

# Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report – Fourth Quarter Ended March 31, 2014

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चुनाव के वक़्त,  
नो उल्लू बनाविंग  
आइडिया इंटरनेट ऑल इंडिया

**!idea**

एक आइडिया जो बदल दे आपकी दुनिया

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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 Indian GAAP. Our financial year ends on March 31 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, and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

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

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

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## Report Structure

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## 1. Reporting Guidelines:

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

- a) Standalone** – Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the JVs, Spice (till February 28, 2010) and Indus. Spice Communications has been amalgamated into Idea Cellular w.e.f. March 01, 2010 and accordingly from that date Idea Standalone includes erstwhile Spice.
- b) Consolidated** – Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea Standalone, this covers the proportionate consolidation of erstwhile Spice (41.09% till February 28, 2010) and Indus (16%). JV financials have been consolidated as jointly controlled entities as per “AS 27 - Financial reporting of Interests in Joint Ventures”. It may be noted that the consolidation of financials of two or more entities requires elimination of inter entity transactions. Illustratively, rentals paid by Idea to Indus, become expenses for Idea and revenues for Indus, on a standalone basis. However, upon consolidation, the proportionate revenue of Indus gets reduced to the extent contributed by Idea. The rental expenses of Idea also stand correspondingly reduced in the consolidated financials.

### Notes:

1. The Hon'ble High Court of Delhi vide order dated 13<sup>th</sup> July, 2013 directed DoT to take a final decision on transfer of licenses of erstwhile Spice to Idea. DoT vide its letter dated 29<sup>th</sup> November, 2013 approved transfer of Punjab and Karnataka Spice licenses subject to Idea payment of Rs. 600 crs penalty, one time spectrum charges demand and other conditions etc. Idea has challenged DoT letter dated 29<sup>th</sup> November, 2013 vide its petition no. 440 of 2013 against penalty. TDSAT has restrained DoT from taking any coercive steps and petition is listed for hearing on 29<sup>th</sup> April, 2014. Meanwhile, in a direction made by Hon'ble Supreme Court, DoT has endorsed the Punjab and Karnataka licenses in favor of the company subject to an undertaking submitted by the company that in case the levy of penalty is ultimately upheld, the DoT will be free to encash the normal bank guarantee. Also Hon'ble court has allowed all remedies to Idea in case of TDSAT appeal fails.
2. Vide order dated 12th April, 2013 The Hon'ble Delhi High Court has directed company that no 'New 3G subscriber' be added in 3G intra Circle seeker service area of Tamil Nadu (Incl Chennai), Kolkata, West Bengal, Assam, North East, and Mumbai until further order. The Delhi High Court also directed DoT for no coercive action in the dispute on 3G Intra Circle Roaming until final order. Pursuant to TDSAT becomes functional, Hon'ble Delhi High court, vide its order dated 5th August, 2013 directed the company to move TDSAT in the matter. Accordingly the company had filed its petition before TDSAT in the matter. The hearing in the said matter at TDSAT has been completed and Judgment is reserved.



## 2. Performance at a glance – Idea Standalone

| Particulars                     | Unit  | For the Quarter |         | For the Year |         |         |         |         |
|---------------------------------|-------|-----------------|---------|--------------|---------|---------|---------|---------|
|                                 |       | Q4FY14          | Q3FY14  | FY 14        | FY 13   | FY 12   | FY 11   | FY 10   |
| <b>Operating Highlights</b>     |       |                 |         |              |         |         |         |         |
| Operating Service Areas (EoP)   | nos.  | 22              | 22      | 22           | 22      | 22      | 22      | 22      |
| Subscriber base (EoP)           | mn    | 135.8           | 128.7   | 135.8        | 121.6   | 112.7   | 89.5    | 63.8    |
| 2G - Cell Sites (EoP)           | nos.  | 104,778         | 101,600 | 104,778      | 90,094  | 83,190  | 73,668  | 66,187  |
| 3G - Cell Sites (EoP)           | nos.  | 21,381          | 19,904  | 21,381       | 17,140  | 12,825  |         |         |
| <b>Financial Highlights</b>     |       |                 |         |              |         |         |         |         |
| Gross Revenue                   | Rs mn | 70,406          | 66,105  | 265,036      | 225,949 | 196,800 | 156,380 | 121,413 |
| EBITDA                          | Rs mn | 19,881          | 18,135  | 73,883       | 53,715  | 45,159  | 33,262  | 30,538  |
| PAT                             | Rs mn | 5,138           | 3,981   | 17,932       | 10,080  | 6,036   | 8,378   | 10,298  |
| Cash Profit                     | Rs mn | 16,694          | 15,663  | 64,350       | 46,968  | 36,079  | 30,899  | 29,043  |
| Gross Block + CWIP <sup>1</sup> | Rs mn | 571,211         | 453,429 | 571,211      | 446,007 | 392,602 | 351,045 | 258,371 |
| Net Worth                       | Rs mn | 158,806         | 155,102 | 158,806      | 141,828 | 129,077 | 122,767 | 114,101 |
| Loan Funds                      | Rs mn | 193,616         | 119,520 | 193,616      | 126,688 | 120,957 | 105,575 | 65,264  |
| Cash & Cash Equivalent          | Rs mn | 1,761           | 30,062  | 1,761        | 10,806  | 1,406   | 13,902  | 14,005  |
| Net Debt                        | Rs mn | 191,855         | 89,458  | 191,855      | 115,881 | 119,550 | 91,673  | 51,259  |
| Net Debt to EBITDA <sup>2</sup> | unit  | 2.41            | 1.23    | 2.60         | 2.16    | 2.65    | 2.76    | 1.68    |
| Net Debt to Net Worth           | unit  | 1.21            | 0.58    | 1.21         | 0.82    | 0.93    | 0.75    | 0.45    |
| ROCE                            | %     | 8.4%            | 7.8%    | 7.2%         | 6.0%    | 5.3%    | 5.6%    | 7.4%    |

<sup>1</sup>Includes:- a) Rs. 57,686 mn paid for 2100MHz band spectrum from FY11 onwards, b) Rs. 20,313 mn paid for 1800MHz spectrum from FY13 onwards, c) Rs. 104,242 mn paid for 900/1800 Mhz spectrum from Q4FY14 onwards. Excludes:- Gross Block value of 11,094 towers transferred to Indus from Q1FY14 onwards.

<sup>2</sup>Net Debt to EBITDA, for the quarter, is based on the annualised figure of quarterly EBITDA.

Note: During Q1FY14/Q2FY13 ABTL (a fully owned subsidiary) has received a dividend of Rs. 838mn/1,543 mn from Indus; accordingly the standalone (Idea+Subsidiaries) PAT and Cash Profit as well as ROCE include the same for FY14/FY13.

