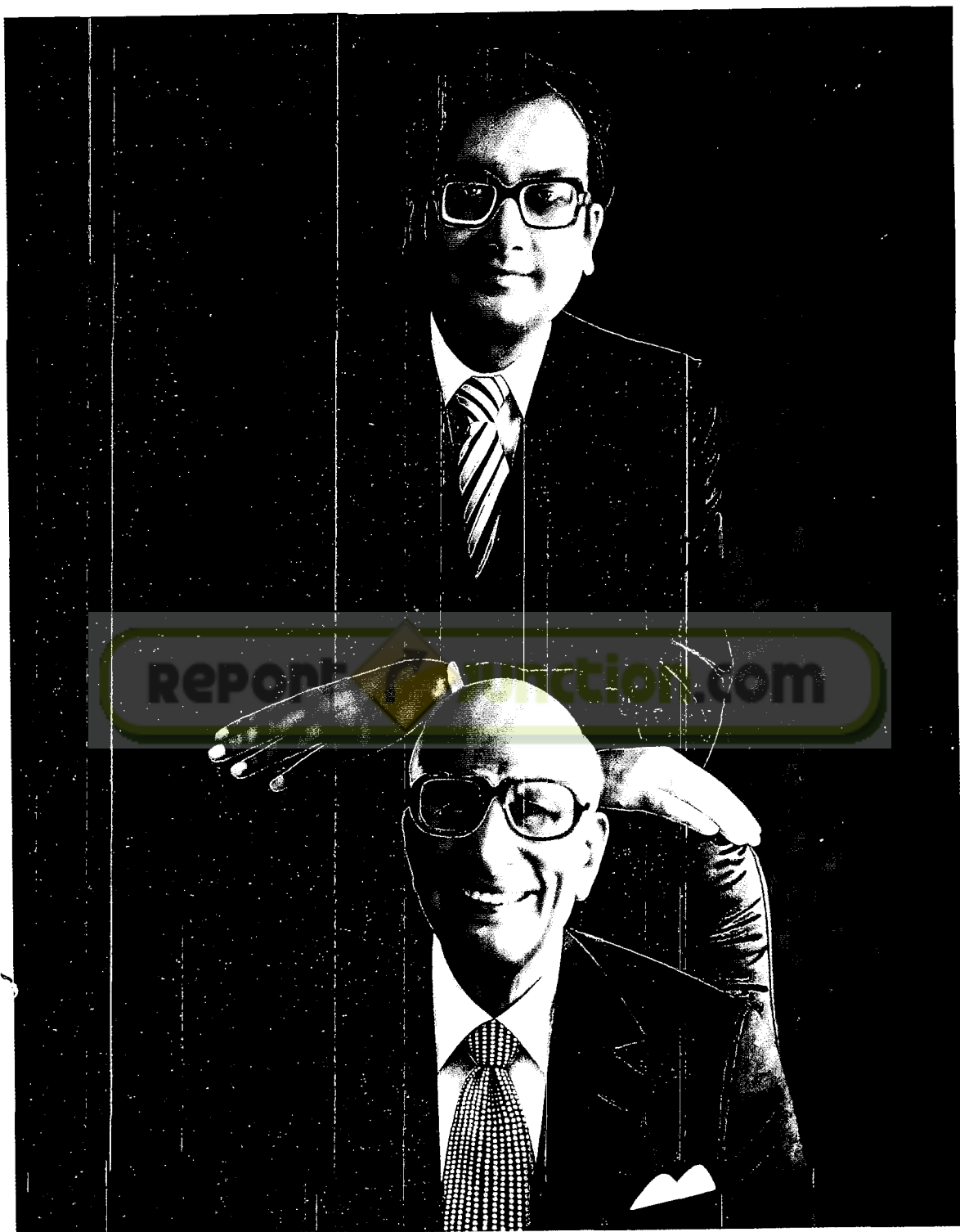


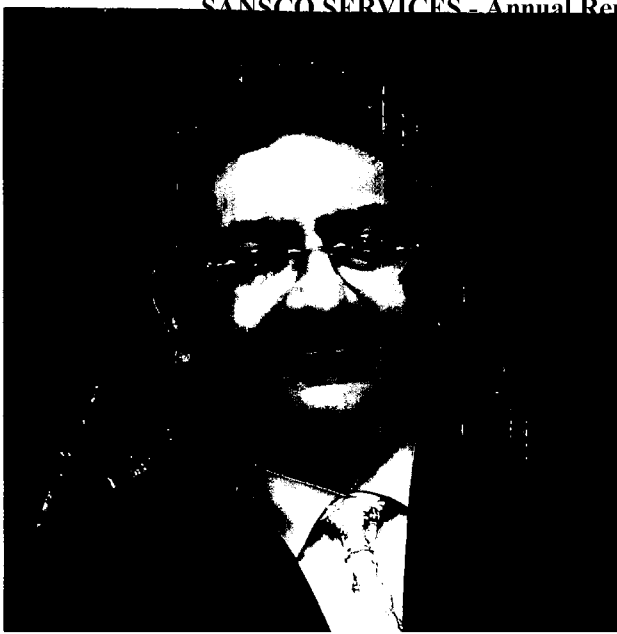


An idea can change your life

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**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 Fellow Shareholders,

