

30 June 2020

National Stock Exchange of India Limited

“Exchange Plaza”,
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Audited Financial Results for the fourth quarter and financial year ended 31st March 2020

Ref: “Vodafone Idea Limited” (IDEA / 532822)

In continuation of our letter dated 26 June 2020, we wish to inform you that the Board of Directors of the Company at their meeting held today, inter-alia, have approved the Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2020.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find attached herewith the following:

- (i) Audited Financial Results (Standalone and Consolidated) for the quarter / financial year ended March 31, 2020 and declaration on unmodified opinion on Auditor’s Report;
- (ii) Auditors’ Report on the Audited Financial Results (Standalone and Consolidated)
- (iii) Declaration by CFO on unmodified opinion on Auditors Report’ issued by the Statutory Auditors, under Regulation 33(3)(d) of the Listing Regulations.
- (iv) A certificate signed by Debenture Trustee pursuant to Regulation 52(5) of the Listing Regulations.

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

The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced on 2:00 P.M. and concluded at 6:20 P.M. The signed copies of the Auditors’ Report (Standalone and Consolidated) were received from the Statutory Auditors’ of the Company at 11:55 pm.

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

Thanking you,

Yours truly,

For **Vodafone Idea Limited**



Pankaj Kapdeo
Company Secretary

Encl: As above

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

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

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Vodafone Idea Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the financial information of the associate and joint venture referred to in other matter section below, the Statement:

- i. includes the results of the following entities in Annexure to this report
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive loss and other financial information of the Group, its associate and joint ventures for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, its associate and joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial results which describes the DoT demand based on Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the UASL agreement and the liability on license fee and spectrum usage charges. Further, owing to its financial performance and financial condition, the Company has breached its debt covenants as at March 31, 2020 for which it is in discussions with various lenders. This has impacted the Company's ability to generate the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due, resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

The said assumption of going concern is dependent upon positive outcome of Company's and DoT application with respect to deferred payment of its AGR liability, waiver of debt covenant breaches and its ability to generate/arrange the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due. Our opinion is not modified in respect of this matter.

Material uncertainty arising out of certain developments and its consequential impact on business operations"- Reported in the auditors' report on the financial statements of Indus Towers Limited, a joint venture company, as at March 31, 2020

As stated in Note 5, the audit report of Indus Towers Limited ('Indus'), a Joint Venture Company, on the audited financial statements for the year ended March 31, 2020, includes a matter which describes on the effect on business, results of operations, and financial condition of Indus on account of uncertainty regarding continuance of operations of its two customers, including the Company, which are impacted by the AGR judgement of Hon'ble Supreme Court dated October 24, 2019, and March 18, 2020. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group including its associate and joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results and the financial information of the entities within the Group and its associate and joint ventures of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

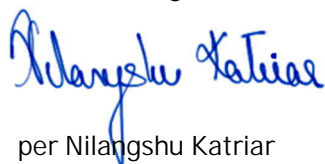
We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

- (a) The accompanying Statement of audited consolidated financial results include the Group's share of profit after tax of Rs 3 million and Rs 11 million and total comprehensive income of Rs 3 million and Rs 11 million for the quarter and year ended March 31, 2020, respectively, as considered in the Statement, in respect of one joint venture whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosure included in respect of an associate, is based on the reports of such other auditor. Our opinion on the Statement is not modified in respect to this matter.
- (b) The accompanying Statement of audited consolidated financial results includes the Group's share of net loss after tax of Rs nil and Rs 124 million and total comprehensive loss of Rs nil million and Rs 123 million,, for the quarter and year ended March 31, 2020, respectively, as considered in the Statement, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been approved and furnished to us by the Management. Our opinion on the Statement, in so far as it relates to the affair of the associate, is based solely on such unaudited financial statements and other information. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group. Our opinion on the Statement is not modified in respect to this matter.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Nilangshu Katriar
Partner
Membership No.: 58814
UDIN: 20058814AAAABP5132

Place: Mumbai
Date: June 30, 2020

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure to Independent Auditor's Review Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

List of Subsidiaries, Joint Ventures and Associate Subsidiaries

1. Vodafone Idea Manpower Services Limited (formerly Idea Cellular Services Limited)
2. Vodafone Idea Business Services Limited (formerly Vodafone Business Services Limited)
3. Vodafone Idea Communication Systems Limited (formerly Mobile Commerce Solution Limited)
4. Vodafone M-Pesa Limited
5. Vodafone Idea Shared Services Limited (formerly Vodafone India Ventures Limited)
6. You Broadband India Limited
7. Vodafone Idea Technology Solutions Limited (formerly Vodafone Technology Solutions Limited)
8. Vodafone Idea Telecom Infrastructure Limited (formerly Vodafone Towers Limited)
9. Vodafone Foundation
10. Connect (India) Mobile Technologies Private Limited
11. You System Integration Private Limited

Joint Ventures

1. Indus Towers Limited
2. FireFly Networks Limited

Associate

Aditya Birla Idea Payments Bank Limited





VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)

