

6th February, 2019

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Financial Results for the Third Quarter and Nine Months Ended 31st December, 2018 - Regulation 33 of SEBI (LODR) Regulations, 2015

Ref: "Vodafone Idea Limited" (IDEA / 532822)

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Financial Results (Standalone and Consolidated) of the Company for the third quarter and nine months ended 31st December, 2018, together with the Report of the Statutory Auditors' thereon.

The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced at 2:30 P.M. and concluded at 5:00 P.M.

A copy of Press Release issued in this regard is also attached herewith.

The above is for your information and dissemination to the public at large.

Thanking you,

Yours truly,

For Vodafone Idea Limited


Pankaj Kapdeo
Company Secretary



Encl: As above

**Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Results of the
Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
Board of Directors of
Vodafone Idea Limited (Formerly known as Idea Cellular Limited)

1. We have audited the accompanying statement of quarterly consolidated Ind AS financial results of Vodafone Idea Limited (Formerly known as Idea Cellular Limited) ('the Company') comprising its subsidiaries (together referred to as 'the Group'), its joint ventures and associates for the quarter ended December 31, 2018 and the consolidated Ind AS financial results for the year to date from April 1, 2018 to December 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated Ind AS financial results for the quarter ended December 31, 2018 and the nine month period ended December 31, 2018 have been prepared on the basis of the consolidated Ind AS financial results for the six month period ended September 30, 2018, the audited consolidated Ind AS financial statements as at and for the nine month period ended December 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated Ind AS financial results for the six month period ended September 30, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the consolidated Ind AS financial statements as at and for the nine month period ended December 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on separate financial statements and the other financial information of associate, these quarterly consolidated financial results as well as the year to date results:
 - i. includes the results of the entities as referred to in Annexure I;
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the consolidated net loss including other comprehensive loss and other financial information for the quarter ended December 31, 2018 and consolidated net loss including other comprehensive income and other financial information for the nine month period ended December 31, 2018.



4. We draw your attention to the following matters in the Statement

- a. Note 5 which describes the uncertainties related to the outcome of the discussions between the Company and infrastructure service providers for exit charges pursuant to the change of two tenancies to a single tenancy with higher loading on co-located sites.
- b. Note 9 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges.

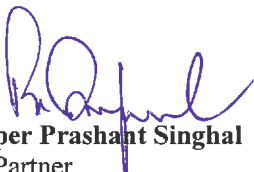
Our report is not qualified in respect of these matters.

5. The consolidated Ind AS financial statements include the Group's share of net loss of Rs. 178 million and Rs 580 million for the quarter and for the nine month period ended December 31, 2018 respectively, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditor and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of this associate is based solely on the report of other auditor. Our opinion is not modified in respect of this matter.
6. Further, read with paragraph 1 above, we report that the figures for the quarter ended December 31, 2018 represent the derived figures between the audited figures in respect of the nine month period ended December 31, 2018 and the published year-to-date figures up to September 30, 2018, being the date of the end of the second quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per Prashant Singh
Partner
Membership No.: 93283



Place: Mumbai

Date: February 6, 2019

Annexure 1

List of Subsidiaries, Joint Ventures and Associates

Subsidiaries

1. Idea Telesystems Limited
2. Aditya Birla Telecom Limited*
3. Idea Cellular Services Limited
4. Idea Cellular Infrastructure Services Limited**
5. Vodafone Business Services Limited
6. Mobile Commerce Solutions Limited
7. Vodafone M-Pesa Limited
8. Vodafone India Ventures Limited
9. Vodafone India Digital Limited
10. You Broadband India Limited
11. Vodafone Technology Solutions Limited
12. Vodafone Towers Limited
13. Connect (India) Mobile Technologies Private Limited
14. You System Integration Private Limited

