

November 2, 2015

**Idea Cellular Limited (ICL): CARE revises rating for Non-Convertible Debenture issue from 'CARE AA +(Double A Plus) to 'CARE AA (Double A)'**

Credit Analysis & Research Limited ("CARE") has revised its rating on the Non-Convertible Debenture issue from 'CARE AA + (Double A Plus) to 'CARE AA (Double A)'.

The revision in the rating assigned to the Non-Convertible Debentures (NCDs) takes into account long term bank facilities/ financial instruments of ICL factors in the retention of 900 Mhz spectrum in March 2015 spectrum auction by ICL in its prominent nine circles (which was due for renewal in 2015-16) contributing 73% to its total revenues and 68% of the subscriber base, its consistently healthy operational performance driven by consistent rise in subscriber base, steady increase in Average Revenue per User (ARPU) and Revenue Market Share (RMS) with concomitant enhancement in profitability. ICL's total subscriber base has increased from around 136 million as on March 31, 2014 to around 158 million as on March 31, 2015, while ARPU increased from Rs.173 in FY14 (refers to the period April 1 to March 31) to Rs.179 for the quarter ended Q3FY15 (refers to the period April 1 to December 31) and RMS improved from 16.60% as on March 31, 2014 to 17.50% as on December 31, 2014.

The rating further derives strength from the strong liquidity profile characterized by low utilisations of working capital borrowings thereby providing cushion for any contingencies and improved debt coverage indicators with phased out term repayments.

IDBI Trusteeship Services Limited

Sd/-

Authorised Signatory