete before the end of FY19.

The equity infusion, sale of standalone tower businesses of Idea and Vodafone India for Rs. 78.5 billion and announced monetization of Idea's 11.15% stake in Indus towers, will augment the long term capital resources of the combined entity.

## B. Capex

During the quarter, Idea rolled out 11,345 Broadband sites. The total EoP site count stands at 131,446 for 2G and 154,910 for Broadband. Idea is consistently investing in optical fibre cable (OFC) transmission network to tap the future potential of wireless broadband and currently has laid and energised over 156,800 km OFC, in comparison to over 144,600 km one year back (Q4 FY17). The fibre backhaul network of the company optimally serves its ever growing data needs along with supporting Idea's NLD/ ILD/ ISP/ Fixed and Wi-Fi Broadband capabilities. Capex for Q4FY18 stands at Rs. 21.1 billion, taking the overall FY18 capex to Rs. 70 billion in line with the capex guidance.



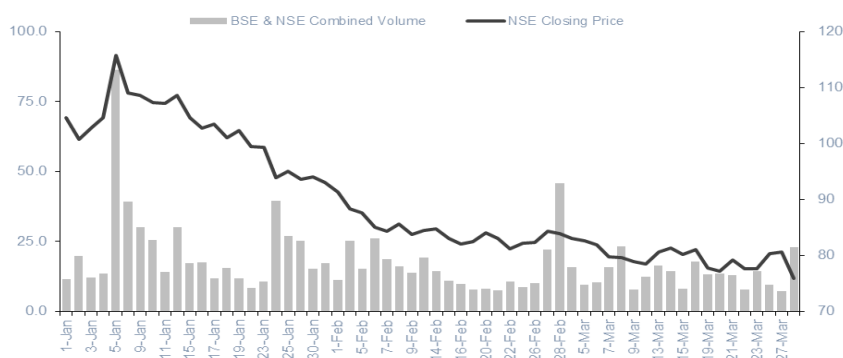
## 9. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/03/2018)	mn	4359.32
Closing Market Price - NSE (31/03/2018)	INR/share	75.90
Combined Volume (NSE & BSE) (01/01/2018 to 31/03/2018)	mn/day	17.5
Combined Value (NSE & BSE) (01/01/2018 to 31/03/2018)	INR mn/day	1631.5
Market Capitalisation (31/03/2018)	INR bn	331
EPS for the Quarter (Annualised)	INR/share	-8.83
Enterprise Value (31/03/2018)	INR bn	854
Price to Earning	times	NA
Price to Cash Earning	times	18.9
Price to Book Value	times	1.2
EV/Annualised EBITDA	times	14.8

### Idea Cellular Daily Stock Price (NSE) & Volume (Combined of BSE & NSE) Movement

Volume (no. of Shares in mn)

Closing Price (INR)



## 10. Shareholding Pattern as on March 31, 2018:

Particulars	Idea Cellular Ltd.	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Indian	1,529,080,712	35.08%
Foreign	326,400,000	7.49%
<b>Total Promoter Holding</b>	<b>1,855,480,712</b>	<b>42.56%</b>
<b>Public Shareholding</b>		
Foreign Holding	1,879,713,786	43.12%
Indian Institutions	507,872,243	11.65%
Others	116,254,189	2.67%
<b>Total</b>	<b>4,359,320,930</b>	<b>100.00%</b>

## 11. Glossary

Definitions/Abbreviation	Description/Full Form
Broadband Subscriber / Broadband Data Subscriber	Any subscriber with data usage of more than 15MB on 3G or 4G network in last 30 days
Established service areas	Represent 15 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan, Himachal Pradesh, Punjab, Karnataka as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13, Established Service Areas were 13, not including Mumbai and Bihar.
Annualized EBITDA	Annualised figure of quarterly EBITDA
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure.
ARPM (Average realisation per Minute)	ARPM is calculated as ARPU divided by MoUs/Subscriber. MoU/Subscriber is calculated as total Minutes of Use by mobile subscriber during the period divided by the average of subscribers during the period.
Average Subscribers	Average number of subscribers during the period is calculated as average of average subscribers for each month
Churn	Churn relates to subscribers who are removed from the EoP base for no usages/usage of services below a threshold level.
Cash Profit	Is calculated as the summation of PAT, depreciation, charge on account of ESOPs and deferred Tax (excluding MAT) for the relevant period
Data Subscriber	Any subscriber with data usage (a) more than 1MB in last 30 days from Q4FY14 till Q3FY15, (b) more than 10MB in last 30 days from Q4FY15 till Q2FY16, (c) more than 15MB in last 30 days from Q3FY16 onwards
Data Revenue	Revenue from the use of data services including Blackberry services
Data Usage	Data consumed by Idea subscribers
Data ARPU	Is calculated by dividing data revenue for the relevant period by the average number of data subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the Data ARPU per month figure.
Data ARMB	Is calculated by dividing data revenue for the relevant period by the Data usage in MB during the period
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from total income. Total income is comprised of service revenue, sales of trading goods and other income. Operating expenditure is comprised of cost of trading goods, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses.
Effective Tax Rate	Is calculated as tax charged to Profit and Loss Account divided by PBT (excluding Indus Dividend)
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt



<b>Definitions/Abbreviation</b>	<b>Description/Full Form</b>
EPS	Earnings per share, is calculated by dividing the Profit after Tax for the period by the weighted average number of outstanding equity shares.
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard for mobile telephony in the world
Gross Investment in Fixed Assets	Till FY16 – it is considered as equal to reported Gross Block +CWIP under IGAAP From Q1FY17 onwards, Additions during the period and change in CWIP is added to Gross Block + CWIP (as per IGAAP) value of March 31, 2016
Gross Revenue	Is the summation of service revenue, revenue from sale of trading goods and other income
Ind AS	Indian Accounting Standard
Indian GAAP	Indian Generally Accepted Accounting Principles
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	Calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
New Service Areas	Represents 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar
Price to Book Value	Is calculated by dividing the closing market price at the end of the period (NSE) by the Book Value/ Share (Net Worth divided by the number of outstanding equity shares)
Price to Cash Earning	Is calculated by dividing the closing market price at the end of the period (NSE) by the annualised Cash Earning/Share (cash profit for the period divided by weighted average number of outstanding equity shares)
Price to Earning	Is calculated by dividing the closing market price (NSE) at the end of the period by the annualised EPS
ROCE	ROCE is calculated as a) for the year PAT plus net Interest and Finance Cost Less Tax at effective rate divided by average capital employed for the year, b) for the quarter: PAT (excluding non-recurring income) net Interest and Finance Cost Less Tax at effective rate for the quarter is annualised and increased by non-recurring income and then divided by average capital employed for the quarter. Capital employed is taken as the average of opening and closing of Shareholders Funds and Net Debt reduced by the debit balance of P&L account (If any), for the respective period.
Site	Represent unique combination of Technology and Spectrum band (frequency)
Service Area/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT