

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Third Quarter Ended December 31st, 2017



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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.

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	13
6. Pro-forma Revenue and Profitability Break-up	15
7. Key Performance Indicators	16
8. Management Discussion & Analysis	18
9. Stock Market Highlights	22
10. Shareholding Pattern	22
11. Glossary	23



## 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		
		Q3FY18	Q2FY18	FY 17	FY 16	FY 15	FY 14	FY 13
<b>Operating Highlights</b>								
Subscriber base (EoP)	mn	188.5	182.4	189.5	175.1	157.8	135.8	121.6
2G - Cell Sites (EoP)	no.	131,366	131,239	131,486	126,833	112,367	104,778	90,094
Broadband cell sites (3G+4G)	no.	143,565	133,685	110,054	64,703	30,291	21,381	17,140
Total Minutes of Use	mn	282,574	255,035	836,012	785,975	683,427	587,768	532,120
Total Data Volume (2G+3G+4G)	Mn MB	571,301	438,688	436,422	297,920	172,531	79,381	37,381
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	65,097	74,654	355,757	359,494	315,548	265,036	225,949
EBITDA <sup>1</sup>	Rs mn	12,233	15,016	102,436	120,063	97,941	73,883	53,715
PAT	Rs mn	(13,519)	(11,760)	(4,076)	23,781	34,772	17,932	10,080
Cash Profit <sup>2</sup>	Rs mn	200	2,884	69,385	99,011	84,820	64,350	46,968
Gross Investment in Fixed Assets	Rs mn	1,215,823	1,222,380	1,184,914	986,633	613,841	571,211	446,007
Net Worth	Rs mn	219,366	233,117	250,990	232,642	228,518	158,787	141,808
Loan Funds	Rs mn	573,429	568,135	550,546	405,413	258,754	193,616	126,688
Cash & Cash Equivalent	Rs mn	15,612	27,629	49,825	20,996	130,714	1,761	10,806
Net Debt	Rs mn	557,818	540,506	500,721	384,417	128,041	191,855	115,881
Net Debt to EBITDA <sup>3</sup>	unit	11.40	9.00	4.89	3.20	1.31	2.60	2.16
Net Debt to Net Worth	unit	2.54	2.32	1.99	1.65	0.56	1.21	0.82
ROCE	%	-3.1%	-2.1%	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 16.2% (Q2FY18). In the 15 Established Service Areas, its RMS stands at a strong level of 18.8% (Q2FY18). The company carried around 3.1 billion minutes on a daily basis during Q3FY18. Idea is the seventh largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September 30, 2017). Company is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 390 billion (as on December 31<sup>st</sup>, 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 (January 2018). 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,



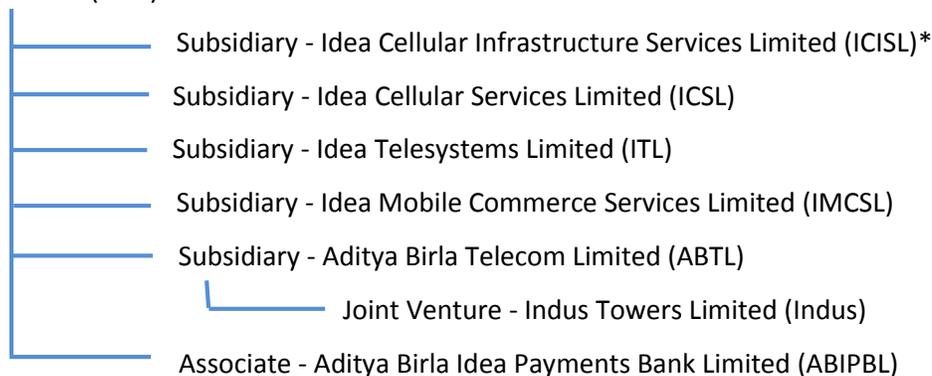
chemicals, fertilizers, life insurance and financial services industries etc. The Group currently has shareholding of 42.38% in Idea, through following entities:

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 19.73% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication group with 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 across 10 countries 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 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).

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. 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 increased by 2.5 times from ~210 million in Q3FY17 to ~504 million (43%) in Q3FY18, 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 onboarding subscribers digitally for self-help on the MyIdea App (rated 4.8 on Apple Play Store) and responsive website. Over 27 million of Idea's subscribers use this app which offers multiple choices of languages and payment options. To drive usage on the MyIdea App & Website, Idea has introduced 2 big initiatives in November 2017. The first one is cashback offers such as 'Magic cashback' where customer avails upto Rs. 3,300 worth of cash back vouchers, wallet specific cashbacks as well discounts from ecommerce when recharged Rs. 398 or above through MyIdea App or website. These offers are built on incisive telecom and digital analytics to offer a wholesome solution to meet the digital needs of our customers. The second one is integration of News and Magazines feature in MyIdea app which has over 4,000 magazines in 65 languages across 40 categories along with news in 8 languages across multiple interest categories.

