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April 28, 2014

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

Fax No. 022-26598237/38/8347/8348

Dear Sirs,

**Sub: Audited Financial Results for the fourth quarter and financial year ended 31<sup>st</sup> March 2014 and Recommendation of Dividend**

**Ref: "Idea Cellular Limited" (Symbol: IDEA)**

This is to inform you that the Board of Directors of the Company at their just concluded meeting has:

1. Approved the Audited Financial Results of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March, 2014.
2. Recommended a dividend of Re. 0.40 (Forty Paise) per equity share of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2014. The payment is subject to approval of the shareholders at the ensuing Annual General Meeting.

The Audited Financial Results of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March, 2014, together with the Audit Report of the Statutory Auditors thereon and Press Release are attached herewith for information and record.

Kindly acknowledge receipt of the same.

Thanking you,

Yours truly,  
For Idea Cellular Limited

**Pankaj Kapdeo**  
Company Secretary

Encl: As above



Idea Cellular Ltd,  
5th Floor "Windsor", Off C.S.T. Road, Kalina,  
Santacruz (East), Mumbai 400 098, India

Telephone: + 91 95940 04000  
Fax + 91 95940 03182

Website [www.ideacellular.com](http://www.ideacellular.com)  
E mail [info@idea.adityabirla.com](mailto:info@idea.adityabirla.com)

**CIN- L32100GJ1996PLC030976**

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDEA CELLULAR LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **Idea Cellular Limited** ("the Company"), its subsidiaries and a jointly controlled entity (the Company, its subsidiaries and a jointly controlled entity constitute "the Group") for the year ended 31<sup>st</sup> March 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. This Statement has been prepared on the basis of the related annual consolidated financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 3 of the Statement regarding the figures for the quarter ended 31<sup>st</sup> March 2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. We did not audit the financial statements of Indus Towers Limited included in the consolidated financial results, whose financial statements reflect the Group's share of total assets (net) of Rs. 242,017.60 lakhs as on 31<sup>st</sup> March 2014, Group's share of Income from operations of Rs. 222,758.40 lakhs for the year ended 31<sup>st</sup> March 2014 and profit after tax of Rs. 24,678.40 lakhs for year ended 31<sup>st</sup> March 2014 as considered in the consolidated financial results. These financial statements have been audited by another auditor whose report has been furnished to us by the Management, and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on the report of such another auditor.



5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of another auditor referred to in paragraph 4 above, the Statement:
- a) includes the results of the following entities:
    - i. Idea Cellular Limited (ICL) (Holding Company)
    - ii. Idea Cellular Services Limited (100% subsidiary of ICL)
    - iii. Idea Cellular Infrastructure Services Limited (100% subsidiary of ICL)
    - iv. Aditya Birla Telecom Limited (ABTL) (100% subsidiary of ICL)
    - v. Idea Telesystems Limited (100% subsidiary of ICL)
    - vi. Idea Mobile Commerce Services Limited (100% subsidiary of ICL)
    - vii. Indus Towers Limited (Jointly controlled entity of ABTL)
  - b) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
  - c) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31<sup>st</sup> March 2014.
6. We draw attention to Note 5 of the Statement. The Department of Telecommunication (DoT) has issued demand notices dated 8<sup>th</sup> January 2013 towards one time spectrum charges for spectrum held by the Company beyond 6.2 Mhz for the period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012 amounting to Rs. 36,913 lakhs and beyond 4.4 Mhz for the period from 1<sup>st</sup> January 2013 till the expiry of the license amounting to Rs. 174,437 lakhs in the respective telecom service areas. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. The Company therefore filed a petition before the Hon'ble High Court of Bombay, which has directed DoT, not to take any coercive action until the matter is further heard.

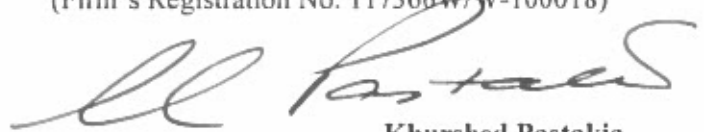
The financial impact of the abovementioned matter is dependent upon the outcome of the petition filed by the Company in the Hon'ble High Court of Bombay and therefore no effect for the one time spectrum charges has been given in these consolidated financial results.

Our opinion is not qualified in respect of this matter.



7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to the investor complaints disclosed in Part II – Select Information for the quarter and year ended 31<sup>st</sup> March 2014 from the details furnished by the Management and the Registrars respectively.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Khurshed Pastakia**  
Partner  
(Membership No. 31544)

Mumbai: 28<sup>th</sup> April 2014

5/17

## IDEA CELLULAR LIMITED

Idea

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-2014

(₹ Lacs, except per share data)

