

Quarterly Report

2nd quarter ended September 30th 2020



Vodafone Idea Limited

India's leading telecom company

Vodafone Idea Limited (formerly Idea Cellular Limited)

An Aditya Birla Group & Vodafone Group partnership

Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat, India | myvi.in



Supplemental Disclosures

Unless stated otherwise, the financial data in this report is derived from our un-audited / audited financial statements prepared in accordance with Ind AS adopted in Q1FY17, with transition date of April 01, 2015. Our financial year ends on 31st March of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year. In this report, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS, Ind AS and U.S. GAAP; accordingly, the degree to which the Ind AS financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

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

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

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1. Vodafone Idea Ltd (formerly Idea Cellular Limited) – An Overview

Vodafone India Limited has merged into Idea Cellular Limited (ICL) on August 31, 2018. Consequently, the name of the company has been changed from ICL to Vodafone Idea Limited. Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. The company is one of India's telecom service providers with Voice and Data services on 2G, 3G and 4G technologies across 22 service areas. With its 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 world-class 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 the ground presence. The company is listed on the National Stock Exchange (NSE) and the BSE in India.

Promoter Groups

Vodafone Group is a leading technology communications company keeping society connected and building a digital future for everyone, with the purpose to improve one billion lives and halve the environmental impact by 2025. The Group is focused on two scaled and differentiated regional platforms in Europe and Africa. The Group operates mobile and fixed networks in 22 countries and partner with mobile networks in 48 more. As at 30 June 2020, the group had over 300 million mobile customers, more than 27 million fixed broadband customers and over 22 million TV customers.

Aditya Birla Group, a US\$46 billion corporation, is one of the largest business groups in India, and is in the league of Fortune 500. The Aditya Birla Group is a conglomerate with operations in 34 countries having business interest, among others, in mobile telecommunications, metals and mining, fashion retail, cement, carbon black, textiles, garments, chemicals, fertilizer and financial services industries etc. Over 50% of Group revenues flow from overseas operations across North and South America, Africa and Asia.



Corporate Structure

Vodafone Idea Limited								
100% Subsidiaries						Joint Venture		
Vodafone Idea Manpower Services Limited	Vodafone Idea Business Services Limited	Vodafone Idea Communication Systems Limited	Vodafone Idea Shared Services Limited	You Broadband India Limited	Vodafone Foundation	Vodafone Idea Telecom Infrastructure Limited	Firefly Networks Limited	Indus Towers Limited
Manpower Services	Data Centre, OSP Services	Trading of communication devices	Shared service center	Fixed line Broadband	Section 8 Company - CSR activities	Fibre assets	Wi-Fi Site Acquisitions, Installation, Maintenance	Passive infrastructure

Other subsidiaries (Insignificant business / non-operating)

- Vodafone Idea Technology Solutions Limited
- You System Integration Private Limited
- Connect India Mobile Technologies Private Limited
- Vodafone M-Pesa Limited

Business Segments

a. Mobility

- **Voice Business** – Vodafone Idea offers Voice services coverage in all 22 service areas. The company covers more than 1.2 billion Indians in over 487,000 Census towns and villages with its Voice services. The company has also introduced 4G VoLTE across all 22 circles to provide enhanced voice experience to its 4G subscribers.
- **Broadband Services** – The broadband services of Vodafone Idea on 3G and 4G platforms are available in all 22 service areas of India. The company’s broadband coverage is available in nearly 328,000 Census towns and villages with population coverage of more than a billion Indians. The population coverage on 4G is nearly 1 billion as of September 30, 2020.
- **Content Offerings** – To provide best in class content to its customers through the application Vi Movies and TV , the company has tied up with various content creators and OTT apps like Sun NXT, Shemaroo Me, Hoichoi, Lionsgate Play, Hungama, TV Today, Discovery and others. The app provides a range of content including Movies, Live TV, TV shows, latest originals and short formats in 16+ languages. Additionally, the company has tie ups with leading content providers like Amazon Prime, Zee5 and Netflix for its premium customers.



