Vodafone Idea Ltd — 07 Jan 2026 Credit Rating Summary

Section	Details
Agency	CARE Ratings Limited (CareEdge)
Rating Change	Reaffirmed at **BBB- / A3** (No notch movement; Credit Update)
Outlook (Current vs Previous)	**Stable vs Stable** (Maintained despite funding delays)
Key Drivers of Change	1. **Funding Delay:** Missed October 2025 deadline for long-term debt closure; credit profile under pressure. 2. **Interim Liquidity:** Secured **₹3,300 Cr** via VITIL NCDs + FPO proceeds to bridge capex gap. 3. **Regulatory Catalyst:** SC ruling (Oct/Nov '25) allows GoI to reassess AGR dues; potential for significant liability reduction. 4. **Operational Urgency:** Capex is critical to arrest subscriber churn and drive ARPU via 4G/5G migration.
Rated Instruments	• **Standalone External Debt:** ₹1,126 Cr (Rating: BBB-; Stable) • **Subsidiary (VITIL) NCDs:** ₹3,300 Cr (Rating: BBB-; Stable)
Key Observations	• **Positives:** Substantial FPO proceeds used for capex; SC judicial window opens path for AGR relief; GoI support remains the primary safety net. • **Risks:** Continued delay in bank debt financial closure; high subscriber churn due to lagging 5G rollout; scheduled repayments of ₹1,126 Cr in next 12 months; high reliance on internal accruals for massive capex needs.
Investor Impact	• **Growth:** Stunted until 5G rollout accelerates. • **Margins:** Dependent on ARPU migration; current delay in capex limits upside. • **Leverage:** Standalone external debt is low (₹1,126 Cr), but massive AGR liabilities remain the primary solvency risk. • **Dilution:** High; delay in debt closure may force further equity rounds if GoI relief is delayed.
Agency / Cross Analysis	**Same Agency:** CARE notes a deviation from previous expectations (funding missed Oct '25 timeline). The agency has shifted focus from "imminent funding" to "GoI policy support" as the primary rating anchor. **Conclusion:** Credit profile is in a "wait-and-watch" phase; no deterioration yet, but liquidity cushion is tightening.
Final Inference	**Survival hinged on Sovereign intervention.** While standalone debt is manageable, the delay in bank funding makes the Supreme Court/GoI AGR reassessment the "make-or-break" event for equity valuation and credit stability.