

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Second Quarter Ended September 30, 2017



**Idea 4G**  
Ab no Ajnabee on  
Idea's BIG 4G Network

Idea Games  
Idea Movies & TV  
230+ LIVE TV Channels  
Idea Music

 ADITYA BIRLA GROUP

An idea can change your life

**Registered Office:** Suman Tower, Plot No. 18, Sector 11,  
Gandhinagar 382011  
Gujarat, India

**Corporate Office:** 10th Floor, Birla Centurion, Century Mills  
Compound, Pandurang Budhkar Marg, Worli,  
Mumbai 400 030, India

[www.ideacellular.com](http://www.ideacellular.com)  
[investorrelations@idea.adityabirla.com](mailto:investorrelations@idea.adityabirla.com)



## 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.

### Report Structure

### Page No.

1. Reporting Guidelines	3
2. Performance at a glance	4
3. Company Overview	4
4. Strength Areas	9
5. Financial Highlights	14
6. Pro-forma Revenue and Profitability Break-up	16
7. Key Performance Indicators	17
8. Management Discussion & Analysis	19
9. Stock Market Highlights	23
10. Shareholding Pattern	23
11. Glossary	24



## 1. Reporting Guidelines

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

- a) **Standalone** – Idea, and its subsidiaries. Effectively, this encompasses all operations, excluding Indus and ABIPBL.
- b) **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		
		Q2FY18	Q1FY18	FY 17	FY 16	FY 15	FY 14	FY 13
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	182.4	189.0	189.5	175.1	157.8	135.8	121.6
2G - Cell Sites (EoP)	no.	131,239	131,059	131,486	126,833	112,367	104,778	90,094
Broadband cell sites (3G+4G)	no.	133,685	117,386	110,054	64,703	30,291	21,381	17,140
Total Minutes of Use	mn	255,035	250,729	836,012	785,975	683,427	587,768	532,120
Total Data Volume (2G+3G+4G)	Mn MB	438,688	252,822	436,422	297,920	172,531	79,381	37,381
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	74,654	81,665	355,757	359,494	315,548	265,036	225,949
EBITDA <sup>1</sup>	Rs mn	15,016	18,753	102,436	120,063	97,941	73,883	53,715
PAT	Rs mn	(11,760)	(6,170)	(4,076)	23,781	34,772	17,932	10,080
Cash Profit <sup>2</sup>	Rs mn	2,885	9,608	69,385	99,011	84,820	64,350	46,968
Gross Investment in Fixed Assets	Rs mn	1,222,380	1,195,470	1,184,914	986,633	613,841	571,211	446,007
Net Worth	Rs mn	233,117	244,854	250,990	232,642	228,518	158,787	141,808
Loan Funds	Rs mn	568,135	541,667	550,546	405,413	258,754	193,616	126,688
Cash & Cash Equivalent	Rs mn	27,629	2,419	49,825	20,996	130,714	1,761	10,806
Net Debt	Rs mn	540,506	539,249	500,721	384,417	128,041	191,855	115,881
Net Debt to EBITDA <sup>3</sup>	unit	9.00	7.19	4.89	3.20	1.31	2.60	2.16
Net Debt to Net Worth	unit	2.32	2.20	1.99	1.65	0.56	1.21	0.82
ROCE	%	-2.1%	-0.3%	2.6%	7.5%	10.7%	7.2%	6.0%

<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> 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 in India with a Revenue Market Share (RMS) of 18.9% (Q1FY18). In the 15 Established Service Areas, its RMS stands at a strong level of 21.8% (Q1FY18). The company carried around 2.8 billion minutes on a daily basis during Q2FY18. Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of June 30, 2017). Company is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 279 billion (as on September 30, 2017).

### A. Promoters and Key Shareholders

Idea is part of the Aditya Birla Group, which is one of the largest business groups in India and is in the league of Fortune 500 with market valuation in of ~US\$55bn (November 2017). 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 42.38% in Idea, through following entities:

Grasim Industries Ltd.	27.96%
Birla TMT Holdings Pvt. Ltd.	7.86%
Hindalco Industries Ltd.	6.33%
Others	0.23%
<b>Total</b>	<b>42.38%</b>

**Axiata Group Berhad**, through its affiliates, has 19.74% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication group focused on high growth low penetration emerging markets. The Group currently has controlling interests in its mobile communications operations in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia and Nepal as well as significant strategic stakes in India and Singapore through its various subsidiaries and affiliates. The Group, including its subsidiaries and associates, has almost 320 million mobile subscribers in Asia and provides employment to 25,000 people across Asia.

## 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

IMCSL – To promote mobile banking related initiatives

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

## 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 the highest renewal among the incumbent operators, at 16 out of 22 service areas, laying solid foundation for growth of business till year 2035 (2032 for 7 licenses).