b. Enterprise Services

Vi™ business provides total communications solutions to empower global and Indian corporations, public sector & government bodies, small & medium enterprises and start-ups. With market-leading enterprise mobility, robust fixed line connectivity, world-class IoT solutions and insightful business analytics & digital solutions, the company brings the smartest and newest technologies to serve businesses in the digital era. With the advantage of its global expertise and knowledge of local markets, Vi™ business endeavours to be a trusted and valued partner for businesses in a digital world.

2. Our Strengths

Spectrum Portfolio

Vodafone Idea has a total of 1,846 MHz of spectrum across different frequency bands out of which 1,723.6 MHz spectrum is liberalised and can be used towards deployment of any technology (2G, 3G, 4G or 5G). Further, 1,316.8 MHz of spectrum acquired through auction between year 2014 and 2016 is having the validity until 2034 to 2036. This large spectrum portfolio across 22 circles allows the company to create enormous broadband capacity.

Circle	Administrative Spectrum		Liberalised Spectrum					Total FDDx2+TDD
	900	1800	900	1800	2100	2300	2500	
Andhra Pradesh	-	-	5.0	11.0	5.0	-	10.0	52.0
Assam	-	-	-	25.0	5.0	-	20.0	80.0
Bihar	-	4.4	-	13.4	5.0	-	10.0	55.6
Delhi	-	8.0	10.0	10.6	5.0	-	20.0	87.2
Gujarat	-	-	11.0	20.8	10.0	-	30.0	113.6
Haryana	-	-	12.2	15.8	15.0	-	20.0	106.0
Himachal Pradesh	-	4.4	-	11.2	5.0	-	10.0	51.2
Jammu & Kashmir	-	-	-	17.0	5.0	-	10.0	54.0
Karnataka	-	8.0	5.0	11.0	5.0	-	-	58.0
Kerala	-	-	12.4	20.0	10.0	10.0	20.0	114.8
Kolkata	-	-	7.0	15.0	10.0	-	20.0	84.0
Madhya Pradesh	-	-	7.4	18.6	5.0	10.0	20.0	92.0
Maharashtra	-	-	14.0	12.4	15.0	10.0	30.0	122.8
Mumbai	-	4.4	11.0	10.2	10.0	-	20.0	91.2
North East	-	-	-	25.8	5.0	-	20.0	81.6
Orissa	-	-	5.0	17.0	5.0	-	20.0	74.0
Punjab	-	6.2	5.6	15.0	10.0	-	10.0	83.6
Rajasthan	-	6.2	6.4	10.0	15.0	-	20.0	95.2
Tamil Nadu	6.2	1.0	-	11.4	15.0	-	-	67.2
Uttar Pradesh (East)	-	6.2	5.6	8.6	20.0	-	20.0	100.8
Uttar Pradesh (West)	6.2	-	5.0	14.4	10.0	-	20.0	91.2
West Bengal	-	-	6.6	23.4	5.0	-	20.0	90.0
Total	12.4	48.8	129.2	337.6	195.0	30.0	370.0	1,846.0






Large Customer Base

Vodafone Idea had over 271.8 million subscribers as of September 30, 2020. As the company is expanding its broadband coverage and capacity, specifically 4G, this large subscriber base provides a great platform for the company to upgrade voice only customers to users of data services and digital content.

Robust Network Infrastructure

The company has large network assets in the form of 2G, 3G, 4G equipment and country wide optical fibre cable (OFC). The company has presence in over 180,000 unique locations and has over 457,000 broadband (3G+4G) sites. Its 4G population coverage is ~1 billion Indians as of September 30, 2020. The company has a portfolio of over ~370,600 km of OFC including own built, IRU OFC and common routes. Post consolidation of spectrum with each site using spectrum of both the erstwhile entities, the deployment of TDD sites, DSR, Small Cells and Massive MIMO is providing further capacity increase.

