



“Idea Cellular Limited Earning Conference Call”

February 13, 2017



Idea Cellular Limited
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Moderator: Good Afternoon, Ladies and Gentlemen. This is Aman, the moderator for your conference call. Welcome to the Idea Cellular Conference. For the duration of this presentation, all participant lines will be in the listen-only mode. After the Presentation, Question-and-Answer Session will be conducted.

We have with us today, Mr. Himanshu Kapania - Managing Director of Idea Cellular; and Mr. Akshaya Moondra – Whole-time Director and Chief Financial Officer of Idea Cellular, along with other key members of the senior management on this call.

I want to thank the management team on behalf of all the participants for taking valuable time to be with us. Given that the senior management is on the conference call, participants are requested to focus on the key strategic and important questions to make sure that we make good use of the management time.

I must remind you that today's discussion may include certain forward-looking statements and must be viewed therefore in conjunction with the risks that the company faces. With this I now hand the conference over to Mr. Himanshu Kapania. Thank you and over to you, sir.

Himanshu Kapania: Thank you Aman, On behalf of Idea, I welcome all participants to this Earnings Call. Last Saturday, our Board of Directors adopted the audited results for the third quarter of the Financial Year 2016-17. The detailed Press Release, Quarterly Report and Company Results have been uploaded on our website and I assume you had a chance to go through the same.

The Indian Mobile industry witnessed an unprecedented disruption in the quarter of October to December 2016, primarily due to free voice and mobile data promotions by the new entrant in the sector. Consequently, revenue KPIs and financial parameters for all mobile operators have sharply declined. For the first time in its history the flourishing Indian Wireless sector is trending towards an annual revenue decline of 3 to 5% in FY17 against FY16. The sector can expect to recover revenues only once the new operator starts charging for its pan India mobile services.

In this period of upheaval and disruption, such as the ones we are living in, change is the new norm – Our success is not based on our ability to simply change – It is based on our ability to change faster than competition, customers and business. We consistently challenge ourselves and remain in pursuit to lead in thought and practice. It is no mean feat that the company has maintained its enviable status of the 'Fastest growing Indian Telecom Operator' for eight straight years.



I am sure most of you would have read the number of recent media articles on a potential combination of Idea with Vodafone India. The company has already issued clarification, I reproduce the exact extract from the letter issued by the company to the stock exchanges -

“...The Company constantly evaluates various opportunities for enhancing the stakeholders’ value. As a part of this exercise, the company has been in preliminary discussions with Vodafone. In view of the fact that the discussion is at the preliminary stage, the company is not in a position to share any further details. However, it is important to mention that the fundamental premise of preliminary discussion is based on equal rights between Aditya Birla Group and Vodafone in the combined entity.

Further, there is no certainty that the discussion with them will result in any agreement. The company will inform the stock exchanges as and when the Board takes any decision in this regard...”

You would appreciate, at this juncture, I would not be able to respond with any incremental information on this combination. To reiterate, there is no certainty that the discussion between the two entities’ large shareholders will result in any agreement.

In this disruptive phase, unleashed by the new entrant and with an effort to retain its existing mobile subscribers, Idea was forced to reduce on sequential quarterly basis its voice rates by 10.6% to 29.6 paisa per minute against 33.1 paisa per minute in Q2 FY17. Similarly, the company was forced to drop its mobile Data Rates – ARMB by 15.2% to 15.9 paisa per megabyte this quarter v/s. 18.7 paisa per MB in Q2 FY17.

Despite, an unprecedented outgoing voice rate fall, the lure of free offerings resulted in lower than normal volume elasticity with quarterly sequential voice minutes growing only by 7.3% to 210 billion minutes primarily led by double digit volume growth in incoming calls. The steep blended voice realisation rate fall was also an outcome of tsunami of minutes terminating on Idea’s network from the new operator resulting in overall higher ratio of subsidised incoming minutes recovered at below cost IUC settlement rates.

The impact of free promotions was even more pronounced on Mobile Data business. Idea, for the first time, witnessed a decline of 5.5 million mobile data customers on sequential quarter basis with overall Mobile Data Subscriber on 2G or 3G or 4G platform receding to 48.6 million this quarter against 54.1 million in Q2 FY17.

Inspite of a massive mobile data rate drop of 15.2%, mobile data volume elasticity was negligible as overall Idea Mobile data volume grew by 1.3% in October to December 2016 v/s. Q2 FY17 to 108.8



billion megabytes for Q3 FY17. Consequently, the data ARPU measured only for Mobile Data subscriber fell to Rs.111 against Rs.130 in Q2 FY17.

Separately on Voice Subscriber addition, consumer preference for brand Idea continues, as company added 10.2 million incremental customers on VLR in the calendar year 2016. Idea withstood the unprecedented attack by new entrant, adding a healthy 5.6 million new voice customers on VLR during the October to December 2016 quarter. Idea now serves 192 million plus quality voice and text customers, providing it a unique platform for future growth in Mobile voice, Wireless Broadband, Digital Services and Mobile Banking post this disruptive phase.

In spite of this short term challenge, Idea remains committed to the process of building across India world class Mobile Broadband Services. The company is aggressively participating in the Digital India mission and is gearing to offer 'Pan India Wireless Broadband Services' on 3G and /or 4G platform by March /April 2017 in all 22 telecom Service Areas from existing 17 Service Areas. As a part of this mission, in February 2017, Idea launched its 4G Services on 2100 MHz spectrum band in UP-East Service Area, expanding Idea 4G Services to 12 Telecom Service Areas. Work is in progress for launch of Idea 4G Services in 8 more Telecom Circles including two Leadership Markets of Gujarat & Uttar Pradesh (West) including Uttarakhand three Emerging Markets of Mumbai, Rajasthan and Bihar including Jharkhand and three New Idea Telecom Markets of West Bengal, Assam and Jammu & Kashmir. The company is also gearing to expand its 3G Services to 15 Service Areas from current 13 Telecom Circles on its own Spectrum band with slated launch of 3G services in Rajasthan & Bihar Telecom Circles by March /April 2017.

