



“Idea Cellular Limited Q4 FY09 Earnings Conference Call”

April 24, 2009

**MODERATORS: MR. SANJEEV AGA - MANAGING DIRECTOR, IDEA CELLULAR LIMITED.
MR. AKSHAYA MOONDRA – CFO, IDEA CELLULAR LIMITED.**



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Moderator: Good afternoon ladies and gentlemen. This is Rochelle, the moderator for your conference call. Welcome to the IDEA Cellular conference. For the duration of this presentation, all participants' lines will be in the listen-only mode. After the presentation a question and answer session will be conducted.

We have with us today Mr. Sanjeev Aga, Managing Director of IDEA Cellular, Mr. Akshaya Moondra, Chief Financial Officer of IDEA Cellular, along with other key members of the senior management on this call. I want to thank management team on behalf of all the participants for taking valuable time to be with us. Given that the senior management is on this conference call, participants are requested to focus on the key strategic and important questions, to make sure that we make good use of the senior management's time.

I must remind you that the discussions on today's call may include certain forward looking statements and must be viewed therefore in conjunction with the risks that the company faces.

With this, I handover the conference call to Mr. Sanjeev Aga, thank you and over to you sir.

Sanjeev Aga: Thank you Rochelle. On behalf of IDEA Cellular, I welcome investors and analysts on this call. Yesterday, the Board of Directors of our company have adopted the un-audited results for the 4th Quarter and for the full year which ended on 31st March, 2009. The media release and the quarterly performance report is already available on our website, I presume you might have read those. This time we have placed much more information in the quarterly report and therefore, I will keep my introductory remarks very brief.

I find a few things worthy of note. Our annual revenue growth has been almost 48%, and even if I exclude the new circles of Mumbai and Bihar, the annual revenue growth from all other older circles is about 46%. This growth is coming on the back of the earlier year's growth, in annual revenue terms of 54%. These big numbers clearly mark IDEA as India's fastest growing major telco over a sustained period of two years. This, of course, represents an increase in market share, more significantly I believe it represents the impact IDEA is making in the competitive landscape in India. IDEA is an unusual company, our strength is our entrenched position in our incumbent 900 MHz circles and this is a strength which we have grown, we are growing and we will continue to grow. In the other circles we are deeply aware of the handicap of a late start. We are also aware of the strength that IDEA uniquely brings to bear to the market. Our approach in such circles is measured and calibrated, to use the opportunity of such gestating circles to develop pan India operations, but in an economically and efficient manner.

Looking ahead, with 14 licenses per circle, there is clear sector over capacity. I am sure that 2 to 3 years from now, we won't have 14 businesses. How this overcapacity works itself out, is hard for me to forecast. The company's effort is that whatever maybe the competitive landscape, IDEA's competitiveness should continue to enhance over the next two years as much as it has already been enhanced over the last two years.

I will now request Akshaya to take you through some financial highlights.

Akshaya Moondra: Thank you Sanjeev, and good afternoon to participants from India and a good morning to overseas participants.

Continuing with our reporting structure as in the last quarter, Idea's standalone results and the quarterly report encompasses all mobile operations in 13 operating service areas, while the consolidated results include the proportionate results of joint ventures Spice and Indus.

In this quarter on a standalone basis, our revenue of Rs. 28.6 billion has grown by 9.2% quarter-on-quarter and EBITDA at Rs. 7.4 billion has grown by 9%. EBITDA margin has been almost maintained at 25.9% against 26% last quarter. This is in spite of the negative impact of Indus IRU which has been absorbed by other operational efficiencies.

There are a few points which need to be explained. Firstly, effective January 1, 2009, IDEA has entered into an IRU agreement with Indus Towers. There are two stages in which Indus will impact us, first before the demerger and secondly after the demerger of towers. In the first stage, which is the IRU arrangement (period) before demerger of towers, Idea's infra revenue under bilateral arrangements with other operators, for the towers which are being demerged, has ceased. However, Idea has started receiving IRU rentals from Indus. Additionally, Idea now pays rentals to Indus on sites which were earlier either owned by Idea or where it was paying rentals under bilateral arrangement with other operators. Since these towers are still assets of Idea, it continues to provide depreciation on these assets. The net negative impact of the same is about 2.2% at EBITDA and EBIT level, in this quarter compared to last quarter. In the second stage, once towers are demerged to Indus, Idea will stop receiving the IRU rental from Indus, but it will also stop providing depreciation on demerged towers. Consequently in such a scenario, the negative EBITDA impact would be approximately 3.4%, but at an EBIT level, the negative impact will continue to be approximately 2.2%. Hence the current quarter is totally representative of the EBIT profit of Idea under Indus arrangement both in a scenario before and after the demerger of towers. Depreciation and amortization for the quarter has increased by Rs. 318 millions from the last quarter, in line with our CAPEX.

The second important point is that the Ministry of Company Affairs has issued a new notification for accounting of foreign exchange fluctuations under Accounting Standard 11. Idea has adopted the new policy provided under the notification and has capitalized exchange loss of Rs. 227 million including ABTL. Out of this capitalized amount, Rs. 18 million is for the previous quarter and the balance pertains to the current quarter.

The new launches of Mumbai and Bihar have also shown lower EBITDA losses compared to the previous quarter. Consequently PAT at Rs. 3032 million is higher by Rs.470 million over the last quarter. This includes a write-back of Rs. 154 million of IT service cost which were provided in earlier quarters of this financial year.

Total CAPEX for financial year 2009 was Rs. 54.5 billion. For FY2010, including for new service area launches, the CAPEX will indicatively be in the region of Rs. 60 billion. This estimate does not factor the impact of a possible 3G auction.

Now we move to consolidated financials, and on a consolidated basis EBITDA margins showed an improvement of 2.1% and stood at 27.6% compared to last quarter, as both Spice and Indus have better EBITDA contributions compared to last quarter. In the case of Spice also, there is a capitalization of exchange loss as per Ministry of Company Affairs notification which at the Idea consolidated PAT level has a positive impact of Rs.96 million, being Idea's 41.09% share since October 16, 2008. At a PAT level



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Spice and Indus contribute a loss of Rs. 289 millions bringing the consolidated PAT down to Rs. 2.74 billion.

However, we would like to clarify that while the impact of the joint venture has been given in the quarterly report with an objective of giving better perspective of these on Idea's consolidated financials, these may not be fully representative of the financial statements of joint ventures due to alignment of those financial statements in line with Idea's accounting policies and regrouping & eliminations as part of consolidation.