Strong Brand

VIL recently launched its unified brand  on the back of the world's largest network integration. The new brand leverages on the legacy of two of the most loved brands of the country -  and , which have brand saliency established over decades. Vi™ is a brand with its eyes set on the future, it's built for and around the customer - as we partner every Indian to create a better and brighter tomorrow, together. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these ever-changing times. It is future ready and committed to dynamically serve and enable a digital society to progress in life. The brand has already garnered strong awareness and will continue to build brand affinity across all customer segments in the country.

VIL also recently launched **GIGAnet** - an integrated 4G network for its users. GIGAnet is the result of the largest network integration completed in record time and the world's largest DSR (Dynamic Spectrum Refarming) exercise. It has India's largest AI-powered Massive MIMOs sites along with largest deployment of universal cloud.



Enterprise Offerings

The company is well positioned in enterprise offerings across industry verticals. The company has built strong relationships with its enterprise customers by providing Enterprise grade solutions and services over last several years. The strong relationship with customers and global know how of Vodafone Group provide strong platform for future growth in this segment. The wide range of Enterprise solutions are powered by GIGAnet, born out of the world's largest network integration process. Vi™ business continues to maintain a clear leadership in IoT offerings which is an emerging segment and has potential to grow multi fold in the near future amid government's push towards 'Digital India' and 'Smart Cities'. Vi™ business is strengthened by a verticalised operating model, enabling a future fit organization with faster go-to-market across all segments and enhanced agility to serve customers.

During the current pandemic, Vi™ business continues to support enterprises and SMEs in their digital transformation journey. Our robust suite of products and services are enabling enterprises to adopt digital in a secure manner, fostering remote working while ensuring workforce safety and promote employee collaboration. The comprehensive Carrier Services offerings power the digital infrastructure of some of the largest OTT service providers in the country. Our digital experience offerings such as Vi™ App, Vi™ business-Wireline self-care & Vi™ business-Mobility are allowing organizations to manage from anywhere and at any time with least manual intervention. Recently, Vi™ business has been recognized by Frost & Sullivan India ICT Awards as Managed Enterprise Wi-Fi Provider Company of the Year (2020) and M2M Connectivity Service Provider Company of the Year (2020).



Tower Investments (Indus)

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone Group and Vodafone Idea Ltd, is one of the world's leading tower company with 128,984 towers and a tenancy ratio of 1.84 as of September 30, 2020. Vodafone Idea owns 11.15% stake in Indus. The proportionate profit/loss of Indus is presently consolidated at the PAT level in Vodafone Idea's financial statements.

On April 25, 2018, the merger of Bharti Infratel and Indus towers was announced which will create a listed pan-India tower company. On August 31, 2020, Vodafone Idea, along with other parties (Vodafone Group, Bharti Airtel, Indus Towers and Bharti Infratel) have agreed to proceed with the completion of the Indus-Infratel merger. On October 22, 2020, National Company Law Tribunal (NLCT) has given its approval for the aforesaid merger and the filing with Registrar of Companies (ROC) post final closing based on agreed closing adjustments is likely to be done within 30 days. VIL will monetize its 11.15% stake in Indus on completion of the merger. The value of VIL's 11.15% stake equates to a cash consideration of approximately Rs. 38 billion (~US\$ 520 million) currently. The final determination will take place shortly before closing of the merger.