Over the last two Calendar Years of 2015 & 2016, Idea has expanded its Telecom infrastructure by 69% adding 95,302 Network sites on 2G or 3G or 4G technology platform. In the same period, the company has nearly quadrupled its Wireless Broadband sites on 3G or 4G platform from 27,744 in Q3 FY15 to 100,615 as on 31st December 2016. Idea GSM coverage can be enjoyed by over 1.0 billion Indians across 400,000 towns and villages. Similarly, the Wireless Broadband population under coverage now reaches to nearly 500 million Indians in 17 Service Areas. During the same two Calendar Years, the company has also increased its Fibre network spread by nearly 50% from 91,200 km in Q3 FY15 to present reach of 133,800 km. Idea's Gross investment in Fixed Assets has risen now to over Rs.1,158 billion, an addition of Rs.559 billion in last 24 months. We are confident that monetisation on this front loaded large investment which is inevitable in future as Digital India mission gathers momentum. The company's overall spectrum holding of 891.2 MHz across 900, 1800, 2100, 2300 and 2500 MHz, equips Idea with the ability to use existing infrastructure as well expand Broadband Networks which can carry



15 – 20 times of current Mobile Data traffic. Our utilisation of Idea Broadband Network infrastructure is as low as 20-30% levels when additional carriers are fully deployed.

Idea has already uploaded second carrier of prime 1800 MHz frequency band on 4G networks in the four Leadership Service Areas of Kerala, Madhya Pradesh including Chhattisgarh, Punjab & Haryana and many of the customers in these markets are now enjoying upto 100 Mbps of speed on their 4G phones. 4G Services are slated to be launched with two carriers of 4G on 1800 MHz in Gujarat & UP(W) while in Maharashtra & Goa Telecom Circle, second carrier will be integrated later. Separately, second carrier on 3G 900 MHz expansion in our Leadership Markets of Maharashtra & Goa and Madhya Pradesh & Chhattisgarh continues to be rolled out as per plan, offering customers 42 Mbps speed in these select markets.

Further, the company is planning to introduce 2300 MHz in three markets of Kerala, Maharashtra & Madhya Pradesh including Chhattisgarh in the next financial year, while plan for launch of 2500 MHz spectrum band for 4G services will be linked to volume of Mobile Data demand in 16 Service Areas, where Idea owns the TDD Spectrum for 4G Services.

In our assessment, with the arrival of the new entrant, the present fragmented ‘multi operator’ Indian Telecom Sector will eventually consolidate and only telecom players with an ability to sustain an integrated offering including Voice, High speed Mobile broadband Services, Digital Services including Content and Mobile Payments Services on a nationwide basis will thrive. It is with this background, on 30th January 2017, Idea announced its arrival into the digital world with the launch of 3 new exciting Mobile Apps – Idea Music Lounge, Idea Movie Club and Idea Games Spark – giving birth to a ‘Digital Idea’. The new suite of integrated Digital Apps present one of the best range of entertainment content for Idea’s nearly 200 Million Customer base. The company is targeting to cater to the growing demand for consumption of digitised content on mobile devices by evolving Indian Mobile Users living online. The company’s mission for Digital Idea is based on the concept of Digital inclusion rather than disruption. With the launch of these Apps, Idea has begun its transformation from a ‘Pure play Mobile Operator’ to an ‘Integrated Digital Services and Solution Provider’.

We live in fast changing times. In this closely interconnected world and volatile environment, speed is our currency. Idea’s strength is built on its organisation stability, reliability and resilience. Idea will always remain agile, nimble and adaptive, inspite of building a massive scale. The company draws on the best technology, innovates to create brand that people love and has built unparalleled direct and deep Rural Distribution model with Idea brand available at over 2.0 million retail outlets across length



and breadth of the country. Employees are our strength setting industry execution gold standard for others to emulate as Idea has imbibed culture of meritocracy, nurtured an army of leaders and scaled legendary operational discipline.

Moving on to Business Performance

Competitively, Idea continues to strengthen its market position with its Revenue Market Share – RMS expanding to 18.7% in latest TRAI industry gross revenue release for the period July to September 2016, an increase of 0.3% compared to Q2 FY16. The company also maintained its Subscriber Market Share (on VLR) at 19.5% inspite entry of new large aggressive operator as per latest November 2016 release from TRAI.

The performance of Idea on four standard parameters for the period ‘October to December 2016’ is as follows:

1. **Gross Revenue:** As a result of this current industry upheaval, the standalone Idea revenue dropped to an unforeseen level at Rs.86,627 million, a decline of 6.9% on sequential quarterly basis.

The broad breakup of the revenue decline is as follows:

Starting with Voice, on a sequential quarterly basis, the revenue declined by 3.9%, due to –

- (a) Voice Realisation Rate decline @ 10.6% from 33.1 paisa per minute in Q2 FY17 to 29.6 paisa per minute Q3 FY17
- (b) The steep rate fall was partially compensated by Voice Minutes volume growth of 7.3% from 195.5 billion minutes in Q2 FY17 to 209.8 billion minutes in Q3 FY17, but volume growth was led by double digit growth in incoming calls. The steep blended voice realization rate fall was also an outcome of the tsunami of minutes terminating on Idea’s network from the new operator resulting in overall higher ratio of subsidized incoming minute recovered at below cost IUC settlement rates.
- (c) The minutes growth was supported by a healthy 5.6 million new customer addition on VLR during October to December 2016 quarter.

In contrast, for the Mobile Data business, the sequential quarterly revenue decline was 14.1% led by –

- (a) Mobile Data rate decline @ 15.2% from 18.7 paisa per Megabyte in Q2 FY17 to 15.9 paisa in Q3 FY17, showing the impact of unlimited ‘Free Mobile Data’ offer between September to December 2016 by new entrant had even more pronounced impact on overall Industry paid Mobile Data revenue business.



- (b) In spite of the steep rate fall, negligible volume elasticity was witnessed as overall Mobile Data Volume increased from 107.4 billion MB in Q2 FY17 to 108.8 billion MB in Q3 FY17 @ 1.3%.
- (c) One of the key reasons for slow Mobile Data Volume growth is the decline of 5.5 million Idea's Mobile Data Users across all technology platforms with overall Data Subscribers on 2G, 3G or 4G platform receding to 48.6 million as on 31st December 2016.

The third factor suppressing revenues is a deep drop in ICR Revenues as the company renegotiated the 3G ICR price contract. While the 3G ICR settlement rates declined, but on an overall basis, the new contract was EBITDA accretive for Idea and allows the company to plan for higher 3G subscribers and volume, in the future, in 3G seeker Circles where Idea does not own 3G Spectrum.

The 'Non Voice Revenue' (including Mobile Data) contribution to the overall 'Service Revenue' fell to 27.2% as Mobile Data revenue contribution declined to 20.2% level.