| Part I<br>Particulars                                                                             | Quarter ended                          |                        |                                        | Year ended           |                      |
|---------------------------------------------------------------------------------------------------|----------------------------------------|------------------------|----------------------------------------|----------------------|----------------------|
|                                                                                                   | 31-Mar-14<br>Audited<br>(refer note 3) | 31-Dec-13<br>Unaudited | 31-Mar-13<br>Audited<br>(refer note 3) | 31-Mar-14<br>Audited | 31-Mar-13<br>Audited |
| Net Sales / Income from Operations                                                                | 697,472                                | 660,770                | 602,696                                | 2,643,197            | 2,240,744            |
| Other Operating Income                                                                            | 6,910                                  | 536                    | 3,442                                  | 8,694                | 5,021                |
| <b>TOTAL REVENUE</b>                                                                              | <b>704,382</b>                         | <b>661,306</b>         | <b>606,138</b>                         | <b>2,651,891</b>     | <b>2,245,765</b>     |
| Cost of Trading Goods                                                                             | 5,510                                  | 5,467                  | 6,134                                  | 19,270               | 23,184               |
| Personnel Expenditure                                                                             | 31,206                                 | 34,452                 | 29,757                                 | 131,212              | 112,253              |
| Network Expense & IT Outsourcing Cost                                                             | 172,702                                | 164,227                | 142,980                                | 649,903              | 553,606              |
| Licence & WPC Charges                                                                             | 75,822                                 | 72,323                 | 71,909                                 | 292,380              | 247,525              |
| Roaming & Access Charges                                                                          | 110,114                                | 100,895                | 107,697                                | 416,156              | 401,453              |
| Subscriber Acquisition & Servicing Expenditure & Advertisement and Business Promotion Expenditure | 68,171                                 | 63,429                 | 64,862                                 | 246,736              | 251,876              |
| Depreciation & Amortisation                                                                       | 113,801                                | 116,658                | 90,916                                 | 451,940              | 347,777              |
| Other Expenditure                                                                                 | 17,842                                 | 14,945                 | 15,493                                 | 62,866               | 55,414               |
| <b>TOTAL EXPENDITURE</b>                                                                          | <b>595,168</b>                         | <b>572,396</b>         | <b>529,748</b>                         | <b>2,270,463</b>     | <b>1,993,088</b>     |
| <b>PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX</b>                        | <b>109,214</b>                         | <b>88,910</b>          | <b>76,390</b>                          | <b>381,428</b>       | <b>252,677</b>       |
| Other Income                                                                                      | -                                      | -                      | -                                      | -                    | -                    |
| <b>PROFIT BEFORE FINANCE CHARGES AND TAX</b>                                                      | <b>109,214</b>                         | <b>88,910</b>          | <b>76,390</b>                          | <b>381,428</b>       | <b>252,677</b>       |
| Finance and Treasury Charges (Net)                                                                | 19,655                                 | 15,750                 | 22,444                                 | 77,001               | 94,945               |
| <b>PROFIT BEFORE TAX</b>                                                                          | <b>89,559</b>                          | <b>73,160</b>          | <b>53,946</b>                          | <b>304,427</b>       | <b>157,732</b>       |
| Provision for Taxation (Net of MAT credit)                                                        | 30,582                                 | 26,387                 | 23,128                                 | 107,645              | 56,639               |
| <b>NET PROFIT AFTER TAX</b>                                                                       | <b>58,977</b>                          | <b>46,773</b>          | <b>30,818</b>                          | <b>196,782</b>       | <b>101,093</b>       |
| Paid up Equity Share Capital (Face value ₹ 10 per share)                                          | 331,963                                | 331,817                | 331,432                                | 331,963              | 331,432              |
| Reserves excluding Revaluation Reserve                                                            |                                        |                        |                                        | 1,320,542            | 1,098,904            |
| Earnings Per Share for the period (₹)                                                             |                                        |                        |                                        |                      |                      |
| - Basic                                                                                           | 1.78                                   | 1.41                   | 0.93                                   | 5.93                 | 3.05                 |
| - Diluted                                                                                         | 1.77                                   | 1.41                   | 0.93                                   | 5.92                 | 3.05                 |

## Part II - Select Information for the quarter and year ended 31-March-2014

## A. Particulars of Share Holding

|                                                                                          |               |               |               |               |               |
|------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| 1. Public Shareholding                                                                   |               |               |               |               |               |
| -Number of Shares                                                                        | 1,798,952,714 | 1,797,486,166 | 1,793,642,719 | 1,798,952,714 | 1,793,642,719 |
| -Percentage of Shareholdings                                                             | 54.19%        | 54.17%        | 54.12%        | 54.19%        | 54.12%        |
| 2. Promoters and promoter group shareholding                                             |               |               |               |               |               |
| a) Pledged/Encumbered                                                                    |               |               |               |               |               |
| - No. of shares                                                                          | -             | -             | -             | -             | -             |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| - Percentage of shares (as a % of the total share capital of the Company)                | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| b) Non-encumbered                                                                        |               |               |               |               |               |
| - No. of shares                                                                          | 1,520,679,047 | 1,520,679,047 | 1,520,679,047 | 1,520,679,047 | 1,520,679,047 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%       |
| - Percentage of shares (as a % of the total share capital of the Company)                | 45.81%        | 45.83%        | 45.88%        | 45.81%        | 45.88%        |

## B. Investor Complaints

## Quarter ended 31-March-14

|                                                |     |
|------------------------------------------------|-----|
| Pending at the beginning of the quarter        | 0   |
| Received during the quarter                    | 109 |
| Disposed off during the quarter                | 109 |
| Remaining unresolved at the end of the quarter | 0   |



6/17

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## 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-2014