Joint Ventures

1. Indus Towers Limited
2. FireFly Networks Limited

Associates

1. Aditya Birla Idea Payments Bank Limited

*Merged with Vodafone Idea Limited on November 30, 2018

** Ceased to be a subsidiary with effect from May 31, 2018



<div style="display: flex; justify-content: space-between; align-items: center;"> <div> </div> <div style="text-align: center;"> VODAFONE IDEA LIMITED (formerly Idea Cellular Limited) Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976 Consolidated Financial Results for the quarter and audited financial results for the nine months ended 31-December-2018 </div> </div>						
Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-18 Refer Note 10	30-Sep-18 Unaudited	31-Dec-17 Refer Note 10	31-Dec-18 Audited	31-Dec-17 Audited	31-Mar-18 Audited
INCOME						
Service Revenue	117,359	76,458	65,055	252,481	221,210	282,420
Sale of Trading Goods	157	9	8	169	46	51
Other Operating Income	132	168	33	525	160	318
REVENUE FROM OPERATIONS	117,648	76,635	65,096	253,175	221,416	282,789
Other Income	2,180	2,151	420	5,745	1,026	3,530
TOTAL INCOME	119,828	78,786	65,516	258,920	222,442	286,319
EXPENSES						
Cost of Trading Goods	177	19	12	200	67	73
Employee Benefit Expenses	6,793	4,939	4,242	15,652	12,835	15,430
Network Expenses and IT Outsourcing Costs	56,659	35,976	23,661	119,062	75,905	97,334
License Fees and Spectrum Usage Charges	12,765	7,990	6,985	26,716	23,340	28,667
Roaming & Access Charges	11,972	9,478	6,361	29,194	28,249	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,785	9,105	9,052	27,126	27,923	36,090
Finance Costs	28,248	21,662	11,910	65,168	35,884	48,130
Depreciation & Amortisation Expenses	47,734	30,059	21,415	98,717	63,237	84,091
Other Expenses	6,128	4,514	2,549	12,648	7,093	9,362
TOTAL EXPENSES	182,261	123,742	86,187	394,483	274,533	354,535
LOSS BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	(62,433)	(44,956)	(20,671)	(135,563)	(52,091)	(68,216)
Add: Share in Profit / (Loss) of Joint Ventures and Associate (net)	398	423	818	1,419	2,479	3,224
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	(62,035)	(44,533)	(19,853)	(134,144)	(49,612)	(64,992)
Exceptional Item (Net) (Refer Notes 5 and 6)	(8,008)	(5,658)	-	19,979	-	-
LOSS BEFORE TAX	(70,043)	(50,191)	(19,853)	(114,165)	(49,612)	(64,992)
Tax expense:						
- Current tax	15	(3)	311	169	920	1,234
- Deferred tax (Refer Note 7)	(20,012)	(450)	(7,319)	(17,115)	(18,472)	(24,544)
LOSS AFTER TAX	(50,046)	(49,738)	(12,845)	(97,219)	(32,060)	(41,682)
Items not to be reclassified to profit or loss in subsequent periods:						
- Re-measurement gains/ (losses) of defined benefit plans	(30)	354	(16)	432	(47)	442
- Income tax effect	16	(121)	5	(143)	16	(152)
- Group's share in other comprehensive income of joint ventures and associate	3	-	-	3	(2)	(7)
TOTAL COMPREHENSIVE LOSS	(50,057)	(49,505)	(12,856)	(96,927)	(32,093)	(41,399)
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,354	87,351	36,075	87,354	36,075	43,593
Other Equity						229,031
Earnings Per Share for the period (₹)						
- Basic	(5.74)	(8.54)	(3.58)	(15.42)	(8.95)	(11.36)
- Diluted	(5.74)	(8.54)	(3.58)	(15.42)	(8.95)	(11.36)