Below table provides the details of future license & linked spectrum expiry for remaining 6 circles:

Name of Circles	No. of Circles	Spectrum Band	Year of Expiry	Remaining Period of Spectrum
Delhi, Rajasthan, UPE, H.P.	4	1800 MHz	2021	~4 years
Mumbai, Bihar	2	1800 MHz	2026	~9 years

- **Broadband Services** - Idea provides broadband services in all 22 service areas of India. Idea has started 4G services across all 20 circles where it owns 4G spectrum following aggressive rollout in a phased manner since December 2016. 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. The 4G spectrum profile of the company covers over 94% of its own revenue and ~90% of industry revenue. Over last one year, the population under Idea's 4G sites has nearly tripled from ~170 mn in Q2FY17 to ~450 mn (38.1%) in Q2FY18, reflecting Idea's aggressive growth strategy in 4G. 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 has been empowering its data subscriber's anytime anywhere digital access for self-help on the 'My Idea' app (rated 4.3 on Playstore) and responsive website. Over 24 million of Idea's subscribers use this app which offers multiple choices of languages and payment options.

On January 30, 2017, the company announced its arrival into the digital world with the launch of 3 new exciting Mobile Apps – Idea Music, Idea Movies & Live TV and Idea Games – giving birth to a “Digital Idea”. These digital content applications will serve as a one-stop entertainment destination initially for Idea subscribers, providing access on the fingertips to a large collection of popular and premium content, including a rich assortment of Hindi, Vernacular and International content. Idea Music Lounge, Idea Movie Club, and Idea Game Spark offer a complete suite of digital entertainment services which has been availed by over 10 million Idea subscribers.

- **Idea Music** offers a rich library of nearly 3 million Indian and international music tracks, which will be expanding to nearly 20 million tracks soon and is available on Google Play Store and iOS store. Idea Music Lounge 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 of September 30, 2017 over 4.5 million customers have installed the app.
- **Idea Movie & Live TV** caters to the ever-growing video content needs of consumers, offering 5,500+ blockbuster movies, 252 Live TV channels, 7 days catch-up TV, along with a series of original content and short videos across all genres and several languages. The rich content of videos and movies from Bollywood, South Indian & Regional Cinema with over 15,000 hours of content, will appeal to people across all age groups, including kids, for whom there are a host of animation and learning videos. Live and Catch up TV including premium channels, is offered in collaboration with Ditto TV & Yupp TV. The app is available on Google Play Store and iOS store. As of September 30, 2017 over 4.5 million customers have installed the app.
- **Idea Games** is the ultimate 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 of September 30, 2017 nearly 1.5 million customers have installed Idea Game Spark app.

On promotional basis, these apps are currently offered free to Idea Subscribers and soon company will be offering these at competitive pricing. With the launch of these apps the company has taken one more step towards transformation from a pure play mobile operator to an integrated digital services and solutions provider.

2. **Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea NLD currently carries around 98.6% of its captive NLD minutes. Idea ILD services now handle almost 100% of captive ILD outgoing minutes, besides bringing large volume of incoming minutes from top international carriers across

the globe. The Idea ISP service, in addition to catering to the captive mobile subscriber traffic, offers 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 ABIPBL, which had also filed similar petition in Hon'ble Bombay High Court. Both the courts have approved the scheme of amalgamation. Business of IMCSL shall be folded into ABIPBL as and when ABIPBL is ready to commence its banking operations.

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

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

	Unit	For the Quarter					QoQ Growth
		Q2FY18	Q1FY18	Q4FY17	Q3FY17	Q2FY17	
EOP Wallet	000	12,304	11,760	11,012	7,006	5,012	4.6%
Transaction Value	INR Mn	1,660	2,194	2,961	1,400	1,055	-24.3%
Transaction Count	000	2,481	2,434	6,891	4,139	3,321	1.9%
Average Transaction Value	INR	669	901	424	338	317	-25.7%

#### **Payments Bank -**

Aditya Birla Idea Payment Bank Limited (ABIPBL) is a joint venture between Grasim India Ltd and Idea Cellular Ltd. ABIPBL on April 03, 2017, received final banking license from RBI. The Payments Bank services are slated to be launched in FY18.

The company will acquire and service new Payments Bank customers both 'Online' leveraging the power of around 40 million digital customers of Idea and ABG 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 30<sup>th</sup> September 2017, Idea offers its 2G services to nearly 1 billion Indians spread over 395,142 towns and villages. In comparison, Idea has installed 133,685 broadband sites (2G sites at 131,239) and offers its high speed broadband internet services to 568 million Indians spread across 121,446 towns and villages. Over 150,500 km of optical fibre provides necessary backbone and capacity for 2G, 3G & 4G services.

## B. Idea's Eight Leadership Geographies (~41% of National Mobile Industry Revenue)

The incumbency advantage coupled with the benefit of 900 MHz GSM spectrum along with 3G & 4G services give Idea an absolute leadership status in eight service areas with combined RMS of 30.9% (Q1FY18). 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 ~63% of population. Idea's 4G capacity in these areas will further increase, with planned launch of 4G on 2300/2500 MHz Spectrum in 4 Service Areas of Maharashtra, Madhya Pradesh, Andhra Pradesh & Kerala during FY18 and 2500 MHz Spectrum in remaining service areas in FY19.