3. Financial Highlights

A. Profit & Loss Account (Rs mn)

	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Gross Revenue	108,440	110,894	117,542	106,593	107,912
Opex	74,484	76,689	73,741	65,609	66,388
EBITDA	33,956	34,205	43,801	40,984	41,524
EBITDA Margin	31.3%	30.8%	37.3%	38.4%	38.5%
Depreciation & Amortisation	63,094	58,774	60,388	59,757	60,286
EBIT	(29,138)	(24,569)	(16,587)	(18,773)	(18,762)
Interest and Financing Cost (net)	34,004	34,311	40,108	37,486	46,609
Share of Profit from Indus & Payments Bank	1,295	999	678	889	857
Exceptional Items					
- Impairment (non-cash)	(48,222)	(1,637)	(1,871)	(263)	(2,937)
- Other Exceptional Items	(259,523)	(4,696)	(59,538)	(198,969)	(4,734)
PBT	(369,592)	(64,214)	(117,426)	(254,602)	(72,185)
Tax Expenses	139,627	174	(991)	(2)	(3)
PAT	(509,219)	(64,388)	(116,435)	(254,600)	(72,182)
Other comprehensive income (net of Tax)	240	(144)	158	(70)	148
Total comprehensive income for the period	(508,979)	(64,532)	(116,277)	(254,670)	(72,034)



B. Balance Sheet (Rs mn)

Particulars	As on	
	31-Mar-20	30-Sep-20
Assets		
Non-current assets		
Property, plant and equipment (including RoU assets)	663,113	608,764
Capital work-in-progress	10,415	6,091
Investment property	660	654
Other Intangible assets	1,194,592	1,150,713
Intangible assets under development	966	459
Investments accounted for using the equity method	15,244	15,781
Financial assets		
Long term loans to employees	2	1
Other non-current financial assets	82,457	78,701
Deferred Tax Assets (net)	20	17
Other non-current assets	134,866	125,936
Total non-current assets (A)	2,102,335	1,987,117
Current assets		
Inventories	25	27
Financial assets		
Current investments	4,548	3,238
Trade receivables	30,943	24,209
Cash and cash equivalents	3,708	2,553
Bank balance other than cash and cash equivalents	22,922	14,672
Short term loans	9	8
Other current financial assets	23,033	5,296
Other current assets	81,673	84,371
Total current assets (B)	166,861	134,374
Assets classified as held for sale (C)		
Total Assets (A+B+C)	2,269,196	2,121,491
Equity and liabilities		
Equity		
Equity share capital	287,354	287,354
Other equity	(227,555)	(554,352)
Total equity (A)	59,799	(266,998)
Non-Current Liabilities:		
Financial liabilities		
Long term borrowings	962,804	1,052,135
Trade payables	6,660	3,236
Other non-current financial liabilities	274,073	219,603
Long term provisions	3,421	829
Deferred tax liabilities (net)	38	35
Other non-current liabilities	4,611	547,896
Total Non-Current Liabilities (B)	1,251,607	1,823,734
Current Liabilities:		
Financial liabilities		
Short term borrowings	322	-
Trade payable	117,634	139,754
Current maturities of long term debt	186,829	107,280
Other current financial liabilities	190,306	210,675
Other current liabilities	462,206	106,439
Short term provisions	493	607
Total Current Liabilities (C)	957,790	564,755
Liabilities classified as held for sale (D)		
Total equity and liabilities (A+B+C+D)	2,269,196	2,121,491