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Notes

1. The above consolidated financial results for the quarter and audited consolidated financial results for the nine months ended 31st December, 2018 and 31st December, 2017, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 6th February 2019.
2. Vodafone India Limited (ViNl) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the quarter and nine months ended 31st December, 2018 includes consolidated financial results of the operations of erstwhile ViNl for the entire quarter and for the period from 31st August, 2018 to 31st December, 2018, respectively.
3. VIL has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile ViNl is into the business of Prepaid Payment Instruments (PPI). With the merger of ICL and erstwhile ViNl on 31st August 2018, VIL became a promoter in both the entities. Reserve Bank of India (RBI) had permitted VMPL to continue with the PPI business only for a period of four months from the Effective Date. The RBI has further extended the period till 31st March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers. Accordingly, the Group continues to classify the assets and liabilities of VMPL as Assets Held for Sale (AHFS).
4. The Board of Directors have considered and approved the capital raise for an amount aggregating upto ₹ 250,000 Mn by way of rights issue to existing eligible equity shareholders of the Company. The Promoter Shareholders Vodafone Group (VFG) and Aditya Birla Group (ABG) have re-iterated to the Board that they intend to contribute up to ₹ 110,000 Mn and up to ₹ 72,500 Mn, respectively, as part of such rights issue and indicated to subscribe the under subscribed portion, if any. On this basis, the Board believes that there is no impairment in the value of its assets in accordance with Ind AS 36 – Impairment of Assets and these financial statements are prepared on a going concern basis.
5. The Company has given additional site exit notices to the tower vendors during the quarter. The unsettled demand on the Company (including additional exits) as at 31st December, 2018 aggregated to ₹ 27,825 Mn. Against these, the Company estimates the settlement amount not to exceed ₹ 12,850 Mn. Accordingly, the Company has recognised a provision of ₹ 7,250 Mn towards exit charges during the quarter in addition to ₹ 10,000 Mn provided in the previous quarter.
6. Exceptional items for the quarter ended 31st December 2018 includes (i) Integration and merger related costs amounting to Rs 7,473 Mn (including amount referred in Note 5 above), (ii) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration and (iii) re-assessment of certain accruals of Rs 185 Mn. Exceptional items for the nine months ended 31st December, 2018 includes a charge / (credit) towards (i) gain on sale of ICISL ₹ (33,473) Mn, (ii) Integration and merger related costs amounting to ₹ 21,043 Mn, (iii) re-assessment of certain estimates of ₹ (8,084) Mn and (iv) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration (v) re-assessment of certain accruals of Rs 185 Mn.
7. Consequent to the merger, the Company has reassessed the recoverability of deferred tax assets (including MAT) for the merged Company, and has derecognized Deferred Tax Assets (including MAT Credit) of ₹ 13,123 Mn during the quarter ended 30th September, 2018. Deferred tax charge also includes tax impact on exceptional items as disclosed in note 5 and 6 above of ₹ (2,240) Mn and ₹ 7,937 Mn for the quarter and nine month period ended 31st December, 2018, respectively.



8. Audited financial results of Vodafone Idea Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-Dec-18 (refer note 10)	30-Sep-18 Unaudited	31-Dec-17 (refer note 10)	31-Dec-18 Audited	31-Dec-17 Audited	31-Mar-18 Audited
Revenue from Operations	116,785	76,388	63,919	251,441	217,951	278,286
(Loss) before Tax	(70,442)	(50,443)	(21,650)	(108,790)	(51,596)	(69,608)
Net (Loss) after Tax	(50,330)	(49,881)	(14,161)	(91,291)	(32,856)	(44,583)

9. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices to the Company and erstwhile Vodafone towards one time spectrum charges (OTSC):
- for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 10,687 Mn (June 18: ₹ 3,691 Mn), and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn (June 18: ₹ 17,444 Mn).
 - Subsequently on 9th July 2018 , DoT revised the demands for beyond 4.4mhz to INR 57,254 Mn as against INR 45,165 Mn as mentioned above

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. Erstwhile Vodafone had petitioned Hon'ble TDSAT while the Company had petitioned the Hon'ble High Court of Bombay, where the matters were admitted and remain sub-judice. DoT has been directed not to take any coercive action until the matter is further heard. No effects have been given in the consolidated financial results for the above.

On 9th July 2018, i.e. at the time of merger approval of erstwhile Vodafone with ICL, DoT asked the Company to submit bank guarantee(BG) amounting to ₹ 33,224 Mn towards one time spectrum fees beyond 4.4 MHz mentioned above. The Company complied with the aforesaid condition but thereafter approached TDSAT, seeking return of BGs of ₹ 33,224 Mn. On 21st January, 2019, the Company has received a favorable order from TDSAT directing DoT to release the BG ₹ 21,135 mn within 2 months.