## Segmental Reporting

₹ Lacs

| Particulars                                                       | Quarter ended                          |                        |                                        | Year ended           |                      |
|-------------------------------------------------------------------|----------------------------------------|------------------------|----------------------------------------|----------------------|----------------------|
|                                                                   | 31-Mar-14<br>Audited<br>(refer note 3) | 31-Dec-13<br>Unaudited | 31-Mar-13<br>Audited<br>(refer note 3) | 31-Mar-14<br>Audited | 31-Mar-13<br>Audited |
| <b>Segment Revenue</b>                                            |                                        |                        |                                        |                      |                      |
| Net Sales / Income from each segment                              |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 688,986                                | 653,623                | 595,253                                | 2,610,482            | 2,214,796            |
| International Long Distance                                       | 12,968                                 | 10,367                 | 10,952                                 | 47,256               | 38,308               |
| Passive Infrastructure                                            | 62,634                                 | 61,820                 | 61,434                                 | 246,866              | 234,874              |
| <b>Total</b>                                                      | <b>764,588</b>                         | <b>725,810</b>         | <b>667,639</b>                         | <b>2,904,604</b>     | <b>2,487,978</b>     |
| Less: Inter Segment Eliminations                                  | (67,116)                               | (65,040)               | (64,943)                               | (261,407)            | (247,234)            |
| <b>Net Sales / Income from Operations</b>                         | <b>697,472</b>                         | <b>660,770</b>         | <b>602,696</b>                         | <b>2,643,197</b>     | <b>2,240,744</b>     |
| <b>Segment Results</b>                                            |                                        |                        |                                        |                      |                      |
| Profit before Finance Charges and Tax from each segment           |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 93,015                                 | 72,713                 | 64,691                                 | 316,402              | 207,790              |
| International Long Distance                                       | 1,091                                  | 1,296                  | 882                                    | 7,083                | 3,655                |
| Passive Infrastructure                                            | 15,108                                 | 14,901                 | 10,817                                 | 57,943               | 41,232               |
| <b>Profit before Finance Charges and Tax</b>                      | <b>109,214</b>                         | <b>88,910</b>          | <b>76,390</b>                          | <b>381,428</b>       | <b>252,677</b>       |
| Less: Finance & Treasury Charges (Net)                            | 19,655                                 | 15,750                 | 22,444                                 | 77,001               | 94,945               |
| <b>Profit before tax</b>                                          | <b>89,559</b>                          | <b>73,160</b>          | <b>53,946</b>                          | <b>304,427</b>       | <b>157,732</b>       |
| <b>Capital Employed</b><br>(Segment Assets - Segment Liabilities) |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 3,302,303                              | 2,217,408              | 2,340,523                              | 3,302,303            | 2,340,523            |
| International Long Distance                                       | 1,366                                  | 988                    | 2,604                                  | 1,366                | 2,604                |
| Passive Infrastructure                                            | 347,681                                | 354,212                | 310,850                                | 347,681              | 310,850              |
| Unallocated                                                       | 246,168                                | 534,883                | 292,733                                | 246,168              | 292,733              |
| <b>Total</b>                                                      | <b>3,897,518</b>                       | <b>3,107,491</b>       | <b>2,946,710</b>                       | <b>3,897,518</b>     | <b>2,946,710</b>     |



**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 28<sup>th</sup> April 2014.
2. The consolidated financial results have been prepared in accordance with Accounting Standard – 21 on "Consolidated Financial Statements" and Accounting Standard – 27 on "Financial Reporting of Interests in Joint Ventures". Financial results of the following subsidiaries viz. Idea Cellular Services Limited, Idea Cellular Infrastructure Services Limited, Idea Telesystems Limited, Idea Mobile Commerce Services Limited and Aditya Birla Telecom Limited (ABTL) & its Joint Venture Indus Towers Limited, have been consolidated.
3. The financial results for the quarter ended 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter of the respective financial years.
4. The Department of Telecommunications (DoT) conducted auction for the 900 and 1800 Mhz spectrum in February 2014. The Company successfully bid for its requirements in the 11 service areas of Maharashtra, Madhya Pradesh, Kerala, Gujarat, Andhra Pradesh, Haryana, Punjab, Karnataka, Mumbai, Delhi and North East in the 1800 Mhz band and for Delhi service area also in the 900 Mhz band at a total cost of ₹ 1,042,422 Lacs. This spectrum which is yet to be earmarked and allotted to the company as on March 31, 2014 is for a twenty year period.
5. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
  - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 36,913 Lacs, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 174,437 Lacs.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard.

6. Audited financial results of Idea Cellular Limited (Standalone) :-

₹ Lacs

| Particulars          | Quarter ended        |                        |                      | Year ended           |                      |
|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
|                      | 31-Mar-14<br>Audited | 31-Dec-13<br>Unaudited | 31-Mar-13<br>Audited | 31-Mar-14<br>Audited | 31-Mar-13<br>Audited |
| Total Revenues       | 695,010              | 652,364                | 596,546              | 2,617,947            | 2,208,687            |
| Profit before Tax    | 76,964               | 61,844                 | 45,412               | 260,528              | 128,864              |
| Net Profit after Tax | 50,434               | 39,323                 | 25,416               | 168,931              | 81,826               |



8/17

## 7. Statement of Assets and Liabilities :-

| Particulars                                                                         | ₹ In Lacs                     |                               |
|-------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                                                     | As at<br>31-Mar-14<br>Audited | As at<br>31-Mar-13<br>Audited |
| <b>A EQUITY AND LIABILITIES</b>                                                     |                               |                               |
| <b>1 Shareholders' funds</b>                                                        |                               |                               |
| (a) Share Capital                                                                   | 331,963                       | 331,432                       |
| (b) Reserves and Surplus                                                            | 1,320,542                     | 1,098,904                     |
| <b>Sub-total Shareholders' funds</b>                                                | <b>1,652,505</b>              | <b>1,430,336</b>              |
| <b>Compulsorily Convertible Preference Shares</b><br>(issued by Subsidiary Company) | 193                           | 193                           |
| <b>2 Non-current liabilities</b>                                                    |                               |                               |
| (a) Long-term borrowings                                                            | 1,812,841                     | 1,180,472                     |
| (b) Deferred tax liabilities (net)                                                  | 181,328                       | 111,803                       |
| (c) Other long-term liabilities                                                     | 92,291                        | 79,461                        |
| (d) Long-term provisions                                                            | 49,860                        | 31,421                        |
| <b>Sub-total non-current liabilities</b>                                            | <b>2,136,320</b>              | <b>1,403,157</b>              |
| <b>3 Current liabilities</b>                                                        |                               |                               |
| (a) Short-term borrowings                                                           | 64,716                        | 45,853                        |
| (b) Trade Payables                                                                  | 278,800                       | 268,711                       |
| (c) Other current liabilities                                                       | 504,444                       | 477,073                       |
| (d) Short-term provisions                                                           | 18,769                        | 12,485                        |
| <b>Sub-total current liabilities</b>                                                | <b>866,729</b>                | <b>804,122</b>                |
| <b>TOTAL - EQUITY AND LIABILITIES</b>                                               | <b>4,655,747</b>              | <b>3,637,808</b>              |
| <b>B ASSETS</b>                                                                     |                               |                               |
| <b>1 Non-current assets</b>                                                         |                               |                               |
| (a) Fixed assets                                                                    | 4,101,526                     | 3,003,499                     |
| (b) Goodwill                                                                        | 612                           | 612                           |
| (c) Long-term loans and advances                                                    | 289,707                       | 304,792                       |
| (d) Other non-current assets                                                        | 14,484                        | 0                             |
| <b>Sub-total non-current assets</b>                                                 | <b>4,406,329</b>              | <b>3,308,903</b>              |
| <b>2 Current assets</b>                                                             |                               |                               |
| (a) Current investments                                                             | 21,553                        | 102,802                       |
| (b) Inventories                                                                     | 6,831                         | 7,264                         |
| (c) Trade receivables                                                               | 80,062                        | 96,008                        |
| (d) Cash and cash equivalents                                                       | 18,810                        | 14,291                        |
| (e) Short-term loans and advances                                                   | 121,815                       | 108,453                       |
| (f) Other current assets                                                            | 347                           | 87                            |
| <b>Sub-total current assets</b>                                                     | <b>249,418</b>                | <b>328,905</b>                |
| <b>TOTAL - ASSETS</b>                                                               | <b>4,655,747</b>              | <b>3,637,808</b>              |