Finally the reporting of MoUs in quarterly report has been marginally revised to include the in-roaming minutes. The figures of previous quarters have been restated accordingly. The Average Realized Rate or ARR was already being calculated by including in-roaming minutes, and hence there is no change in ARR and ARPU reporting.

With this I will handover the call to Rochelle and open the floor for question and answer session.

Moderator:

Thank you very much sir. Ladies and gentleman, we will now begin the question and answer session. Anyone who wishes to ask a question at this time may press * followed by 1 on their touchtone telephone. If you wish to remove yourself from the question queue you may press * followed by 2. Participants are requested to use handsets while asking a question. Anyone who has a question may press * followed by 1 at this time. Our first question is from the line of Gaurav Jaitley of Reliance Equities, please go ahead.

Gaurav Jaitley:

Great, thank you, good afternoon. Just a couple of questions, first on the revenue yield, very commendable the relative stability in the revenue yield but frankly I was little surprised as given all the industry dynamics in terms of the competitive pricing environment and the large number of gross adds that you have this quarter which if I have done the maths right represents about 25% of your total subscriber base, I was just wondering if we could get some more color on that? What is driving that? Is that seasonality, higher contribution of VAS, or higher roaming? And then how should we think about revenue yields, as we enter the seasonally slower part of the year for telecom and as your competition continues to intensify? And then secondly just on the margins, I think you mentioned a couple of things around the AS11 and the write-back of some IT costs, I think it was about 150 million, just wondering what the total amount there that was offset on the cost this quarter? Thank you.

Sanjeev Aga:

Gaurav, this is Sanjeev here, you had several questions. The first question was on revenue and you made a comment about the subscribers' additions. Our subscriber addition during the quarter have actually been about 4.7 million on a base today of about 38.9 million. This is standalone, with Spice it goes to 43 million, so this is not 25%.

Gaurav Jaitley:

I was just taking the churn that you have reported and just calculating the gross adds. So in the gross adds, there is an indicator of how many new customers you added in the quarter and just given the fact that the pricing has come down, it is just a larger number of people coming into the pipe at a lower ARPUs. So I was just surprised that did not reflect itself in the revenue yield or the revenue per minute. So, that really what my point was around the subscriber additions.

Sanjeev Aga:

But it never does because, your revenue comes from the subscribers using the network, what we could call VLR subscribers, provided they make a call. The revenue really comes from net increase in

subscribers which is closer to 13-14%, whereas our revenue growth quarter-on-quarter was about 9%. As you are aware, the new subscribers in any case never give the same ARPU as an old subscriber, because the subscriber attains a steady state ARPU in about six to eight months, but particularly now as we are getting more and more subscribers from the less affluent sections, this is a secular trend in the sector.

By and large there has not been any great change from Quarter 3 to Quarter 4 in the composition of the revenue. Roaming revenues in Quarter 4 are always a little lower than Quarter 3 because both international and national roaming is lower in Quarter 4. This year Quarter 3 was a little muted because of 26/11, but this is more or less regular pattern. There is no dramatic change in composition of revenue, it is a very broad based increase. We are doing a little better perhaps in things like data cards, but their contribution to the overall revenue would be relatively small.

Akshaya Moondra: Gaurav on your question of exchange loss and the write-back of IT service cost, actually if you are comparing with last quarter, the only one off adjustment which is relevant is the Rs. 154 million of IT service cost which have been written-back. If you look at the capitalization of exchange loss which is Rs. 223 million, there was only Rs. 18 million for last quarter, because this is on a loan which we have drawn down on 28th of December. So if you are trying to compare last quarter's performance with this quarter's performance, actually the elimination of Rs. 223 million should be left out as that is something which came up only this quarter and it is allowed to be capitalized under the new notification.

Gaurav Jaitley: Right okay great, thank you very much, very helpful.

Moderator: Thank you Mr. Jaitley. Our next question is from the line of Reena Verma of Merrill Lynch. Please go ahead.

Reena Verma: Hi, thank you very much for this call and if I may please ask more than my fair share of questions. I have four questions, one is on Indus, can you please help us get some view on, when this 2.2% EBIT margin hit, you think, will even out. Over what period of time do you see it being EBIT neutral or EBITDA accretive that is the first question? My second question is to do with your standalone costs other than network cost, which I understand have moved because of Indus. But what has helped to achieve such cost savings in line items like sub-acquisition expenses, employee costs. Is there a change in your gratuity provisions which is bringing down employee cost, if I can get some color there please? My third question is on Spice. Should we assume that now as you are fully in-charge of Spice, the 4th Quarter results and the margins in the 4th Quarter are indicative of steady state business for Spice and my last question is more to do with the market place? Can you please give us some color on what percentage of revenues comes from top-up cards? How important is the recent dilution in tariff on top-ups that has been seen in the market place? Do you really see it as a worry for revenue per minute going forward? I will stop there, and thank you very much for your patience.

Sanjeev Aga: Hi Reena. You said four questions but you have got five questions. I will take three of them and Akshaya will take two. Let me take the Indus one. The benefits of Indus, some of them are notional, some of them are real. The real benefit would be once we start getting a share of profits from Indus. The business model of a tower company tends to be back ended in terms of galloping profits as tenancy grows. So that is one very real benefit and I would not be able to forecast when it would kick in, it is not appropriate, but obviously going forward things should get better. Then you have intangible things like

saving on capital expenditure and therefore saving on interest, also things like speed to market or just plain availability. I would not like to give you a time, but it is our expectation this would become neutral and become accretive, I would not say in the next quarter or two but it would not be in the very, very long future.

Secondly, you had a question about Spice EBITDA margins. Spice, we took over management control on 16th October and this has been a period of a lot of back end work in our IT systems, in the technology systems, in the service delivery, in the call center, and many others. I think the benefit of that will start coming in terms of presence in the market pretty soon, maybe in a month or two. We should incrementally start doing better than what we have done, that is our assessment. Therefore from that point of view there would be improvement. Having said that, Karnataka is a very large state where the network deployment of Spice is below the potential of what a 900 MHz operator should be. So it is possible that our network build out in this big circle might run ahead of revenue increase, and therefore it is possible that there may not be a dramatic improvement in margins even though, there would be a significant improvement in terms of our market strength and long term value of the business.