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

Audited Consolidated Financial Results for the quarter and year ended 31-March-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended	
	31-March-20 Refer Note 16	31-December-19 Unaudited	31-March-19 Audited	31-March-20 Audited	31-March-19 Audited
INCOME					
Service Revenue	117,343	110,753	117,384	449,123	369,865
Sale of Trading Goods	13	9	22	44	191
Other Operating Income	186	132	344	408	869
REVENUE FROM OPERATIONS	117,542	110,894	117,750	449,575	370,925
Other Income	1,662	2,911	1,566	10,393	7,311
TOTAL INCOME	119,204	113,805	119,316	459,968	378,236
EXPENSES					
Cost of Trading Goods	42	27	60	129	260
Employee Benefit Expenses	3,210	6,111	7,292	21,643	22,944
Network Expenses and IT Outsourcing Costs	25,872	27,254	50,990	109,916	170,052
License Fees and Spectrum Usage Charges	13,394	12,037	12,615	48,482	39,331
Roaming & Access Charges	16,100	16,402	12,496	59,976	41,690
Marketing, Content, Customer Acquisition & Service Costs	9,965	10,261	11,320	40,983	38,446
Finance Costs	41,770	37,222	29,758	153,920	95,425
Depreciation & Amortisation Expenses	60,388	58,774	46,639	243,564	145,356
Other Expenses	5,158	4,597	4,826	19,321	16,975
TOTAL EXPENSES	175,899	172,685	175,996	697,934	570,479
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE	(56,695)	(58,880)	(56,680)	(237,966)	(192,243)
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	678	999	549	3,553	1,968
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(56,017)	(57,881)	(56,131)	(234,413)	(190,275)
Exceptional Items (Net) (Refer Note 8)	(61,409)	(6,333)	(11,458)	(383,557)	8,521
PROFIT/ (LOSS) BEFORE TAX	(117,426)	(64,214)	(67,589)	(617,970)	(181,754)
Tax expense:					
- Current tax	(4)	(2)	13	4	182
- Deferred tax (Refer Note 6 & 8)	(987)	176	(18,783)	120,807	(35,897)
PROFIT / (LOSS) AFTER TAX	(116,435)	(64,388)	(48,819)	(738,781)	(146,039)
Items not to be reclassified to profit or loss in subsequent periods:					
- Re-measurement gains/ (losses) of defined benefit plans	171	(149)	69	(281)	501
- Income tax effect	(15)	6	(35)	193	(178)
- Group's share in other comprehensive income of joint ventures and associate	2	(1)	2	(2)	5
TOTAL COMPREHENSIVE INCOME/(LOSS)	(116,277)	(64,532)	(48,783)	(738,871)	(145,711)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,356	287,354	87,356
Other Equity				(227,555)	508,992
Earnings Per Share for the period (₹)					
- Basic	(4.05)	(2.24)	(4.54)	(27.26)	(17.17)
- Diluted	(4.05)	(2.24)	(4.54)	(27.26)	(17.17)
Debt Redemption Reserve				4,408	4,408
Networth				59,799	596,348
Debt Service Coverage Ratio (DSCR) *				0.44	0.44
Interest Service Coverage Ratio (ISCR) **				0.57	0.50
Debt - Equity Ratio ***				19.23	2.11

* DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

** ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

*** Debt - Equity Ratio = Debt / Equity

Notes

1. The above audited 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 30th June, 2020.
2. Vodafone India Limited (ViNl) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the year ended 31st March, 2019 includes financial results of the operations of erstwhile Vodafone and its subsidiaries for the period from 31st August, 2018 to 31st March, 2019.
3. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st April, 2019 which replaces the existing standard on leases - Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1st April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter ended 31st March 2020 and year ended 31st March 2020, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year. The adoption has resulted in reduction of the net loss after tax for the year by ₹ 6,402 Mn.

4. A. The Hon'ble Supreme Court on 24th October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23rd 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. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order. Thereafter, the Company filed an application for modification of the supplementary order before the Hon'ble Supreme Court of India on 20th January, 2020, seeking permission to submit an application to Department of Telecom (DoT) to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on 14th February, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director/ Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On 16th March, 2020, the DoT also filed a modification application with respect to inter alia giving reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value, and to cease the currently applicable interest after a particular date. On 18th March, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment/re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court directed that the DoT's modification application would be considered on the next date of hearing.

On 11th June 2020, the modification application filed by DoT came up for hearing. The 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 16th 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 18th 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 31st 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. The Company has already made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31st March, 2020 towards AGR dues. The matter was directed to be listed in the 3rd week of July.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Group has recognized a total estimated liability of ₹ 460,000 Mn. This is 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 have not been received together with interest, penalty and interest on penalty up to 31st March, 2020.

The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books. Accordingly, the net impact of these effects amounting to ₹ 275,143 Mn and ₹ 17,836 Mn has been recognized as Exceptional items during the year and quarter, respectively. The total estimated liability of ₹ 460,000 Mn stands reduced as at 31st March, 2020 to the extent of payment (₹ 68,544 Mn) made as mentioned above.

- B. As at 31st March, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at 31st March, 2019) 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 31st March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 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 of the application before the Hon'ble Supreme Court for the payment 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.

5. Indus Towers Limited, a joint venture of the Company ("JV Company"), in its annual financial statements for the year ended 31st March, 2020 reported that the JV Company's two major customers in the telecom services industry impacted by the above SC AGR judgement (refer note 4 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 annual financial statements of Indus Towers Limited as at 31st March, 2020.
6. During the year, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn during the year and disclosed it as exceptional items. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets and derecognized the Deferred Tax Assets amounting to ₹ 121,274 Mn during the year.
7. One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (ViNl) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On 4th July, 2019 TDSAT in its judgement quashed the demands levied on erstwhile ViNl and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
 - Allotment after 1st July, 2008, OTSC shall be levied from the date of allotment of such spectrum.
 - Allotment before 1st July, 2008, OTSC shall be levied from 1st January, 2013 till the date of expiry of license.
 - Conditions as stated in para 1 (v) of the impugned order dated 28th December, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On 16th March, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on 16th March, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional item during the quarter.

