18 August 2026

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

BSE Limited
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Dalal Street,
Mumbai – 400 001

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Analyst / Investors Call

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

Dear Sir/Madam,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of the Analyst / Investors Call held on Tuesday, 11 August 2026 relating to the Company's performance for the first quarter ended 30 June 2026.

The same is also uploaded on Company's Website: www.myvi.in.

The above is for your information and dissemination to the members.

Thanking you,

Yours truly,

For **Vodafone Idea Limited**

Pankaj Kapdeo
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Date: 2026.08.18 15:54:36 +05'30'

Pankaj Kapdeo
Company Secretary

Encl: As above

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"Vodafone Idea Limited"

Q1 FY27 Results Conference Call

August 11, 2026

MANAGEMENT: MR. ABHIJIT KISHORE – CHIEF EXECUTIVE OFFICER – VODAFONE IDEA LIMITED
MR. TEJAS MEHTA – CHIEF FINANCIAL OFFICER – VODAFONE IDEA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Results Conference Call hosted by Vodafone Idea. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhijit Kishore from Vodafone Idea. Thank you, and over to you, Mr. Kishore.

Abhijit Kishore: Thank you, Dorwin.

Good afternoon, and a very warm welcome to all of you. Thank you for making the time to be here today. On 10th August 2026, our Board of Directors adopted the unaudited results for the quarter ending June 30, 2026. All the results related documents are available on our website and I hope you have had a chance to go through the same.

Our robust Q1FY27 operating and financial performance has been an endorsement of our well-defined strategy and superior execution. Let me share our progress on the key strategic initiatives. After which, I will handover to Tejas who will share details on the Company's financial performance.

I would like to begin by updating you on the 7 critical business parameters that we had mentioned in the last earnings call as well. I am happy to share that all 7 of these critical business parameters are now trending positively.

Our revenue improved 6.0% YoY to Rs. 11,689 Crore while Cash EBITDA demonstrated double digit growth of 13.5% and stood at Rs. 2,475 Crore. We have also increased our subscriber base to 193.1 million customers vis-à-vis last quarter. Net subscriber addition which turned a corner in February last quarter has continued its trajectory. We delivered our first quarter of positive net subscriber additions since merger and we will continue this momentum.

Our churn reduced by 24 bps YoY this quarter. We remain focused to reduce our churn with the sustained network investment as well as get a competitive share of quality gross additions as we expand our coverage and enter new geographies.

We also added nearly 3,000 new unique broadband towers during the quarter and over 15,600 new sites over last twelve months, expanding our pan-India 4G coverage to 87.0%. On 5G, we have made substantial strides by expanding our footprint significantly. I am pleased to share that our 5G services are now live in over 200 cities across all our 17 circles where we have 5G spectrum. Our disciplined execution and commitment to deliver a superior network experience has yielded robust progress despite prevailing geopolitical headwinds impairing the capex deployment in Q1FY27.

Our Customer ARPU grew from Rs. 177 in Q1FY26 to Rs. 195 in Q1FY27, a growth of 10.2% YoY; highest in the industry and a sequential improvement of 2.6%.

The Customer ARPU has now been increasing for 20 consecutive quarters. The Customer ARPU expansion over the last year has been driven primarily by premiumization which is evident from our improving 4G/5G subscriber mix which stood at 67.4% in Q1FY27 up from 64.4% in Q1FY26 as well as higher data usage by per broadband subscriber.

We closed the quarter with 130.1 million 4G/5G subscribers, up from 127.4 million in Q1FY26.

Our focused execution has also translated into better customer engagement as reflected in the data usage. The average data usage by a 4G/5G subscriber improved 25.2% YoY to 21.7 GB in Q1FY27.

Overall, as a result our data usage in Q1FY27 has increased YoY by nearly 28% to 88.4 Petabyte/day from 69.1 Petabyte/day in Q1FY26.

These critical business parameter trends clearly reflect that the customers are getting a better network experience since we have made sustained investments and continue to remain engaged.

Okay. So just to kind of cover that we've just spoken on all the 7 critical parameters, which is all moving in the right direction.

Moving on to the funding and its mobilization through capex, on the funding front, we have 2 important updates.

First on the warrants, we have received Rs. 1,183 Crore as part-proceeds from the issue of warrants to our promoter – Aditya Birla Group.