Your other question before I handover to Akshaya is about top-up cards. You know the way the market works is a combination of so many things, I am just giving you a very philosophical answer. Five years ago, to become a postpaid subscriber you had to pay a lot of money and there was a time just two years ago when to become a lifetime subscriber you had to pay a 1000 bucks. Those amounts have almost evaporated today. But at the end of the day, all these pricing elements are constantly configured to arrive at resultant revenue per minute, which the market can bear. So, I do not think you should look at any one element like a top-up card by itself, because there are many countervailing forces at work. I think, it will be incorrect to assume that if one element has gone, there is a permanent loss of a realized rate. Realized rate might tend down for various other factors, but not because of this factor.

Reena Verma:

Sanjeev, if on the top-up card issue, is there a percentage number you can share and also you said there could be counter acting forces in terms of the dilution impact, can you give some example here?

Sanjeev Aga:

You know, I do not have the number ready for top-up and I can find that out and if it is not proprietary, I can give that to you later, but I do not have it in my memory or in my books right now. When I am saying countervailing, I mean revenue come from variety of things. It comes from your outgoing rates, it comes from your incoming charge, a lot of revenue comes from top-up vouchers which sometimes give you a better deal for committed extra usage and there are so many tariff plans. So the realized rate per minute is a combined effect of all these and it is not as if that the whole pricing stands on one leg alone, that is the point I am trying to make. So, while there is pressure on realized rate because sector over capacity, I do not think any one element is significant. Otherwise had it been so, when we had Rs.1000 lifetime rate which is now practically 1/10th decimated, our rate per minute should have gone to 1/10th, but that has not happened.

Akshaya Moondra:

Reena, let me just add something to what Sanjeev said about Indus. One thing I want to emphasize is that what we are explaining as 2.2% at the EBIT level, firstly it does not consider any savings on account of interest which we will not incur because we are not investing and secondly, in terms of the additional advantage of there being a monetization of the value of towers, that is also not considered. So these are the two points I wanted to add.

On your question of reduction in costs, as far as the employee related costs are concerned, the reduction is primarily because of calculation of actuarial valuation of gratuity and leave encashment which is resulting in a reduction of about Rs. 26 million. On the other item of cost which is basically subscriber acquisitions, servicing, and advertisement & business promotion, basically the reduction is on account of reduction in the advertisement and promotion costs.

Reena Verma: Sorry Akshaya, just on the employee cost, the reduction is 20% quarter-on-quarter, but only Rs. 26 million is the gratuity restatement?

Akshaya Moondra: Which figure are you referring to 20% quarter-on-quarter?

Reena Verma: The standalone number of Rs. 1.2 billions for this quarter employee cost, compared to Rs. 1.5 in 3rd Quarter.

Akshaya Moondra: Okay. Can I come back to you on that one, while I am answering some other questions. According to the figures that I have we have 14573 lakhs in the December quarter and 14499 lakhs in this quarter for Idea consolidated.

Reena Verma: Okay I will take that offline. And just on the Indus impact clarification, Page #10 of your quarterly report says that the 2.2% net hit is at the EBITDA level not at the EBIT level so is the IRU benefit taken at the EBITDA line or below EBITDA?

Akshaya Moondra: Okay. Currently the IRU rental is taken above the EBITDA level and that is why the EBITDA and EBIT impact is the same at 2.2%. It is like this IRU rentals goes into revenue so at EBITDA level the impact is 2.2%. Since the depreciation remains the same the impact at EBIT level also remains at 2.2%. And as I had mentioned in my opening remarks that going forward once these towers are demerged IRU rental stops and the depreciation also reduces, then the impact on EBITDA will be around 3.4% but the EBIT impact will remain at 2.2%.

Reema Verma: Okay, thank you very much gentlemen.

Moderator: Thank you Ms. Verma. Our next question is from the line of Nupur Agarwal of UBS Securities. Please go ahead.

Nupur Agarwal: Good afternoon sir, this is Nupur from UBS. I just had one question, given the increased competitive intensity and tariff coming in pressure, how do you see returns getting impacted in the future?

Sanjeev Aga: Hi Nupur, this is a question which no one can answer in the short term. As I mentioned a little while ago, there are 14 licenses for every circle. I think, we will all realize that 2 to 3 years from now, there are not going to be 14 businesses, and therefore how this intervening period shapes out, no one knows. I think companies like ours are not price warriors. We already have in India very, very low prices, but who can say what kind of pressure may come upon people who are rolling out businesses now and what impact it might have. There maybe an impact, there might not be an impact, there might be a significant impact, anything is possible. But I think what we as a company do, is to equip ourselves in terms of fundamental competitiveness and if you take a reasonably medium term view, we believe just as I said, we have come a long way since where we were two years ago, and our target is that two years from now, we should travel an equally long distance. It could be (that) in-between, there might be some turbulence, but telecom sector is a great sector, it is a growing sector and companies who will come out of this test,



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will probably come out much stronger and much more valuable. But really speaking there is no accurate forecast for what will happen six months from now.

Nupur Agarwal: Okay, thank you sir.

Moderator: Thank you Ms. Agarwal. Our next question is from the line of Suresh Mahadevan of UBS Securities. Please go ahead.

Suresh Mahadevan: Thanks for the opportunity and congrats on a good set of numbers. And thanks also for giving excellent disclosure in your quarterly report, splitting out Standalone, Spice, Indus, etc. I had a couple of questions. One is on the MoU pattern; we are seeing kind of unusual trend where the MoU per sub is kind of beginning to drop, not only for Idea but for most of the Indian mobile companies. So I wanted to hear your thoughts on how this number will look in your view, that is questions number one. The second question is, I wanted to understand your focus on the 900 MHz circles a little bit more, I think in second half of last calendar year you started focusing on the 900 MHz circles, just wanted to hear from you any progress you have made in any of the 900 megahertz circles in terms of improving your market share or improving your position? Thanks a lot.

Sanjeev Aga: Suresh the second question first. We did not start focusing on 900 MHz circles in second half of last fiscal year; we started at least two and a half years ago, ever since the company changed control. And if you look at the subscriber market share which is not necessarily very accurate, but if you take it as accurate enough, in our older circles consistently quarter-on-quarter and year-on-year for the last two years, you will find a pattern of company becoming stronger. You also may have noted from our disclosures that we have increased our capacity, measured in terms of BTS, 4.4 times in the last 24 months and it is not all in the new circles, a lot of it has a huge amount of investment in older circles which has yielded benefits so far and will yield benefits in the months to come. There is a lot of investment which is not seen, in areas like processes and IT, distribution channels, in work at the rural levels, in brand building, in HR processes. So all this is the basis of our strength and we have the advantage of spectrum, we have the advantage of a good scale, we have good ARPU customers and this is something which we believe, we are the people to watch out for. I mean we are as strong as anyone else in our strength areas.