2. **Cash Profit & EBITDA**: The Idea Gross Revenue sequential quarterly decline in Q3 FY17 by Rs. 6,375 million was the primary driver of standalone EBITDA decline to Rs 21,655 million, a steep drop of Rs. 6,746 million @ 23.8%. The Q3 FY17 EBITDA margin @ 25% is lower by 5.5% against EBITDA margin of 30.5% in Q2 FY17 impacted by the free offerings of new operator along with minor effects of demonetization.

The -

- (a) higher Network running expenses due to accelerated expansion
- (b) increased Forex loss; and
- (c) scheduled seasonal higher brand spends

Resulted in overall operating cost increase slightly higher than Q2 FY17 Opex levels.

The Cash Profit for the quarter is at Rs. 12.3 billion against Q2 FY17 levels of 19.4 billion. In the first nine months, Idea has generated Cash Profit of Rs.56.9 billion fully financing Idea Capex outlay for the first nine months.

While the company continued to expand its scale of operations, this tumultuous phase of the industry has subdued EBITDA. Further, last two years of high investments has increased the 'Depreciation and Amortisation' charges to Rs.19,653 million and 'Interest & Finance Cost (Net)' to Rs.9,232 million, thereby resulting in Idea reporting a PAT loss of Rs.4,789 million on standalone basis in Q3 FY17 – a first in last 40 quarters, since its IPO in 2007.



The company is embarking on a massive cost saving initiative in Calendar Year 2017, across all line items of OPEX to optimize cost, eliminate wastage and duplication, digitize processes and simplify and work hard to bring in efficiencies. The impact of some of this cost reduction initiatives should reflect in Financial Year 2017-18 results. We will keep sharing the outcome of these initiatives on quarterly basis.

3. **Active Subscribers**: On Voice Subscriber addition, Idea withstood the unprecedented attack by new entrant, adding a healthy 5.6 million new customers on VLR during the quarter, helping take the company EOP subscriber base to 192.1 million, as on 31st December 2016. In this disruptive period, Idea will remain focused on retention of existing subscribers and acquisition of new customers, with a short term goal to reach 200 million customer base at the very earliest.

Idea has clocked 10.2 million Net VLR annual addition in the Calendar Year 2016. Similarly, as per latest TRAI release for Subscriber Market Share, the company has maintained its Customer Market Share at 19.5% in November 2016, at similar levels to Idea Subscriber share one year back inspite the New Entrant reporting 43.8 million ‘Subscribers addition on VLR as on 30th November 2016. The new entrant garnered 4.5% Subscriber Share on VLR of the overall Indian Subscriber size at 969 million customers on VLR. between December 2015 to November 2016 while the industry has reported lower New Subscriber Additions of 61.8 million in comparison to 83 million Net Additions between December 2014 to November 2015.

Higher battle for acquiring new subscribers and retaining existing customers in the face of extreme attacks by new entrant has had two impacts –

- (a) With the introduction of e-KYC, the new customer acquisition process was simplified with new SIM activation now possible in 5 to 10 minutes and without need for forms and photocopies of document other than physical presence of the Aadhar holder for finger imprints. The simplification of process, counter intuitively, has had an adverse impact as existing recharge consumers found it easier to procure new SIM which is normally available at discount to existing recharge offer, resulting in accelerated growth in gross subscriber addition and increased user churn of existing customer. The blended subscriber churn for Idea has increased to 6.0% against 5.4% in Q2 FY17. Efforts are on to limit the maximum number of SIMs to an individual Aadhar Card holder and reduce trade payout thereby reduce cost of acquisition per subscriber COCA.
- (b) With aggressive free Voice & Data promotion offered to all existing Mobile Users, the phenomena of multi SIM usage by an individual customer is on the increase after earlier fall during Years of 2013 to 2015. As Mobile Voice & Mobile Data Usage is being shared between incumbent Top Operators and new entrant offering free services, the ARPU per subscriber has



been impacted. The blended Average revenue per subscriber (ARPU) has fallen by 9.4% from Rs.173 in Q2 FY17 to Rs.157 in Q3 FY17 a drop by Rs.16 per subscriber. The, Voice ARPU has declined by Rs.8 from Rs.122 in Q2 FY17 to Rs.114 in Q3 FY17 and Data ARPU declined by Rs.19 from Rs.130 in Q2 FY17 to Rs.111 in Q3 FY17 – an impact due to steep rate falls in Voice & Data and higher multi SIM usage by existing customers.

4. **Minutes of Use** The quarterly sequential Voice Minutes grew by 7.3% to 210 billion minutes in Q3 FY17 v/s. 195.5 billion Minutes in Q2 FY17, but led by double digit growth in incoming call volume. While Idea Voice Realisation rate fell by 10.6% from 33.1 paisa per minute to 29.6 paise per minute, Idea Voice Rate is now competitive to No.1 Telecom Operator and no more at premium to Bharti & Vodafone.

The fall in Voice rates was partially compensated by increase in ‘Minutes of Use per User’ from 368 minutes to 385 minutes but due to tsunami of calls from users enjoying free voice calls of new entrant, the outgoing ratio in the total per User minutes declined and company received higher proportion of subsidized incoming minutes recovered at below cost IUC settlement rates.

In the last one year, Idea has added 9,847 2G GSM sites primarily strengthening Idea’s presence in Rural Markets in 15 Idea Leadership Telecom Circles and improved presence in the Urban and Semi Urban 7 Idea ‘Emerging & New’ Service Areas. Idea vast 1,32,362 2G GSM sites now offers its GSM services to over 1 billion Indians across 400,000 towns and villages.

Idea Fibre coverage has expanded by 28,200 km during Calendar Year 2016 reaching an overall company Fibre presence to 1,33,800 km. The company continues to rapidly expand its Fibre POP and has reached 8,820 Nos as on 31st December 2016 – Key to support fast expanding Mobile Broadband Services.

Moving on to Wireless Data Business

The sequential quarterly Wireless Data business was impacted due to new entrant’s unlimited Free Mobile Data promotion offer under various nomenclatures available since March 2016. Thus the Mobile Data KPIs are being presented on a YoY basis between Q3 FY16 and Q3 FY17.

- (a) In the Calendar Year 2016, Idea added 7.2 million Data Users and as on 31st December 2016, the company Data Users on 4G or 3G or 2G technology platforms is at 48.6 million.
- (b) The Mobile Data volume grew by 34.4% i.e. by 18.5 billion Megabytes from 81 Billion Megabytes in Q3 FY16 to 108.8 billion MB in Q3 FY17 a growth of 34.4%.