10. The financial results for the quarter ended 31st December 2018 and 31st December 2017, respectively, are balancing figures between audited results for the nine months period ended 31st December 2018 and 31st December 2017 and published year to date figures up 30th September, 2018 and 30th September, 2017, respectively.
11. Consolidated financial results for the quarter and nine months ended 31st December 2018 are not comparable to those reported for the preceding periods due to the facts mentioned in note 2 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
VODAFONE IDEA LIMITED

Date: 6th February, 2019
Place: Mumbai



[Signature]
Director



**Auditor's Report on Quarterly Standalone Financial Results and Year to Date Results of the
Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
Board of Directors of
Vodafone Idea Limited (Formerly known as Idea Cellular Limited)

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of Vodafone Idea Limited (formerly known as Idea Cellular Limited) ('the Company') for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone Ind AS financial results for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 have been prepared on the basis of the standalone Ind AS financial results for the six-month period ended September 30, 2018, the audited standalone Ind AS financial statements as at and for the nine month period ended December 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our review of the standalone Ind AS financial results for the six-month period ended September 30, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the standalone Ind AS financial statements as at and for the nine month period ended December 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the net loss including other comprehensive loss and other financial information for the quarter ended December 31, 2018 and net loss including other comprehensive income and other financial information for the nine month period ended December 31, 2018.



4. We draw your attention to the following matters in the Statement
- Note 6 which describes the uncertainties related to the outcome of the discussions between the Company and infrastructure service providers for exit charges pursuant to the change of two tenancies to a single tenancy with higher loading on co-located sites.
 - Note 9 which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges.

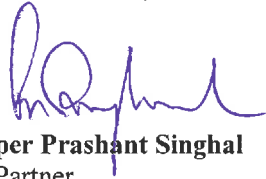
Our report is not qualified in respect of these matters.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended December 31, 2018 represent the derived figures between the audited figures in respect of the nine month period ended December 31, 2018 and the published year-to-date figures up to September 30, 2018, being the date of the end of the second quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Prashant Singhal



Partner

Membership No.: 93283



Place: Mumbai

Date: February 6, 2018

<div>   </div> <div> VODAFONE IDEA LIMITED (formerly Idea Cellular Limited) Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976 Standalone financial results for the quarter and audited standalone financial results for the nine months ended 31-December-2018 </div> <div>(₹ Mn, except per share data)</div>						
Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-18 Refer Note 10	30-Sep-18 Unaudited	31-Dec-17 Refer Note 10	31-Dec-18 Audited	31-Dec-17 Audited	31-Mar-18 Audited
INCOME						
Service Revenue	116,645	76,219	63,896	250,909	217,807	278,000
Other Operating Income	140	169	23	532	144	286
REVENUE FROM OPERATIONS	116,785	76,388	63,919	251,441	217,951	278,286
Other Income	2,405	2,221	385	8,977	3,609	6,065
TOTAL INCOME	119,190	78,609	64,304	260,418	221,560	284,351
EXPENSES						
Employee Benefit Expenses	6,249	4,562	3,887	14,411	11,724	13,968
Network Expenses and IT Outsourcing Costs	56,325	35,898	23,730	118,641	75,967	97,449
License Fees and Spectrum Usage Charges	12,727	7,977	6,985	26,665	23,340	28,667
Roaming & Access Charges	11,972	9,478	6,361	29,194	28,249	35,358
Marketing, Content, Customer Acquisition & Service Costs	11,754	9,314	9,348	27,615	28,807	37,298
Finance Costs	28,309	21,622	11,900	65,182	35,869	48,968
Depreciation & Amortisation Expenses	47,176	29,839	21,238	97,939	62,293	83,148
Other Expenses	7,011	4,704	2,505	13,630	6,907	9,103
TOTAL EXPENSES	181,523	123,394	85,954	393,277	273,156	353,959
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	(62,333)	(44,785)	(21,650)	(132,859)	(51,596)	(69,608)
Exceptional Items(net) (Refer Notes 6 and 7)	(8,109)	(5,658)	-	24,069	-	-
LOSS BEFORE TAX	(70,442)	(50,443)	(21,650)	(108,790)	(51,596)	(69,608)
Tax expense:						
- Current tax	-	-	(1)	-	97	173
- Deferred tax (Refer Note 8)	(20,112)	(562)	(7,488)	(17,500)	(18,837)	(25,198)
NET LOSS AFTER TAX	(50,330)	(49,881)	(14,161)	(91,290)	(32,856)	(44,583)
Items not to be reclassified to profit or loss in subsequent periods:						
- Equity instrument through other comprehensive gains/(losses)	(4,124)	(2,262)	5,005	(16,556)	15,239	(6,047)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	961	527	(1,155)	4,008	(3,516)	1,250
- Re-measurement gains/ (losses) of defined benefit plans	(21)	344	(15)	430	(45)	428
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	16	(121)	5	(142)	15	(148)
TOTAL COMPREHENSIVE LOSS	(53,498)	(51,393)	(10,321)	(103,550)	(21,163)	(49,100)
Paid up Equity Share Capital (Face value ₹ 10 per share)	87,354	87,351	36,075	87,354	36,075	43,593
Other Equity						262,415
Earnings Per Share for the period (₹)						
- Basic	(5.76)	(8.55)	(3.93)	(14.45)	(9.11)	(12.07)
- Diluted	(5.76)	(8.55)	(3.93)	(14.45)	(9.11)	(12.07)



