



Research Report

Vodafone Idea Limited



Prepared By-

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About

Vodafone Idea is one of the leading telecom service providers in India. The Company is engaged in the business of Mobility and Long Distance services, trading of handsets and data cards.

Key Business segments

The company's business services include voice business/ services, broadband services, content services, enterprise services and other VAS offerings like entertainment, SMS, Utility, etc.

1) VIL Customer Offering - Service App, Content and OTT app, REDX Experience, Broadband, SMB Digitalisation, Digital Engagement Platform.

2) Dynamic Platform - Cinema / TV Shows Live TV, Big Data Machine Learning Telco Credit, B2B Services, Edge Cloud etc.

3) VIL Partners - Global and regional Content Providers, Handset Manufacturers, Financial institutions and NBFCs, Major Network & IT Vendors etc.

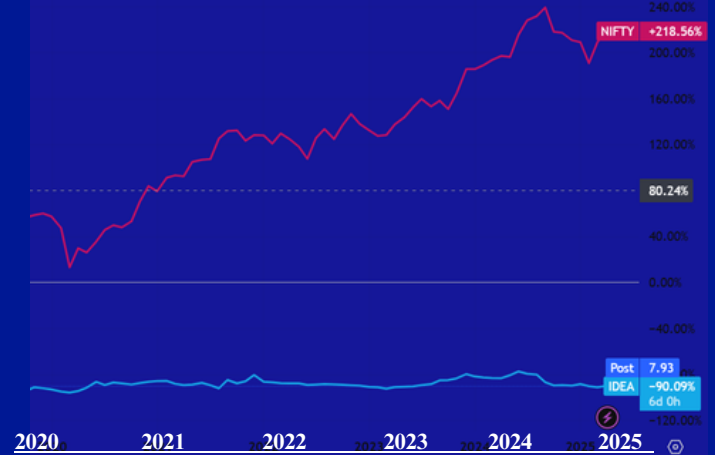
Synopsis of Financials

- **Q3FY25 revenues at ₹111.2 billion, a YoY growth of 4.2%.**
- **EBITDA (excluding IndAS116) improved by 15% YoY to ₹24.5 billion, with a margin of 22%.**
- **Significant reduction in bank debt by ₹52.9 billion over the past year, currently at ₹23.3 billion.**

Stock data (as 22nd April 2025)

Nifty Price	: 24,246.70
52 week High (in Rs.)	: 19.2
52 week Low (in Rs.)	: 6.60
Market Cap. (in Crore)	: 86,458
NSE Code	: <u>IDEA</u>

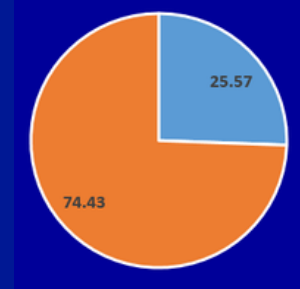
Stock data



-NIFTY50

-Vodafone Idea Limited

Shareholding Pattern (March 2025)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	38,516	42,177	42,652
Sales Growth %	-8.19%	9.51%	1.13%
Expenses	22,547	25,424	25,580
Operating Profit	15,968	16,753	17,072
OPM %	41%	40%	40%
Net Profit	-28,245	-29,301	-31,238
EPS in Rs	-8.79	-6.02	-6.23

Quarterly Results



Particular	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	10,656	10,716	10,673	10,607	10,508	10,932	11,117
Expenses	6,499	6,435	6,324	6,274	6,304	6,383	6,405
Operating Profit	4,156	4,282	4,349	4,333	4,205	4,550	4,712
OPM %	39%	40%	41%	41%	40%	42%	42%
Other Income	21	34	780	32	256	300	250
Interest	6,398	6,569	6,518	6,280	5,519	6,614	5,940
Depreciation	5,616	5,667	5,598	5,751	5,369	5,404	5,629
Profit before tax	-7,837	-7,920	-6,987	-7,666	-6,427	-7,168	-6,607
Tax %	0%	10%	0%	0%	0%	0%	0%
Net Profit	-7,840	-8,738	-6,986	-7,675	-6,432	-7,176	-6,609