Digital Idea was introduced in January 2017 with the launch of Idea Music, Idea Movies & Live TV and Idea Games. These digital content applications are 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, Idea Movies & Live TV and Idea Games offer a complete suite of digital entertainment services and these applications cumulatively have an installed base of 14 million. Idea Movies and Live TV won a Leadership Recognition Award in Voice and Data (Telecom Leadership Awards 2017).

- **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 December 31, 2017 nearly 5.5 million customers have installed the app.
- **Idea Movie & Live TV** caters to the ever-growing video content needs of consumers, offering 6,000+ blockbuster movies, 260+ 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 18,000 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 December 31, 2017 over 6.4 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 December 31, 2017 nearly 2 million customers have installed Idea Games app.
- **Idea News and Magazines** is the destination for latest news and magazines with a collection of nearly 4,000 magazines across 65 languages and news delivered in 7 languages across categories including Health, Sports, and Technology. This is offered as a service within MyIdea App and was launched on November 30<sup>th</sup> 2017.

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 98.2% of its captive NLD minutes. Idea ILD services now handle almost 100% of captive ILD

outgoing minutes. 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
		Q3FY18	Q2FY18	Q1FY18	Q4FY17	Q3FY17	
EOP Wallet	000	13,030	12,304	11,760	11,012	7,006	5.9%
Transaction Value	INR Mn	1,401	1,660	2,194	2,961	1,400	-15.6%
Transaction Count	000	2,257	2,481	2,434	6,891	4,139	-9.0%
Average Transaction Value	INR	621	669	901	424	338	-7.2%

#### **Payments Bank -**

Aditya Birla Idea Payment Bank Limited (APIPBL) on April 03, 2017, received final banking license from RBI. The Payments Bank services are slated to be launched in Q4FY18. 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>

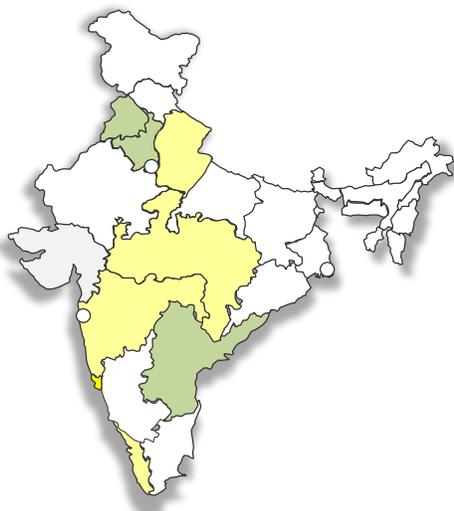
\*FDD spectrum consist of uplink and downlink; 5 MHz of paired FDD spectrum = 1 carrier, 10 MHz of unpaired TDD spectrum =1.5 carrier.

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> Decembsber 2017, Idea offers its 2G services to nearly 1 billion Indians spread over 395,000 towns and villages. In comparison, Idea has installed 143,565 broadband sites (2G sites at 131,366) and offers its high speed broadband internet services to 634 million Indians spread across 154,019 towns and villages. Over 153,200 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 leadership status in eight service areas with combined RMS of 26.4% (Q2FY18). 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 ~67% of population. As planned, Idea deployed 2300/2500 MHz TDD Spectrum in Maharashtra and Kerala circles to augment its 4G capacity. Further, deployment of 2300/2500MHz in Madhya Pradesh & Andhra Pradesh is planned in Q4FY18 and 2500 MHz Spectrum in remaining service areas in FY19.