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Notes

1. The above standalone financial results for the quarter and audited standalone financial results for the nine months ended 31st December, 2018, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 6th February 2019.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively called as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This has resulted in the formation of a Joint Venture between the promoter Groups i.e Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the quarter and nine months ended 31st December, 2018 include the financial results of the operations of erstwhile Vodafone for the full quarter and for the period from 31st August, 2018 to 31st December, 2018, respectively.

The Company has accounted for this merger under 'pooling of interest' method based on assets and liabilities of erstwhile Vodafone at the Effective Date. As at 30th September, 2018, the net effect of the merger related adjustments was an increase in the Total Equity of the Company by ₹ 477,310 Mn. The above effect was based on the limited reviewed special purpose financial statements of erstwhile Vodafone as at 30th August 2018 which have since been audited. Basis evaluation of the investments in some of the erstwhile Vodafone subsidiaries, the Company has finally adjusted an additional ₹ 4,384 Mn to Other Equity towards impairment of some of these investments.

3. The Company has 49% investment in Aditya Birla Idea Payments Bank Limited (ABIPBL), a Payments Bank. Vodafone M-Pesa Limited (VMPL), a 100% subsidiary of erstwhile VInL is into the business of Prepaid Payment Instruments (PPI). With the merger of ICL and erstwhile VInL on 31st August 2018, the Company became a promoter in both the entities. Reserve Bank of India (RBI) had permitted VMPL to continue with the PPI business only for a period of four months from the Effective Date. The RBI has further extended the period till 31st March, 2019 with the condition of not onboarding new customers and no increase in the balance of existing customers.
4. The Board of Directors have considered and approved the capital raise for an amount aggregating upto ₹ 250,000 Mn by way of rights issue to existing eligible equity shareholders of the Company. The Promoter Shareholders i.e. Vodafone Group (VFG) and Aditya Birla Group (ABG) have re-iterated to the Board that they intend to contribute up to ₹110,000 Mn and up to ₹ 72,500 Mn, respectively, as part of such rights issue and indicated to subscribe the under subscribed portion, if any. On this basis, the Board believes that there is no impairment in the value of its assets in accordance with Ind AS 36 – Impairment of Assets.
5. On September 20, 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Aditya Birla Telecom Limited (ABTL), a wholly owned subsidiary, with the Company with an appointed date of 1st April 2018. During the quarter, the Company received the requisite regulatory approvals and the merger became effective on November 30, 2018 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC).

The Company has accounted for this merger under the 'pooling of interest' method for common control transactions as per the guidance in Ind AS 103 'Business Combinations'. Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the figures for all the past periods presented in these financial results. Accordingly, (i) Other Equity of the Company as on 31st March, 2018 has increased by ₹ 49,313 Mn and (ii) the following effects upto November 29, 2018 pertaining to ABTL has been reflected as income and expenses for the Company.



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₹ Mn

Particulars	Quarter ended			Nine Months Ended		Year ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
Income	183	257	174	3,651	2,909	3,083
Expenses	4	(3)	6	4	(265)	(277)
Profit / (Loss) before Tax	178	260	168	3,646	3,174	3,361
Current and deferred tax	(13)	76	50	130	151	135
Profit / (Loss) after Tax	191	184	118	3,517	3,023	3,226
Other Comprehensive Income (net of tax)*	(3,233)	(1,735)	3,850	(12,617)	11,723	(4,797)
Total Comprehensive Income	(3,042)	(1,551)	3,968	(9,100)	14,746	(1,571)

* The company has followed the Accounting Policy to measure its value of investments in Joint Venture at fair value through Other Comprehensive Income (FVOCI)