## 3. Company Overview

Idea Cellular Limited ("Idea") is the third largest wireless operator in India with a Revenue Market Share (RMS) of 16.1% (Q3FY14). In the 15 Established Service Areas, its RMS stands at a strong level of 19.2% (Q3FY14). The company carries around 1.75 billion minutes on a daily basis during the quarter and the seventh largest mobile telecommunications company (based on operations in a single country) in the world based on number of subscribers (as determined from data from WCIS, as of December 2013). Idea is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs. 456 billion (as on March 31, 2014).

### A. Promoter Group

Idea is part of the Aditya Birla Group, which is one of the largest business groups in India. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years and has



businesses in, among others, mobile telecommunications, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries The Group currently has shareholding holding of 45.81% in Idea, through following entities;

|                              |        |
|------------------------------|--------|
| Aditya Birla Nuvo Ltd.       | 25.23% |
| Birla TMT Holdings Pvt. Ltd. | 8.54%  |
| Hindalco Industries Ltd.     | 6.88%  |
| Grasim Industries Ltd.       | 5.15%  |
| Others                       | 0.01%  |
| Total                        | 45.81% |

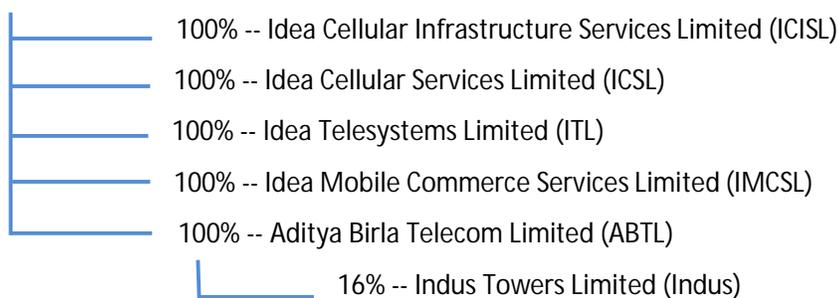
## B. Key Shareholders

**Axiata Group Berhad**, through its affiliates, has 19.89% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication companies 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 and Cambodia as well as significant strategic stakes in India and Singapore through its various subsidiaries and affiliates. The Group, including its subsidiaries and associates, has over 215 million mobile subscribers in Asia and provides employment to over 20,000 people across Asia.

**Provident Equity Partners**, through its affiliates has a 9.94% shareholding in Idea, and has also invested INR 20,982 mn in ABTL through Compulsorily Convertible Preference Shares.

## C. Corporate Structure

Idea Cellular Limited (Idea)



ICISL – A tower company owning towers in Bihar and Orissa service areas.

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 – Holds 16% shareholding in Indus and engaged in the business of sale and purchase of communication devices.

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



## D. Business Segments

**Mobile Operations** – Idea provides Pan India GSM mobile services in all 22 service areas of India. The mobile GSM business of Idea is segregated as 15 Established Service Areas (evolved with time in terms of profitability) and 7 New Service Areas (launched in FY10 and gestating in terms of profitability).

Idea won 3G spectrum (2100 MHz in May 2010) in 11 important service areas which cover around 73% of its current revenue and account for approximately half of national mobile industry revenue.

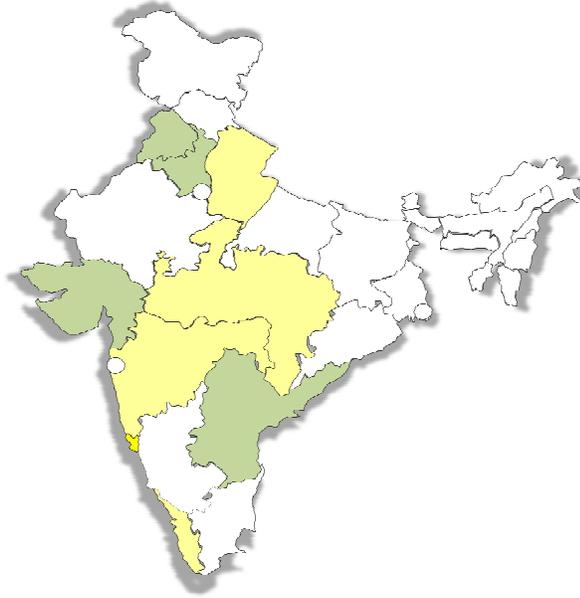
In the recently concluded spectrum auction (February 2014) for 900 MHz and 1800 MHz spectrum Idea won 5MHz spectrum in 900 MHz frequency band in Delhi service area, LTE compatible 1800 MHz spectrum in 8 service areas along with top-up GSM spectrum in 7 service areas. The company intends to launch 3G services in Delhi in Calendar Year 2015 on the recently acquired 900 MHz spectrum. Post Delhi 3G service launch, the 3G foot-print of Idea will cover ~80% of its current revenue and ~57% of national mobile industry revenue. Further the 45 MHz contiguous spectrum in 1800 MHz (out of 60.2 MHz it won in 1800 MHz) in the 8 service areas of Kerala (10 MHz), Maharashtra & Goa, Andhra Pradesh, Karnataka, Madhya Pradesh & Chhattisgarh, Punjab, Haryana and North East (5 MHz in each) provides opportunity to offer 4G LTE services in these service areas. For the service areas of Maharashtra, Punjab, Haryana and North East spectrum allocation is currently for partial service area and company is making efforts to harmonise the same. The actual timing of 4G services launch would be based on the consumer demand, technology stabilisation and competitors move. These 8 service areas represent ~58.1% of Idea revenue and an opportunity of upgrade to LTE service to existing 74.7 million Idea subscribers.

**Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea currently has over 82,000 km fibre cable transmission network to tap the future potential of wireless broadband. Idea has 2500 OFC PoPs in major cities & linked highways. The fibre network of the company optimally serves our 2G/ 3G/ NLD/ ILD/ ISP/Wireless Broadband needs. Idea NLD currently carries around 98% of its captive NLD minutes. Idea ILD services now handles around 97% of captive ILD outgoing minutes, besides bringing large volume of incoming minutes from top international carriers across the globe. In FY12 Idea launched its ISP services to cater for the captive requirement of its mobile business. It has now commenced service offering to small ISPs and enterprise customers for their wholesale Internet backhaul needs. Idea ISP currently handles more than 97.5% of captive subscriber traffic requirements. Traffic details with reference to NLD, ILD and ISP are as follows –

|                   | Unit | For the Quarter |        |        |        |        | For the Year |        | Growth |
|-------------------|------|-----------------|--------|--------|--------|--------|--------------|--------|--------|
|                   |      | Q4FY14          | Q3FY14 | Q2FY14 | Q1FY14 | Q4FY13 | FY14         | FY13   |        |
| Total NLD Minutes | mn   | 14,753          | 13,369 | 12,874 | 12,642 | 12,818 | 53,638       | 46,188 | 16.1%  |
| Total ILD Minutes | mn   | 1,855           | 1,235  | 1,184  | 1,270  | 1,368  | 5,544        | 4,269  | 29.9%  |
| ISP Capacity      | Gbps | 54.7            | 45.0   | 30.0   | 26.5   | 24.4   | 54.70        | 24.40  | 124.2% |