8 Established Service Areas				
Service Areas	RMS Q2FY18*	RMS Rank	Spectrum Profile	~41% of India Mobility Revenue and ~67% of Idea Revenue
M. P.	36.4%	1	2G/3G/4G	
Kerala	35.3%	1	2G/3G/4G	
Maharashtra	29.5%	1	2G/3G/4G	
UP – W	27.0%	1	2G/3G/4G	
Punjab	22.5%	2	2G/3G/4G	
Haryana	22.0%	2	2G/3G/4G	
A. P.	20.6%	2	2G/3G/4G	
Gujarat	18.7%	3	2G/3G/4G	
<b>Total</b>	<b>26.4%</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 Q2FY18*	RMS Rank	Spectrum Profile	~39% of India Mobility Revenue and ~26% of Idea Revenue
Bihar	12.8%	3	2G/3G/4G	
HP	9.6%	3	2G/3G/4G	
UP – E	11.9%	4	2G/3G/4G	
Rajasthan	11.4%	4	2G/3G/4G	
Delhi	10.7%	4	2G/3G	
Karnataka	9.9%	4	2G/4G	
Mumbai	8.5%	5	2G/4G	
<b>Total</b>	<b>10.8%</b>	<b>4</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 ~43% 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 Q2FY18*	RMS Rank	Spectrum Profile
WB	8.2%	4	2G/4G
Kolkata	6.5%	4	2G/3G
TN	5.5%	5	2G/4G
Assam	4.7%	5	2G/4G
J & K	5.9%	6	2G/3G/4G
Orissa	5.1%	6	2G/4G
North East	3.7%	6	2G/4G
<b>Total</b>	<b>5.9%</b>	<b>5</b>	

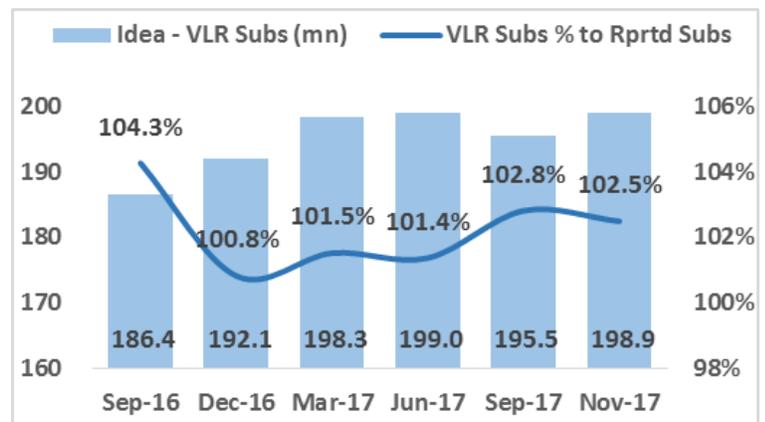
~20% of India Mobility Revenue and ~7% of Idea Revenue

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

and currently covers ~41% 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. 1,768 million in Q3FY18.

**E. 203 million Quality Subscriber Base**

Idea is the seventh largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of September, 2017) servicing around 203 million quality subscribers on VLR as of December 31, 2017. This large base of subscribers provides a great platform to the company for upgrading pure voice customers to Wireless Data services, Digital content



Source: TRAI

The latest (Nov 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 November 2017, Idea has 102.5% of reported subscribers as VLR subscribers, highest in the industry. Idea’s EoP subscriber market share (on VLR) as of November, 2017 stands at 19.8%.

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## 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 1,22,962 towers and tenancy ratio of 2.35 as of December 31, 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, has 10,015 towers and 17,945 tenancies at a tenancy ratio of 1.79, as of December 31, 2017. 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).

## 5. Financial Highlights

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

	Q3FY18	Q2FY18	Q1FY18	Q4FY17	Q3FY17
Gross Revenue	65,097	74,654	81,665	81,261	86,627
Opex	52,864	59,638	62,911	60,063	64,710
EBITDA	12,233	15,016	18,753	21,199	21,917
<b>EBITDA Margin</b>	<b>18.8%</b>	<b>20.1%</b>	<b>23.0%</b>	<b>26.1%</b>	<b>25.3%</b>
Depreciation & Amortisation	21,414	21,143	20,679	19,885	19,653
EBIT	(9,181)	(6,127)	(1,926)	1,314	2,265
Interest and Financing Cost (net)	11,490	11,829	11,538	9,366	9,495
Dividend from Indus	-	-	2,657	-	-
PBT	(20,671)	(17,956)	(10,807)	(8,052)	(7,230)
Tax	(7,152)	(6,196)	(4,637)	(3,752)	(2,442)
<b>PAT (standalone)</b>	<b>(13,519)</b>	<b>(11,760)</b>	<b>(6,170)</b>	<b>(4,300)</b>	<b>(4,789)</b>
Cash Profit	200	2,884	9,608	12,494	12,276
<b>Consolidation Impact</b>					
Elimination on Dividend recd from Indus	-	-	(2,657)	-	-
Share of Profit from Indus & Payments Bank	818	843	818	983	1,143
Deferred Tax on Undistributed earnings of Indus	145	148	140	(41)	193
<b>Consolidated PAT</b>	<b>(12,845)</b>	<b>(11,065)</b>	<b>(8,150)</b>	<b>(3,277)</b>	<b>(3,839)</b>
<b>Other comprehensive income (net of Tax)</b>	<b>(11)</b>	<b>(12)</b>	<b>(10)</b>	<b>21</b>	<b>(17)</b>
<b>Total comprehensive income for the period</b>	<b>(12,856)</b>	<b>(11,077)</b>	<b>(8,159)</b>	<b>(3,256)</b>	<b>(3,856)</b>