India continues on its growth trajectory. Since the year 2003-04, our GDP growth has exceeded 8% year on year. Today we can take justifiable pride in having joined the ranks of the US\$ trillion economies of the world. I do believe India will continue its momentum despite some strong headwinds. For instance inflation – where the Government is trying to pull out all stops to stem it. Additionally we have to contend with the hardening interest rates and the volatility in global financial markets, consequent to the sub prime crises.

That despite these adverse factors enveloping the business environment, India continues to grow is a validation of the inherent fundamental strengths of our economy.

The Indian mobility industry is expanding at an aggressive pace, with total mobility subscribers at 256 million by March 2008. The reduced low cost entry into the sector and expanding coverage remain the growth drivers. The wireless penetration level today stands at around 24%. So the growth potential is indeed high.

Your Company's performance has been very impressive. Its consolidated revenues stood at Rs. 67,374 million up by 54%. Its net profit at Rs. 10,423 million reflects a 108% growth.

Let me apprise you of some of the recent developments which position your Company into a totally different league.

I am pleased to share with you that your Company is the fastest growing telecom service provider in the country with more than

28 million customers across 11 operational circles. Your Company has an additional 10 licenses, of which spectrum has been allotted in Bihar, Orissa and Tamil Nadu, which will all be operational before the end of the financial year. With the proposed merger of Spice, your Company's footprint will then cross 90% of the national mobile telephony market. Mumbai has just become the 12th service area to form part of your Company's expanding reach.

Other highlights include Idea through its subsidiary becoming one of the founder shareholders of the passive infrastructure JV Indus Towers, and TMI recently coming in as a significant shareholder. The association with TMI will provide synergies in roaming, value-added services and other areas. Today your Company boasts of a strong balance sheet with a sharply reduced net debt.

Regardless of these heartening developments, your management is deeply conscious of the task ahead as the mobile telephony sector changes and mutates. To keep in step with the changes in technology and customer needs, there are profound stirrings of change in your Company as well. We are sharpening our perspective and redesigning the business model.

Currently Idea is among the top 25 telecom companies in the world. We expect to step up our position in the foreseeable future.

I believe our people – our human capital is our key resource and we owe a large part of our success to them. We have thought leaders across the Company. A majority of our people tap into each others knowledge-base and collaborate effectively to achieve a shared vision.

The Aditya Birla Group : In Perspective

We are moving in sync with our vision to be a premium global conglomerate with a clear focus at each business level. Our Group is now a US\$ 28 billion meritocratic Corporation, with a market cap in excess of US\$ 31.5 billion, and a 100,000 strong human capital belonging to 25 nationalities, spanning 20 countries across 5 continents. Our values – Integrity, Commitment, Passion, Seamlessness and Speed bind us all together regardless of geographies and nationalities.

Our HR strategy ongoingly focuses on enhancing stakeholder value through superior organisation and people capability. Today, more than ever before, talent is at a premium, thanks to globalisation and the multi-polar world, both of which afford unique opportunities. At our Group attracting the best talent and engaging them continues to be a key priority. We have made huge investments in not only attracting but developing and retaining our human capital over the long-term.

To arrive at an employee proposition that would draw more talent to our Group, we conducted an in-depth research aimed at finding out what is our DNA as an employer and what does our employer brand connote. Apart from trust and admiration for the Group as a professional values-driven organisation, what also emerged strikingly was the fact of our diversity – the number of countries and businesses in which we are engaged, that is an enduring characteristic of our Group.

We have therefore positioned ourselves as an employer that offers “a world of opportunities”, other factors being a given in our case. I am happy to share with you that our employer brand has attracted more than 50 top-notch professionals from India and across the globe. To provide cross-functional, cross-cultural and cross-country agility and learnings, as well as to strengthen our leadership pipeline, more than 100 colleagues from middle management to senior management have been job-rotated.

A Performance Management Centre at our Group's Headquarters has been set up with dedicated resources to sharpen our high performance culture. This team's sole responsibility is to assist in Institutionalising world-class performance framework and leadership processes.

As in the past our high-calibre Management talent has been put through our Development Assessment Centres and their professional development plans drawn up. Gyanodaya, our Institute of Management Learning continues to provide a good base for new learnings for our people, and honing competencies. Up until now more than 4,500 colleagues have participated in its programmes.