Second, I am delighted to share that we were assigned Crisil A-/Stable rating by CRISIL in May 2026 followed by a credit rating upgrade to ICRA A- (Stable) by ICRA in June 2026. The ratings were assigned and upgraded by Crisil and ICRA respectively for certain long-term bank facilities considering the positive developments over last few months.

I also want to update you on our broader financial architecture that supports our capex plan of Rs. 45,000 Crore over the next three years. This architecture is built on three cohorts. First, is a consortium of public sector banks led by SBI with 6-7 participating banks. Second cohort is of the Indian private banks and the third one is the ECB with Foreign banks.

We remain meaningfully engaged with our lenders across these three cohorts and have made substantial progress with them.

I am happy to share that we have successfully raised our first tranche of funding of Rs. 6,400 Crore including partial proceeds of Rs. 1,183 Cr from warrants and debt proceeds including non-fund based facilities through ECB and Indian private banks. We have already placed orders worth Rs. 9,000 Crore of capex till now which also includes the capex undertaken in Q1FY27 of Rs. 1,930 Crore. The supplies and execution basis these orders have already commenced and will continue. We are now focused on accelerating network expansion with these fresh orders to Ericsson, Nokia, Samsung and other partners which will be executed as we moved forward.

We are hopeful of closing the discussions with the PSU banks led by SBI as well as continue work on other debt raise streams.

Next, our differentiated product offerings and market initiatives. Our focus is on enriching customers' digital lifestyle with experiences that extend well beyond just voice and data. Towards this, we partnered with Spotify to offer our postpaid Vi Max subscribers a premium music stream experience.

For Prepaid subscribers, we launched 'Vi Edu+', a co-branded Nonstop Hero proposition in partnership with PhysicsWallah across Uttar Pradesh and Rajasthan, combining unlimited connectivity with digital learning benefits for students. We also launched 'Vi Instadata' nationally, an emergency data service giving eligible prepaid users 1GB of extra data instantly when their daily data limit drops below 10MB with 2 days of validity adjusted from their active pack.

We further strengthened the International Roaming portfolio with the launch of 'Choose Your Own Plan', which offers subscribers greater flexibility through a wider range of validity and data options, enabling them to choose plans best suited to their travel requirements. Our truly unlimited roaming plans are now available across 59 countries.

We also partnered with Meta to enable silent mobile verification across Meta Platforms like WhatsApp, Facebook and Instagram enabling safer, seamless and password-less digital experiences for millions of users. We are creating seamless authentication experiences for users across some of the country's most widely used digital platforms. Our proactive identification and mitigation solution, SPARC was built for strengthening Vodafone Idea's cyber resilience. We are now upgrading it with AI led early detection. These advancements strengthen our innovation by ensuring we stay ahead of emerging threats.

Our recent brand campaign 'Everyone is Priority' re-emphasized our larger belief that every customer deserves an equal network experience further strengthening the brand's differentiated positioning.

Moving on to our enterprise business. Vi business continued to strengthen its position as a trusted enterprise partner through a comprehensive portfolio of future-ready digital solutions, backed by robust 5G infrastructure and a growing ecosystem of a strategic technology partnership.

During the quarter, demand for Vi Business solutions remained strong across Connectivity, Cloud, IoT, Business Communications, Mobility, and Cybersecurity, driving increased enterprise adoption across key sectors including BFSI, Manufacturing, Utilities, Logistics, and Government.

We also unveiled MSME ReadyForNext 5.0 on World MSME Day 2026, the latest edition of India's largest digital advisory platform for MSMEs for our enterprise customers.

Vi Business signed a Memorandum of Understanding with the Andhra Pradesh MSME development Corporation (APMSMEDC) to digitally empower over 1,00,000 MSMEs in the state.

We believe the telecom industry is well positioned for growth as need for connectivity is driven by a fast-growing economy, a growing and young population, rising technology adoption across all age groups and lower rural tele-density.

Our improving trends and the recent positive developments give us increasing confidence in our ability to participate in the industry's growth story.

With that, I will hand over the call to Tejas, our CFO for the financial commentary. Thank you.

Tejas Mehta: Thank you, Abhijit. Good afternoon, everyone. We continue to witness improving trends across key financial and operating metrics.

