

**VODAFONE IDEA LIMITED ( formerly Idea Cellular Limited)**

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Unaudited Consolidated Financial Results for the three months ended 30-June-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended
	30-June-20 Unaudited	31-March-20 Refer Note 9	30-June-19 Unaudited	31-March-20 Audited
<b>INCOME</b>				
Service Revenue	106,545	117,343	112,638	449,123
Sale of Trading Goods	12	13	9	44
Other Operating Income	36	186	52	408
<b>REVENUE FROM OPERATIONS</b>	<b>106,593</b>	<b>117,542</b>	<b>112,699</b>	<b>449,575</b>
Other Income	553	1,662	2,796	10,393
<b>TOTAL INCOME</b>	<b>107,146</b>	<b>119,204</b>	<b>115,495</b>	<b>459,968</b>
<b>EXPENSES</b>				
Cost of Trading Goods	11	42	33	129
Employee Benefit Expenses	5,718	3,210	5,843	21,643
Network Expenses and IT Outsourcing Costs	24,110	25,872	29,986	109,916
License Fees and Spectrum Usage Charges	15,017	13,394	11,910	48,482
Roaming & Access Charges	10,026	16,100	13,198	59,976
Marketing, Content, Customer Acquisition & Service Costs	6,475	9,965	9,613	40,983
Finance Costs	38,039	41,770	37,900	153,920
Depreciation & Amortisation Expenses	59,757	60,388	61,308	243,564
Other Expenses	4,252	5,158	4,953	19,321
<b>TOTAL EXPENSES</b>	<b>163,405</b>	<b>175,899</b>	<b>174,744</b>	<b>697,934</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE</b>	<b>(56,259)</b>	<b>(56,695)</b>	<b>(59,249)</b>	<b>(237,966)</b>
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	889	678	581	3,553
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(55,370)</b>	<b>(56,017)</b>	<b>(58,668)</b>	<b>(234,413)</b>
Exceptional Items (Net) (Refer Note 5)	(199,232)	(61,409)	(8,070)	(383,557)
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>(254,602)</b>	<b>(117,426)</b>	<b>(66,738)</b>	<b>(617,970)</b>
<b>Tax expense:</b>				
- Current tax	1	(4)	9	4
- Deferred tax	(3)	(987)	(18,008)	120,807
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>(254,600)</b>	<b>(116,435)</b>	<b>(48,739)</b>	<b>(738,781)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>				
- Re-measurement gains/ (losses) of defined benefit plans	(71)	171	(528)	(281)
- Income tax effect	2	(15)	184	193
- Group's share in other comprehensive income of joint ventures and associate	(1)	2	-	(2)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(254,670)</b>	<b>(116,277)</b>	<b>(49,083)</b>	<b>(738,871)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	287,354	287,354
Other Equity				(227,555)
Earnings Per Share for the period (₹)				
- Basic	(8.86)	(4.05)	(2.20)	(27.26)
- Diluted	(8.86)	(4.05)	(2.20)	(27.26)

## Notes

1. The above unaudited consolidated financial results, 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 6<sup>th</sup> August, 2020.
2. A. The Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23<sup>rd</sup> April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Pursuant to the AGR judgment and including subsequent supplementary judgments, the Group had recognized a total estimated liability (AGR dues) of ₹ 460,000 Mn as at March 31, 2020. This was based on the DoT demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands had not been received together with interest, penalty and interest on penalty up to 31<sup>st</sup> March, 2020. The Company had also made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31<sup>st</sup> March, 2020 towards such AGR dues.

On 11<sup>th</sup> June 2020, Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On 16<sup>th</sup> June 2020, the Company filed an affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On 18<sup>th</sup> June, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets for the last 10 years including for the year ending 31<sup>st</sup> March, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. Thereafter, the Company submitted the required documents and made a further payment of ₹ 10,000 Mn towards AGR dues. By order dated 20<sup>th</sup> July, 2020 the Hon'ble Supreme Court, after hearing all parties, observed that the calculations which have been given and the amount to be recovered (preliminary assessed) given by DoT in its modification application are taken to be as final amount and there can be no dispute raised about it. The Hon'ble Supreme Court has reserved its order with respect to the prayer made for making the payment in installments and the offer made by the Government, the time frame thereto and how to secure the amount.

Consequent to the above, during the quarter, without prejudice and on prudence, the Company has recognized an additional charge of ₹ 194,405 Mn (including net interest on total provision created, considering the rate as per the affidavit filed by DoT on 16<sup>th</sup> March, 2020, with effect from the date of AGR Judgement) as exceptional item towards the total estimated liability based on the DoT demands amounting to ₹ 582,540 Mn as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by the Company for the periods thereafter computed based on the terms of the License Agreement, AGR Judgement, etc. together with interest, penalty and interest on penalty up to 30<sup>th</sup> June, 2020 as reduced by the liability already provided up to March 31, 2020. Consequently, net worth of the Company has turned negative during the quarter and stands at ₹ (194,918) Mn.