8. The Board of Directors has recommended a dividend at the rate of ₹ 0.40 (Previous year ₹ 0.30) per share of face value of Rs. 10/- aggregating ₹ 15,535 Lacs including ₹ 2,257 Lacs Dividend Distribution Tax for the year ended 31<sup>st</sup> March 2014 (Previous year ₹ 11,633 Lacs including ₹ 1,690 Lacs Dividend Distribution Tax). The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.
9. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of  
**IDEA CELLULAR LIMITED**

*Himanshu Kapania*  
Himanshu Kapania  
Managing Director

Date : 28<sup>th</sup> April 2014  
Place : Mumbai



## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDEA CELLULAR LIMITED

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

1. We have audited the accompanying Statement of Standalone Financial Results of **Idea Cellular Limited** ("the Company") for the year ended 31<sup>st</sup> March 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement has been prepared on the basis of the related annual financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 2 of the Statement regarding figures for the quarter ended 31<sup>st</sup> March 2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. 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 Clause 41 of the Listing Agreements with the Stock Exchanges and
  - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31<sup>st</sup> March 2014.
5. We draw attention to Note 5 of the Statement. The Department of Telecommunication (DoT) has issued demand notices dated 8<sup>th</sup> January 2013 towards one time spectrum charges for spectrum held by the Company beyond 6.2 Mhz for the period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012 amounting to Rs. 36,913 lakhs and beyond 4.4 Mhz for the period from 1<sup>st</sup> January 2013 till the expiry of the license amounting to Rs. 174,437 lakhs in the respective telecom service areas. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. The Company therefore filed a petition before the Hon'ble High

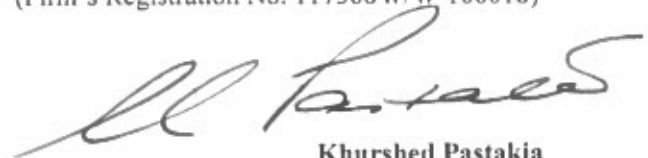
Court of Bombay, which has directed DoT, not to take any coercive action until the matter is further heard.

The financial impact of the abovementioned matter is dependent upon the outcome of the petition filed by the Company in the Hon'ble High Court of Bombay and therefore no effect for the one time spectrum charges has been given in these financial results.

Our opinion is not qualified in respect of this matter.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoter and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and year ended 31<sup>st</sup> March 2014, from the details furnished by the Management and the Registrars respectively.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Khurshed Pastakia**  
Partner  
(Membership No. 31544)