- (c) Only 26.2% of the Idea Reported Subscriber base of 185.2 million currently access internet from its Mobile Data platform. The company is hopeful, as Digital India program gathers momentum, Idea Data Volume and Revenue will accelerate led by higher percentage of existing voice customers upgrading their services to Wireless Data.
- (d) The blended Data ARPU has fallen from Rs.145 in Q3 FY16 to Rs.111 this quarter, a fall of 23.4%, primarily due to Wireless Data Rate – fall by 28.7% from 22.3 paisa per MB in Q3 FY16 v/s. 15.9 paisa per megabytes levels this quarter. While the lower rate and lower Mobile Data ARPU has hurt this quarter Mobile Data absolute revenue, the industry can expect far more Voice Users upgrading to Broadband for internet access as rates become affordable for mass markets.
- (e) The Data Usage by Data Subscriber has been steadily increasing from 653 Megabyte usage in Q3 FY16 to 703 Megabyte usage per Data User in Q3 FY17.

Moving on to the 3G & 4G business

Similarly, as Wireless Broadband KPIs have suffered on sequential quarterly basis, the performance is shared on a YoY basis between Q3 FY16 to Q3 FY17.

- 1st. 20.2 million Idea Users upgraded their 2G phones to 3G & 4G smartphones in Calendar Year 2016. Out of this 20.2 million, 14.3 million customers upgraded their phones to 4G capable smartphones.
- 2nd. The total 3G & 4G smartphone count has risen to 75.7 million. 41% of Idea strong 185.2 million consumer base now own a smartphone. Out of these 75.7 million, 20.4 million smartphone owners have 4G capable devices, a penetration of 11% of the overall Idea EOP subscriber base.
- 3rd. In Calendar Year 2016, 5.8 million existing smartphone owners started to use Idea Mobile Broadband on 3G or 4G technology. The total Mobile Broadband Users on Idea 3G or 4G Network has fallen to 27 million as on 31st December 2016, the Mobile Broadband penetration of the overall Idea Subscriber base is low at just 14.6%.
- 4th. Idea 4G User base is 2.5 million. Idea added 9,009 4G sites during the quarter, reaching 33,954 4G sites, covering 211 million Indian population @ 37.6% of population spread across nearly 19,000 towns and villages in 11 Service Areas.
- 5th. The Mobile Broadband Data Volume on 3G & 4G platform has grown from 53.6 billion Megabyte in Q3 FY16 to 84.5 billion MB in Q3 FY17, @ 57.6% growth YoY. The usage per Wireless Broadband User blended for 3G & 4G has steadily improved from 866 MB in Q3 FY16 to 971 MB this quarter, an improvement of 105 MB usage per Mobile Broadband User.
- 6th. The Data ARPU per Wireless Broadband has been falling and has dropped from Rs.196 in Q3 FY16 to Rs.141 per Mobile Broadband User.



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In Q3 FY17, the company expanded its 3G Network by 6,194 sites reaching overall 3G sites count to 66,661. Idea's own 3G services covers 395 million @ 57.2% of Indian population spread across 89,000 towns and villages in 13 Service Areas. In the remaining Telecom Circles excluding Orissa, Idea offers 3G services under 3G 'Intra Circle Roaming' arrangement. The company is now gearing to expand its 3G services to 15 Service Areas on its own spectrum with slated launch of 3G Services in Rajasthan & Bihar telecom Circles by March /April 2017 and continue 3G ICR arrangement in six Telecom Service Areas.

Idea overall Mobile Broadband Services are now available to around 500 million Indians either on 3G or 4G or both technology platforms across nearly 100,000 towns and villages in 17 service areas. The company is gearing itself to become a 'Pan India Mobile Broadband' operator in all 22 Circles against current presence available in 17 Service Areas on its own platform. Idea remains committed to expand its 4G Services from existing 11 Circles to 20 Service Areas. On 2nd February 2017, Idea extended its 4G Services in UPE & remaining 8 Service Areas of Gujarat, UPW including Uttarakhand, Mumbai, Bihar including Jharkhand, Rajasthan, West Bengal, Assam and Jammu & Kashmir should introduce their 4G Services by March /April 2017.

On 30th January 2017, Idea announced its arrival into the digital world with the launch of 3 new exciting Mobile Apps – Idea Music Lounge, Idea Movies Club and Idea Games Spark. Music, Entertainment and Sports have always been at the core of Idea's brand building and customer engagement strategy. Entertainment as a category constitutes one of the most widely consumed digital content services. With the Brand promise of 'Idea can change life' – the company launch of suite of Digital Apps will match the soaring demands of 'on the move' online generation.

Digital Entertainment Services is just the beginning. Idea will, in the immediate future, also expand its digital offerings into digital communication, digital payments, cloud and storage, digital information and many more. Best in class digital consumer experience, collaboration with Indian and Global partners and developer eco-system and co-existence rather than competition with the physical will be Idea's Key building blocks. Digital Idea will also provide open access platforms to millions of developers. 'Digital Idea' is for the masses to enable over 1.3 billion Indians & Idea's nearly 200 million Users to 'Get more out of Life'

To conclude, the present large scale disruption in the sector signals that the industry is fast transitioning from the current fragmented 'Multi Operator' structure to a more consolidated state. Idea with last 8



years of strong track record of execution, profitability and customer centricity is confident of strengthening itself as it marches on its mission of competitive and sustainable growth.

I now handover to Mr. Akshaya Moondra for details on financials.

Akshaya Moondra: Thanks very much, Himanshu. Good Afternoon to participants from India and Good Morning or Evening as applicable to overseas participants. The revenue for the quarter stands at Rs.86.6 billion, lowered by 6.9% compared to last quarter, mainly due to reduction in both Voice and Data realized rates as company was forced to operate aggressive tariff plans in order to retain its subscribers in the wake of free services on offer in the market. These aggressive tariff plans resulted in a massive fall of 10.6% in Voice realization and 15.2% fall in Data realization during the quarter. The growth in Voice traffic remained healthy at 7.3%. However, the same was driven mainly by significantly higher incoming minutes on account of free voice services.