4. Key Performance Indicators

Mobility KPIs	Unit	Vodafone Idea				
		Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Subscriber Base (EoP)	mn	311.1	304.0	291.1	279.8	271.8
VLR Subscribers (EoP)	mn	303.4	297.6	293.7	273.0	261.2
Pre-paid Subs (% of EoP subscribers)	%	92.7%	92.4%	92.1%	92.3%	92.2%
Average Revenue per User (ARPU) Blended	INR	107	109	121	114	119
Average Minutes of Use per User (MoU)	min	669	674	688	678	673
Blended Churn	%	3.5%	3.3%	3.3%	2.0%	2.6%
2G Coverage - No. of Census Towns and Villages	no.	487,173	487,173	487,173	487,173	487,173
2G Coverage - Population	mn	1,218	1,218	1,218	1,218	1,218
Broadband Coverage - No. of Census Towns and Villages	no.	314,129	318,506	325,180	327,081	327,704
Broadband Coverage - Population	mn	993	998	1,010	1,014	1,015
4G Coverage - Population	mn	962	974	992	996	998
Total Unique Towers (EoP)	no.	187,357	186,011	185,544	181,229	180,084
Total Unique Broadband Towers (EoP)	no.	158,153	160,097	162,380	162,551	163,190
Total Broadband sites (3G+4G)	no.	405,346	417,361	436,006	446,131	457,386
Total Minutes of Use	bn	631	624	616	579	555
Total Data Volume (2G+3G+4G)	bn MB	3,492	3,790	4,090	4,523	4,340
Total Data Subscribers (2G+3G+4G)	mn	140.3	142.0	139.5	135.7	137.5
Broadband Subscribers (3G+4G)	mn	112.2	118.4	117.4	116.4	119.8
4G Subscribers	mn	95.9	104.2	105.6	104.6	106.1
Average Data Usage by Broadband Subscriber (3G+4G)	MB	10,350	10,700	11,462	13,124	11,978



5. Management Discussion and Analysis

Operational highlights

The impact of outbreak of Coronavirus (COVID-19) pandemic and the subsequent slowdown of economic activities continued during Q2FY21. However, we witnessed some recovery with partial easing of lockdown at state levels, and gradual resumption of economic activities. As a telecom service provider, Vodafone Idea continues to offer uninterrupted connectivity to millions of Indians. We, as a socially responsible corporate, remain committed to help our customers and society during these challenging times.

The subscriber base declined to 271.8 million in Q2FY21 from 279.8 million in Q1FY21. However, the gross additions improved with gradual reopening of retail stores. The subscriber churn increased to 2.6% (vs 2.0% in Q1FY21), as the market activity increased during the quarter with lifting up of restrictions. ARPU for Q2FY21 improved to Rs. 119 compared to Rs. 114 in Q1FY21.

We continue to invest in 4G to increase coverage and capacity. We added ~10,000 4G FDD sites primarily through refarming of 2G/3G spectrum to expand our 4G capacity. We also made progress in implementing LTE 900 in select locations, including through dynamic spectrum refarming, to improve customer experience. We have deployed ~61,300 TDD sites in addition to deployment of ~12,400 Massive MIMO sites and ~11,800 small cells till date. Our overall broadband site count stood at 457,386 as of Q2FY21 compared to 446,131 in Q1FY21, with 4G coverage to ~1 billion Indians.

These network investment initiatives have delivered a significant capacity uplift and enabled us to offer superior customer experience. Our relentless pursuit to drive network improvement, through integration and incremental network investments post-merger, are clearly visible through our improved rankings in various third party reports. As per Ookla, the global leader in Internet Performance Testing, we are now the fastest 4G network in the country, a significant improvement compared to having fastest speed in 3 circles (Delhi, Madhya Pradesh and West Bengal) a year ago, thus reflecting our journey of becoming the superior and improved 4G network. We are also the most consistent 4G network of the country, offering 4G download and upload speeds above the minimum threshold, as defined by Ookla*.

At the end of the quarter, the 4G subscriber base stands at 106.1 million (vs 104.6 million in Q1). The data volumes declined by 4.0% QoQ, as data usage normalised compared to the significantly higher volumes witnessed during the early months of lockdown. Total minutes on the network declined by 4.0% during the quarter.

**Based on analysis by Ookla® of Speedtest Intelligence® data of average 4G download speeds on 4G LTE devices in India for Q3 2020. Ookla trademarks used under license and reprinted with permission. Visit myvi.in for more details.*



Launch of unified brand “Vi”

After successful completion of our network and IT consolidation, as the last leg of our integration journey, we launched our new unified brand “Vi”, on September 07, 2020. The new brand leverages on the legacy of two of the most loved brands of the country - Vodafone and Idea, which have brand saliency established over decades. Vi™ is built to be strong, ever-dependable, agile, intuitive, and a brand in tune with the needs of the customers, in these ever-changing times. We also recently launched **GIGAnet** - an integrated 4G network for its users. GIGAnet is the result of the largest network integration completed in record time and the world's largest DSR (Dynamic Spectrum Refarming) exercise. It has India's largest AI-powered Massive MIMO sites along with largest deployment of universal cloud.