8. Exceptional Items :-

Particulars	Quarter ended			Year ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
	₹ Mn				
Integration and merger related costs	(2,486)	(1,821)	(5,564)	(10,012)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 6 above)	(2,211)	(3,837)	(5,161)	(57,571)	(5,511)
Provision for impairment towards investment in associate	-	-	-	(1,596)	-
Re-assessment of certain estimates and accruals	-	-	(6)	-	7,893
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	33,473
License fees and SUC on AGR (Refer Note 4(A) above)	(17,836)	(528)	-	(275,143)	-
One Time Spectrum Charges (refer note 7 above)	(38,871)	-	-	(38,871)	-
Others	(5)	(147)	(727)	(364)	(727)
Total	(61,409)	(6,333)	(11,458)	(383,557)	8,521
Deferred tax impact	-	-	3,210	-	(4,727)

9. The Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

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

Particulars	Quarter ended			Year ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
	Refer Note 16	Unaudited	Audited	Audited	Audited
Revenue from Operations	116,719	110,298	117,149	447,150	368,595
Profit/(Loss) before Tax	(119,488)	(64,174)	(68,128)	(622,867)	(176,915)
Net Profit/(Loss) after Tax	(119,488)	(64,175)	(49,265)	(731,315)	(140,553)

11. Details required with regards to the listed unsecured NCD's are as follows:

SL No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-20	4-Jan-22	4-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	1-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-19	3-Sep-23	3-Sep-20

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BBB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (Sl. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR BBB-" with (Outlook: Under Rating Watch with Negative Implications).

12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
A ASSETS		
1 Non-current Assets		
Property, plant and equipment (including RoU Assets)	663,113	502,526
Capital work-in-progress	10,415	23,587
Investment property	660	672
Goodwill on consolidation	-	36
Other Intangible assets	1,194,592	1,274,767
Intangible assets under development	966	27,443
Investments accounted for using the equity method	15,244	15,298
Financial assets		
Long term loans to employees	2	8
Other non-current financial assets	82,457	10,362
Deferred tax assets (net)	20	103,385
Other non-current assets	134,866	155,099
Sub-total non-current assets	2,102,335	2,113,183
2 Current Assets		
Inventories	25	42
Financial assets		
Current investments	4,548	67,088
Trade receivables	30,943	33,000
Cash and cash equivalents	3,708	8,428
Bank balance other than cash and cash equivalents	22,922	1,480
Short term Loans	9	19
Other current financial assets	23,033	680
Other current assets	81,673	71,260
	166,861	181,997
Assets classified as held for sale (AHFS)	-	1,815
Sub-total current assets	166,861	183,812
TOTAL – ASSETS	2,269,196	2,296,995
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	87,356
Other equity	(227,555)	508,992
Sub-total equity	59,799	596,348
2 Non-Current Liabilities		
Financial liabilities		
Long term borrowings	962,804	1,044,029
Trade payables	6,660	8,680
Other non-current financial liabilities	274,073	97,381
Long term provisions	3,421	3,467
Deferred tax liabilities (net)	38	471
Other non-current liabilities	4,611	4,235
Sub-total non-current liabilities	1,251,607	1,158,263
3 Current Liabilities		
Financial liabilities		
Short term borrowings	322	41,207
Trade payables	117,634	126,486
Other current financial liabilities (Includes amounts reclassified from long term borrowings (refer note 4B))	377,135	303,946
Other current liabilities	462,206	69,499
Short term provisions	493	379
	957,790	541,517
Liabilities classified as held for sale	-	867
Sub-total current liabilities	957,790	542,384
TOTAL – EQUITY AND LIABILITIES	2,269,196	2,296,995

13. Statement of Cash Flows: -

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating activities		
Profit/(Loss) before tax	(617,970)	(181,754)
Adjustments to reconcile loss before tax to net cash flows		
Share in (profit)/loss of joint ventures and associate (net)	(3,553)	(1,968)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	152,080	77,984
Amortisation of intangible assets	91,484	67,372
Share-based payment expense (ESOS)	(102)	246
(Gain)/loss on disposal of property, plant and equipment and intangible assets (net)	26	(91)
Accelerated depreciation on account of network re-alignment	57,571	5,511
License fees and SUC on AGR	275,143	-
One Time Spectrum Charges	38,871	-
Impairment of investment in associates	1,596	-
Finance costs (including fair value change in financial instruments)	153,920	95,425
Provision for gratuity and compensated absences	(285)	(672)
Bad debts / advances written off	5,332	28
Allowance for doubtful debts / advances	(1,960)	2,301
Liabilities / provisions no longer required written back	(229)	(652)
Gain on sale of Subsidiary and profit before tax upto date of sale	-	(33,766)
Other income	(10,258)	(7,311)
Working capital adjustments		
(Increase)/Decrease in trade receivables	(807)	3,506
Decrease in inventories	17	361
(Increase) in other financial and non-financial assets	(28,067)	(3,666)
(Decrease)/Increase in trade payables	(11,012)	40,872
(Decrease) in other financial and non-financial liabilities	(52,586)	(13,043)
Cash flows from operating activities	49,211	50,683
Income tax refund (including TDS) (net)	24,064	2,795
Net cash flows from operating activities	73,275	53,478
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(79,662)	(76,519)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,651	659
Proceeds from sale of subsidiary	-	42,303
Investment in associate	-	(571)
Net sale/(purchase) of current investments	65,423	(3,731)
Interest received	5,172	344
Fixed deposits with banks having maturity of 3 to 12 months	(16,504)	-
Dividend received from joint venture (Indus)	-	2,990
Net cash flows used in investing activities	(27,898)	(73,788)
Financing activities		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn)	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company	-	(83)
Payment of interest and finance charges	(152,585)	(50,711)
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	33,916	33,712
Repayment of short term borrowings	(74,225)	(58,053)
Payment of lease liabilities	(65,940)	-
Net cash flows from / (used in) financing activities	(50,187)	(29,494)
Net decrease in cash and cash equivalents during the year	(4,810)	(49,804)
Cash and cash equivalents at the beginning of the year	7,558	(24)
Add: Cash and cash equivalent of VinL and its subsidiaries on amalgamation of VMSL and VinL with the Company (net of bank overdraft ₹ Nil Mn (March 31, 2019: ₹ 5,991Mn))	-	58,307
Add/(Less): Cash and cash equivalents of VMPL	921	(921)
Cash and cash equivalents at the end of the year	3,669	7,558