The sharp decline in revenue coupled with continued expansion of network and large subscriber addition resulted in absolute EBITDA to decline by 23.8% to Rs.21.7 billion against Rs.28.4 billion in Q2 FY17. The lower EBITDA resulted in a loss of Rs.4.8 billion on standalone basis during the quarter. The contribution of Indus and Aditya Birla Idea Payments Bank Limited to consolidated PAT after adjusting for tax on undistributed profits of Indus is Rs.950 million. Accordingly, the consolidated total comprehensive income stands negative at Rs.3.9 billion against a surplus of Rs.900 million in Q2 FY17. At the end of Q2 FY17, partial spectrum related to February '14 and March '15 auction was allocated to Idea in the service areas of Maharashtra, Punjab, Himachal Pradesh, UP West, Haryana and Northeast. This has resulted in an increase of Rs.5.3 billion in gross debt. Further, spectrum worth Rs.8 billion acquired in October '16 auction has been put to use during the quarter. These factors resulted in higher interest and financing charges during the quarter.

In order to provide perspective to Idea's position on consolidated basis in comparison with the earlier reported consolidated financials, we continue to provide the pro forma profitability breakup including Indus and Payments Bank contribution to the respective line items in our quarterly report.

Capex spend of Rs.50.8 billion in the first nine months of financial year was funded by cash profit of Rs.56.9 billion. The net debt at the end of Q3 FY17 stands at Rs.491.4 billion, including the liability on account of October 2016 spectrum auction except for Rs.3.18 billion relating to 1800 MHz spectrum for Maharashtra for which allocation will happen in September 2017.

Consequent to approval of Hon'ble High Court of Bombay for capital reduction petition of ABTL, 4.85% stake in Indus Towers limited has moved to P5 Asia Holding Investments (Mauritius) Limited. Thus w.e.f. 1st February, 2017 consolidation of Indus shall be done at 11.15% only.



With this, I will hand over the call back to Aman and open the floor for Questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. The first question is from the line of Kunal Vora from BNP Paribas. Please go ahead.

Kunal Vora: My first question is on Voice and Data realization. What are the trends for 4G customers compared to 2G and 3G customers? Has the competitive intensity increased only for 4G subscribers or has that also translated into increased competitive intensity in 2G, 3G?

Himanshu Kapania: Kunal, you are absolutely right. There are different trends between 4G customers and 2G & 3G customers. Let me share the common points and then I will give you the specific points. The common point, which we have been mentioning repeatedly is the rate fall, which is led by two factors - first due to drop in the outgoing rate; secondly due to drop in outgoing percentage owing to the tsunami of calls from new entrant on the incoming side. The tsunami of calls from new entrant's network is irrespective of customer using either 4G or 3G or 2G handset. Consequently, the percentage of outgoing ratio fall remains uniform across all three technology platforms. As far as outgoing rate fall is concerned, the outgoing rate fall is more in case of 4G customers. The reason is that industry has introduced unlimited plans to compete against new entrant's free services. Now, in order to protect ARPU the rate declined very sharply due to offering an unlimited plan to customer, say a plan at Rs.348 valid for 28 days where he can make both unlimited local and national calls. Such unlimited plans have been adopted by many customers. We have over 2.5 million customers who have opted for the unlimited plan – largest share of these customers are on 4G technology, comparatively lesser on 3G technology and very limited on 2G technology.

Kunal Vora: My second question is on the profile of the 4G customers, that is to say, who is adopting these free 4G services - is it largely the mid-to-high end consumers who are adopting 4G services? Further, what will be the strategy to retain these customers?

Himanshu Kapania: On an average, we were adding anywhere between 2.5-3 million customers on 4G per month, about 7.5 million customers who are getting added per quarter are upgrading their phones. However, the net addition specifically on 4G handsets has been almost flat in the last quarter. Further, the impact has been higher on the prepaid side and limited on the postpaid side. These are 4G customers who were erstwhile mid-to-low ARPU customers. Currently, these customers have bought lower end of the 4G phones and are lured by free voice and data offer and moving out from our network. Hence, while we continue to add 2-2.5 million customers who upgrade their existing 2G or 3G phones to 4G, the churn from the aforementioned existing customers has increased. Although, these customers



are the ones who have stopped using our data, however they have not yet left us. They have not completely discontinued using our services, but there is a reduction in the usage of voice services and discontinuation in usage of data services. That is why the multi SIM environment has gone up in the industry and currently, the customer who is having 4G handset is using an additional SIM of the new entrant.

Kunal Vora: Idea has taken a lot of borrowings at the interest rate of 7.5-8% recently. What is the total amount raised so far and are you looking to repay part of the spectrum liabilities which have been procured at the rate of 10%?

Akshaya Moondra: We have issued bonds worth Rs.7,000 crores and the intention is to refinance the higher cost borrowings that we have on our balance sheet today.

Moderator: Thank you. The next question is from the line of Srini Rao from Deutsche Bank. Please go ahead.

Srini Rao: First question is on the coverage – you have lack of 4G coverage in some key markets like Gujarat which you are presently planning to cover. Has there been any impact on the brand since you are incumbent in th circle and do not have 4G coverage there? Second on Maharashtra. You mentioned that you have got some allocation of spectrum, but there is something pending till September '17. Can you just clarify is this from the very first auction where partial spectrum was allocated? Third question is why have the NLD minutes stagnated? Generally, the national long distance minutes are being reported flat as compared to the increasing overall minutes for the past few quarters. Has the call pattern in India changed to more local calls?

Himanshu Kapania: To answer your first question, we are working very fast to launch our 4G Services in Gujarat. I would like to remind you that we have very strong coverage of 3G Services across length and breadth of Gujarat, and with availability of 900 MHz on 2G as well as 2100 MHz on almost state wide basis on 3G, the impact of free promotions is not different in Gujarat as compared to the other markets where we have 4G. In other words, our impact in Gujarat is very similar to other leadership markets in which we have 4G. Having said that, we are currently facing onslaught of upheaval because of free services by the new entrant. However, our brand has not got affected because of non-availability of 4G services, since it is taking longer to get customers to start using paid 4G services. We understand that once the new entrant starts to charge, only then the customers will be happy to use paid 4G services.

As far as Maharashtra is concerned, yes, we used to have a partial spectrum which was allocated way back in 2014. However, we are now using full 9 MHz won in 2014 which has been made available on



a circle wide basis in calendar year 2016. Further, in October 2016 spectrum auction we procured an extra 2 MHz spectrum in Maharashtra, which will be allocated by Sep' 17. Currently in Maharashtra, we have launched 4G on 5 MHz and we have an additional 4 MHz. We are waiting for allocation of the remaining 2 MHz which will allow us to launch second 4G carrier in Maharashtra. Speaking of introduction of second carrier on 4G, we have already launched the same in the markets of Kerala, Madhya Pradesh including Chhattisgarh, Punjab and Haryana. Whenever we will launch 4G in Gujarat and UP West, it would be with two carriers. As far as Maharashtra is concerned, the aforementioned remaining 2 MHz will be made available on expiry of tenure by an existing user. Accordingly, when we are allocated 2MHz, we will be able to launch the second carrier in Maharashtra. I would like to clarify that there is no partial spectrum in Maharashtra for 4G, we have full spectrum available in Maharashtra and it is available on a full circle basis.