Financial highlights

Revenue for the quarter was Rs. 107.9 billion, a growth of 1.2% QoQ, as economic activities have gradually started to resume. On reported basis, EBITDA for the quarter was Rs. 41.5 billion. Post adoption of IndAS 116, the accounting for operating lease expenses has changed from rentals to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability. Accordingly, this has an impact of Rs. 21.9 billion and Rs. 0.4 billion on Network expenses and Other expenses respectively. EBITDA excluding IndAS 116 impact was up 5.9% QoQ at Rs. 16.3 billion, (after adjusting for one-off of Rs. 3 billion) on account of higher revenue and cost savings, but partially offset by higher subscriber acquisition costs as gross additions, which were impacted by closure of outlets during peak of lockdown, improved this quarter. The one-off credit of Rs. 3 billion during the quarter were related to network costs and License Fees & SUC charges. The EBITDA margin, excluding IndAS 116 impact and adjusted for one-offs, improved to 15.1% vs 14.4% in Q1FY21.

Further, Depreciation & Amortisation expenses and Finance costs (Net) for the quarter are Rs. 60.3 billion and Rs. 46.6 billion respectively. Excluding the impact of IndAS 116, the Depreciation & Amortisation expenses and Finance costs (Net) for the quarter stands at Rs. 45.2 billion and Rs. 41.3 billion.

Capex spend in Q2FY21 of Rs. 10.4 billion, improved compared to Rs. 6.0 billion in Q1FY21. Gross debt (excluding lease liabilities) as of September 30, 2020 was Rs. 1,159.4 billion, including deferred spectrum payment obligations due to the Government of Rs. 923.1 billion. Cash & cash equivalents were Rs. 14.3 billion and net debt stood at Rs. 1,145.1 billion (vs Rs. 1,155.0 billion in Q1FY21).



Cost optimization initiative launched

After successfully achieving targeted merger opex synergies of Rs. 84 billion, we embarked on a cost optimization exercise across the company in line with the evolving industry structure and business model. Through this exercise, we plan to achieve Rs. 40 billion of annualized cost savings over 18 months. As of Q2FY21, we have already achieved ~25% of the targeted annualised cost savings.

Fund Raising Initiatives

On September 04, 2020, the Board of Directors approved the raising of funds through (1) issue of equity shares or securities convertible into equity shares, Global Depository Receipts, American Depository Receipts, foreign currency convertible bonds, convertible debentures, warrants, composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares or a combination thereof up to an aggregate amount of Rs. 150 billion by way a public issue, preferential allotment, private placement, qualified institutions placement or through any other permissible mode in one or more tranches; and (2) issuance of unsecured and / or secured, non-convertible debentures up to an aggregate amount of Rs. 150 billion, by way of public offering or private placement basis or otherwise, in one or more tranches. However the total raising of funds shall not exceed Rs. 250 billion. We are currently evaluating various fund raising options.

Indus-Bharti Infratel merger update

On August 31, 2020, Vodafone Idea, along with other parties (Vodafone Group, Bharti Airtel, Indus Towers and Bharti Infratel) have agreed to proceed with the completion of the Indus-Infratel merger. On October 22, 2020, National Company Law Tribunal (NLCT) has given its approval for the aforesaid merger and the filing with Registrar of Companies (ROC) post final closing based on agreed closing adjustments is likely to be done within 30 days. VIL will monetize its 11.15% stake in Indus on completion of the merger. The value of VIL's 11.15% stake equates to a cash consideration of approximately Rs. 38 billion (~US\$ 520 million) currently. The final determination will take place shortly before closing of the merger.