Your other question was about MoU per subscriber. I think you are right that if you take a long term view, quarter-to-quarter there might be an up and down, but India has, as we have, MoUs per subscriber in excess of 400 minutes which is a sizable number. Given the limited spend capability of most Indian subscribers and given the increasing penetration, one could expect that this number might, over a long term trend downwards. Having said that, we as a company do not do our thinking in terms of MoU per sub or ARPU per sub. India is a very different business model which is operating at ridiculously low prices by world standards. So we really look at revenue, we look at the number of subscribers who are actually using our network, we look at churn management and we look at our ability to price our product competitively, so we go on that basis. I think you are right that there maybe a trend downwards but I would also add that do not get too worried about these trends.

Suresh Mahadevan: Okay thanks a lot sir.

Moderator: Thank you Mr. Mahadevan. Our next question is from the line of Tim Storey of JP Morgan. Please go ahead.



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Tim Storey: Yes, thank you for the call. I just have one question which I would like to get your thoughts on, the development of multiple SIM cards in the market. Obviously there has been a sharp ramp up in the total industry subscriber numbers over the last couple of months and I will be very curious on your own observations about what you believe are the subscriber numbers in existing operator's eye, particularly duplicates SIMs, what percentage of those new subscribers, that you are seeing in the market?

Sanjeev Aga: Your question is very appropriate; unfortunately I do not have any number offhand. I can get back to you maybe by tomorrow, by doing some kind of a check on our VLR records to make an estimate of this. There is no doubt that multiple SIM cards are on the increase. The reasons are very obvious that the cost of owning a SIM has come down dramatically. Today, you have lifetime validity cards available for throwaway prices and therefore, it is possible for a customer to have taken more than one SIM card and to either use it on two different phones or to switch them on the same phone from time to time. There is no doubt that over the last one year, the percentage of multiple SIM ownership has increased. For my own sake, I will do a calculation tomorrow and maybe I will get back to you tomorrow, but I do not have the numbers ready in my memory right now. The other thing which therefore follows from this is that reported numbers really have no meaning unless people are switched on to the network and also we have to see whether they are contributing revenue or not contributing revenue. So the indices which we are watching need to change with the time.

Tim Storey: Alright thank you.

Moderator: Thank you Mr. Storey. Our next question is from the line of Rajiv Sharma of HSBC Securities. Please go ahead.

Rajiv Sharma: Many thanks for the opportunity sir. Couple of questions from my side. One is the Indus towers. Are we factoring the OPEX benefits in our EBITDA today on standalone or maybe at the consolidated level in terms of this tower JV or we believe that they will come gradually once the Indus operation stabilizes and if you could throw some color on that. Second is, you made an announcement at the exchange that you will be putting up your 7800 odd towers in another subsidiary, I understand you would like to monetize them and currently those towers are largely in Bihar & Orissa. What is the kind of sharing with Vodafone in these towers and what are your plans going forward? How would you like to monetize it? Some color would be very helpful, thank you.

Sanjeev Aga: Your first question about OPEX efficiencies on Indus. For the quarter that is frankly not relevant because we have just migrated from one system to another and in many cases we were not paying rentals unless they were on a bilateral basis and suddenly we go onto the Indus rental. So it is not an apples-to-apples comparison and therefore there is no occasion to factor in any efficiency or inefficiency. Now going forward next year and two years from now, there would be two areas from where efficiencies should normally be derived. One is because tenancy goes up and therefore you get the benefit of a slightly lower tenancy rate and secondly, as Indus is going to be a specialist organization with a large tower base, they should be in a position to operate at maintenance costs which are lower than what is existing right now, although this will take some time to materialize.

On your second question about towers, we have no immediate plan to monetize anything; it is not on the cards. I do not know what will happen in the future and we are just talking as 7000 towers which are not in Indus. Akshaya will you answer that?



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- Akshaya Moondra:** Actually right now we are maintaining those towers as it is and as in Orissa and Bihar we have done a joint rollout with Vodafone, so probably we will not be building so many towers so that number may not go to that level.
- Rajiv Sharma:** But what is the sharing there with Vodafone, if you could help us with that?
- Sanjeev Aga:** In Bihar it is a little higher. I do not know whether these figures are April end or March end, but approximately we have about 1500 towers where we have Vodafone as tenants and vice versa. In Orissa the number is very small.
- Rajiv Sharma:** Okay and last one question, in your 900 MHz circles if you could just provide some color on your rural penetration and what percentage of your subscribers would be rural and what is the kind of margins you are seeing in 900 MHz in rural areas?
- Sanjeev Aga:** This answer varies from circle to circle and giving you an average does not actually add color, but at an overall level as a company, we had subscriber base which is majority urban, but for the year 2008-2009, the majority of new subscriber additions are rural, as defined by the 2003 national census. And further we have another phenomenon that sometimes, the subscription is purchased in an urban area because to buy a handset and new subscription, a villager may travel to a nearby urban area but the usage is more in a rural area. So you can look at this rural-urban split both at the level of purchase or you could look at it as a level of consumption. But broadly we are getting more than 50% of our new subscription from rural areas, which mean that increasingly the urban-rural shift will start shifting away from being predominantly urban to a more balanced share.
- Rajiv Sharma:** Thank you.
- Moderator:** Thank you Mr. Sharma. Our next question is from the line of Rahul Singh of Citi Group. Please go ahead.
- Rahul Singh:** Yeah good afternoon everyone, I had four quick questions, but small ones. Firstly on the churn that has gone up, just wanted to know whether it is because of Mumbai, Bihar churn hitting or whether it was because of competition from free minutes offered by one of the competitors. The second question is on the debt for the consolidated company, whether that includes 100% of Spice debt or is it just a proportionate contribution of Spice debt. The third question is if you look at Indus EBITDA contribution is about 358 million which is lower than the 2.2% hit which you have indicated which comes out to about 630 million, so you are getting less from Indus and contributing more, is it simply because you are renting more than you are contributing? And the fourth question is on the ad expenses, it has remained flat for now three quarters, is there any benefit coming from the lowering of ad rates across the board in the print and the TV media?
- Sanjeev Aga:** Rahul I will take the easy ones and Akshaya will take the tricky ones. On the ad expenses, the reduction in media rates is not the same across all media. There is indeed a reduction, but sometimes you have committed rates sometimes you have new rates. I would not say that was a huge factor in Quarter 4, but I think in the coming quarters, it would make a bit of a difference. Our advertising expense was not particularly depressed; it is more or less representative. As an advertiser, we time our spend for maximum annual impact and therefore it is not always equally distributed across the quarters, but I would not say that it is out of character, maybe marginally less in average, but not hugely less.