Last quarter, I highlighted that the average daily revenue was the highest in the last 6 years. We have sustained that momentum, with another quarter of revenue growth. The revenue for the quarter was Rs. 11,689 Crore, registering a YoY growth of 6.0% and 3.2% improvement on a sequential basis primarily driven by ARPU expansion.

The EBIDTA for the quarter crossed Rs. 5,000 Crore mark and reached Rs. 5,034 Crore improving by 9.1% YoY. The EBITDA margin improved by over 120 basis points from 41.8% to 43.1% during the same period.

The cash EBITDA for the quarter improved by 13.5% to Rs. 2,475 Crore vs. the same quarter for last year. The Cash EBITDA improved despite rollout of over 15,600 broadband sites during the last twelve months and increase in the network cost, reflecting our focus on overall cost management.

Depreciation & Amortisation expenses and Net Finance costs for the quarter were Rs. 5,467 Crore and Rs. 4,925 Crore respectively. Excluding the impact of Ind AS 116, the Depreciation & Amortisation expenses and Net Finance costs for the quarter were Rs. 3,862 Crore and Rs. 3,701 Crore respectively.

Additionally, we also recorded a benefit of Rs. 1,816 Crore in exceptional item on account of fair value adjustment of earmarked shares from CLAM. This remeasurement of fair value will be undertaken in every quarter with its impact adjusted in exceptional items till the shares are liquidated.

Due to supply side issues arising from geopolitical constraints, the capex investment for the quarter was Rs. 1,930 Crore. And, as Abhijit has guided we intend to accelerate our network expansion towards which we have already placed orders with our partners.

Our bank debt has reduced to Rs. 211 Crore as of June 30, 2026 from Rs. 1,926 Crore as of June 30, 2025; a reduction of Rs. 1,715 Crore in last 12 months. The free cash and bank balance stood at Rs. 6,558 Crore as of June 30, 2026.

Our recent credit ratings and continued promoter support have been significant catalysts to our ongoing debt conversations which further strengthen our conviction in the execution roadmap laid by us.

I would like to handover by re-iterating that this quarter's results reflect our growth momentum translating into improving operational and financial performance, the highlight being the net customer addition for the first time since merger.

With that, I hand the call back over to Dorwin. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Sanjesh Jain with ICICI Securities.

Sanjesh Jain: A couple of questions from my side, Abhijit. First on the subscriber transition and the benefit of the network, how should we see from here on, particularly on the mobile customer how should it translate and what has been the trend in the circles now that we have implemented capex in last 1 year? Have we seen those circles turning positive in terms of mobile subscriber net ads?

Abhijit Kishore: Do you have more questions, then I can answer all of them together or we could take them one by one?

Sanjesh Jain: So, second on ARPU, we have been bridging the ARPU gap versus the peers. How much more do you think it is possible before the transition of 4G and 5G really helps push the ARPU growth? How much more is it possible by improving the efficiency within the network to take the ARPU to, say, next 1 year, what are we targeting? That's number 2.

And number 3 on the capex, we said that we have put up Rs. 9,000 Crore of capex. We have already invested close to Rs. 2,000 Crore in this quarter. By spending this Rs. 9,000 Crore, Rs. 10,000 Crore this year, where do we see our network capacity in terms of expansion from the current level?

Abhijit Kishore: Thanks, Sanjesh, for asking that question. Let me take the first one. On the subscriber addition, the answer is clearly yes. We look at different cohorts in all these 17 markets that we have defined for ourselves and obviously, where we are putting the network in the rural as well as the urban markets. This clubbed along with wherever we have we rolled out 5G.

We clearly see a difference on the customer retentivity, which is what I spoke of the 0.24% reduction in churn that we see over the last year. This is visible across the circles. Obviously, the journey continues. We have put over 15,500 sites in the last 12 months and 32,000 sites on 4G in the last 2 years, and we see a significant delta being placed. But the journey continues, and we still have locations where we need to put our 4G sites; as and when we are putting the 4G sites and the 5G sites, we clearly see improvement.

Second is, as we said, this is the first quarter for us on the subscriber addition to be positive largely led between postpaid and M2M. Prepaid is also turning a leaf, and we see a clear and significant improvement in churn and quality of the gross acquisition that we acquired now. So, it's all pointing in the right direction.

