



IDEA CELLULAR LIMITED
ANNUAL REPORT 2008-09





Mr. G. D. Birla and Mr. Aditya Birla, our founding fathers.

We live by their values.

Integrity, Commitment, Passion, Seamlessness and Speed

The Chairman's Letter to Shareholders



Dear Shareholders,

The Indian mobility sector witnessed robust growth during the year. The total mobility subscribers, as on March 2009, stood at 392 million, registering an annual growth of around 50%. The low cost of entry and service, coupled with the deeper penetration of the network, have been the main drivers of the sector growth.

Your Company had an excellent year, with consolidated revenue crossing the Rs. 100 billion mark. Its revenue at Rs. 101.54 billion, is up by 51% over that of the previous year. Even after the exclusion of revenue from the new service areas of Mumbai and Bihar, and from the joint ventures Spice and Indus, the annual revenue growth from older service areas is around 46%. This growth, coming on the back of the earlier year's revenue growth of 54%, marks IDEA as India's fastest growing major telco over the last two years. The net profit, for the year, stood at Rs. 8,816 million.

Your company, during the financial year 2009-10, launched services in Orissa, Tamil Nadu (including Chennai), Jammu & Kashmir, Kolkata and West Bengal. With the imminent launch of services in Assam and North East service areas, your Company, alongwith its subsidiary and joint venture, will become a Pan India operator, befitting its stature and potential.

Among other accolades, your company has been selected by the Economic Times as the 'Emerging Company of the Year' for 2009.

The calendar year 2009, has seen overcapacity hitting the Indian telecom sector, largely due to the investment decisions of 2007-08, both from cross-over licensees and new licensees. This has inevitably lead to a phase of hyper competition. Your company has anticipated and prepared itself for this phase. Your company is strongly placed in its established service areas, while the approach for some of the new service areas is measured. I believe based on this well-crafted strategy, advantage of spectrum and scale, sophisticated management processes, brand strength, human capital and strong balance sheet, your Company will emerge even stronger through this phase.

The Aditya Birla Group: In Perspective

Today, we manage multinational teams – 1,30,000 employees, comprising 30 nationalities, across 25 countries, anchor our US\$ 29.2 billion meritocratic conglomerate. Our values – Integrity, Commitment, Passion, Seamlessness and Speed, is the thread that strings us together.

Post our Group being declared the “Best Employer” in 2007 by the Hewitt / Economic Times / Wall Street Study, our brand as an employer continues to grow strongly. More than 8,000 leading professionals from India and globally have teamed up with us.

Our rigorous assessment process, inclusive of Development Assessment Centres, assesses our people early in their career on their potential to hold leadership roles. This way, we have ensured that we have a robust bench strength of talent. We also use short term secondments and long term assignments to develop the capability of our people to work across borders. This year over 1,700 colleagues have been job rotated.

Over 80% of our businesses have participated in a compensation benchmarking exercise this year and we have taken significant corrective and proactive measures to stay competitive and attractive. This positioning will further help us to attract and retain the right talent.

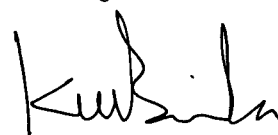
We lay great emphasis on continuous learning through our in-house learning university – Gyanodaya. This globally benchmarked institution leverages resources from around the world to meet the development needs of our people. Over a 1,000 executives have taken courses this year. Additionally, more than 14,000 employees spread across the world, from Farmington Hills in USA to Giza in Egypt to Perth in Australia and Renukoot in Uttar Pradesh have used Gyanodaya’s E-learning platform called GVC. GVC

prides itself in having a course completion ratio of 90%, which is a world benchmark.

As perhaps many of you may be aware we track the organisational climate every two years. We use the Organisational Health Survey (OHS), as the barometer of employee engagement at work. It is conducted by Gallup. Over 22,000 executives, across 17 businesses, spanning 25 countries and 750 cities/interiors participated in the OHS6. The participation level at 94%, according to Gallup, is a benchmark. 83% of the employees surveyed in the OHS6 said that they are proud to be an employee of the Aditya Birla Group and get professional satisfaction working here. 67% of our management employees have clearly emphasized their confidence in the ability of the leaders at various levels to successfully manage the emerging challenges that the Group is facing. Almost three-fourths of our employees (73%) have stated that they would definitely advocate our Group as a place to build a meaningful career.

Going forward, I would like to emphasize that the brand of leadership that we seek to build combines the virtues of professionalism with the commanding power of the mind, heart and soul. The mind which has the intellect to perceive the right from the wrong, the heart which has an emotional bond with the organisation that cannot be severed, and a soul that is indomitable. Our biggest strength has been an emotional bonding that our employees have with the Group that makes the paradigm of duty truly boundaryless.

Best Regards,



Kumar Mangalam Birla

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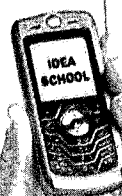
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Corporate Information

Board of Directors

Mr. Kumar Mangalam Birla	Chairman
Mrs. Rajashree Birla	Non Executive Director
Dr. Rakesh Jain	Non Executive Director
Dr. Shridhir Sariputta Hansa Wijayasuriya	Non Executive Director
Mr. Biswajit Anna Subramanian	Non Executive Director
Mr. Arun Thiagarajan	Independent Director
Mr. Gian Prakash Gupta	Independent Director
Mr. Mohan Gyani	Independent Director
Ms. Tarjani Vakil	Independent Director
Mr. R.C. Bhargava	Independent Director
Mr. P. Murari	Independent Director
Mr. Sanjeev Aga	Managing Director