- B. As at 31<sup>st</sup> March, 2020, the Company had classified ₹ 142,757 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31<sup>st</sup> March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the quarter, the Company has received waivers for borrowings amounting to ₹ 45,000 Mn. During the previous year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders had asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 120,115 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome with regard to the timeframe for the payment of AGR dues to be made in installments and successful negotiations with lenders. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

3. Indus Towers Limited, a joint venture of the Company ("JV Company"), in its interim financial statements for the quarter ended 30<sup>th</sup> June, 2020 reported that the JV Company's two major customers in the telecom services industry impacted by the above AGR judgement (refer note 2A above) contributed substantial and material portion of the net sales which resulted in significant and material part of the trade receivables due from these customers. Further, that the loss of significant customer/s or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JV Company. This matter is included in the auditor's report on the interim financial statements of Indus Towers Limited as at 30<sup>th</sup> June, 2020.

4. The Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.
5. Exceptional Items :-

₹ Mn

Particulars	Quarter ended			Year ended
	30-June-20	31-March-20	30-June-19	31-March-20
Integration and merger related costs	(3,746)	(2,486)	(2,262)	(10,012)
Provision for additional depreciation / impairment of assets	377	(2,211)	(3,716)	(57,571)
Provision for impairment towards investment in associate	-	-	(2,092)	(1,596)
License fees and SUC on AGR (Refer Note 2(A) above)	(194,405)	(17,836)	-	(275,143)
One Time Spectrum Charges (including interest)	(1,230)	(38,871)	-	(38,871)
Others	(228)	(5)	-	(364)
<b>Total</b>	<b>(199,232)</b>	<b>(61,409)</b>	<b>(8,070)</b>	<b>(383,557)</b>

6. Financial results of Vodafone Idea Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended
	30-June-20 Unaudited	31-March-20 Refer Note 9	30-June-19 Unaudited	31-March-20 Audited
Revenue from Operations	105,939	116,719	112,088	447,150
Profit/(Loss) before Tax	(253,339)	(119,488)	(68,542)	(622,867)
Net Profit/(Loss) after Tax	(253,339)	(119,488)	(50,379)	(731,315)

7. During the quarter, the Company has pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.
8. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24<sup>th</sup> March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of the quarter, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted due to the country wide lockdown, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).
9. The consolidated financial results for the quarter ended 31<sup>st</sup> March, 2020 are balancing figures between audited results for the full financial year ended 31<sup>st</sup> March, 2020 and published year to date figures up to 31<sup>st</sup> December, 2019.
10. The Previous period figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 6<sup>th</sup> August, 2020**  
**Place: London**

**Ravinder Takkar**  
**Managing Director & Chief Executive Officer**



**VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)**  
**Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976**  
**Unaudited Financial Results for the three months ended 30-June-2020**

(₹ Mn, except per share data)

Particulars	Quarter ended			Year Ended
	30-June-20 Unaudited	31-March-20 Refer Note 7	30-June-19 Unaudited	31-March-20 Audited
<b>INCOME</b>				
Service Revenue	105,895	116,646	112,024	446,827
Sale of trading goods	-	-	3	3
Other Operating Income	44	73	61	320
<b>REVENUE FROM OPERATIONS</b>	<b>105,939</b>	<b>116,719</b>	<b>112,088</b>	<b>447,150</b>
Other Income	1,640	1,620	2,962	10,861
<b>TOTAL INCOME</b>	<b>107,579</b>	<b>118,339</b>	<b>115,050</b>	<b>458,011</b>
<b>EXPENSES</b>				
Cost of Trading Goods	-	-	3	3
Employee Benefit Expenses	5,303	2,793	5,319	19,726
Network Expenses and IT Outsourcing Costs	24,258	26,030	29,777	109,849
License Fees and Spectrum Usage Charges	10,016	13,495	11,871	48,476
Roaming & Access Charges	15,026	16,100	13,198	59,976
Marketing, Content, Customer Acquisition & Service Costs	6,617	10,147	9,683	41,593
Finance Costs	38,009	41,732	37,876	153,772
Depreciation & Amortisation Expenses	57,938	58,479	60,821	238,888
Other Expenses	4,519	5,294	5,582	21,353
<b>TOTAL EXPENSES</b>	<b>161,686</b>	<b>174,070</b>	<b>174,130</b>	<b>693,636</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(54,107)</b>	<b>(55,731)</b>	<b>(59,080)</b>	<b>(235,625)</b>
Exceptional Items (net) (Refer Note 4)	(199,232)	(63,757)	(9,462)	(387,242)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(253,339)</b>	<b>(119,488)</b>	<b>(68,542)</b>	<b>(622,867)</b>
<b>Tax expense:</b>				
- Current tax	-	-	1	-
- Deferred tax	-	-	(18,164)	108,448
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(253,339)</b>	<b>(119,488)</b>	<b>(50,379)</b>	<b>(731,315)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>				
- Equity instrument through other comprehensive gains/(losses)	(1,537)	(4,417)	(5,273)	(19,403)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	1,229	1,229
- Re-measurement gains/ (losses) of defined benefit plans	(63)	119	(529)	(253)
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	185	185
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(254,939)</b>	<b>(123,786)</b>	<b>(54,767)</b>	<b>(749,557)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	287,354	287,354
Other Equity				(197,341)
Earnings/(Loss) Per Share for the period (₹)				
- Basic	(8.82)	(4.16)	(2.27)	(26.97)
- Diluted	(8.82)	(4.16)	(2.27)	(26.97)