6. The Company has given additional site exit notices to the tower vendors during the quarter. The unsettled demand on the Company (including additional exits) as at 31st December, 2018 aggregated to ₹ Rs.27,825 Mn. Against these, the Company estimates the settlement amount not to exceed ₹ 12,850 Mn. Accordingly, the Company has recognised a provision of ₹ 7,250 Mn towards exit charges during the quarter in addition to ₹ 10,000 Mn provided in the previous quarter.
7. Exceptional items for the quarter ended 31st December 2018 includes (i) Integration and merger related costs amounting to Rs 7,473 Mn (including amount referred in Note 6 above), (ii) provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration and (iii) re-assessment of certain accruals of Rs 285 Mn. Exceptional items for the nine months ended 31st December, 2018 includes a charge / (credit) towards (i) gain on sale of ICISL ₹ (37,644) Mn, (ii) Integration and merger related costs amounting to ₹ 21,306 Mn, (iii) re-assessment of certain estimates of ₹ (8,081) Mn and provision for impairment of assets amounting to ₹ 350 Mn on account of network re-alignment and integration.
8. Consequent to the merger, the Company had reassessed the recoverability of deferred tax assets (including MAT) for the merged company and has derecognized Deferred Tax Assets (including MAT Credit) of ₹ 13,123 Mn during the quarter ended 30th September, 2018. Deferred Tax Charge also includes tax impact on exceptional items as disclosed in Notes 6 and 7 above of ₹ (2,240) Mn and ₹ 9,400 Mn for the quarter and nine months ended 31st December, 2018, respectively.
9. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices to the Company and erstwhile Vodafone towards one time spectrum charges (OTSC):
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 10,687 Mn (June 18: ₹ 3,691 Mn), and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 45,165 Mn (June 18: ₹ 17,444 Mn).
 - Subsequently on 9th July 2018 , DoT revised the demands for beyond 4.4mhz to INR 57,254 Mn as against INR 45,165 Mn as mentioned above

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. Erstwhile Vodafone had petitioned Hon'ble TDSAT while the Company had petitioned the Hon'ble High Court of Bombay, where the matters were admitted and remain sub-judice. DoT has been directed not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

On 9th July 2018, i.e. at the time of merger approval of erstwhile Vodafone with ICL, DoT asked the Company to submit bank guarantee(BG) amounting to ₹ 33,224 Mn towards one time spectrum fees beyond 4.4 MHz mentioned above. The Company had complied with the aforesaid condition but thereafter approached TDSAT, seeking return of BGs of ₹ 33,224 Mn. On 21st January, 2019, company has received a favorable order from TDSAT directing DoT to release the BG ₹ 21,135 mn within 2 months.



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10. The financial results for the quarter ended 31st December 2018 and 31st December 2017 respectively are balancing figures between audited results for the nine months period ended 31st December 2018 and 31st December 2017 and published year to date figures up to 30th September, 2018 and 30th September, 2017, respectively.
11. Financial results for the quarter and nine months ended 31st December 2018 are not comparable to those reported for the preceding periods due to the facts mentioned in note 2 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
VODAFONE IDEA LIMITED

Date: 6th February, 2019
Place: Mumbai


Director





Media Release – February 06, 2019

Highlights for the Quarter

- Total revenue of Rs. 117.6 billion, -2.2% QoQ, a lower rate of decline compared to Q2 (-7.1% QoQ), due to **good progress on our strategic actions to increase revenue.**
 - The introduction of 'service validity vouchers' and other commercial initiatives resulted in a turnaround in revenue trends during the quarter, reflected in **a month on month increase in daily revenues in December 2018. This trend continued in January 2019.**
 - As expected, these actions led to higher churn of 'incoming only' or 'minimal ARPU' customers and reduced the total subscriber base to 387.2 million (vs. 422.3 million in Q2FY19).
 - EBITDA¹ of Rs. 11.4 billion, increased by 16.3% QoQ, driven by the reduction in operating expenses². **Q3 operating expenses** (excluding licence fee & spectrum usage charges and roaming & access charges) **were reduced by ~Rs. 7.5 billion (annualized ~Rs. 30 bn)** compared to pro-forma operating expenses in Q1 (i.e. the period prior to the merger).
 - **4G subscriber base of 75.3 million**, up 9.5 million during the quarter, supported by higher 4G coverage.
 - Customers now benefit from **a unified network experience in the eight service areas** of West Bengal, Andhra Pradesh (excluding Hyderabad), Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East and J&K.
 - The Board has approved a rights issue of up to Rs. 250 billion, **with promoter shareholders reiterating their support.**
-