As far as the ARPU is concerned, as I said, we've kind of grown by 10%. We expect to keep the same momentum. This is obviously organic ARPU growth, which is where we have a differentiated opportunity between the mix of customers of between 2G and a 4G, 5G as well as unlimited voice and unlimited data customers and then between the unlimited data and the NonStop Hero which is a differentiated offering for us. We hope to see that we will continue with the similar trend, a little better than where we are today on the ARPU of Rs. 195 at a blended level.

On the capex, our guidance continues. We are looking at the Rs. 45,000 Crore for the next 3 years, as we have said. The first quarter, because of the supply chain headwinds, we saw a little bit of a muted Rs. 2,000-odd Crore of the capex spend.

As I indicated, we have already placed the orders for Rs. 9,100 Crore, which includes the Rs. 1,930 Crore of the capex, which has been deployed. We intend to deploy all of this capex over the next 2 quarters or less. So, the intensity continues. We are looking at deploying roughly around 3,500 sites a month on an average hereon.

Sanjesh Jain: 3,500 you said is the tower count?

Abhijit Kishore: Tower count on the 4G.

Sanjesh Jain: Tower count on the 4G. Abhijit, one question on the postpaid. Now that the Fast lane 5G is becoming a reality in India, do you see risk to your postpaid customer?

Abhijit Kishore: On the contrary, Sanjesh, I will say that we have seen an increase in our postpaid acquisition as well as retentivity. So, as we speak, we don't see that as a challenge. However, we continue to provide experience and we have enough capacity to provide the experience to our customers, not only postpaid but prepaid equally.

Sanjesh Jain: Got it. Anything on the 5G, how many towers we have done? I know you said 200-plus cities. But some qualitative number in terms of tower coverage, that would be helpful?

Abhijit Kishore: Yes. So, we are now, as we speak, over 16,000 sites in 5G, and we intend to kind of cover another 200-plus cities over the next 2 quarters.

Moderator: Our next question comes from the line of Aditya Suresh with Macquarie.

Aditya Suresh: Two items. So first, Abhijit if you can speak to us about your cash EBITDA targets, which you all had articulated a few months back. Can you reiterate what the guidance is or what the ambition is over the next 3 years? And if you could break that down for us in terms of how much of that is going to be the top line versus margin expansion? That's the first item.

The second item is a clarification. Could you clarify what is the position of net debt as of this quarter? That's one and two is, within your subscriber number, how much of these subscribers are in that M2M category?

Abhijit Kishore: Sorry, Aditya, if you could just repeat the second question. You said what is the net addition?

Aditya Suresh: No, no, sir, what is your current net debt position? And also, if you can clarify on your M2M subscribers?

Abhijit Kishore: Okay. So, I'll take the first one first, and Tejas, you can chip-in. So, we had Rs. 9,200 Crore of cash EBITDA last year. We are at Rs. 2,475 Crore this year. Our guidance for the next 3 years was 3x of the cash EBITDA, which is obviously built with certain assumptions on the organic as well as some of the price corrections which will happen. That guidance continues, and we are moving in the right direction as far as that is concerned.

The guidance builds in customer as well as ARPU. So that guidance continues clearly. On the top line, when we had looked at the total cash EBITDA of 3x, we had taken a guidance of a CAGR of around 16.8% for 3 years, which also continues as we speak.

On the net debt, as Tejas said, we started the year with Rs. 700-odd Crore of the bank debt that we had. We've made a payment of around Rs. 500 Crore this quarter. As we stand today, we are at Rs. 211 Crore of the bank debt.

In addition to that, we have taken the NCD borrowing of Rs.3,300 Crore. That's the debt that we have. So, from a bank debt point of view, it is Rs.211 Crore, from the NCD which we had raised in the month of December last year, that's Rs. 3,300 Crore. So that's the only debt that we have.

On the M2M, the story is good. We're seeing good traction in all the 4 verticals that we play, be it automatic meter reading, vehicle tracking, connected car as well as point of sale machines. We see a good traction and over the last 1 year, we have actually doubled our net addition as far as the machine-to-machine is concerned, and that trajectory is very strong. We have a dominant position in the connected car space as far as IoT is concerned.