Source: Screener

Key Ratios

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reason for variance
Current Ratio ⁽¹⁾	0.34	0.38	(12)%	
Debt Equity Ratio ⁽²⁾	(2.01)	(2.73)	(27)%	Mainly due to decrease in Net worth due to loss for the year
Debt Service Coverage Ratio ('DSCR') ⁽³⁾	0.24	0.25	(5)%	
Return on Equity Ratio ⁽⁴⁾	NA*	NA*	NA	
Trade Receivables turnover ratio (number of days) ⁽⁵⁾	18	20	(7)%	
Trade Payables turnover ratio ⁽⁶⁾	1.57	1.64	(4)%	
Net capital turnover ratio ⁽⁷⁾	(0.77)	(0.70)	10%	
Net Profit ratio (%) ⁽⁸⁾	(74)%	(70)%	6%	
Return on Capital employed ⁽⁹⁾	(5)%	(5)%	9%	
Return on investment ⁽¹⁰⁾	NA	NA	NA	

Source: Annual Report

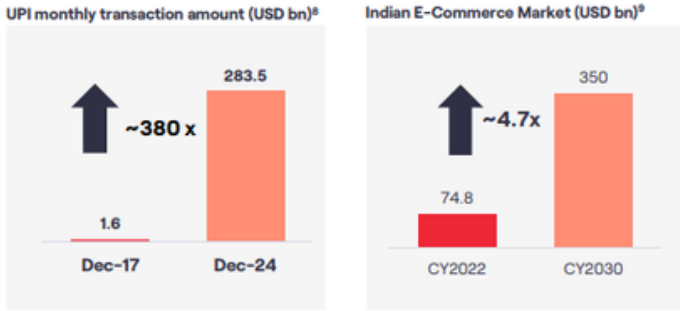
Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	32,119	48,680	50,120
Reserves	-94,084	-1,23,039	-1,54,287
Borrowings	2,13,761	2,37,766	2,43,809
Other Liabilities	42,233	43,836	45,355
Total Liabilities	1,94,029	2,07,243	1,84,997
Fixed Assets	1,56,819	1,56,255	1,40,125
CWIP	364	17,876	18,189
Investments	5	6	0
Other Assets	36,841	33,105	26,683
Total Assets	1,94,029	2,07,243	1,84,997