Mumbai: 28<sup>th</sup> April 2014

11/17

| <div>  <b>IDEA CELLULAR LIMITED</b><br/>           Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976<br/>           Audited Financial Results for the quarter and year ended 31-March-2014         </div> |                                        |                        |                                        |                      |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------|----------------------------------------|----------------------|----------------------|
| Part I                                                                                                                                                                                                                                                                                                                                      |                                        |                        |                                        |                      |                      |
| Particulars                                                                                                                                                                                                                                                                                                                                 | Quarter ended                          |                        |                                        | Year ended           |                      |
|                                                                                                                                                                                                                                                                                                                                             | 31-Mar-14<br>Audited<br>(refer note 2) | 31-Dec-13<br>Unaudited | 31-Mar-13<br>Audited<br>(refer note 2) | 31-Mar-14<br>Audited | 31-Mar-13<br>Audited |
| Net Sales / Income from Operations                                                                                                                                                                                                                                                                                                          | 688,642                                | 652,094                | 593,345                                | 2,611,040            | 2,204,343            |
| Other Operating Income                                                                                                                                                                                                                                                                                                                      | 6,368                                  | 270                    | 3,201                                  | 6,907                | 4,344                |
| <b>TOTAL REVENUE</b>                                                                                                                                                                                                                                                                                                                        | <b>695,010</b>                         | <b>652,364</b>         | <b>596,546</b>                         | <b>2,617,947</b>     | <b>2,208,687</b>     |
| Personnel Expenditure                                                                                                                                                                                                                                                                                                                       | 27,209                                 | 30,607                 | 26,248                                 | 116,101              | 100,383              |
| Network Expenses & IT Outsourcing Cost                                                                                                                                                                                                                                                                                                      | 197,851                                | 188,899                | 164,494                                | 747,455              | 635,520              |
| Licence & WPC Charges                                                                                                                                                                                                                                                                                                                       | 75,822                                 | 72,323                 | 71,909                                 | 292,380              | 247,525              |
| Roaming & Access Charges                                                                                                                                                                                                                                                                                                                    | 110,114                                | 100,895                | 107,697                                | 416,156              | 401,453              |
| Subscriber Acquisition & Servicing Expenditure & Advertisement and Business Promotion Expenditure                                                                                                                                                                                                                                           | 70,716                                 | 65,528                 | 67,437                                 | 255,221              | 258,599              |
| Depreciation & Amortisation                                                                                                                                                                                                                                                                                                                 | 103,163                                | 105,818                | 79,944                                 | 409,324              | 305,436              |
| Other Expenditure                                                                                                                                                                                                                                                                                                                           | 16,653                                 | 14,336                 | 14,116                                 | 58,303               | 49,562               |
| <b>TOTAL EXPENDITURE</b>                                                                                                                                                                                                                                                                                                                    | <b>601,528</b>                         | <b>578,406</b>         | <b>531,845</b>                         | <b>2,294,940</b>     | <b>1,998,478</b>     |
| <b>PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX</b>                                                                                                                                                                                                                                                                  | <b>93,482</b>                          | <b>73,958</b>          | <b>64,701</b>                          | <b>323,007</b>       | <b>210,209</b>       |
| Other Income                                                                                                                                                                                                                                                                                                                                | -                                      | -                      | -                                      | -                    | -                    |
| <b>PROFIT BEFORE FINANCE CHARGES AND TAX</b>                                                                                                                                                                                                                                                                                                | <b>93,482</b>                          | <b>73,958</b>          | <b>64,701</b>                          | <b>323,007</b>       | <b>210,209</b>       |
| Finance and Treasury Charges (Net)                                                                                                                                                                                                                                                                                                          | 16,518                                 | 12,114                 | 19,289                                 | 62,479               | 81,345               |
| <b>PROFIT BEFORE TAX</b>                                                                                                                                                                                                                                                                                                                    | <b>76,964</b>                          | <b>61,844</b>          | <b>45,412</b>                          | <b>260,528</b>       | <b>128,864</b>       |
| Provision for Taxation (Net of MAT credit)                                                                                                                                                                                                                                                                                                  | 26,530                                 | 22,521                 | 19,996                                 | 91,597               | 47,038               |
| <b>NET PROFIT AFTER TAX</b>                                                                                                                                                                                                                                                                                                                 | <b>50,434</b>                          | <b>39,323</b>          | <b>25,416</b>                          | <b>168,931</b>       | <b>81,826</b>        |
| Paid up Equity Share Capital (Face value ₹ 10 per share)                                                                                                                                                                                                                                                                                    | 331,963                                | 331,817                | 331,432                                | 331,963              | 331,432              |
| Reserves excluding Revaluation Reserve                                                                                                                                                                                                                                                                                                      |                                        |                        |                                        | 1,226,472            | 1,070,558            |
| Earnings Per Share for the period (₹)                                                                                                                                                                                                                                                                                                       |                                        |                        |                                        |                      |                      |
| - Basic                                                                                                                                                                                                                                                                                                                                     | 1.52                                   | 1.19                   | 0.77                                   | 5.09                 | 2.47                 |
| - Diluted                                                                                                                                                                                                                                                                                                                                   | 1.51                                   | 1.18                   | 0.77                                   | 5.08                 | 2.47                 |
| <b>Debt Service Coverage Ratio (DSCR) *</b>                                                                                                                                                                                                                                                                                                 |                                        |                        |                                        | <b>2.54</b>          | <b>1.60</b>          |
| <b>Interest Service Coverage Ratio (ISCR) **</b>                                                                                                                                                                                                                                                                                            |                                        |                        |                                        | <b>8.13</b>          | <b>5.48</b>          |
| * DSCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs/(Gross Finance Costs+scheduled long term principal repayments excluding prepayments)                                                                                                                                                                            |                                        |                        |                                        |                      |                      |
| ** ISCR=Profit after Tax + Depreciation & Amortisation + Gross Finance Costs/(Gross Finance Costs)                                                                                                                                                                                                                                          |                                        |                        |                                        |                      |                      |
| Part II - Select Information for the quarter and year ended 31-March-2014                                                                                                                                                                                                                                                                   |                                        |                        |                                        |                      |                      |
| A. Particulars of Share Holding                                                                                                                                                                                                                                                                                                             |                                        |                        |                                        |                      |                      |
| 1. Public Shareholding                                                                                                                                                                                                                                                                                                                      |                                        |                        |                                        |                      |                      |
| - Number of Shares                                                                                                                                                                                                                                                                                                                          | 1,798,952,714                          | 1,797,486,166          | 1,793,642,719                          | 1,798,952,714        | 1,793,642,719        |
| - Percentage of Shareholdings                                                                                                                                                                                                                                                                                                               | 54.19%                                 | 54.17%                 | 54.12%                                 | 54.19%               | 54.12%               |
| 2. Promoters and promoter group shareholding                                                                                                                                                                                                                                                                                                |                                        |                        |                                        |                      |                      |
| a) Pledged/Encumbered                                                                                                                                                                                                                                                                                                                       |                                        |                        |                                        |                      |                      |
| - No. of shares                                                                                                                                                                                                                                                                                                                             | -                                      | -                      | -                                      | -                    | -                    |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                                                                                                                                                                                                                                                    | 0.00%                                  | 0.00%                  | 0.00%                                  | 0.00%                | 0.00%                |
| - Percentage of shares (as a % of the total share capital of the Company)                                                                                                                                                                                                                                                                   | 0.00%                                  | 0.00%                  | 0.00%                                  | 0.00%                | 0.00%                |
| b) Non-encumbered                                                                                                                                                                                                                                                                                                                           |                                        |                        |                                        |                      |                      |
| - No. of shares                                                                                                                                                                                                                                                                                                                             | 1,520,679,047                          | 1,520,679,047          | 1,520,679,047                          | 1,520,679,047        | 1,520,679,047        |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                                                                                                                                                                                                                                                    | 100.00%                                | 100.00%                | 100.00%                                | 100.00%              | 100.00%              |
| - Percentage of shares (as a % of the total share capital of the Company)                                                                                                                                                                                                                                                                   | 45.81%                                 | 45.83%                 | 45.88%                                 | 45.81%               | 45.88%               |
| B. Investor Complaints                                                                                                                                                                                                                                                                                                                      |                                        |                        |                                        |                      |                      |
| Quarter Ended 31-March-14                                                                                                                                                                                                                                                                                                                   |                                        |                        |                                        |                      |                      |
| Pending at the beginning of the quarter                                                                                                                                                                                                                                                                                                     | 0                                      |                        |                                        |                      |                      |
| Received during the quarter                                                                                                                                                                                                                                                                                                                 | 109                                    |                        |                                        |                      |                      |
| Disposed off during the quarter                                                                                                                                                                                                                                                                                                             | 109                                    |                        |                                        |                      |                      |
| Remaining unresolved at the end of the quarter                                                                                                                                                                                                                                                                                              | 0                                      |                        |                                        |                      |                      |



