**Idea Cellular Chairman Speech | Idea Cellular Ltd Chairman Speech**

Across the world in 2012 the economy remained a worry. Global GDP fell to 3.2% compared to 4% in 2011. Many of the systemic vulnerabilities continued. Among these were fiscal fragility, hidden and unknown risks of financial derivative instruments and the problems of the weaker Eurozone economies. The increasing instances of political gridlock aggravated the situation. While these are not totally left behind, there are strong positives. The unwinding of financial leverage, several rounds of liquidity injections, with Japan also joining in augur well for the global economy. Alongside, continuing low interest rates, sharp corrections in commodity and energy prices and a modest recovery in the US housing market ring in a degree of optimism. Furthermore, the private corporate sector seems on the path to stepping up investment outlays. Thankfully, the worst case outcomes have been averted. The US has not fallen off the fiscal cliff. And despite the recent financial shocks in Cyprus, government bond yields have fallen. The global economy has clearly shown a lot of resilience. The global economy is now moving on to a surer recovery mode. The IMF projects growth at 3.25% in 2013, increasing to 4.0% in 2014. GDP growth in emerging markets and developing countries is placed at 5.3% in 2013, increasing to 5.7% in 2014. US GDP is expected to grow 1.9% in 2013, rising sharply to 3.0% in 2014. Europe will remain a laggard, with growth projected at -0.3% this year, and inching to just over 1% in 2014. China''s growth will scale back from its recent double digit levels to 7-8%, which is still respectable. Slow growth, investor diffidence, the rupee falling to an all time low, power outages and a poor monsoon added to the country''s woes. High commodity prices and supply constraints of critical raw material, such as coal and natural gas further compounded the problem. Unsurprisingly then, India''s GDP growth slowed markedly in 2012-13, to 5%, down from 6.2% in the previous year. The manufacturing sector recorded a growth of only 1.9% in 2012-13, down from 2.7% in 2011-12. Export growth in 2012-13 was 5.1%, compared to 15.3% in the previous year. There are good signs, as we move into fiscal 2013 - 2014. There have been some positive policy developments in recent months. These include a decline in interest rates and a move towards market-based pricing for diesel and petrol. If this pricing flexibility persists, it could make a considerable dent in the subsidy bill. The expectation of a normal monsoon is a positive, going forward. In FY 2013-14, GDP growth is projected to rise modestly to around 6.0% with much of the improvement likely only in the second half of the year. Industrial activity will continue to be adversely affected by regulatory bottlenecks. The recent decline in commodity prices, particularly of crude oil, and continuing buoyancy of FII inflows will pave the way for greater exchange rate stability, and a moderation of inflation. The RBI projects a 5.5% increase in the wholesale price index in FY 2013-14, down from 7.3% in the previous year. The Telecom Sector. The Financial Year 2012-13 was a tumultuous one for the telecom sector, with a number of regulatory decisions, which impacted the industry, forcing it to incur high costs. The February 2012 license cancellation by the Supreme Court was followed up with the November 2012 1800 MHz spectrum auctions with a very high regulator recommended reserve price. Furthermore, a cost and manpower intensive ''new subscriber acquisition process'' was introduced. Various other regulations that impacted VAS and voice business were issued. I am pleased to share with you that your Company has weathered these and other industry driven challenges to once again report a splendid performance. Your Company continues on its enviable track record of being India''s ''fastest growing large mobile operator''. Your Company consolidated its 3rd position in terms of Revenue Market Share (RMS) as it improved RMS from 15.0% in Q4 FY 11-12 to 15.7% in Q4 FY 12-13. Your Company beat the industry growth by 1.5 times to achieve a Revenue growth of 14.9% over FY 11-12 clocking Rs. 224,577 Mn in Gross Revenue and an EBITDA of Rs. 60,046 Mn, a rise of 17.9% over the previous year. On the back of strong top line performance and tight execution, PAT soared by 39.8% over FY 11-12 to Rs. 10,109 Mn and Cash Profits increased by 24% over FY 11-12 to Rs. 49,794 Mn. Subscriber growth remained a focus area resulting in a gain of 1.2% VLR market share reaching 16.6% and ending with 121.6 Mn subscribers. This makes your Company the 7th largest single country telecom operator globally by subscriber count. Your Company led the industry in VLR subscriber additions in FY 12-13 by garnering 37.2% of total industry subscriber additions. Significantly, while gaining volumes, it retained the distinction of the best subscriber quality at 98.9% of subscribers on VLR, way above industry average of 83%. Even as your Company added over 6,900 GSM sites to augment growth of voice services, taking its overall GSM sites to over 90,000, it has propelled the data traffic growth by ongoing investments in its mobile broadband backbone. It rolled out more than 4,300 3G overlay sites, with the total count crossing over 17,100 sites taking the OFC network to 74,000 km of cable. Your Company''s data users generate more than 3.75 Bn MB of data traffic per month on its global quality High Speed Data network. Given Idea''s excellent performance, I am delighted to report that after 16 years of the start of your Company''s operations, your Board has recommended its maiden dividend of 3 per cent. I appreciate the unequivocal commitment of your Company''s over 270,000 institutional and retail investors to its growth and their faith in the Company. Outlook. The sector offers growth opportunities, both in voice and data. While there is still much to be derived from voice business, data is emerging as the next driver of growth. On the back of strong execution and a clear focused strategy keeping quality of service and consumers at its center, your Company''s management is confident that it will not only overcome any impending regulatory and market challenges but also come out a healthier and stronger operator, set to become a challenger to the incumbent leaders. To our Teams. I thank all of our teams. For most of our employees, I can say with certitude that their commitment towards their responsibility to give results has been incredibly overwhelming. They have enriched your Company and determined its course over the years. I am confident that as we move into an even higher growth trajectory, our people will continue to rise to the increasing demands of their work. The Aditya Birla Group in