We had said last year that we would introduce ESOP schemes during the course of the year. In this year, we covered 700 employees under ESOP schemes, a significant move, for the first time in the history of our Group. We will cover many more from now on.

Going forward in the next five years, I see our workforce mix expanding to over 100 nationalities and our senior management team becoming even more global. I visualise a multi-generational workforce able to overcome generational barriers, and effectively, feeding on each one's core offerings of experience, raw energy, risk taking and organisational knowledge. Enhancing our attractiveness as an employer also calls for creating a workspace that accepts and encourages the existence of a sharp sense of individual identity, even within the strong organisational brand and cultural fabric. We want to create top-notch leaders on virtually an assembly-line scale. And lastly, we want to be in that enviable position where the best talent globally wants to join us, just as much as we seek them.

Best regards,



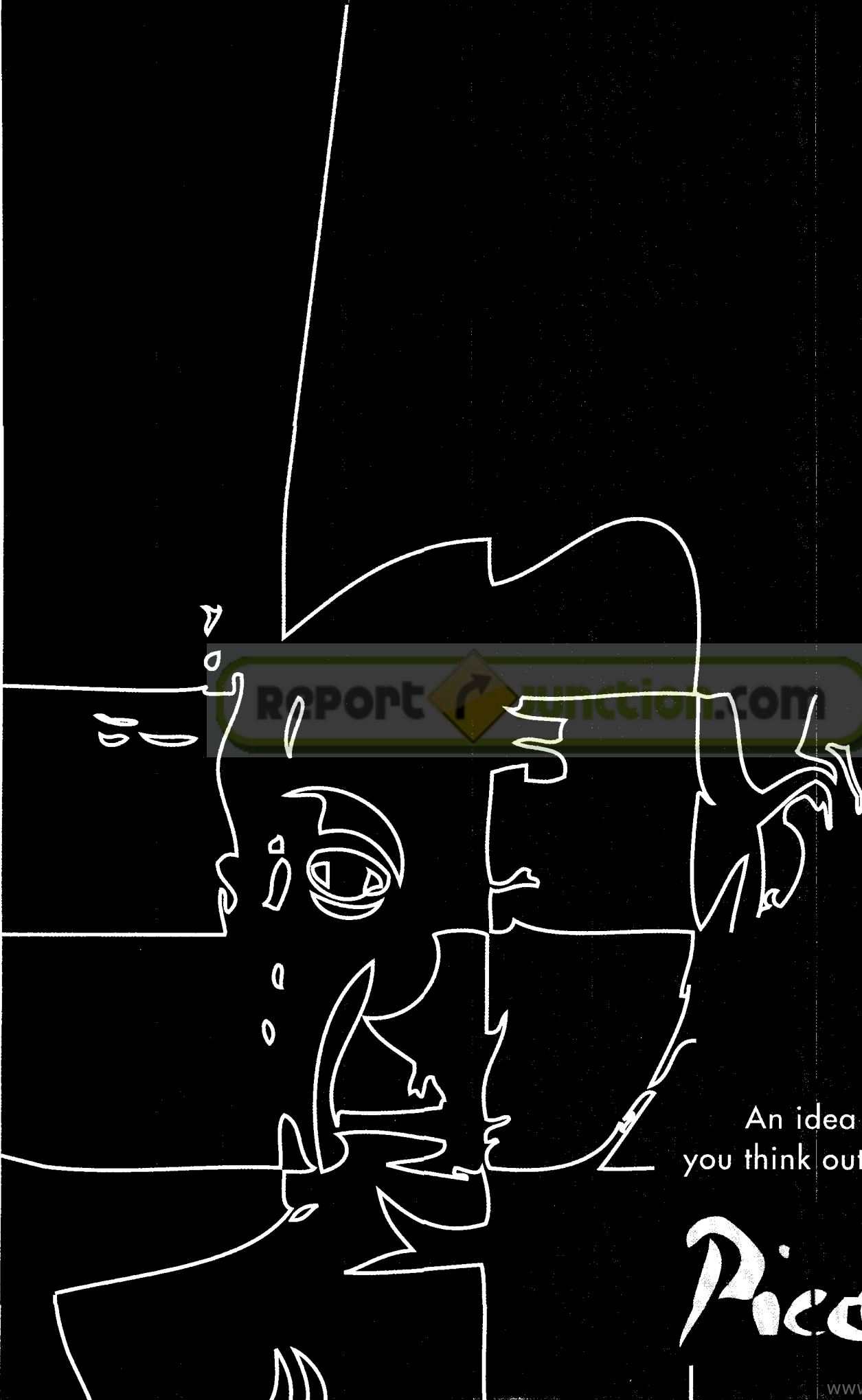
Kumar Mangalam Birla

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Pablo Picasso

Cubism

An idea forms when
you think out of the box.