8 Established Service Areas				
Service Areas	RMS Q1FY18*	RMS Rank	Spectrum Profile	~41% of India Mobility Revenue and ~67% of Idea Revenue
M. P.	43.8%	1	2G/3G/4G	
Kerala	38.4%	1	2G/3G/4G	
Maharashtra	33.7%	1	2G/3G/4G	
UP – W	31.6%	1	2G/3G/4G	
Haryana	27.1%	2	2G/3G/4G	
Punjab	26.5%	2	2G/3G/4G	
A. P.	24.2%	2	2G/3G/4G	
Gujarat	22.4%	2	2G/3G/4G	
<b>Total</b>	<b>30.9%</b>	<b>1</b>		

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

## C. Idea's Seven Emerging Geographies (~39% 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 Q1FY18*	RMS Rank	Spectrum Profile	~40% of India Mobility Revenue and ~26% of Idea Revenue
Bihar	14.9%	2	2G/3G/4G	
HP	12.1%	2	2G/3G/4G	
UP – E	14.0%	3	2G/3G/4G	
Rajasthan	13.3%	3	2G/3G/4G	
Delhi	12.0%	3	2G/3G	
Karnataka	11.7%	3	2G/4G	
Mumbai	9.4%	4	2G/4G	
<b>Total</b>	<b>12.5%</b>	<b>3</b>		

\*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 ~38% of population. The Company plans to further boost its 4G capacity with deployment of recently acquired 2500 MHz 4G Spectrum in 4 service areas by FY19.

#### D. Idea's Seven New Growth Geographies (~20% 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

7 New Service Areas			
Service Areas	RMS Q1FY18*	RMS Rank	Spectrum Profile
WB	9.6%	3	2G/4G
Kolkata	8.1%	3	2G/3G
TN	6.1%	4	2G/4G
J&K	7.0%	5	2G/3G/4G
Orissa	6.4%	5	2G/4G
Assam	5.4%	5	2G/4G
NESA	4.1%	5	2G/4G
<b>Total</b>	<b>6.9%</b>	<b>4</b>	

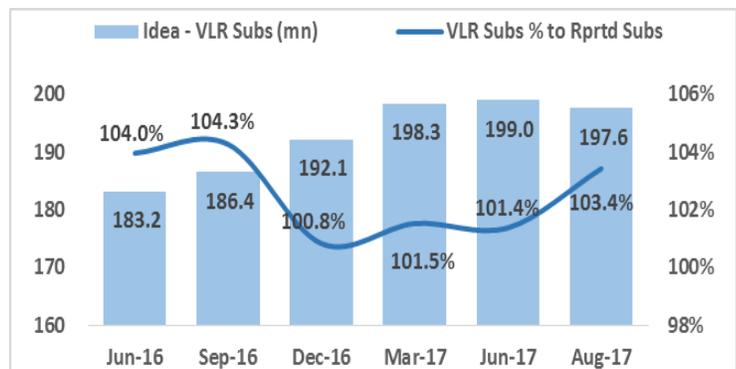
**~20% of India Mobility Revenue and ~7% of Idea Revenue**

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

and currently covers ~33% of population. The company also acquired 2500 MHz Spectrum in 5 out of these 7 Circles and intends to launch services on TDD band in FY19. As Idea expands its 2G, 3G & 4G network in these new markets, the company, has a quarterly EBITDA loss of Rs. 1,465 million in Q2FY18.

#### E. 196 million Quality Subscriber Base

Idea is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of June, 2017) servicing around 196 million quality subscribers on VLR as of September 30, 2017. 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 in future. Idea has always been vigilant in monitoring the quality of its



Source: TRAI

subscriber base. The latest (August, 2017) 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 August, 2017 Idea has 103.4% of reported subscribers as VLR subscribers, highest in the industry. Idea's EoP subscriber market share (on VLR) as of August, 2017 stands at 19.4% making Idea second largest operator based on VLR subs.

## 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 1,23,073 towers and tenancy ratio of 2.43 as of September 30, 2017. Idea through its subsidiary ABTL owns 11.15% of Indus stake. The proportionate profit/loss of Indus is consolidated at PAT level in Idea's financials.

### • Own Towers

Besides investment in Indus Tower, Idea mainly through its 100% subsidiary - ICISL, owns 10,011 towers as on September 30, 2017. There are 17,914 tenants on these towers at a tenancy ratio of 1.79. During the last 12 months the company has added 239 towers and 1,522 tenancies as it reorganized itself to improve its tower tenancy ratio. The details of tower portfolio is as follows -

Overall Business	Unit	For the Quarter				
		Q2FY18	Q1FY18	Q4FY17	Q3FY17	Q2FY17
Owned Towers (EoP)	No.	10,011	9,984	9,977	9,838	9,772
Tenancy Ratio - Owned Towers	Times	1.79	1.77	1.72	1.68	1.68
Number of Tenants	No.	17,914	17,699	17,210	16,549	16,392

- On 13<sup>th</sup> 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.
- The standalone tower business of Idea and Vodafone India are pan India passive telecommunication infrastructure business, comprising combined portfolio of approximately 20,000 towers with combined tenancy ratio of 1.65x as of 30<sup>th</sup> June 2017.
- Idea will sale its 100% stake in ICISL
- After Idea and Vodafone India have completed their merger ~6,300 co-located tenancies on the combined standalone tower businesses will be merged into single tenancy, within a staggered period of two years, without a penalty fee.
- In the event that the competition of the sale of standalone tower business precedes the completion of the proposed Idea and Vodafone India merger, Idea is expected to receive Rs. 40 billion.