Tejas Mehta: Abhijit has just clarified on the debt for the quarter, we are ending at Rs.3,489 Crore. So that's the 2 constituents that Abhijit mentioned and that was Rs.4,001 Crore in the last quarter.

Aditya Suresh: And can you just clarify the subscriber base in itself on M2M?

Abhijit Kishore: We don't give the breakup, Aditya, on that. As I indicated that the postpaid as well as the M2M is tracking pretty well. Prepaid is there, we have a job to do and that's where the focus is now. As we roll out more and more sites, we are reaching to the places where we don't cover today, and that's the focus area.

Moderator: Our next question is from the line of Gaurav from Axis.

Gaurav: Yes. I just had a couple of questions. One is on your network opex. That number has sort of remained broadly stable in the last few quarters, even though your network has obviously sharp improvement. So how should we sort of think about this going ahead?

Tejas Mehta: Thanks for the question. We had a similar question also in the previous quarter. So, There are 2 ways to answer this. As we look at our cost efficiency effort, we will look at bringing more efficiency into a network cost. So yes, while you said, we have been rolling out additional sites. We have been able to, manage the overall network cost.

Having said that, we have seen some inflationary challenges from diesel, etc. So, you might see some impact from that. But overall, I would say we've been able to offset some of the increases with internal efficiency and some of it probably might get reflected in the coming quarters. But last 2 quarters, we have been able to offset that internally.

Gaurav: Understood. The next question is on your roaming access charges. That has seen a sharp increase. So, is there anything related to some intra-circle roaming or how should we sort of think about this?

Tejas Mehta: No, this has nothing to do with the intra-circle roaming and nothing structural. Like any business, there are a few lines of business that we have. We have a wholesale line of business, which in this quarter, we have seen a better participation which comes with a higher roaming cost.

If you will see the same line in the prior quarter, that was a little bit lower. So, on an average, if you see the increase is not that high and it's a cash accretive business, slightly higher cost and a lower percentage margin, but an overall cash accretive business that we were able to participate higher in this quarter.

Moderator: Our next question is from the line of Balaji Subramanian with IIFL.

Balaji Subramanian: Congrats on a decent set of results. I just had one. So, if I look at the postpaid additions, they are at a multi-quarter high, but I can also see that a lot of that is probably led by M2M. So, if I look at the TRAI number, the 2 million M2M subscribers were added in the June quarter. So that means there was a slight dip in the postpaid subscriber base ex-M2M in the June quarter, which is probably after 4 quarters of positive additions on the postpaid ex-M2M trend.

So, have you got anything to do with -- I know this question was also touched upon earlier, but has it got anything to do with the priority plan Airtel Fast Lane that was recently launched by Bharti. Also, do you see that as a risk because postpaid is where Vodafone Idea has been fairly strong.

And we also saw that in the quarter that went by Bharti's postpaid additions crossed the 1 million mark for the first time. So how would you kind of plan to face off this challenge. That would be my only question?

Abhijit Kishore: Yes. Thanks, Balaji, for asking that question. No. So we have not seen, as I said, even to Sanjesh, we've not seen any dip in the postpaid business. Even the net addition for us in postpaid has been consistently positive over the last 6 to 8 quarters, and it's growing. There's no dip that we have seen at all.

As far as the M2M is concerned, clearly, there is an increase in quarter 1 over the last quarter. Both these businesses are stable and net addition positive businesses for us. So, we don't see that. That's one. Second, as I said that our focus from the retail stores.

We have 2600-plus retail stores in 650-plus towns, these are Vi stores and Vi mini stores. Of these stores, we don't see any dip whatsoever across the country as far as this business is concerned. I would not want to comment on what competition's plan is, but we don't really see an impact, on the contrary, we are adding subscribers.

Moderator: Our next question comes from the line of Saurabh Handa with Citigroup.

Saurabh Handa: My first question was on the funding that you spoke about. You've raised funds of Rs. 6,400 Crore. Now of this is Rs. 1,200 Crore is the upfront warrant money which had already come in June. Could you just tell us a bit more about this balance of Rs. 5,200 Crore of incremental funding. How much of this is debt versus non-fund based and is the source of debt? Is it ECBs or is it Indian banks?