## 4. Strength Areas

### A. Leadership Geographies



| Service Area | RMS Q3FY14* | Rank | Spectrum Profile |
|--------------|-------------|------|------------------|
| Kerala       | 36.2%       | 1    | 2G/3G/4G         |
| M.P.         | 35.0%       | 1    | 2G/3G/4G         |
| UP (W)       | 30.1%       | 1    | 2G/3G            |
| Maharashtra  | 29.7%       | 1    | 2G/3G/4G         |
| Haryana      | 24.7%       | 2    | 2G/3G/4G         |
| Punjab       | 21.3%       | 2    | 2G/3G/4G         |
| A.P.         | 20.4%       | 2    | 2G/3G/4G         |
| Gujarat      | 19.1%       | 2    | 2G/3G            |
| Total        | 26.8%       | 1    |                  |

Incremental RMS of **44.5%** - Q3FY14 vs Q3FY13

\*Gross Revenue for Mobile & UAS Licenses released by TRAI and Company estimates

The incumbency advantage coupled with the benefit of 900 MHz spectrum and 3G services gives Idea an absolute leadership status with combined RMS of 26.8% in these eight service areas. These service areas contribute over 40% of national mobile industry revenue and approx. 68% of Idea's revenue. In spite of intense market competition, Idea has improved its revenue market share by 1.9% in these 8 service areas over last one year to 26.8% (Q3FY13 RMS 24.9%) delivering 44.5% incremental RMS on YoY basis in Q3FY14.

Idea has rolled out 3G services in these 7 strategically important service areas and recently received DoT approval to launch 3G services in Punjab. In the recently concluded spectrum auction (February 2014), Idea also won 1800 MHz spectrum which can be used for LTE services in the service areas of Kerala, MP, Maharashtra, Haryana, Punjab and A.P. Idea's GSM, 3G and LTE spectrum footprint in these 8 service areas (6 for LTE) places the company in an advantageous competitive position to continue its march of strengthening its market standing.

### B. Emerging Geographies

Over the last few years, Idea 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). The emergence of Idea as a significant player in these 7 service areas reaffirms Idea's intrinsic competitive capabilities. Idea provides 3G services in the service areas of UP (E) and H.P. out of these service areas. In the recently concluded auction (February 2014) Idea also won 900 MHz spectrum for 3G services in Delhi service area. Idea also has opportunity of introducing LTE services in Karnataka post acquisition of 5 MHz contiguous spectrum in 1800 MHz band.

| SERVICE AREA | RMS Q3FY14* | RANK | SPECTRUM PROFILE |
|--------------|-------------|------|------------------|
| UP (E)       | 12.5%       | 3    | 2G/3G            |
| Rajasthan    | 12.5%       | 3    | 2G               |
| Delhi        | 12.0%       | 3    | 2G/3G            |
| Bihar        | 11.0%       | 4    | 2G               |
| Karnataka    | 10.4%       | 4    | 2G/4G            |
| H.P.         | 10.0%       | 5    | 2G/3G            |
| Mumbai       | 9.4%        | 5    | 2G               |
| Total        | 11.2%       | 3    |                  |

\*Gross Revenue for Mobile & UAS Licenses released by TRAI

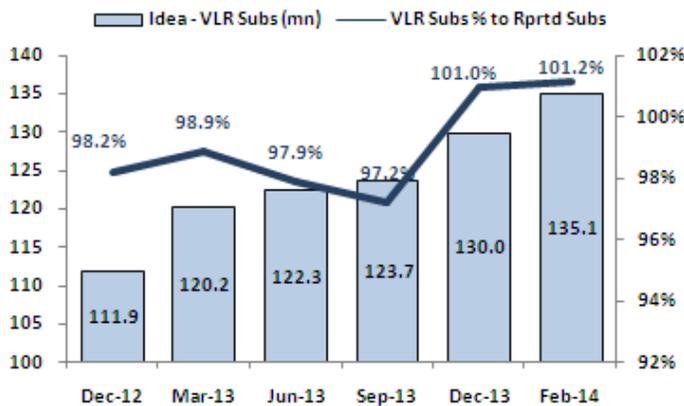
These 7 emerging service areas with high growth potential contribute over 27% of Idea's revenue and represent around 39% of national mobile industry revenue. Idea has improved its revenue market share by 1.0% in these service areas over last one year to 11.2% in Q3FY14 (Q3FY13 RMS 10.2%). These emerging geographies are now contributing significant positive EBITDA to the company.

### C. Growth Geographies

Idea has 7 New Service Areas namely, Tamil Nadu, Kolkata, West Bengal, Orissa, J&K, Assam and North East, with 1800 MHz spectrum acquired in November 2012 auction, representing over 20% of Indian Mobility Market. The revenue contribution of these service areas is 5.3% of Idea revenue while EBITDA losses stand at Rs. 1,674 million in Q4FY14. The combined 'Revenue Market Share' (RMS) in these 7 service areas was 4.0% in Q3FY14. The incremental RMS in these 7 new service areas between Q3FY14 to Q3FY13 is 11.0%, indicating good potential of improving Idea presence in these service areas. Idea offers 3G services in J&K service area and has opportunity to launch LTE services with additional 5 MHz contiguous spectrum in 1800 MHz band won in February 2014 spectrum auction in North East service area.

### D. Over 137 million Quality Subscriber Base

Idea is among the select global operators servicing over 137 million subscribers. This large base of subscribers provides a great platform to the company for upgrading the pure voice customers, to wireless data services in future. Idea has always been vigilant in monitoring the quality of its subscriber base. The latest (Feb 2014) data released by the TRAI for VLR subscribers (active subscribers), reaffirms quality of Idea's subscriber base as among the best in terms of percentage of active subscribers. As of February 2014, Idea has around 101.2% of reported subscribers as VLR subscribers, which is highest in the industry. Idea's VLR EoP subscriber market share at the end of February, 2014 stands at 17.3% (as against a reported subscriber EoP markets share of 14.8%) an improvement of 0.8% over last one year. Idea reported subscribers are 135.8 million as of March against VLR subscribers of 137.9 million. During 12 months from Mar'13 to Feb'14, Idea added 17.7 million VLR subscribers in overall industry VLR growth of 67.5 million,



recording incremental share of 26.3% of VLR subscribers.

In spite of an addition of 17.7 million subscribers (15.1% increase) in last 12 months, Idea has stayed focused on improving quality of subscriber addition. The company ARPU has increased to Rs. 173 in Q4FY14 (3.6% improvement) from Rs. 167 in Q4FY13.