Balesh Sharma, CEO Vodafone Idea limited, said *"We are progressing well on our stated strategy. The initiatives taken during the quarter started showing encouraging trends by the end of the quarter. We are moving faster than expected on integration, specifically on the network front, and we are well on track to deliver our synergy targets. We remain focused on fortifying our position in key districts by expanding the coverage and capacity of our 4G network, and target a higher share of new 4G customers, while offering an enhanced network experience to our customers. The proceeds from the announced capital raise will put us in a strong position to achieve our strategic goals."*

¹ EBITDA is a non-Ind AS financial measure. It is calculated as revenue from operations less operating expenses.

² Operating expenses are calculated as total expenses less finance cost and depreciation & amortization.

Vodafone Idea Ltd. (formerly Idea Cellular Ltd.) today announced unaudited results for the Third Quarter (Q3) ended December 31, 2018.

Financial highlights

The Q3FY19 results are the first full quarter results for Vodafone Idea, post completion of the merger of Vodafone India and Idea Cellular on August 31, 2018.

Our headline tariffs remained stable during the quarter. However customers continue to migrate to lower ARPU plans. Within this context, the company has implemented various initiatives to improve its revenue, profitability and competitive standing in line with its stated strategy, which began to impact performance positively towards the end of the quarter. As a result, the pace of QoQ revenue decline slowed to 2.2% in the quarter, compared to a 7.1% reduction in Q2, and we experienced growth in daily revenue on a month-on-month basis during December 2018, which continued into January 2019.

Overall operating expenses for the quarter were lower sequentially due to the realisation of merger synergies. Q3 operating expenses² were Rs. 81.5 billion (excluding licence fees & spectrum usage charges and roaming & access charges), lower by ~Rs. 7.5 billion (annualised ~Rs. 30 bn) compared to Q1 operating expenses². As a result, despite the reduction in revenue, EBITDA¹ increased to Rs. 11.4 billion, a 16.3% improvement QoQ.

In the quarter, Depreciation & Amortisation charges were Rs. 47.7 billion and Interest & Finance charges were Rs. 26.1 billion. Capex for the quarter was Rs. 11.7 billion. The level of capital expenditure is expected to be higher in Q4 as contracts with suppliers were finalised during Q3.

Gross debt as at December 31, 2018 was Rs. 1,236.6 billion, including deferred spectrum payment obligations due to the Government of Rs. 914.8 billion. Cash & cash equivalents were Rs. 89 billion, resulting in net debt of Rs. 1,147.6 billion (vs Rs. 1,125.1 billion in Q2FY19).

Integration update

The merger of Vodafone India with Idea Cellular completed on August 31, 2018. The company, in line with its stated strategy, has accelerated the integration of the two businesses. We have given a guidance of Rs. 84 billion of run-rate costs synergies to be achieved during FY21, two years ahead of the initial target set at the time of the original merger announcement in March 2017.

The pricing plans on both brands (Vodafone and Idea) for pre-paid and post-paid offerings have been harmonised. Integration of the distribution channels, retail footprint and our customer service operations are expected to be completed shortly.

With the implementation of national roaming on both networks, each brand now offers 4G across all 22 service areas. To ensure the best customer experience, subscribers connect to the stronger of the two networks while roaming outside their home circle. In addition, during the quarter, radio access network vendor selection and equipment orders for the company was completed for all circles.

Network integration is moving at pace. In the eight service areas of West Bengal (December 2018), AP (except Hyderabad), Haryana, Madhya Pradesh, Himachal Pradesh, Assam, North East and J&K (January 2019), customers of both brands enjoy a unified network experience (following the consolidation of spectrum and the radio access network). In addition, we are offering unified 4G experience in Bangalore (January 2019). In other circles, network integration is taking place on a cluster-by-cluster basis and the subscribers of both brands are gradually moving to a much larger and better network. Furthermore, the process of spectrum consolidation in these areas has resulted in enhanced network capacity and improved customer experience.

We have also enhanced the capabilities of some of our 900 MHz sites through dynamic spectrum re-farming and re-farmed 2100 MHz spectrum from 3G to 4G usage on selected sites. During the quarter we exited ~5,400 low utilisation sites and optimised the loading equipment on over ~21,000 co-located sites.