## B. Balance Sheet (Rs mn)

Particulars	Idea Consolidated as on	
	31-Dec-17	31-Mar-17
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,35,976	2,28,443
Capital work-in-progress	8,155	13,303
Goodwill	61	61
Intangible assets	5,59,071	5,39,128
Capital work-in-progress -Intangible assets	28,700	62,048
<b>Financial assets</b>		
Deferred Tax Assets	5,861	369
Non-current investments	13,906	14,785
Long term loans	25	26
Other non-current financial assets	4,445	4,865
Other non-current assets	23,499	27,694
<b>Total non-current assets (A)</b>	<b>8,79,699</b>	<b>8,90,722</b>
<b>Current assets</b>		
Inventories	413	588
<b>Financial assets</b>		
Current investments	15,075	48,998
Trade receivables	9,738	13,139
Cash and cash equivalents	500	782
Bank balance other than cash and cash equivalents	37	45
Short term loans	20	21
Other current financial assets	370	399
Current Tax Assets (Net)	10	25
Other current assets	13,607	12,312
<b>Total current assets (B)</b>	<b>39,770</b>	<b>76,309</b>
<b>Assets classified as held for sale (C)</b>	<b>10,052</b>	<b>16</b>
<b>Total Assets (A+B+C)</b>	<b>9,29,521</b>	<b>9,67,047</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	36,075	36,053
Other equity	1,78,793	2,11,269
<b>Total equity (A)</b>	<b>2,14,868</b>	<b>2,47,322</b>
<b>Non-Current Liabilities:</b>		
<b>Financial liabilities</b>		
Non-current borrowings	5,65,012	5,16,378
Other non-current financial liabilities	24,199	10,382
Long term provisions	3,948	3,842
Deferred tax liabilities (net)	473	13,587
Other non-current liabilities	5,031	4,920
<b>Total Non-Current Liabilities (B)</b>	<b>5,98,663</b>	<b>5,49,110</b>
<b>Current Liabilities:</b>		
<b>Financial liabilities</b>		
Current borrowings	901	347
Trade payable	41,424	40,777
Current maturities of long term debt	7,516	33,820
Other financial liabilities	32,546	68,740
Other current liabilities	30,636	26,732
Short term provisions	198	199
<b>Total Current Liabilities (C)</b>	<b>1,13,222</b>	<b>1,70,615</b>
Liabilities classified as held for sale (D)	2,768	-
<b>Total equity and liabilities (A+B+C+D)</b>	<b>9,29,521</b>	<b>9,67,047</b>

## 6. Pro-forma Revenue and Profitability Break

Rs mn

Revenue Break-up	For the Quarter	
	Q3FY18	Q2FY18
Gross Revenue - Established Service Areas	60,660	69,239
Gross Revenue - New Service Areas	4,437	5,415
<b>Total Revenue</b>	<b>65,097</b>	<b>74,654</b>

EBITDA Break-up	For the Quarter	
	Q3FY18	Q2FY18
EBITDA - Established Service Areas	14,001	16,482
EBITDA - New Service Areas	(1,768)	(1,465)
<b>EBITDA - Idea Standalone</b>	<b>12,233</b>	<b>15,016</b>
EBITDA Contribution - Indus, ABIPBL	2,180	2,237
<b>EBITDA - Incl. Indus &amp; ABIPBL Contribution</b>	<b>14,413</b>	<b>17,254</b>

EBITDA Margin	For the Quarter	
	Q3FY18	Q2FY18
EBITDA % - Established Service Areas	23.1%	23.8%
EBITDA % - New Service Areas	-39.8%	-27.1%
<b>EBITDA % - Idea Standalone</b>	<b>18.8%</b>	<b>20.1%</b>
<b>EBITDA % - Incl. Indus &amp; ABIPBL Contribution</b>	<b>22.1%</b>	<b>23.1%</b>

Dep. & Amort. Break-up	For the Quarter	
	Q3FY18	Q2FY18
Dep & Amort. - Idea Standalone	21,414	21,143
Dep. & Amort. Cost - Indus, ABIPBL	789	782
<b>Dep. &amp; Amort. - Incl. Indus &amp; ABIPBL Contribution</b>	<b>22,203</b>	<b>21,925</b>