To answer the last question, a typical NLD customer is the low end of the customer base. This low end of the customer base is a customer who is a migrant and uses more NLD calls. The high NLD usage markets are Delhi, Mumbai, Gujarat, Punjab, Tamil Nadu. When free service is available, they are the ones who flocked maximum. This is actually an extension of the question which Kunal had asked, "What is the profile of customers who are moving to free service?" This is a very clear segment of migrant labours who are the one moving towards free services and this is the reason why NLD has staggered. I will pass on to Akshaya to add incremental points.

Akshaya Moondra: So Srini, first on the question of spectrum, just to clarify that today there is no partial spectrum at all across India. In all the circles, all categories of spectrum are available across the entire circle. On the NLD minutes, we have not done any specific detailed analysis. But looking at the trend for the last 3-years, it is noticeable that we have grown by 0.1% in NLD minutes in Quarter 3 over Quarter 2 of the current year. In the previous year we had declined by (-0.2%), and the year before that there was a growth of 1%. So probably there is some element of seasonality in Quarter 3 over Quarter 2. But the trend in this year quarter-on-quarter is similar to what we have seen in the last two years.

Moderator: Thank you. The next question is from the line of Sanjay Chawla from JM Financial. Please go ahead.

Sanjay Chawla: My first question is that we have seen impact on your mobile revenues because of demonetization and Jio free service. So, compared to the rate of decline in mobile revenues witnessed in November and December, have you seen any stability in January or how has the rate of decline changed in January as compare to the earlier months? My second question is we have seen a reduction



of roughly more than Rs.150 crores in your interconnect and access cost on Quarter on Quarter basis. How much of that roughly would be due to the ICR rearrangement?

Himanshu Kapania: I will answer the first part and then give the second part to Akshaya. First and foremost, the impact of demonetization has been very minimum. I want to firmly establish that most of the revenue decline is primarily on account of new entrant. The second part is that the November-December impact was higher on account of tsunami of incoming calls that came in. The impact by December has been because of rate drop on account of introduction of unlimited plan to counter the new entrant's free services. So there has been some ongoing rate decline as well. But with the introduction of unlimited plan there has been lot more stability - minutes are now increasing and ARPU is holding on. However, the ongoing rate decline continues to happen. This is the scenario as far as January is concerned. It would be premature to be able to help you to project the trend for the next quarter based on this limited information.

Sanjay Chawla: But in January, have you seen any change in the rate of decline - has it improved or has it come down?

Himanshu Kapania: It would be difficult for me to help you draw the conclusions for next quarter. Based on the trends that we see for January, all I can say that the effect of free service by new entrant has peaked. The number of subscribers that are hitting up in January and February are at much lower pace as compared to the months of November and December. The outgoing minutes growth has been very robust from December onwards and the impact is there in January and February. However, I would like to say that it is premature to be able to draw conclusion. In order to assess the full impact of quarter, we will have to wait and see.

Sanjay Chawla: Have you seen retention of voice calls usage and retention of 4G customers due to the unlimited calling plans which Bharti and you have launched at Rs.350 price point?

Himanshu Kapania: Certainly, the degree of retention is higher now as compared to the period when we did not offer unlimited plans. There is not only the retention of voice usage; even the mobile data growth is likely to return. But I will still not read completely into it and would not give you advice based on first 40-days of the trends that we watch.

Akshaya Moondra: Sanjay, on your question of roaming and access charges, the reduction is almost entirely on account of reduction in 3G ICR cost. Further, as Himanshu had mentioned in his opening remarks that since the entire commercials have been renegotiated, there is also an impact on our revenue, but on an overall basis, this step has been EBITDA-accretive for us.



Sanjay Chawla: Could you share the number of FDD carriers that you have deployed so far in 3G and in 4G assuming each carrier is 5 MHz?

Himanshu Kapania: Let me start with 4G, we have launched 4G in 12 circle and we are in the process of launching in more circles by March, latest by April of 2017, all of these being on 5 MHz. Further, we have two carrier of 4G Spectrum in 7 circles. Out of the seven markets, we have already launched second carrier in four markets which includes Madhya Pradesh and Chhattisgarh as one market, the second market is Kerala, the third market is Punjab, and fourth market is Haryana. As and when we launch Gujarat and UP West, it will be on two carriers.

Sanjay Chawla: Himanshu, my question is more on the fact that you have got 34,000 4G cell sites. Now, what is the number of carriers deployed, would it be 40,000 or 45,000?

Himanshu Kapania: I did not understand your question. The carrier is not linked to sites. As I mentioned we have launched 1 carrier of 5 MHz in the 12 circles. By the end of March or early April, we will launch 1 carrier of 5 MHz in 20 circles. In four circles we have already launched second carrier of 5 MHz for 4G, and by the end of March/April, we will launch 4G services in Gujarat and UP West circles with two carriers. As far as 3G is concerned, we have launched 3G in 13 circles. We have also launched second carrier in two circles of Maharashtra and Madhya Pradesh, on 900 MHz.

Sanjay Chawla: If I count those sites where you have deployed the second carrier, just the number of carriers because from a capacity point of view obviously that is more important for us to track than the number of sites itself?

Himanshu Kapania: As far as sites are concerned, as we mentioned, we are in the process of executing the second carriers. We started this exercise in December and we expect to finish the same in this calendar year and every site that we will be launching will have its second carrier available. We expect to finish this exercise on the same 1800 MHz which may not apply to 3G 900 MHz which is a complete different band. The third point we are making is that we are gearing to launch 2300 MHz in three markets of Maharashtra, Madhya Pradesh and Kerala in the next financial year.

Sanjay Chawla: Out of the 20 million 4G devices which are there on your network, how many support the 2100 MHz band on which you have launched 4G in UP East. ?

Himanshu Kapania: I would not be able to get you the exact percentage, but I can give you a thumb rule; if 1800 MHz is operating at rule of 100%, 2100 MHz is operating at rule of 85% - 92%. If there is



a device which supports 1800 MHz band, the possibility of it also supporting 2100 MHz band for 4G usage is almost above 90%.