Operational highlights

The introduction of 'service validity vouchers' on a national basis during the quarter, which require customers to make a minimum recharge of Rs. 35 (28 days validity), contributed to a reduction of 35.1 million customers in the quarter, as expected. 'Incoming-only' customers or 'minimal ARPU' customers consolidated their spending from multiple to single SIMs. ARPU for the quarter, grew 1.5% QoQ to Rs. 89, compared to a 4.7% decline in Q2. We expect to see further positive impact on revenue and ARPU from these actions.

We added 11,123 4G sites during the quarter, including the addition of 9,066 sites on TDD. Our 4G population coverage has improved rapidly to over 64% as at December 31, 2018 (compared to less than 50% for each of the brand in August 2018). During the quarter we added 9.5 million 4G customers (Q2: +8.4 million), taking the overall 4G subscriber base to 75.3 million. Data volume of 2,705 billion MB for the quarter grew by 11.5% compared to the last quarter and average monthly data usage per data subscriber improved to 6.2 GB (vs 5.6 GB in Q2). Total minutes on the network declined by 2.6% during the quarter, largely attributable to the introduction of service validity vouchers.

On the content side, we have recently partnered with Sun TV to offer best of south content from Sun Nxt in all four major South Indian Languages –Tamil, Telugu, Malayalam & Kannada.

Fund raising / Asset monetisation

The Board of Directors in its meeting held on January 23, 2019 has considered and approved the offer and issue of fully paid-up and/or partly-paid up equity shares of the Company and/or other securities convertible into equity shares of the Company, including but not limited to, compulsorily convertible debentures, for an amount aggregating up to Rs. 250 billion, by way of a rights issue to existing eligible equity shareholders of the Company as at the record date. The Promoter shareholders (Vodafone Group and Aditya Birla Group), have re-iterated to the Board that they intend to contribute up to Rs. 110 billion and up to Rs. 72.5 billion respectively as part of the rights issue. Furthermore, the Promoter shareholders have indicated that in case the Rights Issue is undersubscribed, each of the Promoter shareholders reserves the right to subscribe to part or whole amount of the unsubscribed portion, subject to applicable law.

The merger of Bharti Infratel and Indus Towers has received approval from the Competition Commission India, the Securities and Exchange Board of India and on February 02, 2019 the transaction also received approval from shareholders and creditors. The Company has an option to sell its 11.15% stake in Indus, which currently has an implied value of ~Rs. 49.6 billion (based on the VWAP for Bharti Infratel's shares during the last 60 trading days as at December 31, 2018), for cash at completion.

The company continues to pursue its plans to monetize 158,000 Kilometers of intra-city and inter-city fibre.

Financial Highlights – As Reported

Consolidated (Rs Mn)	Q2FY19	Q3FY19
Revenue	76,636	117,648
EBITDA	4,614	11,368
EBITDA%	6.0%	9.7%
Depreciation & Amortisation	30,059	47,734
EBIT	(25,445)	(36,366)
Interest and Financing Cost (Net)	19,511	26,068
Gain on Sale of ICISL/ Exceptional Item	(5,658)	(8,008)
Share of Profit/(Loss) from Indus & ABIPBL	422	398
PBT	(50,192)	(70,043)
PAT	(49,738)	(50,046)
Other Comprehensive Income (net of Tax)	233	(11)
Total Comprehensive Income (Consolidated)	(49,505)	(50,057)

Quarterly Highlights

	Unit	Q2FY19 ¹	Q3FY19	QoQ ¹
Revenue	Rs mn	120,238	117,648	-2.2%
EBITDA	Rs mn	9,778	11,368	16.3%
EBITDA %	%	8.1%	9.7%	1.5%
Capex	Rs mn	32,956	11,690	-21,266
ARPU	Rs	88	89	1.5%
Minutes on Network	mn	731,195	712,283	-2.6%
Data Volume	mn MB	2,426,213	2,705,157	11.5%

Notes:

1. Quarter on quarter comparison is with the pro-forma figures of Q2FY19, which are derived without considering the alignment of accounting policies.
2. Figures for past periods have been regrouped, wherever necessary.

About Vodafone Idea Ltd. (formerly Idea Cellular Ltd)

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is India's leading telecom service provider. The Company provides pan India Voice and Data services across 2G, 3G and 4G platform. [With the large spectrum portfolio to support the growing demand for data and voice, the company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The Company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence. The Company is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

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