EBIT Break-up	For the Quarter	
	Q3FY18	Q2FY18
EBIT - Idea Standalone	(9,181)	(6,127)
EBIT Contribution - Indus, ABIPBL	1,391	1,455
<b>EBIT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(7,790)</b>	<b>(4,671)</b>

Interest & Finance Cost Break-up	For the Quarter	
	Q3FY18	Q2FY18
Gross Interest Cost - Idea Standalone	12,739	11,758
Gross Interest Income - Idea Standalone	(420)	(454)
Forex Loss/ (Gain)	(829)	525
<b>Int. &amp; Fin. Cost (net) - Idea Standalone</b>	<b>11,490</b>	<b>11,829</b>
Int. & Fin. Cost (net) - Indus, ABIPBL	116	150
<b>Int &amp; Fin Cost (net) - Incl. Indus &amp; ABIPBL Contribution</b>	<b>11,606</b>	<b>11,979</b>

Tax Break-up	For the Quarter	
	Q3FY18	Q2FY18
Tax - Idea Standalone	(7,152)	(6,196)
Tax - Indus, ABIPBL	456	462
<b>Tax - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(6,696)</b>	<b>(5,734)</b>

PAT Break-up	For the Quarter	
	Q3FY18	Q2FY18
PAT - Idea Standalone	(13,519)	(11,760)
PAT Contribution - Indus, ABIPBL	818	843
Deferred Tax impact on Undistributed Indus Profit	145	148
<b>PAT - Incl. Indus &amp; ABIPBL Contribution</b>	<b>(12,845)</b>	<b>(11,065)</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				
		Q3FY18	Q2FY18	Q1FY18	Q4FY17	Q3FY17
Subscriber Base (EoP) (2G+3G+4G)	mn	188.5	182.4	189.0	189.5	185.2
VLR Subscribers (EoP)	mn	203.0	195.5	199.0	198.3	192.1
Net VLR Subscriber addition	mn	7.5	(3.5)	0.6	6.2	5.6
Pre-paid Subs (% of EoP subscribers)	%	95.6%	95.5%	95.6%	95.6%	95.5%
Broadband devices (3G+4G)**	mn	105.7	100.7	100.6	78.1	75.7
Broadband device penetration (3G+4G)	%	56.1%	55.2%	53.2%	41.2%	40.9%
Average Revenue per User (ARPU) Blended	INR	114	132	141	142	157
Average Voice Revenue Per User (Voice ARPU)	INR	86	101	108	107	114
Average Minutes of Use per User (MoU)	min	509	459	441	412	385
Average Realisation per Minute (ARPM)	paisa	22.5	28.7	32.0	34.5	40.7
Average Voice ARPM	paisa	16.8	22.0	24.4	25.9	29.6
Blended Churn	%	4.8%	6.3%	6.7%	6.1%	6.0%
2G Coverage - No. of Census Towns	no.	7,682	7,686	7,693	7,693	7,695
2G Coverage - No. of Villages	no.	3,87,411	3,87,456	3,87,863	3,89,061	3,93,257
2G Coverage - Population	mn	994	995	995	996	1,002
% of Population	%	82.2%	82.2%	82.2%	82.3%	82.8%
Broadband Coverage - No. of Census Towns	no.	6,483	5,996	5,628	5,242	5,051
Broadband Coverage - No. of Villages	no.	1,47,536	1,15,440	1,00,289	93,579	88,018
Broadband Coverage - Population	mn	634	568	524	480	458
% of Population	%	52.4%	46.9%	43.3%	40.2%	38.4%
Total Minutes of Use	mn	2,82,574	2,55,035	2,50,729	2,31,372	2,09,828
Total 2G Cell Sites (EoP)*	no.	1,31,366	1,31,239	1,31,059	1,31,486	1,32,362
Total Broadband sites (3G+4G)*	no.	1,43,565	1,33,685	1,17,386	1,10,054	1,00,615
Optical Fibre Cable (OFC)	KM	1,53,200	1,50,500	1,48,100	1,44,600	1,33,800