Source: TRAI

### E. Leader in Mobile Number Portability Net Adds

The Mobile Number Portability (MNP) was implemented nation-wide on 20th January, 2011. The trends emerging from MNP are clearly distinguishing the strong operators in terms of customers' preference for better quality of services and brand value. In a see-saw battle over the last 39 months for supremacy in the MNP space, Idea has maintained leadership position since June'11 on overall MNP Net Adds, other than a brief period between October-December 2012. Idea has a net gain of 9.14 million MNP customers (as on March 31, 2014) from other existing telecom operators with around one out of every four existing mobile customers, who chooses to port out from their existing mobile operator prefers to shift to Idea services.

### F. Tower Investment

Indus towers, a joint venture between Bharti Infratel, Vodafone India and Idea Cellular (thru ABTL), is one of the world's leading tower company with around 113,000 towers and tenancy ratio of 2.07 as of March 31, 2014. The mobile operations of these shareholders group have combined Revenue Market Share of 69.6% (Q3FY14). Idea (thru ABTL) holds 16% equity stake in Indus towers. Providence has invested Rs. 20,982 mn in ABTL through Compulsorily Convertible Preference Shares. The consolidated financials includes 16% consolidation from Indus Towers.

Besides investment in Indus Tower, Idea owns 9,446 towers, which have a tenancy ratio of 1.57 as on March 31, 2014.

## 5. Financial Highlights

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

|                                   | For the Quarter |        |        |        |        |
|-----------------------------------|-----------------|--------|--------|--------|--------|
|                                   | Q4FY14          | Q3FY14 | Q2FY14 | Q1FY14 | Q4FY13 |
| Gross Revenue                     | 70,406          | 66,105 | 63,170 | 65,355 | 60,951 |
| Opex                              | 50,524          | 47,970 | 45,740 | 46,919 | 45,914 |
| EBITDA                            | 19,881          | 18,135 | 17,430 | 18,436 | 15,037 |
| EBITDA Margin                     | 28.2%           | 27.4%  | 27.6%  | 28.2%  | 24.7%  |
| Depreciation & Amortisation       | 10,402          | 10,671 | 9,811  | 10,407 | 8,386  |
| EBIT                              | 9,479           | 7,465  | 7,619  | 8,030  | 6,652  |
| Interest and Financing Cost (net) | 1,653           | 1,213  | 1,575  | 1,832  | 1,927  |
| Dividend from Indus*              | -               | -      | -      | 838    | -      |
| PBT                               | 7,825           | 6,251  | 6,044  | 7,036  | 4,724  |
| Tax                               | 2,687           | 2,270  | 2,060  | 2,207  | 2,055  |
| PAT                               | 5,138           | 3,981  | 3,984  | 4,829  | 2,670  |
| Cash Profit                       | 16,694          | 15,663 | 14,555 | 17,438 | 13,067 |

### B. Consolidated Profit & Loss Account (Rs mn)

|                                   | For the Quarter |        |        |        |        |
|-----------------------------------|-----------------|--------|--------|--------|--------|
|                                   | Q4FY14          | Q3FY14 | Q2FY14 | Q1FY14 | Q4FY13 |
| Gross Revenue                     | 70,438          | 66,131 | 63,233 | 65,388 | 60,614 |
| Opex                              | 48,136          | 45,574 | 43,518 | 44,624 | 43,883 |
| EBITDA                            | 22,302          | 20,557 | 19,715 | 20,763 | 16,731 |
| EBITDA Margin                     | 31.7%           | 31.1%  | 31.2%  | 31.8%  | 27.6%  |
| Depreciation & Amortisation       | 11,380          | 11,666 | 10,795 | 11,353 | 9,092  |
| EBIT                              | 10,922          | 8,891  | 8,920  | 9,410  | 7,639  |
| Interest and Financing Cost (net) | 1,966           | 1,575  | 1,949  | 2,211  | 2,244  |
| PBT                               | 8,956           | 7,316  | 6,971  | 7,199  | 5,395  |
| Tax                               | 3,058           | 2,639  | 2,495  | 2,572  | 2,313  |
| PAT                               | 5,898           | 4,678  | 4,476  | 4,627  | 3,082  |
| Cash Profit                       | 18,505          | 17,435 | 16,164 | 18,264 | 14,274 |

\* During Q1FY14 ABTL (a fully owned subsidiary) has received a dividend of Rs. 838 mn from Indus; and same is reflected in 'Standalone' PAT and Cash Profit. However, this dividend income gets eliminated in the 'Consolidated' financials.

### C. Revenue & Profitability Break-up (Rs mn)

| Revenue Break-up                          | For the Quarter |         |
|---|-----------------|---------|
|   | Q4FY14          | Q3FY14  |
| Gross Revenue - Established Service Areas | 66,699          | 62,779  |
| Gross Revenue - New Service Areas         | 3,707           | 3,326   |
| Revenue - Idea Standalone                 | 70,406          | 66,105  |
| Revenue Contribution - Indus (@16.00%)    | 5,735           | 5,645   |
| Consolidation Eliminations                | (5,703)         | (5,620) |
| Revenue - Idea Consolidated               | 70,438          | 66,131  |

| EBIT Break-up                       | For the Quarter |        |
|-------------------------------------|-----------------|--------|
|                                     | Q4FY14          | Q3FY14 |
| EBIT - Idea Standalone              | 9,479           | 7,465  |
| EBIT Contribution - Indus (@16.00%) | 1,443           | 1,426  |
| EBIT - Idea Consolidated            | 10,922          | 8,891  |

| EBITDA Break-up                       | For the Quarter |         |
|---------------------------------------|-----------------|---------|
|                                       | Q4FY14          | Q3FY14  |
| EBITDA - Established Service Areas    | 21,555          | 19,716  |
| EBITDA - New Service Areas            | (1,674)         | (1,581) |
| EBITDA - Idea Standalone              | 19,881          | 18,135  |
| EBITDA Contribution - Indus (@16.00%) | 2,420           | 2,422   |
| EBITDA - Idea Consolidated            | 22,302          | 20,557  |

| EBITDA Margin                        | For the Quarter |        |
|--------------------------------------|-----------------|--------|
|                                      | Q4FY14          | Q3FY14 |
| EBITDA % - Established Service Areas | 32.3%           | 31.4%  |
| EBITDA % - New Service Areas         | -45.2%          | -47.5% |
| EBITDA % - Idea Standalone           | 28.2%           | 27.4%  |
| Derived EBITDA % Indus               | 42.2%           | 42.9%  |
| EBITDA % - Idea Consolidated         | 31.7%           | 31.1%  |

| Dep. & Amort. Break-up                  | For the Quarter |        |
|---|-----------------|--------|
|   | Q4FY14          | Q3FY14 |
| Dep & Amort. - Idea Standalone          | 10,402          | 10,671 |
| Dep. & Amort. Cost from Indus (@16.00%) | 977             | 995    |
| Dep. & Amort. - Idea Consolidated       | 11,380          | 11,666 |