VIL has agreed to make a prepayment of Rs. 24 billion to the merged tower entity from the cash consideration to be received from Infratel at the time of closing. The prepayment amount will be adjusted to the extent of 50% of all undisputed and due amounts payable by VIL to the merged tower entity post-closing and VIL will be required to pay only the balance 50% of undisputed dues. The prepayment amount will accrue interest at 6% p.a. This will continue until the entire prepayment amount with accrued interest is fully adjusted.



AGR judgment by Hon'ble Supreme Court

The Hon'ble Supreme Court on October 24, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated April 23, 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. On September 01, 2020, Hon'ble Supreme Court has directed that for the demand raised by DoT in respect of the AGR dues based on the judgement of this court, there shall not be any dispute raised by any of the Telecom Operators and that there shall not be any re-assessment; the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021 and thereafter shall make payments in yearly instalments commencing from April 01, 2021 to March 31, 2031 payable by March 31 of every succeeding financial year.

We, till the previous quarter, without prejudice and on prudence, had recognized total estimated liability of Rs. 654.4 billion including the amount of Rs. 582.5 billion as per preliminary assessments up to FY 2016-17 filed by DoT in the Hon'ble Supreme Court and estimates made by us for the periods thereafter computed based on the terms of the License Agreement, AGR Judgment, etc. together with interest, penalty and interest on penalty up to June 30, 2020. Against the above, we have made payments of Rs. 68.5 billion in three instalments up to March 31, 2020 and have made a further payment of Rs. 10 billion during the quarter. The cumulative amount paid by us till date exceeds 10% of the total liability and accordingly, we believe, the next instalment would be payable only by March 31, 2022.

Accordingly, during the quarter, we continued to recognize its AGR obligations based on the judgment of the Hon'ble Supreme Court, License Agreement, etc. As the next instalment payable by the Company is due by March 31, 2022, we have reclassified the requisite amount to other non-current liabilities.

We have also classified Rs. 142.8 billion from 'non-current' to 'current maturities of long term debt' for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at March 31, 2020. We had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. Of the above, during the previous quarter, we have received waivers for borrowings amounting to Rs. 45.0 billion.

It is to be noted that our ability to continue as going concern is essentially dependent on successful negotiations with lenders and its ability to generate the cash flow that it needs to settle / refinance its liabilities and guarantees as they fall due. The Board of Directors of the Company, at its meeting held on September 04, 2020 has approved the fund-raising plan of up to Rs. 250 billion. Pending the outcome of the above matters, these consolidated financial results have been prepared on a going concern basis.

Meanwhile, we continue to actively engage with the Government to provide relief on various industry related concerns.