Sanjay Chawla: This is for the incremental flow?

Himanshu Kapania: On the same device if a device support 1800 MHz, there is over 90% possibility that it will support 2100 MHz and it is growing by leaps and bounds.

Moderator: Thank you. The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: I have got two questions; first on the minute, you have said that the ratio has tilted more towards incoming. Can you give us some color on how has it changed Quarter on Quarter basis, that is to say what was the ratio of outgoing calls versus incoming calls in the last quarter versus this quarter? Second question is on the cost side. Himanshu, in your opening remarks you said that you are working on cost optimization measure starting this calendar year. If you can give some more color on what kind of cost optimization can we expect in this year?

Himanshu Kapania: As far as incoming-outgoing calls ratio, we do not follow the practice of sharing the ratios. All I can say that this is the first quarter the ratio change was significant, that is why we brought it to notice of the investors. We currently do not have the practice of sharing it however, we will evaluate whether we intend to share it in the future. In case we decide to share the same in the next quarter, we will do it with everybody. If you are fine with that, I will talk about cost optimization.

There are multiple areas where we are working on cost optimization. The largest of that is on the network front. Here, we are evaluating multiple options besides the current option of ICR arrangements so that we can reduce our opex cost. The second big option is on infrastructure sharing. Advanced discussions are underway for infrastructure sharing. Infrastructure sharing refers to active infrastructure sharing on 2G sites, 3G sites as well as 4G sites. We remain very hopeful in the calendar year 2017 that we should be able to sign number of active infrastructure sharing deals with multiple operators. It will allow us to be able to reduce our opex as well as capex. To us this is the biggest area. We are also working on other areas like G&A. As far as manpower is concerned, we are currently in the manpower freeze situation. Hence, we are working in areas where we believe savings could be significant for the company.

Sanjesh Jain: How much cost optimization can we expect, if you can help us with some ballpark number for next two years?



Himanshu Kapania: We are in the process of working on cost optimization and we want to establish new standards of cost at the industry. However, as this is work in progress, we would rather show you the outcome of the cost optimization than try to give you projection at this stage. It is preliminary, but all we can say is that a huge amount of effort has been taken within the company and there has been talks across the board in all circles so that we can bring down our operating costs.

Sanjesh Jain: Are we giving any guidance for Capex in FY18?

Himanshu Kapania: Once the board approves the guidance in the beginning of the next year, we will be able to provide you the same.

Sanjesh Jain: For now, will it be fair to assume same kind of run rate for Capex?

Himanshu Kapania: Most likely it would be lower than the current run rate.

Moderator: Thank you. The next question is from the line of Manish Adukia from Goldman Sachs. Please go ahead.

Manish Adukia: I have three questions - first one is just a follow-up on your earlier comment about active infrastructure sharing. You mentioned right after October spectrum auction that you are in initial discussions for active infrastructure sharing. If you can just throw some more light as to what is the holdup or why has there been no agreement signed yet and when will we see the first agreement on that front? Second question is on your Capex outlook. I understand that you would not like to comment on the Vodafone Idea merger. However, assuming that you are right in the initial discussion phase, would Capex be subdued at least in the near-term till the time there is uncertainty or otherwise of a definitive agreement with Vodafone? Lastly, if you can update us on the status of your deleveraging initiatives like monetizing of your tower assets, etc.?

Himanshu Kapania: Let me explain for active infrastructure sharing - it is not a piece of document that needs to be just signed, there is a lot of technical work that needs to be carried out before the legal agreements can be signed. I would like to give you a broad sense of how the 3G ICR agreement was and how long did it take. The 3G spectrum auction took place in the month of May. The ICR agreement took about one year for it to be concluded somewhere between the subsequent year's March, April. The reason is that there is a lot of work that needs to be carried out. First on technology front, one needs to remember that while all telecom operators are having the same technology, either 2G, 3G or 4G, but the equipment suppliers are not the same. Further, the equipments by each operator are not in the same stage, they may be of different models and they need to be upgraded. Additionally, there is also a lot of



testing that needs to be carried out. All of this takes time and it is very difficult to be able to commit this. The next step is obviously commercial negotiations. We are discussing for long-term deals, we are not discussing something for one or two quarters. Just like ICR has survived now for almost an 8-years period, the decisions are very strategic and we have to tread very cautious path on signing these agreements which will ensure that our decisions will hold for us over the next decade. Hence, we have to be really careful. It is not something that we can pay over the next one or two months, but we have to make sure that these contracts survive over the next 5-10 years' time period. This is the reason why you will have to wait for it. That is why the guidance which I have given is for calendar year 2017 rather than giving you a specific quarter guidance.

As far as capex outlook is concerned, without talking about combination, one thing is very sure that we have been operating capex at a level between 12-15% of revenue. In the last two years, the level has gone up as high as 18-22% of revenue. We will not be in a position to continue at this level of 18-22% of revenue and would definitely like to bring it down to much lower levels. We will give the specific guidance to you after we have firm approvals from the board. As far as deleveraging is concerned, we have talked about multiple opportunities including towers and we are evaluating all the options, but we currently do not have anything that we can share.

Manish Adukia: A follow up question on the tower assets - you have your own towers and then you also have a stake in Indus Towers. So you are open for monetization of both your own towers and Indus stake.- Is that a fair comment to make?

Akshaya Moondra: That is right.

Moderator: Thank you. The next question is from the line of Rajiv Sharma from HSBC. Please go ahead.

Rajiv Sharma: Just had a couple of questions - firstly, Himanshu, what are your thoughts on potential introduction of a low cost VoLTE handset with free voice for some time? How would you see it given that you have a lot of subscribers which are at the low end prepaid micro recharge category? My second question would be on your outlook on the financing cost for the next fiscal.

Himanshu Kapania: You are right, we are also reading media reports on possibility of introduction of low priced mobile handset. So, I want to distinguish between the word 'low cost' and 'low priced' VoLTE handsets. First and foremost, we would like to clarify that all our studies both in India as well as in countries where maximum manufacturing of 4G handsets is happening indicate that currently VoLTE-based handsets are not available at anything lower than \$40 to \$50 even though if you were to



strip down on its quality. Let us assume it between \$35 to \$40 price points. However, if the introduction of 4G handsets happens at lower than this price point so as to compete with the price of 2G handset which is currently available at a price bracket of Rs.800-1,000, then the operator is going to subsidize a significant portion of this handset to attract customers. This is the first point we would like to make. The second point which we would like to make is that Idea has already expanded its broadband coverage. Our overall Broadband coverage spread to 500 million Indians, and as far as 4G it spreads to over 200 million Indians. Further, we are in the process of rolling out 4G services in 20 circles and the overall population under coverage will continue to grow. We are hopeful and we are working hard to launch our VoLTE Services in the next year.