| Interest & Finance Cost Break-up            | For the Quarter |        |
|---|-----------------|--------|
|   | Q4FY14          | Q3FY14 |
| Gross Interest Cost - Idea Standalone       | 2,060           | 1,913  |
| Gross Interest Income - Idea Standalone     | (425)           | (733)  |
| Forex Loss/(Gain) - Idea Standalone         | 19              | 34     |
| Int. & Fin. Cost (net) - Idea Standalone    | 1,653           | 1,213  |
| Int. & Fin. Cost (net) from Indus (@16.00%) | 312             | 362    |
| Int & Fin Cost (net) - Idea Consolidated    | 1,966           | 1,575  |

| Tax Break-up            | For the Quarter |        |
|-------------------------|-----------------|--------|
|                         | Q4FY14          | Q3FY14 |
| Tax - Idea Standalone   | 2,687           | 2,270  |
| Tax - Indus (@16.00%)   | 371             | 368    |
| Tax - Idea Consolidated | 3,058           | 2,639  |

| PAT Break-up                       | For the Quarter |        |
|------------------------------------|-----------------|--------|
|                                    | Q4FY14          | Q3FY14 |
| PAT - Idea Standalone              | 5,138           | 3,981  |
| PAT Contribution - Indus (@16.00%) | 760             | 696    |
| PAT - Idea Consolidated            | 5,898           | 4,678  |

**Note 1:** Impact of the joint venture is presented to provide a perspective to Idea's consolidated financials. Due to differences in accounting treatment, these may not be representative of the financial statements of joint ventures.

## D. Balance Sheet (Rs mn)

| Particulars                                | Idea Standalone - As on |                | Idea Consolidated - As on |                |
|--|-------------------------|----------------|---------------------------|----------------|
|  | 31-Mar-14               | 31-Mar-13      | 31-Mar-14                 | 31-Mar-13      |
| <b>EQUITY AND LIABILITIES</b>              |                         |                |                           |                |
| <b>Shareholders' Funds</b>                 |                         |                |                           |                |
| Equity Share Capital                       | 33,196                  | 33,143         | 33,196                    | 33,143         |
| Reserves & Surplus                         | 125,591                 | 108,665        | 132,054                   | 109,890        |
|  | <b>158,787</b>          | <b>141,808</b> | <b>165,250</b>            | <b>143,034</b> |
| Compulsorily Convertible Preference Shares | 19                      | 19             | 19                        | 19             |
| <b>Non-Current Liabilities</b>             |                         |                |                           |                |
| Long-Term Borrowings                       | 171,439                 | 105,744        | 181,284                   | 118,047        |
| Deferred Tax Liabilities (Net)             | 15,497                  | 10,413         | 18,133                    | 11,180         |
| Other Long-Term Liabilities                | 13,974                  | 8,267          | 9,229                     | 7,946          |
| Long-Term Provisions                       | 2,182                   | 2,033          | 4,986                     | 3,142          |
|  | <b>203,092</b>          | <b>126,457</b> | <b>213,632</b>            | <b>140,316</b> |
| <b>Current Liabilities</b>                 |                         |                |                           |                |
| Short-Term Borrowings                      | 6,094                   | 4,257          | 6,472                     | 4,585          |
| Trade Payables                             | 26,975                  | 25,068         | 27,880                    | 26,871         |
| Current maturities of long term debt       | 16,084                  | 16,687         | 18,594                    | 17,805         |
| Other Current Liabilities                  | 30,877                  | 28,611         | 31,851                    | 29,902         |
| Short-Term Provisions                      | 1,869                   | 1,242          | 1,877                     | 1,248          |
|  | <b>81,898</b>           | <b>75,865</b>  | <b>86,673</b>             | <b>80,412</b>  |
| <b>Total</b>                               | <b>443,796</b>          | <b>344,149</b> | <b>465,575</b>            | <b>363,781</b> |
| <b>ASSETS</b>                              |                         |                |                           |                |
| <b>Non-Current Assets</b>                  |                         |                |                           |                |
| <b>Fixed Assets</b>                        |                         |                |                           |                |
| Tangible Assets                            | 185,707                 | 189,567        | 218,632                   | 208,947        |
| Intangible Assets                          | 77,274                  | 82,526         | 77,326                    | 82,592         |
| Capital Work-in-Progress                   | 113,811                 | 8,448          | 114,194                   | 8,811          |
|  | <b>376,792</b>          | <b>280,541</b> | <b>410,153</b>            | <b>300,350</b> |
| Goodwill                                   | 17,799                  | 61             | 61                        | 61             |
| Long-Term Loans and Advances               | 27,747                  | 30,146         | 28,971                    | 30,479         |
| Other Non-Current Assets                   |                         |                | 1,448                     | -              |
|  | <b>422,339</b>          | <b>310,749</b> | <b>440,633</b>            | <b>330,890</b> |
| <b>Current Assets</b>                      |                         |                |                           |                |
| Current Investments                        | 330                     | 9,560          | 2,155                     | 10,280         |
| Inventories                                | 683                     | 726            | 683                       | 726            |
| Trade receivables                          | 7,809                   | 10,974         | 8,006                     | 9,601          |
| Cash and Bank Balance                      | 1,431                   | 1,246          | 1,881                     | 1,429          |
| Short-term loans and advances              | 11,170                  | 10,885         | 12,182                    | 10,845         |
| Other current assets                       | 34                      | 9              | 35                        | 9              |
|  | <b>21,458</b>           | <b>33,401</b>  | <b>24,942</b>             | <b>32,890</b>  |
| <b>Total</b>                               | <b>443,796</b>          | <b>344,149</b> | <b>465,575</b>            | <b>363,781</b> |



## 6. Key Performance Indicators

### A. Financial Indicators – Idea Standalone

| Parameters                            | For the Quarter |         |         |         |         |
|---------------------------------------|-----------------|---------|---------|---------|---------|
|                                       | Q4FY14          | Q3FY14  | Q2FY14  | Q1FY14  | Q4FY13  |
| Gross Revenue (INR mn)                | 70,406          | 66,105  | 63,170  | 65,355  | 60,951  |
| Growth (%) QoQ                        | 6.5%            | 4.6%    | -3.3%   | 7.2%    | 8.6%    |
| EBITDA (INR mn)                       | 19,881          | 18,135  | 17,430  | 18,436  | 15,037  |
| EBITDA (%)                            | 28.2%           | 27.4%   | 27.6%   | 28.2%   | 24.7%   |
| EBIT (INR mn)                         | 9,479           | 7,465   | 7,619   | 8,030   | 6,652   |
| EBIT (%)                              | 13.5%           | 11.3%   | 12.1%   | 12.3%   | 10.9%   |
| Gross Revenue/min (paisa)             | 44.8            | 45.7    | 45.5    | 44.4    | 42.5    |
| EBIT/min (paisa)                      | 6.0             | 5.2     | 5.5     | 5.5     | 4.6     |
| Gross Fixed Assets (INR mn)*          | 457,400         | 445,331 | 434,576 | 425,120 | 437,559 |
| Annualised Revenue/Gross Fixed Assets | 61.6%           | 59.4%   | 58.1%   | 61.5%   | 55.7%   |

\*excludes Gross Block value of 11094 towers transferred to Indus, from Q1FY14.