Abhijit Kishore: Yes. So, thanks Saurabh, for asking the question. You're right. So, we brought the Rs. 1,183 Crore, which is a part of the warrant proceeds that we have been able to raise, as I said, in the 3 cohorts. This is primarily from the ECB and the Indian private bank and this is a mix of both debt as well as the non-funded facility. Can't give you the split, but yes, it is a split between both of them.

Saurabh Handa: Okay. So, you had cash on books of Rs. 6,600 Crore in June. So, do this -- should we be adding this Rs. 5,200 Crore to look at how much visibility you have in terms of how much you can spend over the next few quarters even without, say, bank debt funding? Is that the right way to think about it?

Tejas Mehta: That's largely the right way to think about, which is why we said when we have placed orders of close to Rs. 9,000 Crore or Rs. 9,100 Crore, as Abhijit said, that is also leveraging the opening cash balance that we have in the business.

Saurabh Handa: Okay. Got it and my second question is again on M2M. So just to give you some numbers here. So, on postpaid, you've reported a growth of 1.8 million subscribers' quarter-on-quarter and as per TRAI, your M2M subscribers are up by 2 million quarter-on-quarter.

So, if you subtract M2M, you get a slight dip in postpaid, I think, which is what some of the other participants were also talking about. So, are we looking at this the right way or is there -- are there some M2M subscribers which are prepaid and not postpaid? I mean we just wanted to understand this better.

Abhijit Kishore: No, are no prepaid subscriber as far as the M2M is concerned, they're all postpaid subscriber. It could be a timing gap because there are certain businesses which are the bootstrap business. So that could be the only delta that you could have. Otherwise, as I said, whether it is in the gross acquisition or the net addition, there is no structural challenge that we find in the business.

Moderator: Our next question is from the line of Hardik Goyal with Union Mutual Fund.

Hardik Goyal: Is there a talk between you and BSNL for tower and infra sharing? And if so, will that be more accretive to your margins than you already mentioned guidance?

Abhijit Kishore: No. I mean, we already have, Hardik, some relationship with BSNL, where we do the tower sharing with BSNL. But that's the one that we are doing right now. Other than that, there is no other tower sharing as we speak.

Moderator: Our next question is from the line of Kishan with DAM Capital.

Kishan: Just 1 question from my end. Sir, the ARPU growth that you've reported for the customer ARPU growth, is it possible for you to bifurcate the same between 2G to 4G upgrades between international roaming, prepaid to postpaid.?

Abhijit Kishore: Kishan, we normally don't have it, but I can give you a little bit of a flavour on that to say that between a customer who is a 2G to a 4G customer, you typically see an upgrade value of an ARPU of roughly around Rs. 230 to Rs. 240. Between unlimited data customer, which is the quota customer, the way we call it, a 1.5/day GB customer, when you migrate to a NonStop Hero, which is a truly unlimited you see a delta of Rs. 20 to Rs. 35. That's the kind of range that can give you a flavour of what's the kind of ARPU arbitrage that we have.

And to add to that, we have a substantial number of customers who are 2G customers on our network. That gives us the unique opportunity of really upgrading those customers as and when we are rolling out the network and we are reaching closer to the customers who would want to upgrade from the 2G to a 4G network or 5G for that matter.

Kishan: Okay. So, if I may ask, I mean, so Y-o-Y, the growth in ARPU, what would you think is the biggest driver? The 2G to 4G upgrades, would this be the key driving factor in ARPU among other things?

Abhijit Kishore: Yes. I mean it is the -- that's the premiumization that happens that when the customer keeps upgrading themselves. So, one upgrade is when a 2G customer is upgrading to 4G or a 5G handset. Second upgrade that we see is when you have a smartphone, but you are probably a multi-SIMer, which means you have 2 or 3 operators sim and when you start using my network only for voice and then you migrate to a data.

That's another opportunity for me, and that's again a significant base for us. Then the third opportunity for us is when you are a data customer but not unlimited or a truly unlimited data customer and when you migrate to that depending upon how your data usage pattern is.

So, between the 3, we upgrade our customers depending upon which cohort the customers belong to and each of these upgrade cohorts has an ARPU differential, which is where the ARPU build-up happens in absence of any structured price changes.

Moderator: Our next question comes from the line of Bavineni Srinivas, an Individual Investor.