## Notes

1. The above unaudited financial results, 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 6<sup>th</sup> August, 2020.
2. A. The Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23<sup>rd</sup> April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Pursuant to the AGR judgment and including subsequent supplementary judgments, the Company had recognized a total estimated liability (AGR dues) of ₹ 459,607 Mn as at March 31, 2020. This was based on the DoT demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which demands had not been received together with interest, penalty and interest on penalty up to 31<sup>st</sup> March, 2020. The Company had also made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31<sup>st</sup> March, 2020 towards such AGR dues.

On 11<sup>th</sup> June 2020, Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On 16<sup>th</sup> June 2020, the Company filed an affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On 18<sup>th</sup> June, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets for the last 10 years including for the year ending 31<sup>st</sup> March, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. Thereafter, the Company submitted the required documents and made a further payment of ₹ 10,000 Mn towards AGR dues. By order dated 20<sup>th</sup> July, 2020 the Hon'ble Supreme Court, after hearing all parties, observed that the calculations which have been given and the amount to be recovered (preliminary assessed) given by DoT in its modification application are taken to be as final amount and there can be no dispute raised about it. The Hon'ble Supreme Court has reserved its order with respect to the prayer made for making the payment in installments and the offer made by the Government, the time frame thereto and how to secure the amount.

Consequent to the above, during the quarter, without prejudice and on prudence, the Company has recognized an additional charge of ₹ 194,405 Mn (including net interest on total provision created, considering the rate as per the affidavit filed by DoT on 16<sup>th</sup> March, 2020, with effect from the date of AGR Judgement) as exceptional item towards the total estimated liability based on the DoT demands amounting to ₹ 582,540 Mn as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by the Company for the periods thereafter computed based on the terms of the License Agreement, AGR Judgement, etc. together with interest, penalty and interest on penalty up to 30<sup>th</sup> June, 2020 as reduced by the liability already provided up to March 31, 2020. Consequently, net worth of the Company has turned negative during the quarter and stands at ₹ (164,927) Mn.

- B. As at 31<sup>st</sup> March, 2020, the Company had classified ₹ 142,757 Mn from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31<sup>st</sup> March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the quarter, the Company has received waivers for borrowings amounting to ₹ 45,000 Mn. During the previous year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders had asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 120,115 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome with regard to the timeframe for the payment of AGR dues to be made in installments and successful negotiations with lenders. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis.

3. The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.
4. Exceptional Items: -

₹ Mn

Particulars	Quarter ended			Year Ended
	30-June-20	31-March-20	30-June-19	31-March-20
Integration and merger related costs	(3,746)	(2,486)	(2,262)	(9,855)
Provision for additional depreciation / impairment of assets	377	(2,191)	(3,716)	(57,269)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	-	(2,630)	(3,484)	(6,224)
License fees and SUC on AGR (Refer Note 2(A) above)	(194,405)	(17,579)	-	(274,886)
One Time Spectrum Charges (including interest)	(1,230)	(38,871)	-	(38,871)
Others	(228)	-	-	(137)
<b>Total</b>	<b>(199,232)</b>	<b>(63,757)</b>	<b>(9,462)</b>	<b>(387,242)</b>

5. During the quarter, the Company has pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.
6. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24<sup>th</sup> March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of the quarter, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted due to the country wide lockdown, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).
7. The financial results for the quarter ended 31<sup>st</sup> March, 2020 are balancing figures between audited results for the full financial year ended 31<sup>st</sup> March, 2020 and published year to date figures up to 31<sup>st</sup> December, 2019.
8. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 6<sup>th</sup> August, 2020**  
**Place: London**

**Ravinder Takkar**  
**Managing Director & Chief Executive Officer**