- The completion of the transaction is subject to customers closing condition and receipt of necessary regulatory approvals and is expected to take place during the first half of calendar year 2018.
- During H1FY18 ICISL reported revenue of Rs. 5,965 million and EBITDA of Rs. 1,939 million

For further details, please refer the joint press release of Idea and Vodafone dated 13<sup>th</sup> November 2017 on standalone tower sale transaction.

## 5. Financial Highlights

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

	Q2FY18	Q1FY18	Q4FY17	Q3FY17	Q2FY17
Gross Revenue	74,654	81,665	81,261	86,627	93,002
Opex	59,638	62,911	60,063	64,710	64,630
EBITDA	15,016	18,753	21,199	21,917	28,372
EBITDA Margin	20.1%	23.0%	26.1%	25.3%	30.5%
Depreciation & Amortisation	21,143	20,679	19,885	19,653	19,543
EBIT	(6,127)	(1,926)	1,314	2,265	8,829
Interest and Financing Cost (net)	11,829	11,538	9,366	9,495	8,725
Dividend from Indus	-	2,657	-	-	-
PBT	(17,956)	(10,807)	(8,052)	(7,230)	105
Tax	(6,196)	(4,637)	(3,752)	(2,442)	62
PAT (standalone)	(11,760)	(6,170)	(4,300)	(4,789)	43
Cash Profit	2,885	9,608	12,494	12,276	19,406
<b>Consolidation Impact</b>					
Elimination on Dividend recd from Indus	-	(2,657)	-	-	-
Share of Profit from Indus & Payments Bank	843	818	983	1,143	1,057
Deferred Tax on Undistributed earnings of Indus	148	140	(41)	193	186
Consolidated PAT	(11,065)	(8,150)	(3,277)	(3,839)	914
Other comprehensive income (net of Tax)	(12)	(10)	21	(17)	(14)
Total comprehensive income for the period	(11,077)	(8,159)	(3,256)	(3,856)	900

## B. Balance Sheet (Rs mn)

Particulars	Idea Consolidated as on	
	30-Sep-17	31-Mar-17
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	237,411	228,443
Capital work-in-progress	8,695	13,303
Goodwill	61	61
Intangible assets	550,987	539,128
Capital work-in-progress -Intangible assets	43,932	62,048
<b>Financial assets</b>		
Deferred Tax Assets	462	369
Non-current investments	13,138	14,785
Long term loans	26	26
Other non-current financial assets	4,779	4,865
Other non-current assets	23,366	27,694
<b>Total non-current assets (A)</b>	<b>882,857</b>	<b>890,722</b>
<b>Current assets</b>		
Inventories	444	588
<b>Financial assets</b>		
Current investments	26,953	48,998
Trade receivables	12,967	13,139
Cash and cash equivalents	632	782
Bank balance other than cash and cash equivalents	44	45
Short term loans	20	21
Other current financial assets	463	399
Current Tax Assets (Net)	10	25
Other current assets	12,598	12,312
<b>Total current assets (B)</b>	<b>54,130</b>	<b>76,309</b>
<b>Assets classified as held for sale (C)</b>	<b>8</b>	<b>16</b>
<b>Total Assets (A+B+C)</b>	<b>936,995</b>	<b>967,047</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	36,072	36,053
Other equity	191,941	211,269
<b>Total equity (A)</b>	<b>228,013</b>	<b>247,322</b>
<b>Non-Current Liabilities:</b>		
<b>Financial liabilities</b>		
Non-current borrowings	559,845	516,378
Other non-current financial liabilities	21,946	10,382
Long term provisions	4,306	3,842
Deferred tax liabilities (net)	1,975	13,587
Other non-current liabilities	5,094	4,920
<b>Total Non-Current Liabilities (B)</b>	<b>593,166</b>	<b>549,110</b>
<b>Current Liabilities:</b>		
<b>Financial liabilities</b>		
Current borrowings	470	347
Trade payable	44,578	40,777
Current maturities of long term debt	7,820	33,820
Other financial liabilities	32,299	68,740
Other current liabilities	30,305	26,732
Short term provisions	346	199
<b>Total Current Liabilities (C)</b>	<b>115,817</b>	<b>170,615</b>
<b>Total equity and liabilities (A+B+C)</b>	<b>936,995</b>	<b>967,047</b>

## 6. Pro-forma Revenue and Profitability Break

Rs mn

Revenue Break-up	For the Quarter		EBIT Break-up	For the Quarter	
	Q2FY18	Q1FY18		Q2FY18	Q1FY18
Gross Revenue - Established Service Areas	69,239	75,784	EBIT - Idea Standalone	(6,127)	(1,926)
Gross Revenue - New Service Areas	5,415	5,881	EBIT Contribution - Indus, ABIPBL	1,455	1,382
Total Revenue	74,654	81,665	EBIT - Incl. Indus & ABIPBL Contribution	(4,671)	(544)