## B. Operational Indicators – Idea Standalone

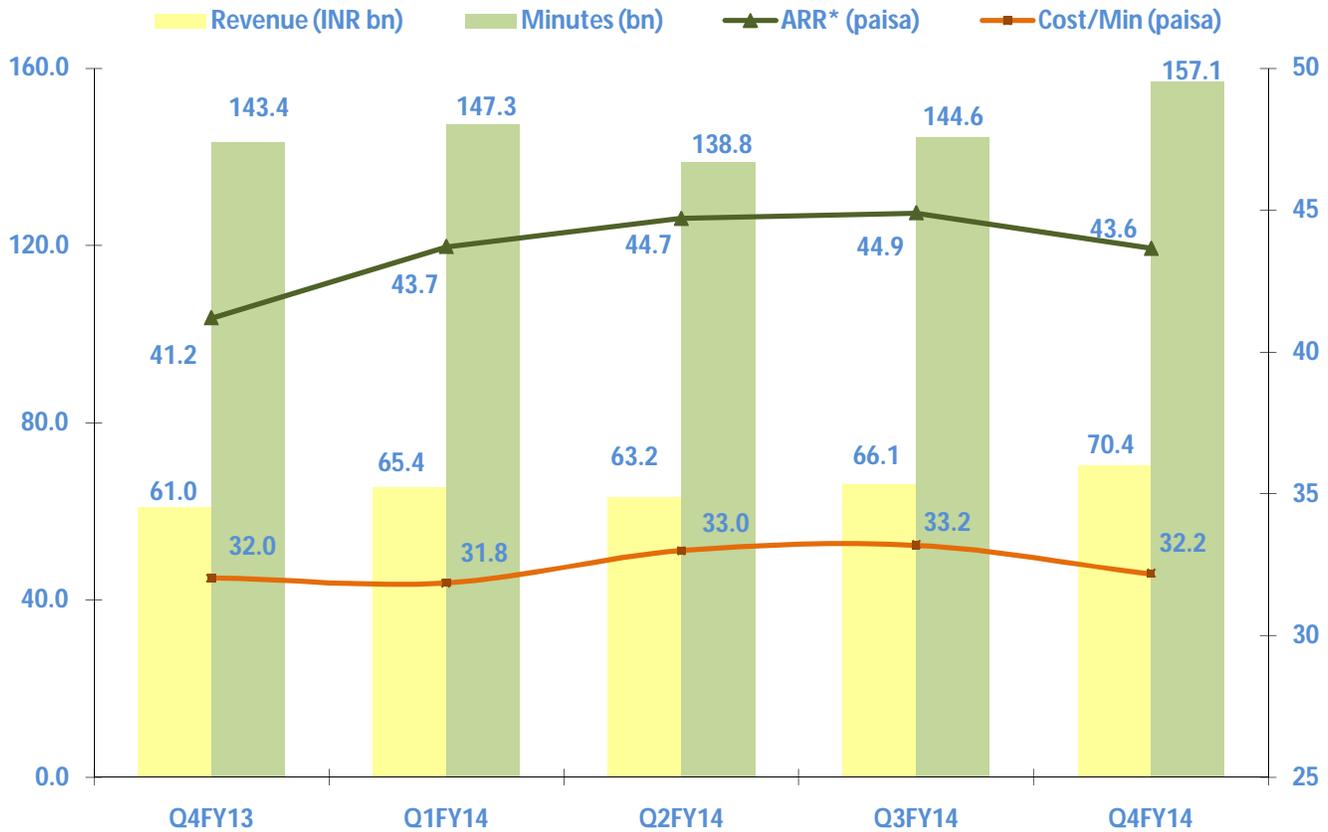
| Overall Business                           | Unit     | For the Quarter |         |         |         |         |
|--|----------|-----------------|---------|---------|---------|---------|
|  |          | Q4FY14          | Q3FY14  | Q2FY14  | Q1FY14  | Q4FY13  |
| Subscriber Base (EoP) (2G+3G)              | mn       | 135.8           | 128.7   | 127.2   | 125.0   | 121.6   |
| Pre-paid Subs (% of EoP subscribers)       | %        | 95.7%           | 95.7%   | 95.8%   | 96.0%   | 96.1%   |
| 3G Subscribers (Voice+Data)                | mn       | 10.2            | 8.7     | 6.2     | 5.5     | 5.1     |
| 2G Coverage - No. of Census Towns*         | no.      | 7,394           | 7,327   | 4,672   | 4,645   | 4,634   |
| 2G Coverage - No. of Villages*             | no.      | 344,108         | 337,056 | 310,648 | 303,984 | 298,686 |
| Average Revenue per User (ARPU)            | INR      | 173             | 169     | 164     | 174     | 167     |
| Average Minutes of Use per User (MoU)      | min      | 397             | 376     | 368     | 398     | 406     |
| Average Realisation per Minute (ARPM)      | paisa    | 43.6            | 44.9    | 44.7    | 43.7    | 41.2    |
| Post-paid Churn                            | %        | 2.5%            | 3.0%    | 2.8%    | 3.6%    | 2.9%    |
| Pre-paid Churn                             | %        | 4.3%            | 5.8%    | 5.4%    | 5.1%    | 4.4%    |
| Blended Churn                              | %        | 4.2%            | 5.6%    | 5.3%    | 5.1%    | 4.3%    |
| Total Minutes of Use                       | mn       | 157,055         | 144,571 | 138,827 | 147,315 | 143,366 |
| Total 3G Cell Sites (EoP)                  | no.      | 21,381          | 19,904  | 18,031  | 17,481  | 17,140  |
| Total 2G Cell Sites (EoP)                  | no.      | 104,778         | 101,600 | 95,970  | 92,208  | 90,094  |
| Towers - Rented Indus (EoP)                | no.      | 55,213          | 53,469  | 50,482  | 48,466  | 47,570  |
| Towers - Rented Others (EoP)               | no.      | 40,167          | 38,708  | 36,102  | 34,382  | 33,211  |
| Owned Towers (EoP)                         | no.      | 9,446           | 9,486   | 9,454   | 9,431   | 9,401   |
| Tenancy Ratio - Owned Towers               | times    | 1.57            | 1.57    | 1.56    | 1.57    | 1.57    |
| Manpower on Rolls (EoP)                    | no.      | 10,529          | 10,363  | 10,070  | 9,862   | 9,746   |
| Average Revenue per Employee per Month     | INR '000 | 2,247           | 2,158   | 2,113   | 2,222   | 2,111   |
| Subscribers per Employee                   | no.      | 12,897          | 12,418  | 12,634  | 12,672  | 12,478  |
| <b>Non-Voice and Data Business (2G+3G)</b> |          |                 |         |         |         |         |
| VAS as a % of Service Revenue              | %        | 16.5%           | 16.1%   | 16.1%   | 16.0%   | 15.2%   |
| Data as a % of Service Revenue             | %        | 10.1%           | 9.5%    | 8.7%    | 7.2%    | 6.6%    |
| Non-Data VAS as a % of Service Revenue     | %        | 6.4%            | 6.6%    | 7.4%    | 8.8%    | 8.6%    |
| Total Data Subscribers (2G+3G)**           | 000      | 25,256          | 25,522  | 33,618  | 30,906  | 26,219  |
| Total Data Volume (2G+3G)                  | Mn MB    | 27,299          | 20,840  | 17,452  | 13,791  | 11,421  |
| Of which - 3G Data Volume                  | Mn MB    | 13,084          | 9,469   | 7,578   | 6,334   | 5,231   |
| Blended Data ARMB                          | paisa    | 25.3            | 29.6    | 31.0    | 33.5    | 33.9    |
| Data ARPU for Data Subscriber (2G+3G)      | INR      | 104             | 91      | 55      | 54      | 55      |
| Data Usage by Data Subscriber (2G+3G)      | MB       | 410             | 309     | 178     | 160     | 163     |
| 3G Data Uages by 3G Subscribers            | MB       | 462             | 427     | 429     | 398     | 385     |
| 3G Data ARPU for 3G Subscriber             | INR      | 111             | 112     | 116     | 109     | 105     |