Non-Voice and Data Business (2G+3G+4G)						
VAS as a % of Service Revenue	%	25.3%	23.3%	23.6%	24.9%	27.2%
Data as a % of Service Revenue	%	18.0%	16.5%	17.1%	18.3%	20.2%
Non-Data VAS as a % of Service Revenue	%	7.3%	6.8%	6.5%	6.6%	7.0%
Total Data Suscribers (2G+3G+4G)	000	42,607	38,195	38,122	42,233	48,583
Total Data Volume (2G+3G+4G)	Mn MB	5,71,301	4,38,688	2,52,822	1,27,014	1,08,843
Blended Data ARMB	paisa	2.0	2.7	5.4	11.5	15.9
Data ARPU for Data Subscriber (2G+3G+4G)	INR	95	105	119	110	111
Data Usage by Data Subscriber (2G+3G+4G)	MB	4,742	3,805	2,204	957	703
Broadband Business (3G+4G)						
Broadband Subscribers	000	34,800	29,606	26,357	24,684	27,026
Broadband Data Volume	Mn MB	5,48,600	4,13,119	2,28,805	1,04,224	84,455
Broadband Data Usages by Broadband Subs	MB	5,708	4,853	3,083	1,381	971

\*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

#### **Quarter impacted by IUC reduction, sustained rate pressure and industry consolidation**

Effective 1<sup>st</sup> October 2017, TRAI amended the domestic Interconnection Usage Charge (IUC) settlement regulation reducing the 'Mobile Termination Charge' (MTC) from 14 paisa to 6 paisa per minute aggravating the financial stress of the industry. Therefore, this quarter results are not comparable to the earlier periods. The regulation imposed 57% sharp decline in IUC settlement rates negatively impacted Idea's Revenue and EBITDA for this quarter by ~Rs. 8,200 million and ~Rs. 2,300 million respectively. The new domestic MTC rate and recently announced drop in 'International mobile termination' settlement charges effective 1<sup>st</sup> February, 2018 from 53 paisa to 30 paisa per minute, remains a body blow to all operators and reduces investable funds for the critical 'Digital India' program. The international IUC rate drop only benefits the foreign operators, with no commensurate benefit to Indian consumers but with significant foreign exchange and revenue loss to the Indian exchequer.

While the regulatory headwinds continue to blow, the exit of sub-scale mobile operators is driving the industry to consolidation by calendar year 2018. Idea during the quarter, on the back of (a) Success in MNP from exiting operators, (b) Launch of mass market unlimited voice bundled data plans and (c) Sustained broadband investment, witnessed strong return of subscriber addition with 7.5 million 'Net customer adds' on VLR during Q3FY18. Resultantly, Idea improved its 'Subscriber Market Share' (VLR) to 19.8% in November 2017 vs 19.4% in August 2017. The company's overall subscriber base (VLR) crossed the 200 million milestone and stands at 203 million as on 31<sup>st</sup> December 2017.

In comparison, the dual negative factors of (a) Steep reduction in MTC settlement rate and (b) Unrelenting rate pressure on voice and mobile data services as high ARPU consumers migrate to 'unlimited voice bundled data plans' has resulted in 12.8% decline in Idea's gross revenue in Q3FY18 to Rs. 65,097 million (vs Q2FY18 revenue of Rs. 74,654 million). The new competitive dynamics unfolding will have a positive effect including (a) Existing multi SIM users consolidating their usage to single operator; (b) Casual mobile customers starting to adopt these attractive high value bundled plans; (c) More pure voice subscribers upgrade to 4G smartphone/ 4G broadband services and (d) Nearly 300-400 million Indians who currently do not use mobile services are at an inflection point to enter the wireless in 2G category. The mobility services role in lives of Indians cannot be emphasized enough and present tremendous long-term opportunities ahead.

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

**Mobile voice segment** – As industry operating tariffs tumble, voice and data volume growth partially compensated for the steep rate fall. The adoption of unlimited voice bundled data plans has led to explosion in voice volumes



with sequential quarterly voice minutes growth @10.8% in Q3FY18 (vs +1.7% in Q2FY18), highest in the last 30 quarters, which helped quarterly mobile voice volume reach 282.6 billion minutes. The 'voice realization rate' (including the impact of reduction in IUC rate) sharply declined by 23.6% to 16.8 paisa per minute (vs 22.0 paisa in Q2FY18). Consequently, the 'usage per subscriber' has risen sharply to 509 minutes in Q3FY18.

**Mobile data segment** – During the past few months, the seeds of digital revolution that will permanently transform India into a digital society, has been sown. Today, we are witnessing a meteoric growth in 'data usage per data subscriber' which has zoomed from 703 MB/month (Q3FY17) to monthly usage of 4,742 MB during this quarter. Further, the introduction of competitive bundled data price plans has led to Idea's highest ever wireless broadband subscriber addition of 5.2 million in Q3FY18, helping increase the company's wireless broadband subscriber (EoP) base to 34.8 million out of total 42.6 million mobile data users. Also, the mobile data volume (2G+3G+4G) continued to witness robust sequential growth of 30.2% (on back of sequential quarterly growth of 73.5% in Q2FY18 and 99.1% growth in Q1FY18) as Idea's pan India data network carried 571 billion MB of data volume this quarter.