EBITDA Break-up	For the Quarter		Interest & Finance Cost Break-up	For the Quarter	
	Q2FY18	Q1FY18		Q2FY18	Q1FY18
EBITDA - Established Service Areas	16,482	20,169	Gross Interest Cost - Idea Standalone	11,758	11,241
EBITDA - New Service Areas	(1,465)	(1,416)	Gross Interest Income - Idea Standalone	(454)	(152)
EBITDA - Idea Standalone	15,016	18,753	Forex Loss/ (Gain)	525	449
EBITDA Contribution - Indus, ABIPBL	2,237	2,167	Int. & Fin. Cost (net) - Idea Standalone	11,829	11,538
EBITDA - Incl. Indus & ABIPBL Contribution	17,254	20,920	Int. & Fin. Cost (net) - Indus, ABIPBL	150	107

EBITDA Margin	For the Quarter		Dividend from Indus	For the Quarter	
	Q2FY18	Q1FY18			
EBITDA % - Established Service Areas	23.8%	26.6%		-	2,657
EBITDA % - New Service Areas	-27.1%	-24.1%			
EBITDA % - Idea Standalone	20.1%	23.0%			
EBITDA % - Incl. Indus & ABIPBL Contribution	23.1%	25.6%			

Tax Break-up	For the Quarter		PAT Break-up	For the Quarter	
	Q2FY18	Q1FY18		Q2FY18	Q1FY18
Tax - Idea Standalone	(6,196)	(4,637)	PAT - Idea Standalone	(11,760)	(6,170)
Tax - Indus, ABIPBL	462	456	PAT Contribution - Indus, ABIPBL	843	818
Tax - Incl. Indus & ABIPBL Contribution	(5,734)	(4,180)	Deferred Tax impact on Undistributed Indus Profit	148	140
			PAT - Incl. Indus & ABIPBL Contribution	(11,065)	(8,150)

Dep. & Amort. Break-up	For the Quarter	
	Q2FY18	Q1FY18
Dep & Amort. - Idea Standalone	21,143	20,679
Dep. & Amort. Cost - Indus, ABIPBL	782	785
Dep. & Amort. - Incl. Indus & ABIPBL Contribution	21,925	21,465

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				
		Q2FY18	Q1FY18	Q4FY17	Q3FY17	Q2FY17
Subscriber Base (EoP) (2G+3G+4G)	mn	182.4	189.0	189.5	185.2	178.8
VLR Subscribers (EoP)	mn	195.5	199.0	198.3	192.1	186.4
Net VLR Subscriber addition	mn	(3.5)	0.6	6.2	5.6	3.2
Pre-paid Subs (% of EoP subscribers)	%	95.5%	95.6%	95.6%	95.5%	95.3%
Broadband devices (3G+4G)**	mn	100.7	100.6	78.1	75.7	70.4
Broadband device penetration (3G+4G)	%	55.2%	53.2%	41.2%	40.9%	39.4%
Average Revenue per User (ARPU) Blended	INR	132	141	142	157	173
Average Voice Revenue Per User (Voice ARPU)	INR	101	108	107	114	122
Average Minutes of Use per User (MoU)	min	459	441	412	385	368
Average Realisation per Minute (ARPM)	paisa	28.7	32.0	34.5	40.7	47.0
Average Voice Realisation per Minute (Voice ARPM)	paisa	22.0	24.4	25.9	29.6	33.1
Blended Churn	%	6.3%	6.7%	6.1%	6.0%	5.4%
2G Coverage - No. of Census Towns	no.	7,686	7,693	7,693	7,695	7,681
2G Coverage - No. of Villages	no.	387,456	387,863	389,061	393,257	390,874
2G Coverage - Population	mn	995	995	996	1,002	999
% of Population	%	82.2%	82.2%	82.3%	82.8%	82.5%
Broadband Coverage - No. of Census Towns	no.	5,996	5,628	5,242	5,051	4,742
Broadband Coverage - No. of Villages	no.	115,440	100,289	93,579	88,018	75,649
Broadband Coverage - Population	mn	568	524	480	458	431
% of Population	%	46.9%	43.3%	40.2%	38.4%	36.1%
Total Minutes of Use	mn	255,035	250,729	231,372	209,828	195,504
Total 2G Cell Sites (EoP)	no.	131,239	131,059	131,486	132,362	130,633
Total Broadband sites (3G+4G)	no.	133,685	117,386	110,054	100,615	85,412
Owned Towers (EoP)	no.	10,011	9,984	9,977	9,838	9,772
Tenancy Ratio - Owned Towers	times	1.79	1.77	1.72	1.68	1.68
Optical Fibre Cable (OFC)	KM	150,500	148,100	144,600	133,800	126,000

Overall Business	Unit	For the Quarter				
		Q2FY18	Q1FY18	Q4FY17	Q3FY17	Q2FY17
<b>Non-Voice and Data Business (2G+3G+4G)</b>						
VAS as a % of Service Revenue	%	23.3%	23.6%	24.9%	27.2%	29.6%
Data as a % of Service Revenue	%	16.5%	17.1%	18.3%	20.2%	21.9%
Non-Data VAS as a % of Service Revenue	%	6.8%	6.5%	6.6%	7.0%	7.7%
Total Data Suscribers (2G+3G+4G)*	000	38,195	38,122	42,233	48,583	54,063
Total Data Volume (2G+3G+4G)	Mn MB	438,688	252,822	127,014	108,843	107,439
Blended Data ARMB	paisa	2.7	5.4	11.5	15.9	18.7
Data ARPU for Data Subscriber (2G+3G+4G)	INR	105	119	110	111	130
Data Usage by Data Subscriber (2G+3G+4G)	MB	3,805	2,204	957	703	694
<b>Broadband Business (3G+4G)</b>						
Broadband Subscribers	000	29,606	26,357	24,684	27,026	30,703
Broadband Data Volume	Mn MB	413,119	228,805	104,224	84,455	79,861
Broadband Data Usages by Broadband Subs	MB	4,853	3,083	1,381	971	922