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As far as churn is concerned, it is not as if there is lots of subscribers suddenly left us. I think there is an increase in reported churn, but one of the things, of which I will not be able to share all the details with you, is that very much, as I alluded earlier, this multiple SIM ownership. So if you do not calibrate your definition of subscribers in line with changing market realities, you could end up having subscriber numbers which are not really comparable. So there is a little bit of that in terms of recognition of subscribers, but it is not as if suddenly people have been leaving our service. Although we do not have a breakup but it is possible that, in the last quarter the kind of disruptive plans you had, some of the low-end people might have got tempted to take advantage of some offers instead of recharging. So it could be a little bit of combination but nothing fundamental to worry about. On the financial questions, I will ask Akshaya to take.

Akshaya Moondra: Okay, hi Rahul. Your first question was relating to debt and the Spice debt, what is consolidated, is at 41.09% not 100%. On Indus I think what you are comparing is that, what is the impact on our EBITDA and what do we get into consolidated financials as our share of EBITDA. Definitely at this point of time the incremental cost to us is more than our share of EBITDA, but this is the first quarter of Indus operation and their share of EBITDA will improve going forward.

Rahul Singh: Okay just a follow-up on the Spice debt. If you include 100% of Spice debt, what will be the total debt position or total net-debt position, I mean if you do not have it, you can give me later?

Akshaya Moondra: We can give it to you easily later on.

Rahul Singh: Okay and on Indus, the 11000 towers you have contributed that is worth 16% but the Indus towers we understood was already about 90000 towers so how does it work? 11000 work out to slightly lower than 16%.

Sanjeev Aga: Rahul, the shareholding was not decided on the basis of one tower is equal to one point; it was a complex arrangement which was done. Number two, Indus has built a lot of towers, when Akshaya mentioned that Indus is operational only for a quarter it is the IRU which is only for a quarter. So if Indus has got, say 90000 towers, it is a combination of towers which have been transferred to it through an IRU from the three shareholders and towers which it has built on its own in the last year.

Rahul Singh: Okay thank you every one.

Moderator: Thank you Mr. Singh. Our next question is from the line of Srinivas Rao of Deutsche Bank, please go ahead.

Srinivas Rao: Sir, thank you very much this is Srinu here. Congratulating on the disclosure level which have very heartening and helpful to us. Sir just wanted to check with you this, Indus which you continue to see actually making a loss, for the last two quarters. The general impression we had when the whole structure was made, was that it would be beneficial to the shareholder operators possibly from the inception. Could you tell us why would it make a loss, because I am assuming the existing legacy towers which Indus has inherited, they should be at least neutral in terms of impact and the newer towers obviously the tenancy starts out with at least, I am assuming, two. So just trying to understand the impact in the P&L of Indus?

Sanjeev Aga: Yeah I will take your question, but I have just got the data for Rahul's question. As on 31st March, Indus towers were about 95000, little more than 90000, closer to 100000. And the towers which were

transferred through the IRU arrangement were roughly about 75000 towers. So in this year 20000 towers were built by Indus and that is how the numbers stack up.

Your second question is to, why Indus has made loss. Indus has been operating for a good 8 months with significant overheads and building out 20000 towers based on borrowed funds and they started getting their rental income in bulk from these 75000 towers only from 1st January. So when you are talking of the year as a whole, or even as a quarter, this is not as if the year was of the same business model. The business model changed from 1st January because that is when the rentals really started kicking in. It is not as if all new towers have a tenancy of two to begin with. There are lots of new towers which also have single tenancy. Tenancy builds up across the board, old towers and new towers, with the passage of time. I think in the coming years, including this year, the tenancy should improved quite significantly because this is in the nature of telecom that as you get into more and more capacity sites as opposed to new coverage sites, the scope to increase tenancy increases.

Srinivas Rao: Thank you sir, just one more question if I may, would you throw some light or can you comment on the fact that you have managed to contain your losses in both Mumbai and Bihar pretty creditably. How did it happen, any particular dynamics because those markets have been fairly competitive, so any thoughts on that?

Sanjeev Aga: I am surprised that you are surprised but there are two different answers. As far as Bombay is concerned, Bombay is relatively compact geography and when we launched the service, we launched it with approximately 1000 sites. We got pretty much 100% outdoor coverage and significantly good indoor coverage. So this is a circle where incremental CAPEX compared to a circle like Bihar is going to be less. In Bihar the incremental CAPEX is going to be much higher because it is a huge state and as revenues pick up, it is not surprising that EBIT or EBITDA losses should start tending down. As far as Bihar is concerned, there are two reasons. One is that we had pretty good traction on the revenue front and second reason I think is that there has been a reduction in interest, though interest is after EBITDA.

So the result you are seeing is a combination of Bombay and Bihar and that is how it is worked out. The EBITDA breakeven or EBIT breakeven in terms of time, for equally attractive business cases is not the same, it is a function of how big the circle is, how much you front load the investment, how much you backload it? And what traction you get and what your costs are?

Srinivas Rao: Fair enough sir. Thank you so much.

Moderator: Thank you Mr. Rao. Our next question is from the line of Urmil Shah of Kim Eng Securities, please go ahead.

Urmil Shah: Hi sir thanks for taking my question. This is a follow up to the question on the churn. As the rise has been higher and it could go up with the competition increasing, do you see any risk on the MoU's with the high usage customers leaving out?

Sanjeev Aga: No. Our marketing teams and our circle teams do constant work on segmentation and there is no such pattern that high usage subscribers getting churn. Of course there is churn for all competitors, for all players. India does not have a contract system so India's business model has very different with little upfront subsidy or maybe zero upfront subsidy. Cost of acquisition by world standards is low, but in India the percentage of churn by world standards is high. So this is more or less our business model. But as

far as Idea is concerned, our churn by sector standards is pretty much under control and on the whole our high users and our old users are happy with the service. We also measure this by various other indices like customer satisfaction studies and all that, and we are quite well placed competitively. I think there has been little greater churn in the lower ARPU categories because those are the customers who get more attracted by bargains.