12/17

**Idea****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-2014

**Segmental Reporting**

₹ In Lacs

| Particulars                                                       | Quarter ended                          |                        |                                        | Year ended           |                      |
|-------------------------------------------------------------------|----------------------------------------|------------------------|----------------------------------------|----------------------|----------------------|
|                                                                   | 31-Mar-14<br>Audited<br>(refer note 2) | 31-Dec-13<br>Unaudited | 31-Mar-13<br>Audited<br>(refer note 2) | 31-Mar-14<br>Audited | 31-Mar-13<br>Audited |
| <b>Segment Revenue</b>                                            |                                        |                        |                                        |                      |                      |
| Net Sales / Income from each segment                              |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 682,570                                | 647,370                | 588,307                                | 2,588,015            | 2,188,148            |
| International Long Distance                                       | 12,968                                 | 10,367                 | 10,952                                 | 47,256               | 38,308               |
| <b>Total</b>                                                      | 695,538                                | 657,737                | 599,259                                | 2,635,271            | 2,226,456            |
| Less: Inter Segment Eliminations                                  | (6,896)                                | (5,643)                | (5,914)                                | (24,231)             | (22,113)             |
| <b>Net sales / Income from operations</b>                         | 688,642                                | 652,094                | 593,345                                | 2,611,040            | 2,204,343            |
| <b>Segment Results</b>                                            |                                        |                        |                                        |                      |                      |
| Profit before Finance Charges and Tax from each segment           |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 92,391                                 | 72,662                 | 63,819                                 | 315,924              | 206,554              |
| International Long Distance                                       | 1,091                                  | 1,296                  | 882                                    | 7,083                | 3,655                |
| <b>Profit before Finance Charges and Tax</b>                      | 93,482                                 | 73,958                 | 64,701                                 | 323,007              | 210,209              |
| Less: Finance & Treasury Charges (Net)                            | 16,518                                 | 12,114                 | 19,289                                 | 62,479               | 81,345               |
| <b>Profit before tax</b>                                          | 76,964                                 | 61,844                 | 45,412                                 | 260,528              | 128,864              |
| <b>Capital Employed</b><br>(Segment assets - Segment liabilities) |                                        |                        |                                        |                      |                      |
| Mobility                                                          | 3,304,714                              | 2,235,150              | 2,373,294                              | 3,304,714            | 2,373,294            |
| International Long Distance                                       | 1,366                                  | 988                    | 2,604                                  | 1,366                | 2,604                |
| Unallocated                                                       | 341,625                                | 623,527                | 423,218                                | 341,625              | 423,218              |
| <b>Total</b>                                                      | 3,647,705                              | 2,859,665              | 2,799,116                              | 3,647,705            | 2,799,116            |



**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 28<sup>th</sup> April 2014.
2. The financial results for the quarter ended 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter of the respective financial years.
3. The Department of Telecommunications (DoT) conducted auction for the 900 and 1800 Mhz spectrum in February 2014. The Company successfully bid for its requirements in the 11 service areas of Maharashtra, Madhya Pradesh, Kerala, Gujarat, Andhra Pradesh, Haryana, Punjab, Karnataka, Mumbai, Delhi and North East in the 1800 Mhz band and for Delhi service area also in the 900 Mhz band at a total cost of ₹ 1,042,422 Lacs. This spectrum which is yet to be earmarked and allotted to the company as on March 31, 2014 is for a twenty year period.
4. Statement of Assets and Liabilities :-

| Particulars                              | ₹ In Lacs                     |                               |
|------------------------------------------|-------------------------------|-------------------------------|
|                                          | As at<br>31-Mar-14<br>Audited | As at<br>31-Mar-13<br>Audited |
| <b>A EQUITY AND LIABILITIES</b>          |                               |                               |
| <b>1 Shareholders' funds</b>             |                               |                               |
| (a) Share Capital                        | 331,963                       | 331,432                       |
| (b) Reserves and Surplus                 | 1,226,472                     | 1,070,558                     |
| <b>Sub-total Shareholders' funds</b>     | <b>1,558,435</b>              | <b>1,401,990</b>              |
| <b>2 Non-current liabilities</b>         |                               |                               |
| (a) Long-term borrowings                 | 1,714,388                     | 1,057,440                     |
| (b) Deferred tax liabilities (net)       | 153,105                       | 102,312                       |
| (c) Other long-term liabilities          | 139,727                       | 82,664                        |
| (d) Long-term provisions                 | 21,670                        | 20,189                        |
| <b>Sub-total non-current liabilities</b> | <b>2,028,890</b>              | <b>1,262,605</b>              |
| <b>3 Current liabilities</b>             |                               |                               |
| (a) Short-term borrowings                | 60,936                        | 70,504                        |
| (b) Trade Payables                       | 263,437                       | 243,158                       |
| (c) Other current liabilities            | 468,487                       | 452,011                       |
| (d) Short-term provisions                | 18,650                        | 12,397                        |
| <b>Sub-total current liabilities</b>     | <b>811,510</b>                | <b>778,070</b>                |
| <b>TOTAL - EQUITY AND LIABILITIES</b>    | <b>4,398,835</b>              | <b>3,442,665</b>              |
| <b>B ASSETS</b>                          |                               |                               |
| <b>1 Non-current assets</b>              |                               |                               |
| (a) Fixed assets                         | 3,740,423                     | 2,678,197                     |
| (b) Non-Current Investments              | 164,121                       | 163,771                       |
| (c) Long-term loans and advances         | 282,923                       | 300,187                       |
| <b>Sub-total non-current assets</b>      | <b>4,187,467</b>              | <b>3,142,155</b>              |
| <b>2 Current assets</b>                  |                               |                               |
| (a) Current investments                  | -                             | 92,960                        |
| (b) Inventories                          | 4,874                         | 5,451                         |
| (c) Trade receivables                    | 76,969                        | 91,568                        |
| (d) Cash and cash equivalents            | 13,953                        | 11,574                        |
| (e) Short-term loans and advances        | 115,226                       | 98,873                        |
| (f) Other current assets                 | 346                           | 84                            |
| <b>Sub-total current assets</b>          | <b>211,368</b>                | <b>300,510</b>                |
| <b>TOTAL - ASSETS</b>                    | <b>4,398,835</b>              | <b>3,442,665</b>              |