The unlimited voice bundled data plans are turning to be a bonanza for Indian consumers, as 'mobile data realization rate' fell to world's lowest tariffs @2.0 paisa per MB, a sharp decline of 27% vs 2.7 paisa per MB in Q2FY18. During the last one year, Idea's wireless broadband data aggregate volume has multiplied by ~6.5 times to 549 billion MB in Q3FY18 against 84 billion MB a year ago.

### **Accelerated broadband Investments to support exploding data demand**

Over the period of last two years, Idea has aggressively expanded its wireless broadband infrastructure and added 96,020 broadband (3G+4G) sites. Idea has multiplied its broadband sites by ~3 times in last two years and the overall broadband sites now stands at 143,565. Idea's wireless broadband network (3G+4G) population under coverage now exceeds 634 million Indians (52.4% of Indian population) across 22 service areas spread over 154,000 towns and villages. This quarter also the company rolled out nearly 10,000 broadband sites.

Idea and Vodafone India, in addition to Active Infrastructure sharing arrangements, have also expanded their ICR with higher coverage under 2G ICR arrangements and introduced 4G ICR arrangements, during the quarter to avoid duplication of spends and make best use of capex. This has resulted in expanded coverage across over 12,500 new towns and neighbouring villages, where one of the operators was not previously present.

As 4G consumer adoption rate continues to rise supported by affordable smartphones and world's lowest 'voice and wireless broadband tariffs', almost all of Idea's incremental network capital investments is allocated towards 4G expansion (including fibre and capacity). Idea remains on course to introduce its own VoLTE – 'Voice over LTE' from March 2018 onwards in main markets. The capex spend for the current quarter was Rs. 17.5 billion.

### **Q3FY18 financial performance impacted by IUC reduction**

Consequent to gross revenue decline primarily on account of MTC rate revision, the EBITDA for the quarter declined by 18.5% to Rs. 12,233 million compared to Rs. 15,016 million in Q2FY18. In the meanwhile, company remains focused to optimize its operating costs in the new sector paradigm. Adjusting for IUC impact, absolute EBITDA declined by 3.2% QoQ. The EBITDA margin for the quarter declined to 18.8% (normalised margin of 19.8%) from 20.1% in Q2FY18.

The 'Depreciation & Amortisation' charge and 'Interest & Financing Cost (Net)' stood at Rs. 21,414 million and Rs. 11,490 million respectively resulting in the standalone PAT loss of Rs. 13,519 million in Q3FY18 (vs PAT loss of Rs. 11,760 million in Q2FY18). The consolidated Total Comprehensive Income (including proportionate share from Indus & ABIPBL) stands at a loss of Rs. 12,856 million in Q3FY18 (vs loss of Rs. 11,077 million in Q2FY18).

The 'Net Debt' as on December 31, 2017 stands at Rs. 557,818 million, including a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions.

### **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. The parties have a complementary footprint and the merged entity would have one of the highest overall spectrum holding of 1,850 MHz across multiple spectrum bands. The merger transaction is subject to approval from the relevant regulatory authorities. The companies have already received approval for the proposed combination from (a) 'Competition Commission of India' (CCI), (b) SEBI & Stock Exchanges and (c) recently from National Company Law Tribunal (NCLT), Bench of Ahmedabad and Mumbai. The merger of Idea and Vodafone India is in the final leg of regulatory approvals and is expected to complete in H1CY18.

Both the companies, within the framework of law, have set up respective project management teams, preparing for the merger and initiated detailed planning for identified capex and opex synergies.

Separately, on 13<sup>th</sup> November 2017, Idea and Vodafone, announced the sales 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. 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 the payment of exit penalty.