Urmil Shah:

Okay, thanks a lot.

Moderator:

Thank you Mr. Shah. Our next question is from the line of Ajay Nandanwar of Indea Capital, please go ahead.

Ajay Nandanwar :

Good afternoon sir, congratulations on a great set of numbers. I have a question about depreciation of CAPEX. How this might change going forward, given that now Indus and passive CAPEX has sort of moved out on a standalone basis? What sort of ongoing depreciation as the percentage of gross block or net block to be given that now it is primarily active block on your balance sheet?

Sanjeev Aga:

In terms of total CAPEX, as we told you, last year CAPEX is about 5500 Crores and this year including our new circles it is going to be indicatively in the ballpark of 6000 Crores. There are two patterns; I will just come to your breakup between active and passive in a minute. One is that it is fair to say that ignoring 3G for the time being, CAPEX for our stronger circles might have peaked last year and CAPEX spend will be relatively lower compared to last year's level, but there is of course spend in the seven new circles which we are gestating or which we are about to launch and the combined figure comes to 6000 Crores. If you look at the breakup of this 6000, maybe your point is right that component of active as a part of the total pie could be higher, and that the depreciation tenure for active is sometimes a little less than that of our towers, let Akshaya take this.

Akshaya Moondra:

Actually I think your question is that with large part of passive infrastructure moving out and our assets being largely active, would that depreciation as a percentage of gross block change?

Ajay Nandanwar:

Sir would that be depreciated faster?

Akshaya Moondra:

The passive infrastructure is normally depreciated over 15 years; the active component is depreciated over 13 years. So to the extent the more passive infrastructure is going out, the weightage of 13 years would be higher, so the depreciation percentage should be a little higher but not significant.

Sanjeev Aga:

If I may just add because even within active, there are many other non-electronic items. For our own sake we will do this analysis, but I think on the whole it is not going to make a huge impact.

Ajay Nandanwar :

Another question and I am trying to understand is that in Indus you moved 11094 towers and paying IRU and It is roughly 3.5% of revenue which is what you said earlier. But you said you are also getting 1.2% of revenue as IRU payment from Indus, now what exactly does that mean? is that sort of the profit Indus is making that you are getting paid?

Akshaya Moondra:

No Ajay, it is basically like, till the assets are demerged into Indus, we recover IRU rental which is almost equal to depreciation and once those assets are actually transferred and Indus becomes the owner, then they will stop paying this rental and we will stop depreciating these assets because they would no longer be on our balance sheet. So, IRU is more of an interim arrangement while we go through the court process of demerging these towers into Indus. So finally speaking once the towers go away, there will be

no IRU rental and in that situation, the EBITDA impact would be roughly 3.4% and the EBIT impact would be 2.2%.

Ajay Nandanwar: Now, so if I try to understand this correctly, standalone consolidate March 2009 number is the gross block difference is between 21100 Crores and 18900 Crores. Now this standalone includes passive infrastructure here or it does not?

Akshaya Moondra: Firstly as far as the status right now is concerned, nothing which has to go to Indus has been reduced from our block. So whatever has to go to Indus finally still stays on our block. So there has been no change as far as that is concerned.

Ajay Nandanwar: Surely. So sir, if I were to calculate the depreciation on the towers that will go to Indus, the number is 1.2% of revenues this quarter?

Akshaya Moondra: You could roughly take that and I think, on that if you need further details, you could interact with Pradeep and he will be able to help you out with that.

Ajay Nandanwar: Earlier you were talking about 6500 CAPEX for the year and now you saying it is 5500 Crores. Is there something prompted you to for delay the CAPEX or just share some light on that?

Sanjeev Aga: No. There is no delay, there is always fine tuning. I think it is just a question of finally adding up all the numbers with prices. So when we talked to you earlier that were pre-budget, now these are the budgeted numbers. Secondly I think we will be able to get a little more capacity utilization because of some techniques or rather technology features like AMR and so on, which are being adopted on a full scale. So that will help in capacity utilization and that might lead to a little bit of reduction, but our strategic plans do not change with the market. We will continue doing what we think is in the long term interest of the business.

Ajay Nandanwar: Sure yeah. Also one last question. Are there any factors in this CAPEX that sort of reflect going forward and are you talking about 6000 Crores CAPEX next year, could that be lower than 6000, for similar factors?

Sanjeev Aga: If there is no 3G, as I mentioned to you for our strong circles the year of peak CAPEX was last year. As far as new circles are concerned, again I guess this year would be the year of peak CAPEX. So from that point of view, I would say that it is unlikely to be higher than this.

Ajay Nandanwar: And what would you say now, is average tenancy on Indus tower?

Sanjeev Aga: The Indus is still a private company so it would not be right for me to disclose the tenancy number.

Ajay Nandanwar: Thanks very much.

Moderator: Thank you Mr. Nanadanwar. Our next question is from the line of Vikas Mantri of ICICI, please go ahead.

Vikas Mantri: Yeah, sir I just wanted to check, have we moved our manpower to Indus because we are reporting 1100 less manpower. And second question more on the rent paying cell sites. Last quarter we saw a significant increase in our network operating cost because of an increase in rent paying cell sites. There's been a similar increase in this quarter. So can you explain the cost benefits that we might have had, because they do not reflect in your network operating cost?