\*Based on provisional 2011 Census data till Q2FY14 and Final/Actual 2011 Census data for Q3FY14 onwards, as released by Census of India.

\*\*Refer revised definition for Data Subscriber

## 7. Management Discussion & Analysis

### A. Global Scale of Operations



\*Calculated by dividing service revenue (excl. infrastructure and device revenue) by total Minutes of Use

Idea's global scale of operations, serving over 137 million quality subscribers, generating over 1.75 billion minutes per day, place the company in a strong position to withstand the emerging headwinds from the uncertain regulatory interventions and weak macroeconomic environment.

Idea remains on the path to strengthen its competitive standing and to invest in long term value creators of the wireless business and emerging streams. Company has expanded its reach by launching 3,178 2G sites & 1,477 3G sites as well as, increased the optical fibre network to 82,000 km while strengthening its presence in NLD, ILD, ISP, Data Services and Smartphone Device business. Idea is the biggest net gainer nationally in the Mobile Number Portability program, a strong indicator of the popular appeal of Idea mobile services.

As Mobility market services expand, Indian Telecom business offers exciting growth opportunities in Mobile Broadband and Rural voice telephony. Brand Idea with growing consumer affinity, strong Cash flows, expanding spectrum profile and infrastructure, reaffirms its ability to overcome current uncertain phase, emerge stronger and consolidate its market position to tap emerging voice and wireless broadband opportunities.



## B. Strong Operating Performance

Idea continues its enviable track record of being the fastest growing Indian Mobile operator with 17.3% growth in gross revenue in FY14 to Rs. 265,036, nearly double the wireless Industry growth rate. The 6.5% sequential quarterly revenue growth in Q4FY14 is driven by sharp expansion of voice minutes @8.6% to 157.1 billion minutes and mobile data volume (2G+3G) growth @ 31.0% to 27.3 billion MB vs Q3FY14, indicating strong consumer demand for Idea mobile telephony.

The company clocked 17.7 million Net subscribers on VLR in FY14 against 14.9 million Net subscriber VLR additions in FY13 strengthening its presence in Indian Mobile Market. Idea now serves 137.9 million quality subscribers as on 31<sup>st</sup> March 2014. The company strengthened its competitive standing with 'VLR Subscriber Market Share' @17.3% (February 2014) & 'Revenue Market Share' (RMS) @16.1% in Q3FY14, an RMS improvement of over 1.3% compared to Q3FY13. The quality of Idea subscribers also improved as ARPU increased to Rs.173 (vs Rs.169 in Q3FY14) and subscriber blended churn fell by 1.4% to 4.2% (vs Q3FY14).

The three quarters uptrend of 'Average Realisation per Minute' (ARPM) was halted with decline in ARPM by 2.8% to 43.6p from 44.9p but the voice elasticity of demand more than compensated the ARPM fall. In comparison, the company improved 'Non Voice Revenue' share to 16.5% (16.1% in Q3FY14) led by data growth.

The exponential growth of volume helped Data revenue reach 10.1% of overall 'Service Revenue' in Q4FY14, an increase of 3.5% over last one year. The company further revised Data subscriber definition, by eliminating from its reporting incidental data users of less than 1 Megabyte/month; there by Idea mobile Data user base remains nearly flat at 25.3 million (2G+3G). Consequently, blended (2G+3G) Data ARPU improved to Rs. 104 and Mobile Data Usage per Data subscriber grew to 410 MB (2G+3G) in Q4FY14. The 'Average Realisation per MB' (ARMB) fell sharply by 4.3p in Q4FY14 to 25.3p, a harsh reminder of market place battle.

The company added 5.1 million new 3G users in FY14 with 3G EoP base now at 10.2 million. The 3G user mobile data ARPU is steady at Rs. 111 per month. Idea supported its consumer centricity vision by aggressive Network expansion of 4,241 3G NodeBs, 14,684 GSM sites and ~ 8,000 km of OFC during FY14 expanding its rural coverage and strengthening urban Voice and Data Network.

Inspite of higher Network expansion and inflationary pressures, Idea recorded this financial year annual EBITDA growth of 37.5% to Rs. 73,883 million over FY13 helping improve its standalone EBITDA margin by 4.1% to 27.9%. The strong Q4FY14 revenue growth has translated into EBITDA margin improvement to 0.8% with sequential quarterly EBITDA growth of 9.6%.

The double bottom line drivers of Voice and Data Business helped Idea grow its standalone Profit After Tax (PAT) from Rs. 10,080 million in FY13 to Rs.17,932 million this financial year. At consolidated level including Indus 16%



contribution, Idea revenue grew by 18.1% on Financial Year basis & consolidated EBITDA by 38.8% helping margin improve by 4.7% to 31.4% in FY14.

With a strong performance, the board of Idea has recommended dividend @ 4%, an overall payout of Rs. 1,554 million (including dividend distribution tax).