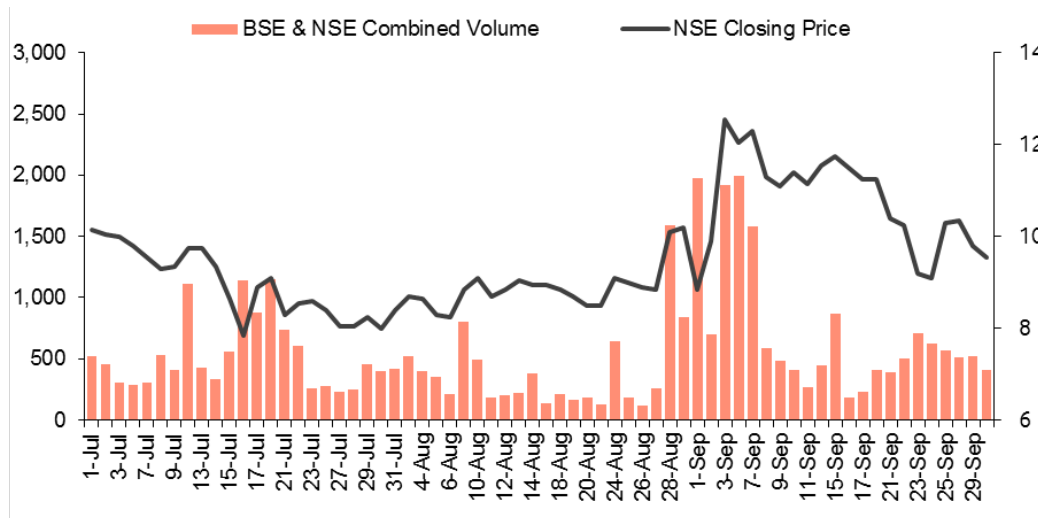
6. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEANS
No of Shares Outstanding (30/09/2020)	mn	28735.4
Closing Market Price - NSE (30/09/2020)	INR/share	9.55
Combined Volume (NSE & BSE) (01/07/2020 to 30/09/2020)	mn/day	554.8
Combined Value (NSE & BSE) (01/07/2020 to 30/09/2020)	INR mn/day	5475.8
Market Capitalisation (30/09/2020)	INR bn	274
Enterprise Value (30/09/2020)	INR bn	1419

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

Volume (no. of Shares in mn)

Closing Price (INR)



7. Shareholding Pattern

Particulars	As on Sep 30, 2020	
	No. of Shares	% holding
Promoter and Promoter Group		
Aditya Birla Group	7,948,341,627	27.66%
Vodafone Group	12,755,576,455	44.39%
Total Promoter Holding	20,703,918,082	72.05%
Public Shareholding		
Institutional Holding	2,041,949,416	7.11%
Non-Institutional Holding	5,989,521,742	20.84%
Total	28,735,389,240	100.00%

8. Glossary

Definitions/Abbreviation	Description/Full Form
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure, fixed line and device revenues) for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure.
Broadband Subscriber	Any subscriber with data usage of more than 0KB on 3G or 4G network or VoLTE usage, in last 30 days.
4G Subscriber	Any subscriber with data usage of more than 0KB on 4G network or VoLTE usage, in last 30 days.
Churn	Is calculated by dividing the difference in gross add and net add for the relevant period by the average number of subscribers during the period. The result obtained is divided by the number of months in that period to arrive at the monthly churn.
Data Subscriber	Broadband subscriber plus any subscriber with data usage on 2G Network of more than 0KB in last 30 days.
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from Revenue from operations, which is comprised of Service revenue, Sales of trading goods and Other operating income. Operating expenditure is comprised of Cost of trading goods, Employee benefit expenses, Network expenses and IT outsourcing costs, License fees and spectrum usage charges, Roaming and access charges, Marketing, content, customer acquisition & service costs, and other expenses.
Enterprise Value	Is the summation of Market Capitalisation and consolidated Net Debt
EPS	Earnings per share, is calculated by dividing the Profit after Tax for the period by the weighted average number of outstanding equity shares.
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard for mobile telephony in the world
Gross Revenue	Is the summation of service revenue, revenue from sale of trading goods and other income
Ind AS	Indian Accounting Standard
Indian GAAP	Indian Generally Accepted Accounting Principles
Market Capitalisation	Number of outstanding shares at end of the period multiplied by closing market price (NSE) at end of the period
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customer base for the period



Definitions/Abbreviation	Description/Full Form
Net Debt	Total loan funds including deferred spectrum payment obligations due to the Government but excluding the finance lease obligations, reduced by cash and cash equivalents
Net Worth	Calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account (if any)
Price to Earning	Is calculated by dividing the closing market price (NSE) at the end of the period by the annualised EPS
Site	Represents unique combination of Technology and Spectrum band (frequency). Site count does not include Massive MIMO and Small Cells
Service Area/ Circle	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT



For any clarification kindly contact
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