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- Sanjeev Aga:** Your first question there is a little bit of re-grouping. We are not including temp employees in the reported manpower, so it is not because of Indus but it is because of this factor. Your second question, Akshaya will take.
- Akshaya Moondra:** Can you just repeat your second question, as to you were saying the number of rent paying cell sites have increased which is right.
- Vikas Mantri:** Last quarter when we saw a significant increase in our network operating cost, we attributed that to the significantly higher rent paying sites. Now from this quarter onwards since most of our towers have moved down to Indus, we would have significantly higher rent paying sites, but that does not reflect on your network operating cost which has just gone up 10% from last quarter as compared to a 70% increase in your rent paying sites.
- Akshaya Moondra:** It is not that the sites on which we were not paying rent were free. Some of these were bilateral arrangements where we were paying rentals although lower rentals and also on the sites which were owned by us there were operational and maintenance cost, and sites rental. So Indus has an incremental impact on the cost. It is not from zero to the rental that we are paying. And to that extent there is a cost increase, which is reflected in our network operating cost for this quarter.
- Akshaya Moondra:** On Manpower, actually we just regrouped it to take only manpower which is strictly on Idea roll. If there are any temps or something we have excluded and the previous period figures have also been restated accordingly.
- Vikas Mantri:** Fair enough.
- Moderator:** Thank you Mr. Mantri. Our next question is from the line of Pankaj Kapoor of ABN AMRO, please go ahead.
- Pankaj Kapoor:** Yeah hi sir, thanks, I have two small questions and one clarification. First how do you plan to fund next year CAPEX of about Rs. 60 billion which you mentioned. And second, are we looking at pooling of the overlapping licenses as both Spice and you are looking at the demerging the overlapping licenses soon. How do you plan to monetize them? And lastly the clarification, the AS11 reversal that Spice reported in their numbers in its administration expenses, has that also flown into our consolidated numbers or have you restated their numbers when we are integrating, thanks.
- Sanjeev Aga:** Akshaya will take your questions but as far as the overlapping licenses are concerned there is actually not much change in the position from the last quarter. We had written to the government asking for treatment in line with the applicable regulations. So there are range of possibilities and as of now, there is no change in that particular side.
- Akshaya Moondra:** On this funding of CAPEX for next year we indicated that our CAPEX for next year would be up to the order of Rs. 6,000 Crores. As on 31st March, we have roughly Rs. 5000 Crores of liquid funds and if you take last year's figure as an example the cash generation from operations, was of the order of about Rs. 2500 Crores. So if we take all that into account, we will have liquidity available for Rs. 7500 Crores which would be sufficient for CAPEX and debt servicing for this year FY2010.

Other question which you had was relating to AS11. When we consolidate Spice results into our results, we reclassify what they record in their administrative cost as per their system to interest and finance cost as per our system. So the regrouping is done to match it with our reporting structure.

Pankaj Kapoor: Fair enough. So just on this particular thing, the EBITDA that we had reported, besides the IT services cost and the gratuity restatement, there was no other one off item in that number?

Akshaya Moondra: Since you are on the question of gratuity, and, if Reena is still on the line, we just checked the standalone numbers and there is a reduction of 69 million there and the reason is the same. That is all on account of actuarial valuation change on gratuity and leave encashment. And it is mostly leave encashment because of some change in discounting rates, between December and March.

Pankaj Kapoor: Thank you that is all from my side.

Moderator: Thank you Mr. Kapoor. Our next question is from the line of Shubham Majumdar of Macquarie Capital, please go ahead.

Shubham Majumdar: Yeah hello, thanks for the opportunity to ask question. Two questions, one is, would you be able to give us your share of VAS revenues in your ARPU or revenues in this quarter and if there is any noticeable uptake, because I think the numbers are pretty soft across the sector for operators last quarter. And secondly just on a similar issue, how have roaming revenues behaved especially for international roaming. And two is, would you be able to give us any sense of the number of towers or the total tenancy ratio or at least a ballpark range for Indus or at least when you will be able to give us that number as to this quarter or next quarter. And finally just on the question of Axiata Group shareholding in Idea, there is a lot of buzz about potential M&A or incremental stake purchase in Idea Cellular. I just wanted to know whether there is a provision for Axiata to increase their stake in Idea Cellular beyond 20% based on the large shareholding agreement entered into and is it a necessity that the minimum acquisition price will be benchmark with the last acquisition price of Rs.157 per share? Thank you.

Sanjeev Aga: Hi Shubham, the buzz has not reached us and neither has it started from us, so the second part of the question just becomes irrelevant. Your other question was about VAS; our VAS contribution to total revenue is little under 10%. It is about 9.5% and that it has edged up marginally in the last quarter.

On roaming revenue, I do not I think I have the number straight away but generally speaking, as I answered earlier, roaming revenue in January to March is always lower than October- December. October- December is the peak month. And roaming revenue in this quarter is lower, but if you are very keen, I will try and get this number later.

Akshaya Moondra: Well on the question of Indus towers we said that, Indus totally has about 95000 towers and in terms of tenancy, it will not be appropriate for us to give those numbers.

Shubham Majumdar: Akshaya, I appreciate that. Would you be able to tell us as to when based on a certain timeframe, would you be able to discuss more of the operating matrix of Indus? Is it next quarter?

Sanjeev Aga: Shubham that is an Indus question. It is not that we are coy but Indus is a separate company and we will just be happy to share whatever is in the public domain, and everything that impacts Idea from Indus, is given to you. The only thing which is left out is, what the tenancy is and what is the impact of



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that increased tenancy on lower rentals of Idea, and, what is the impact on the consolidation of Indus profits. That is an area where we have to be careful because Indus is not yet a listed company like us.

Shumbham Majumdar: Sure Sanjeev thanks. If I can just squeeze in one question, you have had a remarkable resilience in terms of ARPUs and ARPM in this quarter, especially given while the Industry expectations were based on free minutes and so on and so forth by competition. However, if we just look at Mumbai-Bihar ARPUs and while you have not disclosed that explicitly, if we just do some calculations based on average revenues and throughput, we do arrive it a very significant decline in the ARPUs of Mumbai-Bihar circle, I think it was 464 last quarter and it has fallen off by 36% to 37% in this quarter based on the calculations. Would you be able to offer some color regarding was it high because it was the initial entry period and there is lot of revenues and post-paid revenue intensity in there or is it due to the 60 Paisa pricing and lifetime SIMs being priced Rs.25. Just any color on the ARPU realization in these two new circles, thank you.

Sanjeev Aga: Shubham for any new operator in any new circle in India neither ARPU nor reported subscribers are stable enough to draw too many inferences. So what one looks at in a new operation is how many subscribers are actually using, how many are staying with you, because again in a new circle there is a tendency for a lot of trials which may not yield permanent subscribers and what is the composition of revenue from those subscribers. We do not look at all, at any drop in ARPU as having any significance, it is just statistics. It is only after about 8 or 9 months or 10 months where we get a pattern as to what the ARPU is, what the minutes of use are, and the first 6-7 months for any operator in any new circles, these statistics do not readily give any analysis.