14. Subsequent to the balance sheet date, 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.
15. 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 24th March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, 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).
16. The consolidated financial results for the quarter ended 31st March, 2020 are balancing figures between audited results for the full financial year ended 31st March, 2020 and published year to date figures up to 31st December, 2019.
17. Consolidated financial results for the year ended 31st March, 2020 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED

A handwritten signature in black ink, appearing to read "Ms. Pankaj", with a horizontal line extending to the right from the end of the signature.

Date: 30th June, 2020
Place: London

Managing Director & Chief Executive Officer

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

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

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Vodafone Idea Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial results which describes the DoT demand based on Hon'ble Supreme Court judgment dated October 24, 2019 on the definition of Gross Revenue as per the UASL agreement and the liability on license fee and spectrum usage charges. Further, owing to its financial performance and financial condition, the Company has breached its debt covenants as at March 31, 2020 for which it is in discussions with various lenders. This has impacted the Company's ability to generate the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due, resulting in material uncertainty that casts significant doubt on the Company's ability to make the payments mentioned therein and continue as a going concern.

The said assumption of going concern is dependent upon positive outcome of Company's and DoT application with respect to deferred payment of its AGR liability, waiver of debt covenant breaches and its ability to generate/arrange the cash flow that it needs to settle or refinance its liabilities and guarantees as they fall due. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

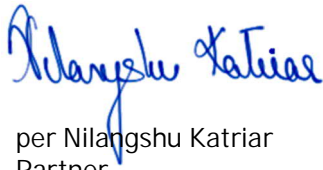
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Nilangshu Katriar
Partner
Membership No.: 58814
UDIN: 20058814AAAABQ9100

Place: Mumbai
Date: June 30, 2020



VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)

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

Audited Financial Results for the quarter and year ended 31-March-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Year Ended	
	31-March-20 Refer Note 16	31-December-19 Unaudited	31-March-19 Audited	31-March-20 Audited	31-March-19 Audited
INCOME					
Service Revenue	116,646	110,165	116,759	446,827	367,668
Sale of trading goods	-	-	1	3	6
Other Operating Income	73	133	389	320	921
REVENUE FROM OPERATIONS	116,719	110,298	117,149	447,150	368,595
Other Income	1,620	3,114	1,760	10,861	10,747
TOTAL INCOME	118,339	113,412	118,909	458,011	379,342
EXPENSES					
Cost of Trading Goods	-	-	3	3	36
Employee Benefit Expenses	2,793	5,671	6,799	19,726	21,214
Network Expenses and IT Outsourcing Costs	26,030	27,422	50,626	109,849	169,259
License Fees and Spectrum Usage Charges	13,495	12,000	12,578	48,476	39,243
Roaming & Access Charges	16,100	16,402	12,496	59,976	41,690
Marketing, Content, Customer Acquisition & Service Costs	10,147	10,462	11,332	41,593	38,928
Finance Costs	41,732	37,171	29,829	153,772	95,510
Depreciation & Amortisation Expenses	58,479	56,926	46,159	238,888	144,098
Other Expenses	5,294	5,223	5,513	21,353	18,646
TOTAL EXPENSES	174,070	171,277	175,335	693,636	568,624
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(55,731)	(57,865)	(56,426)	(235,625)	(189,282)
Exceptional Items (net) (Refer Note 8)	(63,757)	(6,309)	(11,702)	(387,242)	12,367
PROFIT/(LOSS) BEFORE TAX	(119,488)	(64,174)	(68,128)	(622,867)	(176,915)
Tax expense:					
- Current tax	-	-	-	-	1
- Deferred tax (Refer Note 5 & 8)	-	1	(18,863)	108,448	(36,363)
NET PROFIT/(LOSS) AFTER TAX	(119,488)	(64,175)	(49,265)	(731,315)	(140,553)
Items not to be reclassified to profit or loss in subsequent periods:					
- Equity instrument through other comprehensive gains/(losses)	(4,417)	(198)	11,935	(19,403)	(4,621)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	(2,932)	1,229	1,076
- Re-measurement gains/ (losses) of defined benefit plans	119	(124)	104	(253)	534
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	(45)	185	(187)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(123,786)	(64,497)	(40,203)	(749,557)	(143,751)
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,356	287,354	87,356
Other Equity				(197,341)	547,848
Earnings/(Loss) Per Share for the period (₹)					
- Basic	(4.16)	(2.23)	(4.58)	(26.97)	(16.49)
- Diluted	(4.16)	(2.23)	(4.58)	(26.97)	(16.49)
Debt Redemption Reserve				4,408	4,408
Networth				90,013	635,204
Debt Service Coverage Ratio (DSCR) *				0.40	0.44
Interest Service Coverage Ratio (ISCR) **				0.53	0.50
Debt - Equity Ratio ***				12.79	1.98

* DSCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

** ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

*** Debt - Equity Ratio = Debt / Equity

Notes

1. The above audited 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 30th June, 2020.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMsL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31st August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the year ended 31st March, 2019 includes financial results of the operations of erstwhile Vodafone for the period from 31st August, 2018 to 31st March, 2019.
3. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st April, 2019 which replaces the existing standard on leases – Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1st April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter ended 31st March, 2020 and year ended 31st March, 2020, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year. The adoption has resulted in reduction of the net loss after tax for the year by ₹ 6,413 Mn.