Picasso

Corporate Information

Board of Directors

Mr. Kumar Mangalam Birla	Chairman
Mrs. Rajashree Birla	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. Biswajit A. Subramanian	Non-Executive Director
Mr. M.R. Prasanna	Non-Executive Director
Mr. Saurabh Misra	Non-Executive Director
Mr. Sanjeev Aga	Managing Director

Chief Financial Officer

Akshaya Moondra

Company Secretary

Pankaj Kapdeo

Auditors

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

Registered Office

Suman Tower,
Plot No. 18, Sector - 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 Agent

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

Website

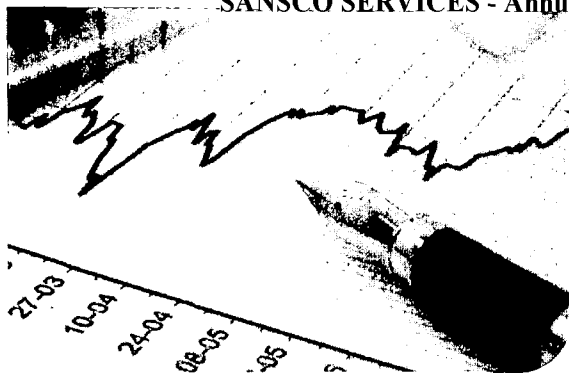
<http://www.ideacellular.com>

$$E=mc^2$$

Albert Einstein
relativity

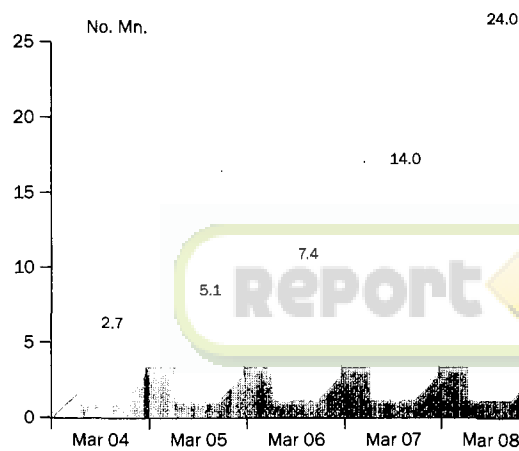
“An idea that made time stand still.”

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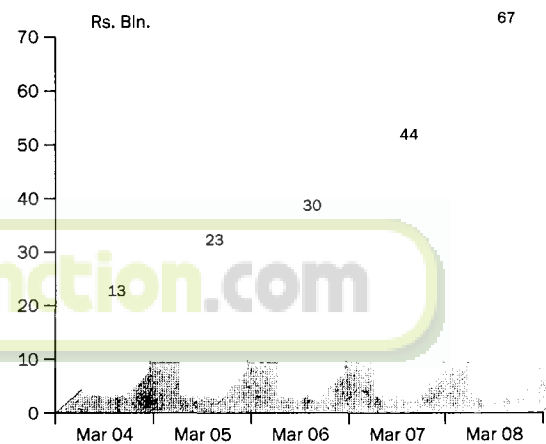


Performance Highlights at a glance

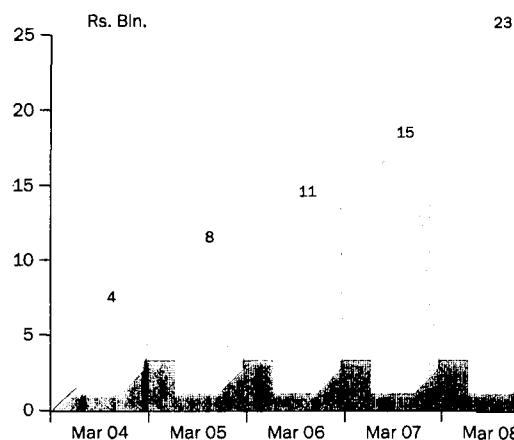
Subscriber Base



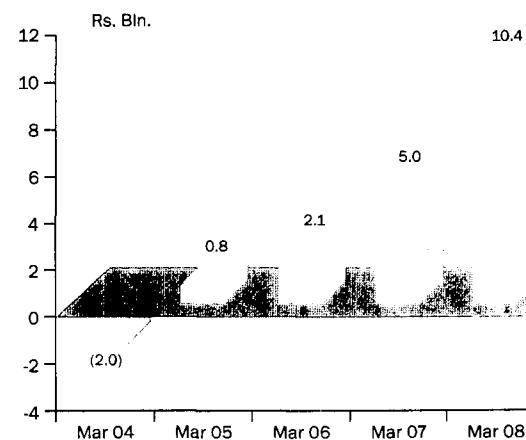
Robust Growth in Top Line



Robust Growth in EBITDA



Robust Growth in Net Profit



GUGLIELMO MARCONI

WIRELESS

an idea that is still making waves.

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