Shumbham Majumdar: Sure and Sanjeev. Do you think generally the street and investor base are probably being a little too pessimistic about revenue per minute and MoU trends over the medium-to-longer term and do you think there is a need for the structural upward shift in investor perception of where longer term ARPM and ARPU realizations for the industry as also Idea could potentially move up?

Sanjeev Aga: With a lot of caveats, because the investor is always right because he is the guy who puts his money where his mouth is. But having said that, if you ask me for a personal view, I think the investors are looking at the wrong parameters and those old models have become relics now, things like Rate Per Minute and ARPU and MoU. I think one has to start looking at mobile telephony in India as an unlicensed sector and that is the way at least we look at it as in terms of competitiveness, competitiveness is nothing but long term profitability. One has to start looking at it in many ways like a non-telecom business and one has to distinguish between circle operations, one should not take a national average, one should take a circle by circle aggregation which may not be available but that is the only way to do it. One has to distinguish between businesses which are in the mature phase; one has to look at businesses which are gestating. Not every gestating business will make money, models all look the same but actually in life not all gestating businesses will make money, so one has to distinguish.

I think this market today is a combination of long term winners and long terms losers and the emphasis should be on picking winners from losers if it is possible, it is not always possible. And that is really where long term value is going to come from. Rate Per Minute and reported subscribers are not going to help in that analysis, so they are good pointers but they have their limitations.

Shumbham Majumdar: Sure, thank you, Sanjeev all the best.



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- Moderator:** Thank you Mr. Majumdar. Our next question is from the line of Nikhil Pahawa of Medianama, please go ahead.
- Nikhil Pahawa:** Hi, I was just wondering about the value added services, you have not reported a breakup for this quarter as to how much it is contributing into ARPU. And also wanted to get a sense of how much is that SMS and how much is that RBT and how is the mobile internet space been for you?
- Sanjeev Aga:** If we have not reported it I will tell you right now. Our value added services are roughly 9.6% of revenue for the quarter. The biggest component is SMS; ringback tones and dialer tones generally is an area of strength for our company but I would not be able to go microscopic there.
- Nikhil Pahawa:** I was wondering in the sense are we seeing an increase in this.
- Sanjeev Aga:** The only direction I can give you is that value added services actually is increasing in terms of adoption, but what you are finding is subscriber base is also going up very dramatically. The new subscribers for two reasons, one is that some of them come from different income strata and some of them are not completely familiar with the terminal and the services so their pick up of value added services takes time. So you will find increasing contribution from the older subscribers which gets somewhat neutralized by low contribution from new subscribers.
- Nikhil Pahawa:** Just one last question, how do you think Nokia's OV service is going to impact you because they are also entering into the services space and you also have your own services?
- Sanjeev Aga:** It will have no impact on us.
- Nikhil Pahawa:** Is it because they are going to be partner with you?
- Sanjeev Aga:** Actually, I do not know too much about this so I better find out before I say no.
- Nikhil Pahawa:** Okay, thanks and all the best.
- Sanjeev Aga:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Atul Bhole of Tata Mutual Fund. Please go ahead.
- Atul Bhole:** Yeah congratulation Sir. Sir you have given guidance of 6000 Crores of CAPEX next year but in terms of cell sites or BTS what is your target for next year?
- Sanjeev Aga:** I will give you every quarter how many BTS we put out, but at this point of time we would not give an annual target because it gets to be competitive information, but after the cell sites are put up we will update you number of cell sites. I can give you a very general answer which is good enough for your purpose, which is, that compared to the last two years there is going to be relatively more vertical growth. Vertical growth means that you are adding more TRXs on the same cell site as apposed to putting up new cell site. That is the direction and that happens because of two or three factors. One is the AMR factor I mentioned earlier, the second factor is that in some of the circles we have got a little more spectrum which facilitates that. So these are two of the factors because of which we will have more vertical rather than horizontal growth.



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- Atul Bhole:** I asked the question because one of the sentence in your report says that Idea now covers 80% of national subscriber base and that is with 44000 of your BTS, but say Bharti has a lot more number of towers or BTS around 90000. So how you are covering the country's 80% of the base with almost half the number of BTS?
- Sanjeev Aga:** We are not covering, what our statement says and that we have operations in circles and those circles cover approximately 80% of all India mobile subscriber base.
- Atul Bhole:** You still have to expand in those circles.
- Sanjeev Aga:** Yeah so if we operate say in 16 circles as of now, those 16 circles, if you see the TRAI figures or COIA figures, make up 80% of India's reported subscriber base. It does not mean that we have wall to wall coverage in all those circles.
- Atul Bhole:** And my next question is to Mr. Moondra. He mentioned about the funding for 6000 Crores CAPEX but in this year of net current asset there would be some vendor financing which will come up for payment, so how that will be financed?
- Akshaya Moondra:** We do not have any vendor financing except for those regular creditors, so there is no long term vendor financing which will come up for repayment. There will be some debt servicing. What I had mentioned was that if I take 5000 Crores of liquidity plus roughly 2500 Crores of cash generation that would be adequate to meet our CAPEX requirements plus our debt servicing. We have very limited debt servicing in the coming year, it will not be significant.
- Atul Bhole:** I have 1 more question regarding your EBIT per minute, which is stabilized at around 55 Paisa per minute in last one year. So can you comment on that? I know that you are expanding and there will be lot of pressures because of that on the EBIT but what can be the trend?
- Akshaya Moondra:** EBIT per minute is not 55
- Atul Bhole:** 0.8 Paisa per minute.
- Akshaya Moondra:** You see this is a question of margin and we basically believe that with our competitiveness and with our growth, and with the better utilization of assets even considering a marginal decrease in prices, we should be able to maintain that.
- Atul Bhole:** Okay sir, thank you.
- Moderator:** Thank you Mr. Bhole. Ladies and gentlemen due to time constraints that was the last question. I would now like to hand the floor over to Mr. Aga for his closing remarks.
- Sanjeev Aga:** Thank you everyone for having taken the time, over an hour and for your questions and for your patient listening. We will be back again at the end of 1st Quarter of the current year. As we said in our press release, we believe the coming year will be a testing period for the Indian telecom sector. We think that Idea is equipped to emerge competitively stronger. Thank you so much for your time.
- Moderator:** Thank you Mr. Aga, thank you Mr. Moondra, and gentlemen of the Idea Cellular Management. Ladies and gentlemen that concludes this conference call. Thank you for joining us on the Chorus Call Conferencing Service and you may now disconnect your lines.