4. A. The Hon'ble Supreme Court on 24th October, 2019 delivered its judgement on the cross appeals against the Hon'ble TDSAT judgement dated 23rd April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgement). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order. Thereafter, the Company filed an application for modification of the supplementary order before the Hon'ble Supreme Court of India on 20th January, 2020, seeking permission to submit an application to Department of Telecom (DoT) to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on 14th February, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director / Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On 16th March, 2020, the DoT also filed a modification application with respect to inter alia giving reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value, and to cease the currently applicable interest after a particular date. On 18th March, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment/re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court directed that the DoT's modification application would be considered on the next date of hearing.

On 11th June, 2020, the modification application filed by DoT came up for hearing. The 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 16th 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 18th 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 31st 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. The Company has already made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31st March, 2020 towards AGR dues. The matter was directed to be listed in the 3rd week of July.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company has recognized a total estimated liability of ₹ 459,607 Mn. This is 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 have not been received together with interest, penalty and interest on penalty up to 31st March, 2020. The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20th March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books. Accordingly, the net impact of these effects amounting to ₹ 274,886 Mn and ₹ 17,579 Mn has been recognized as Exceptional items during the year and quarter, respectively. The total estimated liability of ₹ 459,607 Mn stands reduced as at 31st March, 2020 to the extent of payment (₹ 68,544 Mn) made as mentioned above.

- B. As at 31st March, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at 31st March, 2019) 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 31st March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 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 of the application before the Hon'ble Supreme Court for the payment 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.

5. During the year, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn during the year and disclosed it as exceptional items. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets and derecognized the Deferred Tax Assets amounting to ₹ 108,448 Mn during the year.
6. One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (ViNL) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On 4th July, 2019 TDSAT in its judgement quashed the demands levied on erstwhile ViNL and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
 - Allotment after 1st July, 2008, OTSC shall be levied from the date of allotment of such spectrum.
 - Allotment before 1st July, 2008, OTSC shall be levied from 1st January, 2013 till the date of expiry of license.
 - Conditions as stated in para 1 (v) of the impugned order dated 28th December, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On 16th March, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on 16th March, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional item during the quarter.

7. The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

8. Exceptional Items: -

Particulars	Quarter ended			Year Ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
Integration and merger related costs	(2,486)	(1,807)	(5,301)	(9,855)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 5 above)	(2,191)	(3,837)	(5,239)	(57,269)	(5,589)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	(2,630)	-	-	(6,224)	-
Re-assessment of certain estimates and accruals	-	-	(435)	-	7,646
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	37,644
License fees and SUC on AGR (Refer Note 4(A) above)	(17,579)	(528)	-	(274,886)	-
One Time Spectrum Charges (Refer Note 6 above)	(38,871)	-	-	(38,871)	-
Others	-	(137)	(727)	(137)	(727)
Total	(63,757)	(6,309)	(11,702)	(387,242)	12,367
Deferred tax impact	-	-	3,323	-	(6,077)

9. On 13th August, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), with the Company with an appointed date of 1st April, 2019. During the quarter, the Company has received the requisite regulatory approvals and the merger became effective on 1st March, 2020 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC). This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL.

The Company has accounted for this merger under the "pooling of interest" method for common control transactions as per the guidance in Ind AS 103 "Business Combinations". Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the figures for all the past periods presented in these financial results. Accordingly, (i) Other Equity of the Company as on 31st March, 2019 has increased by ₹ 159 Mn and (ii) the following effects upto 29th February, 2020 pertaining to ITL and VIDL has been reflected as income and expenses for the Company.

Particulars	Quarter ended			Year Ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
Income	1	3	6	14	21
Expenses	(2)	(1)	3	(2)	14
Profit/(Loss) before tax	3	4	3	16	7
Current and deferred tax	-	1	-	4	-
Profit/(Loss) after tax	3	3	3	12	7
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	3	3	3	12	7

10. The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Idea Telecom Infrastructure Limited (VITIL) (Formerly known as Vodafone Towers Limited) for transfer of Fiber Infrastructure undertaking to VITIL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated 18th September, 2019. On filing of the said order with the Registrar of Companies (RoC) on 15th October, 2019, the Scheme has become effective with an appointed date of 1st October, 2019.

Pursuant to the above, the Company has de-recognized the fiber assets and liabilities from the appointed date and has recognized the net amount as receivable from VITIL amounting to ₹ 46,579 Mn.

11. Details required with regards to the listed unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	04-Jan-20	04-Jan-22	04-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	01-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	03-Sep-19	03-Sep-23	03-Sep-20

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BBB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (Sl. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR BBB-" with (Outlook: Under Rating Watch with Negative Implications).