\*Refer revised definition for Data Subscriber

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

## 8. Management Discussion & Analysis

### A. Operating Performance

#### **Seasonally slow quarter witnessed high competition, regulatory changes and industry consolidation**

The operating environment for Indian mobile operators remained challenging with unrelenting pressure on pricing, introduction of GST @18% (compared to service tax @15%) and need for large investments to support the exploding data demand. The significant financial pressure forced the sub-scale operators with limited or no 4G footprint to exit or combine with other operators, leading to faster than expected mobile industry consolidation.

While seasonal industry slowdown followed the past trends, as always 'July to September 2017 quarter' impact on Idea's subscribers and revenue loss was more pronounced given its higher share of rural subscribers. This coupled with continued pricing pressure and GST change, resulted in overall company revenue declining to Rs. 74,654 million, a reduction of 8.6% compared to Rs. 81,665 million in Q1FY18. Competitively, Idea maintained its 'Subscriber Market Share' (VLR) at 19.4% (Aug'17) and 'Revenue Market Share' @ 18.9% (Q1FY18).

As industry operating tariffs tumble, voice and data volume growth partially compensated the steep rate fall. During this low demand period, the sequential quarterly voice minutes grew by 1.7% to 255 billion minutes (vs decline of 1.9% in Q2FY17) and mobile data volume (2G+3G+4G) witnessed strong sequential growth of 73.5% (on back of 99.1% growth in Q1FY18) as Idea's pan India data network carried 438.7 billion MB. The broadband data usage (3G+4G) has nearly doubled to 413 billion MB in Q2FY18 from 228.8 billion MB in Q1FY18. While the total mobile data users on Idea network remained flat at 38.2 million, the broadband (3G+4G) subscribers increased by 3.2 million to 29.6 million in Q2FY18.

The rate realisation continued its free fall in Q2FY18 as voice realisation rate fell by 9.9% to 22.0 paisa/min (vs 24.4 paisa in Q1FY18) and mobile data realisation saw a sharp decline of 49.2% to 2.7 paisa/MB (vs 5.4 paisa in Q1FY18). The revenue per subscriber (ARPU) also fell by 6.6% to Rs. 132 (vs Rs. 141 in Q1 FY18).

#### **Idea introduces mass market unlimited voice and bundled data price plans**

With the introduction of unlimited voice (Local + STD) and bundled data price plans, the consumption habits of Indian mobility users is undergoing a sea change. As Indian customers graduate to higher ticket unlimited/bundled plans, the mobile service consumption trends are shifting from 'snacking' to 'buffet' with marked higher per subscriber usage. The company recently introduced three pan India mass market prepaid price plans for all its 2G, 3G and 4G handset customers.

(a) Rs. 179 - Unlimited voice and 1GB only data valid for 21/28 days (validity varies across telecom circles)

(b) Rs. 357 - Unlimited voice and 1.5 GB per day data valid for 28 days

(c) Rs. 449 - Unlimited voice and 1GB per day data valid for 70 days (@Rs. 498 in 5 leadership markets)

The Rs. 357 and Rs. 449 prepaid price plans are bundled with free roaming and unlimited SMS (100 SMS/day).

More details are available on Idea's website [www.ideacellular.com](http://www.ideacellular.com)

### **Accelerated broadband investments to support strong data demand**

Over the period of last two years, Idea has aggressively expanded its mobile broadband infrastructure and added 93,818 broadband (3G+4G) sites. Idea has multiplied its broadband sites by 3.4 times in last two years and the overall broadband sites now stands at 133,685, higher than the unique 2G sites built over a span of last 21 years. Idea's wireless broadband network (3G+4G) population under coverage now exceeds 568 million Indians (46.9% of Indian population) across 22 service areas spread over 121,446 towns and villages.

As 4G adoption rate is ahead of initial company estimates primarily driven by affordable smartphones, expanding 4G coverage and world's lowest 'voice and mobile broadband tariffs', almost all of Idea's incremental network capital investments is allocated to 4G expansion (including fibre and capacity). The 4G population under coverage has nearly tripled from 14.8% (~170 mn) in Q2FY17 to 38.1% (~450 mn), reflecting Idea's aggressive intent to participate in emerging 4G consumer market. Further, the planned deployment of 2300 MHz or 2500 MHz spectrum band in many of its leadership markets during the current financial year will further boost Idea's 4G capacity in these key markets. Additionally, the company also remains on course to introduce its own VoLTE – 'Voice over LTE' by early calendar year 2018.

In order to support the burgeoning demand of mobile broadband services, Idea has also increased its fibre backbone network by more than 50,000 kms (100,400 km in Q2FY16 to 150,500 km in Q2FY18). On overall terms Idea's Gross Investment in Fixed Assets has now risen to over Rs 1,222 billion, a net addition of Rs. 486 billion (capex + spectrum) during the last 24 months. The capex spend for the current quarter was Rs. 19.7 billion.