### **Idea in the process of raising up to Rs. 67.5 billion equity to strengthen combined entity's balance sheet**

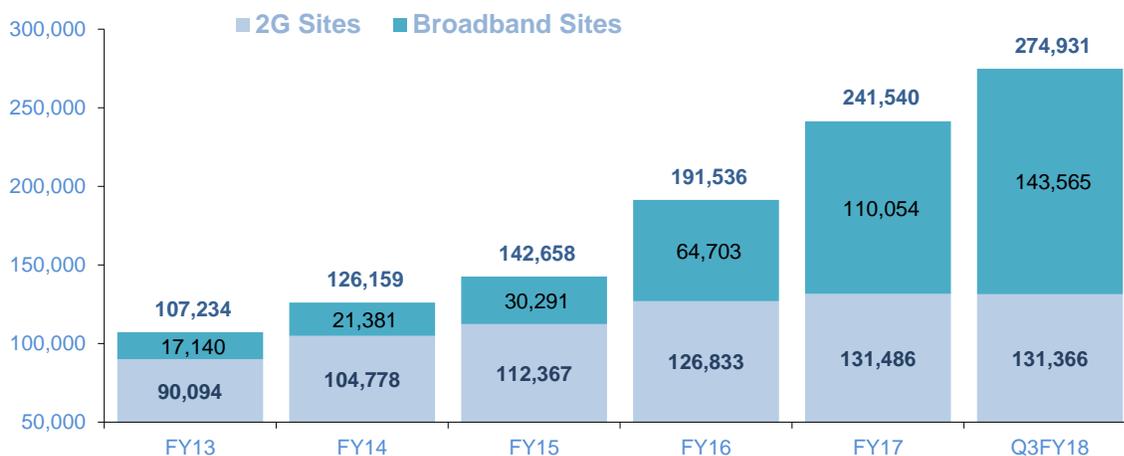
On January 4<sup>th</sup> 2018, the board of directors approved issuance of ~326.6 million equity shares at a price of Rs. 99.50 per share on preferential basis to the promoter group entities for a total consideration of Rs. 32.5 billion.

Idea's board has also constituted a committee of board members to evaluate potential routes for raising additional equity capital of up to Rs. 35 billion including, among others, through further Preferential Issue, Qualified Institutional Placement (QIP), or Rights Issue, etc. The proposed capital raising of up to Rs. 67.5 billion will reduce Idea's net-debt and as a result Vodafone net-debt contribution to the merged entity will also be reduced by a commensurate amount. This along with the recent sale of standalone tower businesses of Idea and Vodafone India for Rs. 78.5 billion and potential 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 9,880 Broadband sites. The total EoP site count stands at 131,366 for 2G and 143,565 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 153,200 kms OFC, in comparison to 105,600 kms two years back (Q3FY16), an addition of nearly 48,000 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. 17.5 billion.

The capex guidance for the year has been revised to Rs. 70 billion (from Rs. 60 billion earlier).



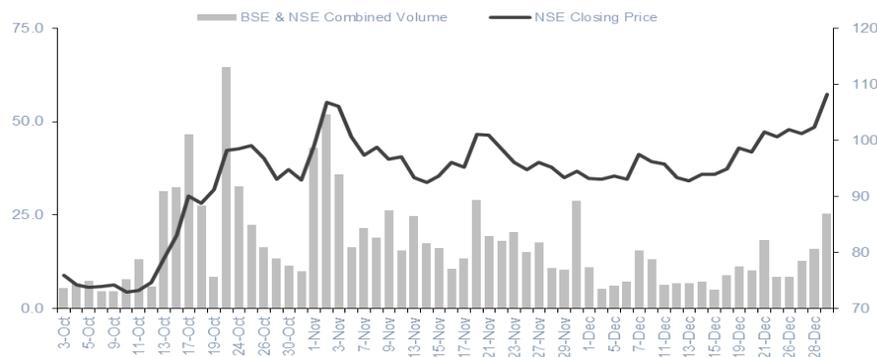
## 9. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/12/2017)	mn	3607.50
Closing Market Price - NSE (31/12/2017)	INR/share	108.15
Combined Volume (NSE & BSE) (01/10/2017 to 31/12/2017)	mn/day	17.1
Combined Value (NSE & BSE) (01/10/2017 to 31/12/2017)	INR mn/day	1631.2
Market Capitalisation (31/12/2017)	INR bn	390
EPS for the Quarter (Annualised)	INR/share	-14.24
Enterprise Value (31/12/2017)	INR bn	948
Price to Earning	times	NA
Price to Cash Earning	times	254.3
Price to Book Value	times	1.8
EV/Annualised EBITDA	times	19.4

### 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 December 31, 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	1,696,904,067	47.04%
Indian Institutions	291,982,148	8.09%
Others	89,765,275	2.49%
<b>Total</b>	<b>3,607,499,037</b>	<b>100.00%</b>

## 11. Glossary

Definitions/Abbreviation	Description/Full Form
3G	Third Generation of Mobile Telephony
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 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 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

Definitions/Abbreviation	Description/Full Form
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
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

Definitions/Abbreviation	Description/Full Form
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.
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