12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
A ASSETS		
1 Non-current assets		
Property, plant and equipment (including RoU Assets)	607,052	493,417
Capital work-in-progress	8,598	23,325
Intangible assets	1,193,533	1,273,203
Intangible assets under development	966	27,443
Financial assets		
Non-current investments	45,040	66,581
Long term loans to employees	2	8
Other non-current financial assets	82,309	10,277
Deferred tax assets (net)	-	89,353
Other non-current assets	133,161	154,040
Sub-total non-current assets	2,070,661	2,137,647
2 Current assets		
Inventories (Datacards)	-	3
Financial assets		
Current investments	4,548	67,088
Trade receivables	29,191	33,081
Cash and cash equivalents	3,223	6,763
Bank balance other than cash and cash equivalents	22,115	1,085
Loans to subsidiaries, joint venture and others	8,421	13,396
Other current financial assets	69,628	720
Other current assets	81,076	70,930
Sub-total current assets	218,202	193,066
TOTAL – ASSETS	2,288,863	2,330,713
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	287,354	87,356
Other equity	(197,341)	547,848
Sub-total equity	90,013	635,204
2 Non-current liabilities		
Financial liabilities		
Long term borrowings	962,804	1,044,029
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,656	8,678
Other non-current financial liabilities	273,904	97,383
Long term provisions	3,293	3,392
Other non-current liabilities	1,224	4,235
Sub-total non-current liabilities	1,247,881	1,157,717
3 Current liabilities		
Financial liabilities		
Short term borrowings	1,542	41,207
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	102	178
Total outstanding dues of creditors other than micro enterprises and small enterprises	114,702	126,574
Other current financial liabilities (Includes amounts reclassified from long term borrowings) (Refer Note 4(B))	373,696	300,627
Other current liabilities	460,464	68,835
Short term provisions	463	371
Sub-total current liabilities	950,969	537,792
TOTAL – EQUITY AND LIABILITIES	2,288,863	2,330,713

13. Statement of Cash Flows: -

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating activities		
Loss before tax	(622,867)	(176,915)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment (including RoU assets)	147,902	77,074
Amortisation of intangible assets	90,986	67,024
Share-based payment expense (ESOS)	(95)	242
Gain on disposal of property, plant and equipment and intangible assets (net)	-	(86)
Accelerated depreciation on account of network re-alignment	57,269	5,589
License fees and SUC on AGR	274,886	-
One Time Spectrum Charges	38,871	-
Provision for impairment towards its loan receivable/investment in subsidiaries/associate	6,224	-
Finance costs (including fair value change in financial instruments)	153,772	95,510
Provision for gratuity and compensated absences	(286)	(674)
Bad debts/advances written off	5,274	28
Allowance for doubtful debts / advances	(2,187)	2,278
Liabilities/provisions no longer required written back	(109)	(580)
Gain on sale of subsidiary	-	(37,644)
Other income	(10,861)	(10,747)
Working capital adjustments		
(Increase)/Decrease in trade receivables	(665)	3,270
Decrease in inventories	3	364
(Increase) in other financial and non-financial assets	(28,788)	(4,348)
(Decrease)/Increase in trade payables	(12,194)	42,106
(Decrease) in other financial and non-financial liabilities	(52,559)	(11,422)
Cash flows from operating activities	44,576	51,069
Income tax refund (including TDS) (net)	24,634	1,815
Net cash flows from operating activities	69,210	52,884
Investing activities		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(76,510)	(76,369)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,700	576
Proceeds from sale of subsidiary	-	42,303
Additional investment in subsidiaries and associate (including advance given for purchase of shares)	(650)	(860)
Net sale/(purchase) of current investments	65,423	(3,760)
Loans given to subsidiary	(155)	-
Repayment of loan given to subsidiary	1,684	-
Interest received	5,833	1,292
Fixed deposits with banks having maturity of 3 to 12 months	(16,500)	-
Dividend received from joint venture (Indus)	-	2,990
Net cash flows used in investing activities	(23,153)	(73,091)
Financing activities		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn)	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company	-	(83)
Payment of interest and finance charges	(152,508)	(50,793)
Payment of lease liabilities	(65,816)	-
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	35,136	33,712
Repayment of short term borrowings	(74,225)	(57,603)
Net cash flows used in financing activities	(48,766)	(29,126)
Net decrease in cash and cash equivalents during the year	(2,709)	(49,333)
Cash and cash equivalents at the beginning of the year	5,893	(27)
Add: Cash and cash equivalent on amalgamation of VMSL and VinL with the Company (net of bank overdraft Nil (March 31, 2019: ₹ 5,991 Mn))	-	55,249
Add: Pursuant to merger of Vodafone India Digital Limited	-	4
Cash and cash equivalents at the end of the year	3,184	5,893

14. Subsequent to the balance sheet date, 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.
15. 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 24th March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, 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).
16. The financial results for the quarter ended 31st March, 2020 are balancing figures between audited results for the full financial year ended 31st March, 2020 and published year to date figures up to 31st December, 2019.
17. Financial results for the year ended 31st March, 2020 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

VODAFONE IDEA LIMITED



Date: 30th June, 2020

Place: London

Managing Director & Chief Executive Officer

30 June 2020

National Stock Exchange of India Limited

“Exchange Plaza”,
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: “Vodafone Idea Limited” (IDEA / 532822)

I, Akshaya Moondra, Chief Financial Officer of Vodafone Idea Limited (‘the Company’) hereby declare that, the Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on 31st March, 2020.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Thanking you,

Yours truly,

For **Vodafone Idea Limited**



Akshaya Moondra
Chief Financial Officer

1672_3/ITSL/OPR/2020

June 30, 2020

To,

Vodafone Idea Limited
The Company Secretary
Vodafone Idea Limited
5th floor "Windsor", Off C.S.T Road,
Kalina, Santacruz (East),
Mumbai - 400 085.