5. On 8<sup>th</sup> January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
- for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1<sup>st</sup> July 2008 to 31<sup>st</sup> December 2012, amounting to ₹ 36,913 Lacs, and
  - for spectrum beyond 4.4 Mhz in respective service areas effective 1<sup>st</sup> January 2013 till expiry of the period as per respective licenses, amounting to ₹ 174,437 Lacs.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard.

6. The Board of Directors has recommended a dividend at the rate of ₹ 0.40 (Previous year ₹ 0.30) per share of face value of Rs. 10/- aggregating ₹ 15,535 Lacs including ₹ 2,257 Lacs Dividend Distribution Tax for the year ended 31<sup>st</sup> March 2014 (Previous year ₹ 11,633 Lacs including ₹ 1,690 Lacs Dividend Distribution Tax). The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.
7. Previous periods' figures have been regrouped and rearranged wherever necessary.

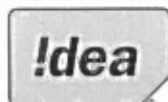
For and on behalf of the Board of Directors of  
**IDEA CELLULAR LIMITED**

*Himanshu Kapania*  
Himanshu Kapania  
Managing Director

Date : 28<sup>th</sup> April 2014  
Place : Mumbai



15/17



## Media Release

Mumbai –April 28, 2014

Idea Cellular announces audited results for the Fourth Quarter (Q4) and Year ended March 31, 2014

### Highlights – Q4 FY14

- Idea – Standalone<sup>1</sup> – Revenue Rs. 70,406mn, EBITDA Rs. 19,881mn, PAT Rs. 5,138mn
- Idea – Consolidated<sup>2</sup> – Revenue Rs. 70,438mn, EBITDA Rs. 22,302mn, PAT Rs. 5,898mn

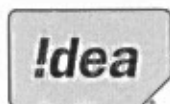
|                                                  | Idea Standalone <sup>1</sup> |         |         |         | Idea Consolidated <sup>2</sup> |        |         |         |
|--------------------------------------------------|------------------------------|---------|---------|---------|--------------------------------|--------|---------|---------|
|                                                  | Q4FY14                       | Q3FY14  | FY14    | FY13    | Q4FY14                         | Q3FY14 | FY14    | FY13    |
| Revenue - Established Service Areas <sup>3</sup> | 66,699                       | 62,779  | 251,296 | 198,459 |                                |        |         |         |
| Revenue - New Service Areas <sup>4</sup>         | 3,707                        | 3,326   | 13,741  | 27,490  |                                |        |         |         |
| Total Revenue                                    | 70,406                       | 66,105  | 265,036 | 225,949 | 70,438                         | 66,131 | 265,189 | 224,576 |
| EBITDA - Established Service Areas <sup>3</sup>  | 21,555                       | 19,716  | 79,710  | 60,621  |                                |        |         |         |
| EBITDA - New Service Areas <sup>4</sup>          | (1,674)                      | (1,581) | (5,828) | (6,907) |                                |        |         |         |
| Total EBITDA                                     | 19,881                       | 18,135  | 73,883  | 53,715  | 22,302                         | 20,557 | 83,337  | 60,046  |
| EBITDA% - Established Service Areas <sup>3</sup> | 32.3%                        | 31.4%   | 31.7%   | 30.5%   |                                |        |         |         |
| EBITDA% - New Service Areas <sup>4</sup>         | -45.2%                       | -47.5%  | -42.4%  | -25.1%  |                                |        |         |         |
| Total EBITDA%                                    | 28.2%                        | 27.4%   | 27.9%   | 23.8%   | 31.7%                          | 31.1%  | 31.4%   | 26.7%   |
| Depreciation & Amortisation                      | 10,402                       | 10,671  | 41,291  | 32,142  | 11,380                         | 11,666 | 45,194  | 34,778  |
| EBIT                                             | 9,479                        | 7,465   | 32,592  | 21,572  | 10,922                         | 8,891  | 38,143  | 25,268  |
| Interest and Financing Cost (Net)                | 1,653                        | 1,213   | 6,274   | 8,184   | 1,966                          | 1,575  | 7,700   | 9,495   |
| Dividend from Indus                              | -                            | -       | 838     | 1,543   | -                              | -      | -       | -       |
| PBT                                              | 7,825                        | 6,251   | 27,156  | 14,931  | 8,956                          | 7,316  | 30,443  | 15,774  |
| PAT                                              | 5,138                        | 3,981   | 17,932  | 10,080  | 5,898                          | 4,678  | 19,678  | 10,109  |
| Cash Profit <sup>5</sup>                         | 16,694                       | 15,663  | 64,350  | 46,968  | 18,505                         | 17,435 | 70,369  | 49,795  |

Note: Mumbai and Bihar service areas have been included in Established Service Areas from Q1FY14, previous year figures have not been restated.