In October 2017, Idea and Vodafone India have entered into Active Infrastructure sharing arrangement, to avoid duplication of spends and make best use of capex, and both operators have started to enjoy expanded coverage from such shared sites. Similarly, additional 4G coverage in nearly 5,000 new towns and neighbouring villages for each operator is under discussion/ testing and the company expects to close the new 4G ICR arrangements with Vodafone India at the earliest.

### **Subdued Q2FY18 financial performance given challenging environment**

With steep decline in revenue, the EBITDA for the quarter declined by 19.9% to Rs. 15,016 million compared to Rs. 18,753 million in Q1FY18, largely due to lower revenue and higher operating cost related to 'Roaming & Access'



(as outgoing minutes increased) and 'Manpower' due to annual increments. The EBITDA margin for the quarter declined to 20.1% from 23% in Q1FY18.

Additionally, the 'Depreciation & Amortisation' charge increased to Rs. 21,143 million and 'Interest & Financing Cost (Net)' rose to Rs. 11,829 million as the company continued to aggressively invest in expanding its 4G footprint. The standalone PAT loss for the quarter stands at Rs. 11,760 million (vs PAT loss of Rs. 8,827 million in Q1FY18 excluding Indus dividend).

The Net Debt as on September 30, 2017 stands at Rs. 541 billion, including a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions.

The consolidated Total Comprehensive Income (including proportionate share from Indus & ABIPBL) stands at a loss of Rs. 11,077 million in Q2FY18 (vs loss of Rs. 8,159 million in Q1FY18).

### **Merger Update**

On 20<sup>th</sup> March, 2017 Vodafone Group Plc and Idea Cellular announced an agreement to combine their operations in India (excluding Vodafone's 42% stake in Indus Towers) to create India's largest telecom operator with complementary footprint and amongst highest overall spectrum holding of 1,850 MHz across multiple bands. The merger transaction is subject to approval from the relevant regulatory authorities. During the quarter, the company received approval for the proposed combination from (a) 'Competition Commission of India' (CCI) and (b) SEBI & Stock Exchanges. The company subsequently filed its scheme of arrangement with National Company Law Tribunal (NCLT), Ahmedabad on 7<sup>th</sup> August 2017. On 12<sup>th</sup> October 2017, Idea under NCLT's supervision organized meeting of its shareholders, secured creditors and unsecured creditors and received their approval for the merger. Final petition for approval of the Scheme of Arrangement has since been filed with NCLT. The merger of Idea and Vodafone India is on track.

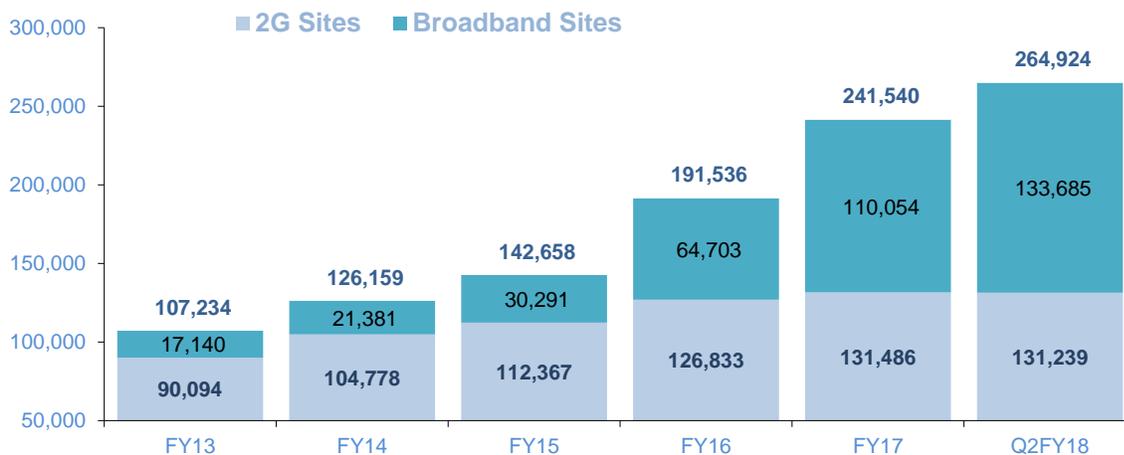
As a part of the Idea & Vodafone India merger announcement of 20<sup>th</sup> March, 2017 both the parties had announced their intention to sell their standalone tower businesses to strengthen the balance sheet of the combined entity. Today, Idea and Vodafone, through a joint press release announced the companies have separately agreed to sell their respective standalone tower businesses in India to ATC Telecom Infrastructure Private Limited ("American Tower") for an aggregate enterprise value of Rs. 78.5 billion. In the event that the completion of the sale of the standalone tower businesses precedes the completion of the proposed merger, Idea will receive Rs. 40.0 billion. On completion of Idea and Vodafone India merger, ~6,300 co-located tenancies on the combined standalone tower businesses will be merged into single tenancy, within a staggered period of two years, without a penalty

fee. Further details of the transaction have been separately provided in today's joint press release by Idea & Vodafone.