Subject: Certificate u/r 52(5) of SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015, for all the Non-Convertible Debentures Issued by Vodafone Idea Limited, for the half year ended March 31, 2020.

Dear Sir/Madam,

We are acting as Debenture Trustee for the Unsecured, Redeemable Non-Convertible Debentures issued by Vodafone Idea Limited ("The Issuer") on a private placement basis.

In terms of the provisions of Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we certify that we have taken note of the disclosures made by the Issuer as enclosed herewith under Regulation 52(4) of the Regulations without verification.

Thanking you

Yours truly

IDBI Trusteeship Services Limited





Authorized Signatory

Encl. As above

Media Release – June 30, 2020

Strong Revenue growth of 6.0% supported by prepaid tariff hike; Integration near completion and merger synergies fully delivered

Highlights for the Quarter

- Revenue witnessed strong growth of 6.0% QoQ, driven by prepaid tariff hike effective December 2019.
- Rs. 84 billion of guided annual opex merger synergy fully realized by Q4FY20.
- **UP (E), UP (W), Gujarat and Delhi circles consolidated in Q4FY20** taking count of integrated circles to 18.
- **92% of districts consolidated** till date driving significant network performance improvement including higher data speeds, leading to enhanced customer experience.
- **Fastest 4G download speeds** in the three metros - Delhi, Mumbai and Kolkata, along with West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan in Q4FY20.
- ~21,000 4G FDD sites deployed in Q4, the highest quarterly addition since the merger.
- Launched **LTE 900** in UP (E) and Rajasthan during Q4; LTE 900 expanded to all 11 circles as planned.
- On the AGR matter, the DoT has proposed to stagger the balance of AGR payments over 20 years. The next SC hearing is scheduled for the third week of July.

Financial Highlights

Consolidated (Rs Mn)	Q3FY20	Q4FY20
Revenue	110,894	117,542
EBITDA	34,205	43,801
EBITDA%	30.8%	37.3%
Depreciation & Amortisation	58,774	60,388
EBIT	(24,569)	(16,587)
Interest and Financing Cost (Net)	34,311	40,108
Exceptional Items		
- Impairment (non-cash)	(1,637)	(1,871)
- Others	(4,696)	(59,538)
Share of Profit/(Loss) from Indus & ABIPBL	999	678
PBT	(64,214)	(117,426)
PAT	(64,388)	(116,435)
Other Comprehensive Income (net of Tax)	(144)	158
Total Comprehensive Income (Consolidated)	(64,532)	(116,277)

Ravinder Takkar, MD & CEO, Vodafone Idea Limited, said "Our focus on rapid network integration, as well as 4G coverage and capacity expansion, has further improved customer experience. We thus continue to lead the league tables on 4G data download speeds across several states, metros and large cities. We have achieved our full opex merger synergy target. Despite the nationwide lockdown since March due to COVID-19, our teams across all circles continue to work effectively in these difficult times with support of the local authorities, to ensure seamless connectivity for our customers. On the AGR matter, the next hearing is scheduled with the Hon^{ble} SC in the third week of July. Meanwhile, we continue to actively engage with the government seeking a comprehensive relief package for the industry, which faces critical challenges."

Financial highlights

After several years of hyper competition which led to unsustainable pricing, we increased prepaid tariffs at the start of December 2019 across all price points for both unlimited plans as well as combo vouchers. As a result, revenue for the quarter improved to Rs. 117.5 billion, an increase of 6.0% QoQ.

EBITDA for the quarter increased to Rs. 43.8 billion, (Rs. 21.1 billion excluding IndAS 116 impact vs Rs. 12.8 billion in Q3) a QoQ increase of 28.1% driven by higher revenue and incremental synergy realisation. The EBITDA margin (excluding IndAS 116 impact) improved to 18.0% vs 11.6% in Q3FY20. The underlying operating expenses for the quarter (excluding License fees & Spectrum Usage Charges and Roaming & Access charges) were approx. Rs. 21 billion lower compared to Q1FY19, after adjusting for inflation driven cost increases and incremental network rollout. On an annualised basis, this reduction in operating expenses represents the full realisation of our target merger opex synergies of Rs. 84 billion.

For FY20, Revenue and EBITDA was Rs. 449.6 billion and Rs. 149.1 billion respectively. Excluding IndAS 116 impact, EBITDA was Rs. 58.1 billion with the EBITDA margin at 12.9% for FY20.

Gross debt (excluding lease liabilities) as of March 31, 2020 was Rs. 1,150.0 billion, including deferred spectrum payment obligations due to the Government of Rs. 876.5 billion. Cash & cash equivalents were Rs. 24.8 billion and net debt stood at Rs. 1,125.2 billion (vs Rs. 1,033.1 billion in Q3FY20).

Capex spend in Q4FY20 of Rs. 18.2 billion was lower compared to Rs. 33.3 billion in Q3FY20, as the rollout in Q4 was impacted by COVID-19 with disruptions to equipment supply and the nationwide lockdown. Capex for FY20 was Rs. 101.3 billion.

Integration update

The network integration is in final stages of completion but has been impacted by the nationwide lockdown due to COVID-19. As of date, we have completed network integration in 92% of total districts. Integration of Uttar Pradesh (E), Gujarat and Delhi circles was completed in January, 2020 and Uttar Pradesh (W) was completed in March, 2020, taking the integrated circles count to 18. In the remaining 4 circles – Maharashtra & Goa, Mumbai, Kerala and Tamil Nadu, integration continues on a cluster-by-cluster basis, with subscribers of both brands benefitting from the integrated network, which has significantly greater coverage and capacity. Due to the continuation of nationwide lockdown, the remaining consolidation is expected to take longer than initially expected.