Idea continues its enviable track record of being the fastest growing Indian Mobile operator with 17.3% growth in gross revenue in FY14 to Rs. 265,036, nearly double the wireless Industry growth rate. The 6.5% sequential quarterly revenue growth in Q4FY14 is driven by sharp expansion of voice minutes @8.6% to 157.1 billion minutes and mobile data volume (2G+3G) growth @ 31.0% to 27.3 billion MB vs Q3FY14, indicating strong consumer demand for Idea mobile telephony.

The company clocked 17.7 million Net subscribers on VLR in FY14 against 14.9 million Net subscriber VLR additions in FY13 strengthening its presence in Indian Mobile Market. Idea now serves 137.9 million quality subscribers as on 31<sup>st</sup> March 2014. The company strengthened its competitive standing with 'VLR Subscriber Market Share' @17.3% (February 2014) & 'Revenue Market Share' (RMS) @16.1% in Q3FY14, an RMS improvement of over 1.3% compared to Q3FY13. The quality of Idea subscribers also improved as ARPU increased to Rs.173 (vs Rs.169 in Q3FY14) and subscriber blended churn fell by 1.4% to 4.2% (vs Q3FY14).

The three quarters uptrend of 'Average Realisation per Minute' (ARPM) was halted with decline in ARPM by 2.8% to 43.6p from 44.9p but the voice elasticity of demand more than compensated the ARPM fall. In comparison, the company improved 'Non Voice Revenue' share to 16.5% (16.1% in Q3FY14) led by data growth.



The exponential growth of volume helped Data revenue reach 10.1% of overall 'Service Revenue' in Q4FY14, an increase of 3.5% over last one year. The company further revised Data subscriber definition, by eliminating from its reporting incidental data users of less than 1 Megabyte/month; there by Idea mobile Data user base remains nearly flat at 25.3 million (2G+3G). Consequently, blended (2G+3G) Data ARPU improved to Rs. 104 and Mobile Data Usage per Data subscriber grew to 410 MB (2G+3G) in Q4FY14. The 'Average Realisation per MB' (ARMB) fell sharply by 4.3p in Q4FY14 to 25.3p, a harsh reminder of market place battle.

The company added 5.1 million new 3G users in FY14 with 3G EoP base now at 10.2 million. The 3G user mobile data ARPU is steady at Rs. 111 per month. Idea supported its consumer centricity vision by aggressive Network expansion of 4,241 3G NodeBs, 14,684 GSM sites and ~ 8,000 km of OFC during FY14 expanding its rural coverage and strengthening urban Voice and Data Network.

Inspite of higher Network expansion and inflationary pressures, Idea recorded this financial year annual EBITDA growth @ 37.5% to Rs. 73,883 million over FY13 helping improve its standalone EBITDA margin by 4.1% to 27.9%. The strong Q4FY14 revenue growth has translated into EBITDA margin improvement of 0.8% with sequential quarterly EBITDA growth of 9.6%.

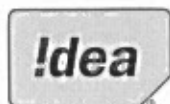
The double bottom line drivers of Voice and Data Business helped Idea grow its standalone Profit After Tax (PAT) from Rs. 10,080 million in FY13 to Rs.17,932 million this financial year. At consolidated level including Indus 16% contribution, Idea revenue grew by 18.1% on Financial Year basis & consolidated EBITDA by 38.8% helping margin improve by 4.7% to 31.4% in FY14.

In the recently concluded February 2014 spectrum Auction, Idea won 65.2 MHz of spectrum including 5MHz of 900 MHz spectrum for Delhi & 45 MHz contiguous spectrum of 1800 MHz spectrum band (out of 60.2 MHz). This 50 MHz contiguous spectrum (in 9 service areas) offers an option for Idea to expand its data network footprint on 3G platform in Delhi and LTE in 8 service areas of Kerala, Maharashtra & Goa, Andhra Pradesh, Karnataka, Madhya Pradesh & Chhattisgarh, Punjab, Haryana and North East, at an opportune time, as and when the market and technology mature.

In this February 2014 spectrum auction company has committed an amount of Rs.104,242 million including upfront payment of Rs.31,436 million and Rs.72,806 million as government 'Deferred Payment Liabilities towards spectrum'. Thus, inspite of generating Rs. 64,350 million Cash Profit in FY14 an increase of 37.0% over FY13, Idea Net debt has increased to Rs. 191,855 million and Q4FY14 Net Debt to Annualised Q4 EBITDA to 2.41. The government 'Deferred Payment Liabilities towards spectrum' is reflecting as Debt in our books.

With a strong performance, the board of Idea has recommended dividend @ 4%, an overall payment of Rs. 1,554 million (including dividend distribution tax).

As Mobility market services expand, Indian Telecom business offers exciting growth opportunities in Mobile Broadband and Rural voice telephony. Brand Idea with growing consumer affinity, strong Cash flows, expanding spectrum profile and infrastructure, reaffirms its ability to overcome current uncertain phase, emerge stronger and consolidate its market position to tap emerging voice and wireless broadband opportunities.



#### Notes:

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the Joint Venture i.e. Indus.
2. Idea Consolidated represents Idea Standalone and proportionate consolidation of Indus (@16%).
3. Established Service Areas represent 15 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan, Himachal Pradesh, Punjab, Karnataka as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13 Established Service Areas were 13, not including Mumbai and Bihar.
4. New Service Areas represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar.
5. Cash Profit is calculated as summation of PAT, Depreciation & Amortisation, charge on account of ESOPs and Deferred tax, for the relevant period.
6. Figures for past periods have been regrouped, wherever necessary.

#### About Idea Cellular Ltd.

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 16.1% (Q3FY14). Idea is listed on the National Stock Exchange (NSE), and the Bombay Stock Exchange (BSE) in India. Idea is part of the Aditya Birla Group, India's first truly multinational group. The group operates more than 30 countries, is anchored by an extraordinary force of over 136,000 employees belonging to 42 nationalities, and derives over 50% of its revenues from operations outside India.

Idea Cellular Limited - 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.ideacellular.com](http://www.ideacellular.com); E-mail: [info@ideacellular.com](mailto:info@ideacellular.com).