Chief Financial Officer

Mr. Akshaya Moondra

Company Secretary

Mr. Pankaj Kapdeo

Auditors

Deloitte Haskins & Sells
Chartered Accountants
706, B Wing,
ICC Trade Tower,
Senapati Bapat Road,
Pune – 411 016

Registered Office

Suman Tower,
Plot No. 18, Sector No. 11,
Gandhinagar – 382 011
Gujarat

Corporate Office

Windsor, 5th Floor,
Off CST Road,
Near Vidya Nagari, Kalina,
Santacruz (East),
Mumbai – 400 098

Registrar and Share Transfer Agents

M/s. Bigshare Services Private Limited
E/2 Ansa Industrial Estate,
Saki Vihar Road,
Saki Naka,
Andheri (East),
Mumbai – 400 072

Website

<http://www.ideacellular.com>

!Idea

**“for the people
by the people”**

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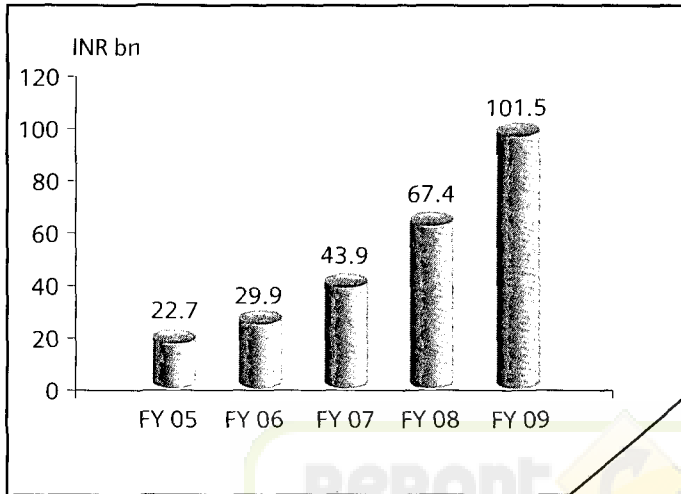
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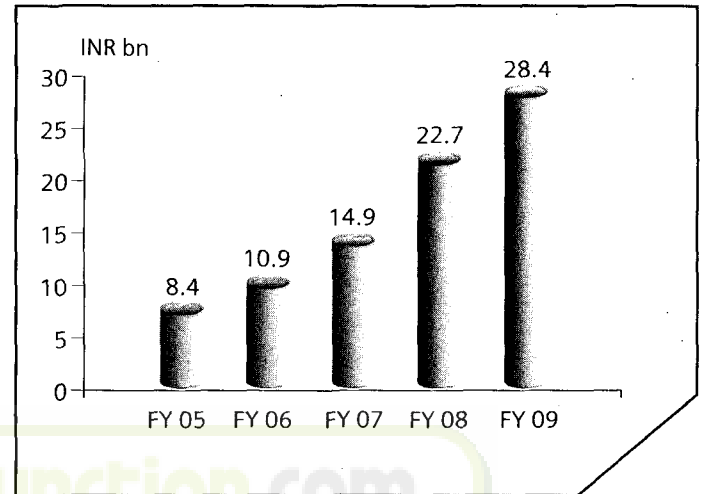
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Performance Highlights at a glance

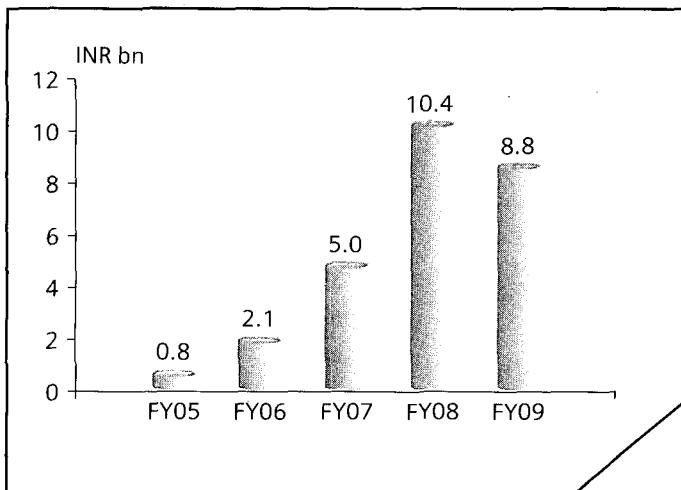
Gross Revenue



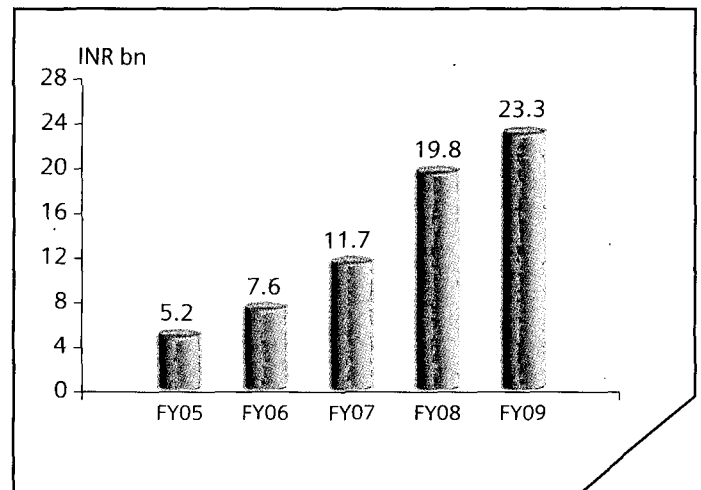
EBITDA



Net Profit



Cash Profit





Walk, when you talk.



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