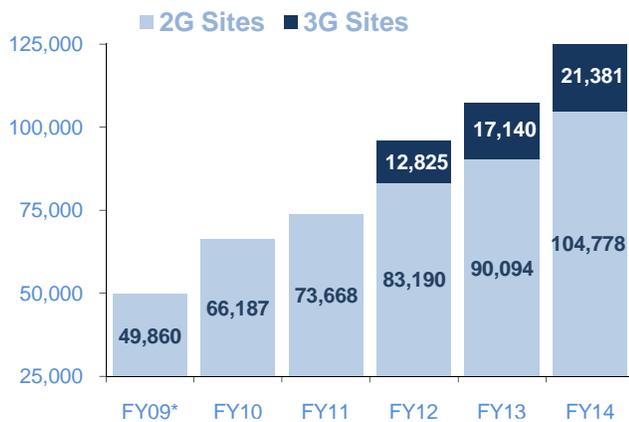
### C. Impact of Forex and Balance Sheet

The capex of Rs. 12,945 million (excluding forex fluctuation, Feb'14 spectrum auction amount and capitalised interest of Rs. 403 million) for the quarter, has been funded out of cash profit of Rs. 16,694 million. The Net Debt stands, after accounting for February 2014 upfront spectrum payment and including government 'deferred payment liabilities', stands at Rs. 191,855 million as of March 31, 2014 with the Net Debt to Equity ratio at 1.21 and Net Debt to EBITDA (Annualised) ratio for the quarter at 2.41.

The Net-Worth of Rs. 158,806 million combined with an average (last four quarters) Cash Profit of -Rs. 16,000 million per quarter provides a solid foundation to support the company's growth plan.

The capex and net debt amounts reflecting in our balance sheet are higher by around Rs. 463 million each due to capitalisation of amount relating to exchange difference during the quarter on long term loans taken for acquiring fixed assets.

### D. Capex



\*Including a cell site of erstwhile Spice communications

Idea rolled out 3,178 2G cell sites and 1,477 3G cell sites during the quarter, taking Network EoP site count for GSM to 104,778 and 21,381 for 3G sites.

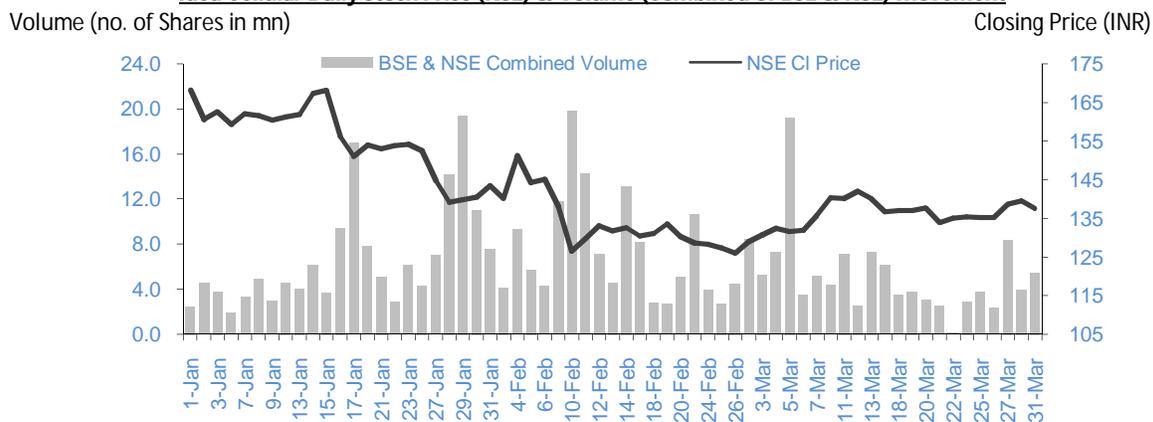
The total addition to the Gross Block including CWIP for the year was Rs. 35,282 million respectively (excluding forex fluctuation and Feb'14 spectrum auction amount and capitalised interest of Rs. 403 million).

The Capex guidance for FY15 stands at Rs. 35 billion, excluding any spectrum related payments.

## 8. Stock Market Highlights

| General Information                                    |            |                 |
|--|------------|-----------------|
| BSE Code   |            | 532818          |
| NSE Symbol   |            | IDEA            |
| Reuters  |            | IDEA.BO/IDEA.NS |
| No of Shares Outstanding (31/03/2014)                  | mn         | 3319.63         |
| Closing Market Price - NSE (31/03/2014)                | INR/share  | 137.45          |
| Combined Volume (NSE & BSE) (01/01/2014 to 31/03/2014) | mn/day     | 6.4             |
| Combined Value (NSE & BSE) (01/01/2014 to 31/03/2014)  | INR mn/day | 907.1           |
| Market Capitalisation (31/03/2014)                     | INR bn     | 456             |
| EPS (excl. Joint Ventures) for the Quarter             | INR/share  | 1.55            |
| Enterprise Value (31/03/2014)                          | INR bn     | 648             |
| Price to Earning                                       | times      | 22.2            |
| Price to Cash Earning                                  | times      | 6.8             |
| Price to Book Value                                    | times      | 3.0             |

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



## 9. Shareholding Pattern as on March 31, 2014:

| Particulars                        | Idea Cellular Ltd.   |                |
|------------------------------------|----------------------|----------------|
|                                    | No. of Shares        | % holding      |
| <b>Promoter and Promoter Group</b> |                      |                |
| Indian                             | 1,520,679,047        | 45.81%         |
| Foreign                            | -                    |                |
| <b>Public Shareholding</b>         |                      |                |
| Foreign Holding                    | 1,639,244,302        | 49.38%         |
| Indian Institutions                | 80,089,040           | 2.41%          |
| Others                             | 79,619,372           | 2.40%          |
| <b>Total</b>                       | <b>3,319,631,761</b> | <b>100.00%</b> |

## 10. Glossary

| Definitions/Abbreviation              | Description/Full Form  |
|---------------------------------------|--|
| 3G                                    | Third Generation of Mobile Telephony   |
| 3G Subscriber                         | Any Subscriber with any usage event on 3G network, during 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.<br>For FY13 and Established Service Areas were 13, not including Mumbai and Bihar |
| Annualized EBITDA                     | Annualised figure of quarterly EBITDA  |
| ARPU (Average Revenue Per User)       | Is calculated by dividing services revenue (exclusive of infrastructure and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure  |
| 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 Total Assets reduced by loan funds and deferred tax liability, divided by the number of outstanding equity shares   |
| BSE                                   | Bombay Stock Exchange  |
| Churn                                 | Churn relates to subscribers who are removed from the EoP base for discontinuing to use the service of the company   |
| Cash Profit                           | Is calculated as the summation of PAT, Depreciation, charge on account of ESOPs and Deferred Tax, 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 Zero Kb in last 30 days till Q2FY14<br>Any Subscriber with data usage of more than 100 Kb in last 30 days for Q3FY14<br>Any Subscriber with data usage of more than 1MB in last 30 days form Q4FY14 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  |

| Definitions/Abbreviation  | Description/Full Form   |
|---|---|
|   | 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  |
| DoT   | Department of Telecommunications  |
| 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 Net Debt  |
| EPS   | Earning 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 Revenue/Total Income  | Is the summation of service revenue, revenue from sale of trading goods and other income.   |
| 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 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   |



| Definitions/Abbreviation | Description/Full Form   |
|--------------------------|---|
| 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 |
| SIM                      | Subscriber Identity Module  |
| Service Area             | Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.  |
| TRAI                     | Telecom Regulatory Authority of India   |