The improved coverage and capacity following integration, coupled with the deployment of TDD sites, Massive MIMO and LTE 900 on select sites has increased our overall data capacity, which has now more than doubled compared to September, 2018. This has driven a significant improvement in data speeds and customer experience across all circles. We now have the fastest 4G download speeds across the three metros of Delhi, Mumbai and Kolkata, along with West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan, based on Ookla data, consistently for the last 2 quarters (Q3FY20 and Q4FY20).

As part of our network integration, we had removed surplus equipment from ~64,000 sites out of the total of ~73,000 co-located sites by the end of March, 2020, further reducing costs. In addition, we had exited ~18,000 low utilization sites by the end of March, 2020.

Post completion of de-duplication exercise for synergy realization, we have initiated a further cost optimization plan across the company in line with the evolving industry structure and business model to achieve next level of efficiency, details of which will be shared in due course.

Operational highlights

The subscriber base declined to 291 million in Q4FY20 from 304 million in Q3FY20. Subscriber churn remained stable in Q4FY20 at 3.3%. ARPU for Q4 improved to Rs. 121 vs Rs. 109 in Q3FY20, driven by the prepaid tariff hike effective from December 2019.

We continue to invest in 4G to increase coverage and capacity. During the quarter we added ~21,000 4G FDD sites, our highest addition in a single quarter since merger. During the year, we added more than ~53,000 4G FDD sites which helped drive significant improvement in 4G population coverage, which now stands at 992 million compared to 871 million over a year ago. We have deployed ~58,800 TDD sites in addition to deployment of ~11,900 Massive MIMO sites till date, of which ~25,000 TDD sites and ~9,500 Massive MIMO sites were deployed in FY20. Our overall broadband site count stood at 436,006 as of March 31, 2020 compared to 371,922, a year ago.

These network investment initiatives have delivered a significant capacity uplift and enhanced our customers' experience. We also continue to make progress in implementing LTE 900 in select locations, including through dynamic spectrum refarming, to improve customer experience.

At the end of the quarter, the 4G subscriber base was 105.6 million. Total data volumes grew by 7.9% to 4,090 billion MB compared to the last quarter. Total minutes on the network declined by 1.4% during the quarter, due to a reduction in incoming minutes while outgoing minutes continue to grow.

Indus-Bharti Infratel merger update

The merger of Indus Towers and Bharti Infratel has received FDI approval for FDI. The long stop date on the original agreement has been extended to August 31, 2020. Vodafone Idea plans to monetize its 11.15% stake in Indus on completion of the Indus-Infratel merger.

COVID-19 Impact

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The telecommunication services are classified amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, the services to our customers continued without any material disruption. Based on the internal and external information available and the current indicators, we believe there is no material impact of the pandemic on our overall performance, except as mentioned hereinbefore. However, given the uncertainties

associated with the nature and duration of COVID-19, we continue to monitor the situation closely and shall take appropriate actions based on material changes, if any.

AGR and OTSC Judgement 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. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order. Thereafter, the company filed an application for modification of the supplementary order before the Hon'ble Supreme Court of India on January 20, 2020, seeking permission to submit an application to Department of Telecom (DoT) to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on February 14, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director / Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The company has filed a detailed affidavit placing on record the financial position of the company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On March 16, 2020, the DoT also filed a modification application with respect to inter alia giving reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value, and to cease the currently applicable interest after a particular date. On March 18, 2020 the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment/re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court directed that the DoT's modification application would be considered on the next date of hearing.

On June 11, 2020, the modification application filed by DoT came up for hearing. The 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 June 16 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 June 18, 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 March 31, 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. The company has already made payments of Rs. 68.5 billion in three instalments during the quarter ended March 31, 2020 towards AGR dues. The matter was directed to be listed in the 3rd week of July.

The company has recognized a total estimated liability of Rs. 460.0 billion as at March 31, 2020 based on the DoT demands (mainly up to the period FY17 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 have not been received together with interest, penalty and interest on penalty up to March 31, 2020. The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated March 20, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books. Accordingly, the net impact of these effects amounting to Rs. 275.1 billion and Rs. 17.8 billion has been recognized as Exceptional items during the year and quarter, respectively. The total estimated liability stands reduced as at March 31, 2020 to the extent of payment made (Rs. 68.5 billion) as mentioned above.

In a separate matter, on March 16, 2020, Hon'ble Supreme Court dismissed the petition filed by the company challenging the levy of OTSC beyond 6.2 MHz. While we are yet to receive any demand from DoT in line with the TDSAT order, on prudence basis, we have recognized a charge for spectrum holding beyond 6.2 MHz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of Rs. 38.9 billion has been recognised as Exceptional item during the quarter.

We have also classified certain borrowings 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 have exchanged correspondences/been in discussions with these lenders for the next steps/waivers.

It is to be noted that our ability to continue as going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in installments and successful negotiations with lenders. Pending the outcome of the above matters, the 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. Separately, the Telecom Regulatory Authority of India (TRAI) has initiated a consultation on floor pricing at the request of all the operators, through COAI.

About Vodafone Idea Ltd. (formerly Idea Cellular Ltd)

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

Vodafone Idea Limited (formerly Idea Cellular Ltd) - CIN L32100GJ1996PLC030976, Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382011, Gujarat, India. Tel: 91 79 6671 4000, Fax: 91 79 2323 2251. Web Site: www.vodafoneidea.com; E-mail: info@vodafoneidea.com