In the meantime, Idea remains nimble, agile, adaptive, and focused on its execution capabilities. The company continues to strive for building capacity, optimising costs and delivering sustainable benefits to the consumers. Idea expects to benefit from faster than anticipated consolidation of industry and emerge as one of the three major mobile service providers for both voice and broadband services across 2G, 3G and 4G platforms. Idea remains focused on tapping all the emerging opportunities in mobile voice, wireless data business, digital content and mobile banking, etc.

## B. Capex

During the quarter, Idea rolled out 16,299 Broadband sites. The total EoP site count stands at 131,239 for 2G and 133,685 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 150,500 kms OFC, in comparison to 100,400 kms two years back (Q2 FY16), an addition of over 50,000 kms of fibre. The fibre backhaul network of the company optimally serves its ever growing data needs along with supporting Idea's NLD/ ILD/ ISP/Fixed & Wi-Fi Broadband capabilities. The total capex spend for the current quarter was Rs. 19.7 billion.



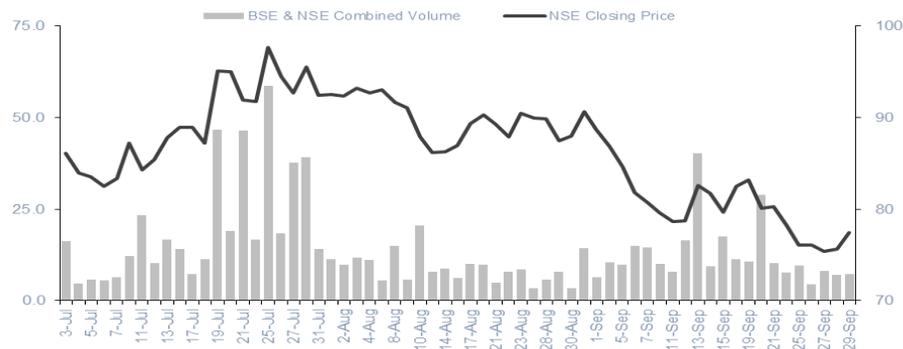
## 9. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (30/09/2017)	mn	3607.17
Closing Market Price - NSE (30/09/2017)	INR/share	77.45
Combined Volume (NSE & BSE) (01/07/2017 to 30/09/2017)	mn/day	14.0
Combined Value (NSE & BSE) (01/07/2017 to 30/09/2017)	INR mn/day	1239.1
Market Capitalisation (30/09/2017)	INR bn	279
EPS for the Quarter (Annualised)	INR/share	-12.27
Enterprise Value (30/09/2017)	INR bn	820
Price to Earning	times	NA
Price to Cash Earning	times	24.2
Price to Book Value	times	1.2
EV/Annualised EBITDA	times	13.6

### 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 September 30, 2017:

Particulars	Idea Cellular Ltd.	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Indian	1,528,847,547	42.38%
Foreign	-	-
<b>Public Shareholding</b>		
Foreign Holding	1,671,676,376	46.34%
Indian Institutions	307,398,123	8.52%
Others	99,252,125	2.75%
<b>Total</b>	<b>3,607,174,171</b>	<b>100.00%</b>

## 11. Glossary

Definitions/Abbreviation	Description/Full Form
3G	Third Generation of Mobile Telephony
3G Subscriber	Any subscriber forming part of EoP subscribers, having usage event on 3G network, during last 30 days
3G Data Subscriber	Any data subscriber with data usage of more than 15MB on 3G network in last 30 days (excluding 3G data subscriber reported as 4G data subscriber)
4G Subscriber / 4G Data Subscriber	Any subscriber with data usage of more than 15MB on 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 and Established Service Areas were 13, not including Mumbai and Bihar
ABG	Aditya Birla Group
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
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ARPM (Average realisation per Minute)	ARPM is calculated as ARPU divided by MoUs/Subscriber
Average Subscribers	Average number of subscribers during the period is calculated as average of average subscribers for each month.
Book Value/Share	Is calculated as Net Worth divided by the number of outstanding equity shares
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.
Cash Earning / Share	Is calculated by dividing the cash profit for the period by weighted average number of outstanding equity shares.
Data Subscriber	Any subscriber with data usage of more than 1MB in last 30 days from Q4FY14 till Q3FY15 Any subscriber with data usage of more than 10MB in last 30 days from Q4FY15 till Q2FY16

Definitions/Abbreviation	Description/Full Form
	Any Subscriber with data usage of 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
EBIT	Earnings Before Interest and Tax
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
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 (net of deletion) 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
IRU	Indefeasible right of use

Definitions/Abbreviation	Description/Full Form
Incremental Revenue Market Share	Is calculated as change in absolute revenue for Idea divided by change in absolute revenue for mobile Industry during the relevant period
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period.
MoUs/Sub (Average Minutes of Usages per Subs)	Is calculated as, total Minutes of Use by mobile subscriber during the period divided by the average of subscribers during 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	represent 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.
NSE	National Stock Exchange
PBT	Profit before Tax
PAT	Profit after Tax
Price to Book Value	Is calculated by dividing the closing market price at the end of the period (NSE) by the Book Value/ Share
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
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
Service Area/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.