Now let us assume that there is somebody who is going to introduce subsidized handsets, which he will subsidize from his P&L account. Accordingly, Idea as well as other operators I will assume, who would have 4G coverage across India, would be able to utilize the benefit of subsidized 4G handsets because VoLTE services will be provided by all large incumbent telecom operators. Hence, whoever is planning for subsidized VoLTE handset will have to keep this consequence in mind. Having said that, all of us are currently working hard to be able to make sure that 4G coverage increases. We are ensuring to take all steps that help the overall subscriber upgrade from the current level. As we have been repeatedly mentioning, that the broadband penetration for Idea is only at a level of 14% which is very similar for other operators as well, and any effort which will bring down the overall handset prices will definitely increase the momentum of customers upgrading their existing handsets to 4G. Consequently, this will increase the adoption of 4G Services. We currently have underutilized 4G network and any form which will allow customer to adopt our 4G Services is a welcome sign from our side.

Rajiv Sharma: Incrementally, Himanshu, you had said that your all future investments will be for 4G and its 4G which is going to take up. So, how soon you see 3G resources being reformed for 4G - is it too early to think in this direction or we are just couple of years away?

Himanshu Kapania: I will not be able to tell you, but I can assure you that it is not going to happen in the calendar year 2017. We will wait to see what happens as far as availability of 3G handsets and the trend of migration of existing 3G users to 4G. But we are ready for all situations. The 2100 MHz band that we are currently using, is being employed for 3G services, however, the same equipment and the spectrum can also be upgraded to 4G. Accordingly, either way we are comfortable, but we will not go against the trend of the market. If the trend of the market remains that the 3G customers prefer to use 4G services, we will move on towards that or if there is a clear distinct market between 3G and 4G, we will be happy to participate and follow the trends of the market rather than trying to define it.



Rajiv Sharma: How do you see the interest cost going forward after this recent refinancing strategy, and also the Capex being partially funded by cash profit and partially by debt in the current quarter?

Akshaya Moondra: I cannot give you much details, but very broadly our debt is approximately Rs.50,000 crores. Our average cost of borrowing may be in the ballpark of 9%. Accordingly, Rs.4,500 crores could be the financing cost, out of which some part will get capitalized on spectrum which is not yet put to use. This is the broad idea which I can provide.

Rajiv Sharma: After procuring Rs.7,000 crores, is there a plan to get an incremental debt at 7% refinanced?

Akshaya Moondra: No, further plan as of now.

Rajiv Sharma: Just one small question on the Opex and Capex reduction. So, is it possible that if all things put in place, we could see a meaningful reduction in cost in 2017 after the various measures are undertaken as Himanshu suggested earlier in the call?

Himanshu Kapania: Two independent topics- the Capex on an overall basis will reduce. We will share the absolute amount of reduction in the next quarterly investor call. As far as opex is concerned, on an absolute basis we are making every effort to bring it down. However, it is important for us to ensure that reduction in Opex should not impact our revenue growth. Hence, we will continue to have volume-led and subscriber-led growth. This strategy will continue to be followed and no effort will be done to reduce cost associated with this strategy.

Moderator: Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

Vivekanand Subbaraman: I have two questions – my first question is with respect to the cohort analysis of your subscribers. What is the competition or competitive intensity for the various key categories of your subscribers? So let us say the top 10 % of subscribers would contribute to 30% - 40% of your revenue; is there a high churn there? How should we see the segmentation of your customers? My second question is with respect to the Tower business, how do you see it right now? Do you want to retain any economic interest in the Tower business or would you completely want to exit, what are your thoughts there?

Himanshu Kapania: As far as segmentation of customers, we have high ARPU, mid-ARPU, and low-ARPU customers. In the initial phase in October and November, we saw higher churn from the mid-to-



high end ARPU customers, but with the introduction of unlimited plan, the churn from this category of customers has reduced significantly and we have been able to retain most of the customers. Further, I would like to add that we never lost the high ARPU customers, only the usage went down and that is why their ARPU using our network went down because of multi SIM environment. Currently, the higher ARPU generating customer base is becoming lot more stable to a certain degree. However, the pressure is more at the lower to mid-end of the customer base where these customers are looking out for cheaper deals and therefore buying multiple SIMs in the marketplace so that they can avail the benefit of promotions currently trending in the market.

Vivekanand Subbaraman: Just one small follow-up question with regards to Rs.348 plan. I know you mentioned that these are early days, but are you confident of getting customers from lower price points to upgrade after the new entrant starts charging or the trend of higher ARPU customers downgrading to this plan likely to continue?

Himanshu Kapania: What I remember is that more than 70%- 80% of the customers who are buying Rs.348 plan were from a lower ARPU band. However, because any customer who buys Rs.348 plan ends up consuming much more than what he was consuming before his earlier usage. Consequently, the overall rates for the company falls, however, this is ARPU accredited. So currently overall basis ARPU is accretive and a lot of customers who are at lower end as well mid-end are adopting to Rs.348 plan. As far as tower business is concerned, as I mentioned earlier, this is an opportunity for monetization. We are evaluating various options and nothing is finalized. So, it is very difficult to elaborate more than what we have discussed in the past.

Akshaya Moondra: To your specific question, " whether we are willing to sell full stake or we would retain part of the stake", I think that is a matter of detail, but we are happy to monetize fully or partially, there is no preconceived condition as such.

Moderator: Ladies and gentlemen, due to time constraints, that was our last question. I would now like to hand the conference over to Mr. Kapania for closing comments. Thank you and over to you, sir.

Himanshu Kapania: Thank you so much. We are passing through an upheaval in the industry, industry is going through difficult times. We are very hopeful that it is a matter of few months and this phase will pass through. Once the new entrant start charging, industry will be back on its growth. Till that time, we appreciate the patience of the investors and look forward to speaking to you and updating you in the next quarter. Have a great quarter ahead.



*Idea Cellular Limited
February 13, 2017*

Moderator: Thank you very much, members of the management. Ladies and gentlemen, on behalf of Idea Cellular that concludes this conference. Thank you for joining us and you may now disconnect your lines.