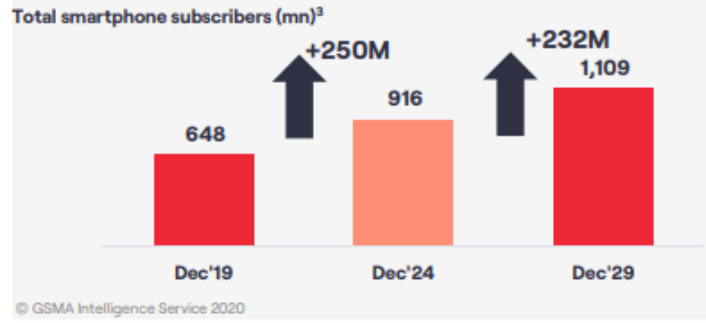
Highlights



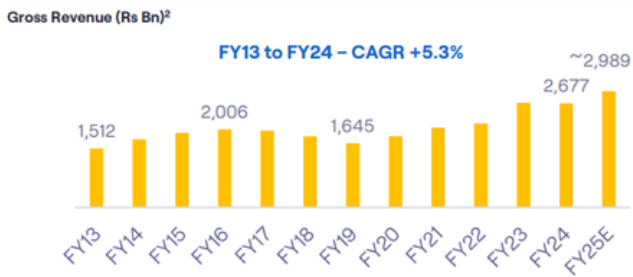
Rapid digitalization of Indian market



Increasing smartphone usage



Significant growth potential for Telecom Revenue



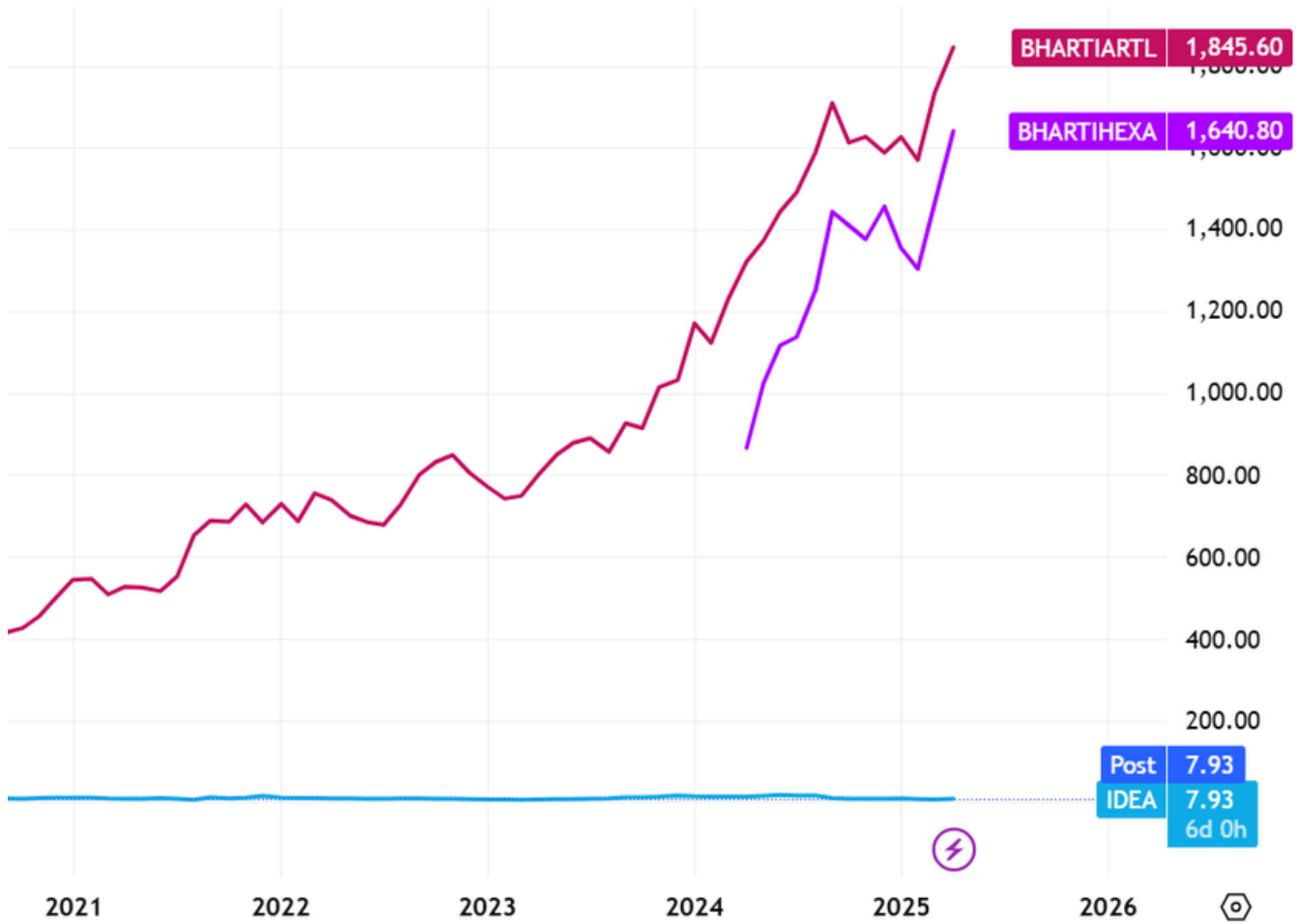
Significant runway for ARPU growth



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	3mth return %
1.	Bharti Airtel	1855.00	55.65	1113137.47	14.40
2.	Vodafone Idea	7.98		86457.77	-15.33
3.	Bharti Hexacom	1641.60	78.15	82080.00	25.28
4.	Tata Comm	1578.50	39.51	44987.27	-2.76
5.	Tata Tele. Mah.	61.13		11950.48	-17.65

Source: Screener

Final Outlook

IDEA: HOLD | LTP: 7.98

The company faces significant financial challenges, including weak profitability, high debt levels, and negative cash flows. Despite generating revenue, net losses persist due to operational inefficiencies and elevated expenses. The balance sheet reflects a substantial debt burden, raising concerns about long-term solvency. Liquidity constraints, as indicated by cash flow issues, pose risks to short-term stability. The company's financial position remains fragile, with revenue growth not translating into sustainable profitability.

Vodafone Idea continues to face financial challenges, including high debt and intense competition in the telecom sector. While the company is making efforts to raise funds and improve its network, its ability to achieve sustained profitability remains uncertain. Investors should monitor its financial performance and strategic developments before making long-term commitments.

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