perspective. Over the last two years, significant changes have impacted the global and domestic business scenario. Given our resilience, our Group has managed to weather the storm. Our consolidated revenue at US 42 billion dollars is marginally above that of the last year. I believe, that if we have been able to sustain our revenues, it is because of the quality of our 136,000 strong workforce spread over 36 countries and 42 nationalities. The hallmark of our overall leadership development efforts has been our belief in taking "bets on our people". And it has indeed paid off. Our entrepreneurial DNA also encourages risk taking which includes taking risks with people, of course with safety nets. We believe that people are endowed with immense capability - our task is to spot them, early in their careers and provide them with suitable opportunities to try their hand at and test their skills. Our investment in people processes has enabled us have a robust bench strength of talent. Our entire focus is on ensuring that we always remain a meritocracy. This pool of talent is developed through a series of planned exposures, assignments and training opportunities so that they are prepared to take on leadership roles as and when these emerge. Let me elucidate these aspects with an overview of our talent management and leadership development processes. Two new programmes namely "Step UP" and "Turning Point" have been launched. These aim primarily to prepare Departmental Heads and Functional Heads for the next stage of their career development as Functional heads and Cost Centre heads respectively. The first pilot batches have already undergone the initial rounds of training. These programmes will be further institutionalized. Last year, I had alluded to the launch of our P&L Leaders Development Program, called - " The CuttingEdge". The objective of this program is to prepare our high- performing functional heads to take on P&L roles. The program has taken off to a solid start. The first batch of participants has been already absorbed in the global immersion program across 4 different countries. The second batch of " The Cutting Edge"will soon start their programme. To augment talent on the technical side, we have also been hiring, for the first time, a select set of manufacturing professionals directly at the Group level - The first group has already moved into our businesses. Our in-house learning university ''Gyanodaya'' is a globally benchmarked institution. It leverages resources from around the world to meet the development needs of our leadership. Last year it had 28,000 touch points and partnered with several external institutions and corporations for collaborative learning. More than a 1,000 executives take courses at Gyanodaya each year. Alongside, we have Institutionalized global career paths - driven both by the individual and the organization''s needs. To a great extent this allows an individual to ''take charge of his own career''. We leverage vacancies across the Group and stimulate talent mobility by identifying and moving leaders across geographies and functions and into new roles as part of their career development. Development for us today means providing people opportunities to learn from their work rather than taking them away from their work to learn. Let me give you some statistics relating to fast tracking of talent. Since April 2011, from our management cadre comprising of 37,600 colleagues 15%, i.e. 5,824 have been promoted, 18% i.e. 6,481 have moved roles and 12% i.e. 4,543 have moved location. Additionally, we seek feedback in an institutionalized way and conduct conversations with our people across the Group to gauge their engagement with our Group. We call it ''Vibes''. The Vibes survey is carried out by a global reputed external HR research agency. This year 94% of our 35,000 Executives participated in the Vibes survey - which is an indication of their engagement with the Group. It was very heartening for me to see that 92% of employees have an overwhelming sense of pride in our Group. More than 80% are engaged employees and again over 90% say that they understand the connect between their work and goals of business. Today, we are reckoned as an Employer of Choice that offers a World of Opportunities for talent. I take great pride in sharing with you that our Group (Aditya Birla Group) has topped Nielsen''s Corporate Image Monitor 2012-13. An extract from their media release would interest you - "Aditya Birla Group has emerged as the Number 1 corporate, the ''Best in Class'' across all the six pillars of Corporate Image, according to the annual Corporate Image Monitor 2012-13, conducted by Nielsen, a leading global provider of insights and information into what consumers watch and buy. The six pillars of Corporate Image comprise of Product & Service quality, Vision and Leadership, Workplace Management, Financial Performance, Operating style and Social responsibility. Nielsen''s Corporate Image Monitor measures the reputation of the 40 leading companies in India across sectors and serves as an important indicator of the strength of the corporate brand". The survey was conducted among policy makers, the financial media, financial analysts, investors, professionals from the corporate sector and the general public across 7 metros. The 40 corporates covered in this survey were selected using The Economic Times-500 and the Business Today-500 list of listed companies. Nielsen is a global market research company, headquartered in New York and operating in 60 countries. In sum. Let me conclude that we have strong Balance Sheets, robust cash-flows and gearing levels well within reasonable limits. The global presence of our Group and the experience of operating in 36 countries invests us with the strength to acquire assets or grow organically anywhere in the world in different business environments. And finally, our indomitable strength of running low cost, highly-efficient and vastly productive operations, through our embedded culture of continuous improvement and innovation, will see us through good times as well as tough times. Christie’s London is presenting the exhibition and auction Eyes Wide Open: An Italian Vision, the most important private collection of Arte Povera ever to be shown in the UK. The term Arte Povera was coined by the Genoese critic Germano Celant in his. More from markets. Date Sources: Live BSE and NSE Quotes Service: TickerPlant | Corporate Data, F&O Data & Historical price volume data: Dion Global Solutions Ltd. BSE Quotes and Sensex are real-time and licensed from the Bombay Stock Exchange. NSE Quotes and Nifty are also real time and licenced from National Stock Exchange. All times stamps are reflecting IST (Indian Standard Time). By using this site, you agree to the Terms of Service and Privacy Policy.