Bavineni Srinivas: Your idea of debts are very worrying thing for investors. Is there no chance to go for the equity instead of loans for the improvement of this Vodafone Idea?

Tejas Mehta: Thank you for the question, sir. If you look at our balance sheet, sir, there is a lot of equity. In fact, all our investments have been funded by equity. Our debt as we speak, is only Rs. 3,489 Crore. Being an infra company there is enough room for debt. You started with this comment saying you are worried, I think Abhijit spoke about the efforts we are on the debt raise. We are confident of that. Hence, at this time, we are more focused on debt versus equity.

Bavineni Srinivas: Okay, sir. So please minimize the debt and improve the company's balance sheet.

Moderator: Our next question comes from the line of Aditya Bansal with Motilal Oswal.

Aditya Bansal: My first question is around the ARPU again. So, would you be able to provide some colour in terms of penetration on unlimited data plans and NonStop Hero plans in the mix currently? And where would you see this settling out over the medium term?

Abhijit Kishore: So, Aditya, thanks for asking that question. As I was explaining that we have a pretty large and significant opportunity as far as both these cohorts are concerned whether it is unlimited voice moving to unlimited data or unlimited data moving to a NonStop Hero. We are upgrading, I would say, almost 3-4% customers every quarter. So that's the flavour that I can give at this point in time. That's the whole endeavour on the organic ARPU.

Aditya Bansal: Any sense on the current mix so that we also know like what is the potential there?

Abhijit Kishore: Sorry, can you repeat your question?

Aditya Bansal: Any idea on the current mix of this unlimited data plan so that we also get an idea like what could be the further potential from here on?

Abhijit Kishore: Yes. So, as I had indicated earlier as well, we have 66% of our customers who are on smartphone between 4G and 5G, and 34% of the customers are on 2G. That's a big mix that we see. Between the mix of our customers who are on the smartphone, there is a significant number of customers who are using data and then you still have an opportunity to have a smartphone, but are using us for voice, probably in those areas, we have not reached on the 4G data. So that's another big cohort of opportunity that we have.

Aditya Bansal: Sure. So, the second one is on the subscriber trends. So, I see there are several divergences this time in terms of trends on be it VLR where we have a decline. Customer wireless, again, if I net out the M2M, there is a decline. So, what explains the same, in terms of you're saying on every circle, you are seeing some bit of improvement versus VLR decline. Any comments on that?

Abhijit Kishore: As I said, Aditya, there's no structural challenge that we see. Quarter 1 typically is a seasonal quarter where we see some customers migrating that from urban to rural market. Those are some of the markets where we feel that our network probably is still not in line with expectations. That's the only delta that we see at this point in time. There's no structural.

So, whether it is our gross addition, the quality of acquisition or the customer retentivity is concerned, and I'm talking both on postpaid and prepaid. This doesn't seem to be an issue. So, this is more a seasonal thing and it will kind of start coming back rather in the month of July, we've already started to see some good traction.

Aditya Bansal: Sure, and lastly, in terms of the site count, can you just reconfirm, you mentioned 3, 3.5 thousand per month? And like what is the medium-term target that we are looking for the 4G sites?

Abhijit Kishore: If you remember in the 3-year guidance, I had said roughly around 55,000 -57,000 sites on 4G and 86,000 to 90,000 sites on 5G. So, we are on the guided trend, we intend to finish our 4G rollout over the next 18-odd months so that we are at par on what our target is in the 17 circles.

On 5G because you need fiber it might get into the third year of execution as well. So, we maintain and stand on that guidance.

Moderator: Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to Mr. Kishore for closing comments. Over to you, sir.

Abhijit Kishore: Thanks, Dorwin. The defining theme for this quarter is momentum. We have delivered on all the 7 critical business parameters. Each win the building block towards our FY29 guidance. Our 3-year targets are unambiguous sustained net addition, double-digit revenue growth and 3x on the cash EBITDA.

We already demonstrated investment continuity across multiple quarters. The continued support from the promoters and our ongoing conversation with various sets of lenders gives us the confidence that we have the financial architecture in place to support our road map. Our path forward is clear and what we are now focused is on execution. Thank you for joining in. We'll meet you again next quarter. Thank you.

Moderator: Thank you. On behalf of Vodafone Idea, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.