

Idea Cellular

BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	IDEA IN
Equity Shares (m)	3,601
M.Cap.(INRb)/(USDb)	397.4 / 5.9
52-Week Range (INR)	128 / 66
1, 6, 12 Rel. Per (%)	51/13/-26
Avg Val, INRm	1123
Free float (%)	57.6

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	359.8	354.6	351.5
EBITDA	130.3	98.9	94.2
PAT	30.8	-11.1	-44.8
EPS (INR)	8.6	-3.1	-12.5
Gr. (%)	56.5	-134.7	-245.6
BV/Sh (INR)	71.6	68.5	56.0
RoE (%)	12.6	-4.4	-20.0
RoCE (%)	7.1	2.5	0.2
P/E (x)	8.6	-23.8	-5.9
P/BV (x)	1.0	1.1	1.3
EV/EBITDA (x)	5.1	8.4	9.1

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR107

Under Review

EBITDA on a freefall; Stock to trace merger progress, RJio offering beyond March'16

- **EBITDA disappoints again:** Idea's EBITDA declined 24% QoQ (third consecutive sequential decline; worse than Bharti India's wireless EBITDA decline of 16% QoQ; -31% YoY) to INR21.7b (6% below estimates) due to weak revenue growth and high network operating costs. This translated into EBITDA margin of 25% (-550bp QoQ). Notably, Idea reported a net loss (of INR3.8b) for the first time since its listing. Net loss, however, came in better than our estimate due to tax credit and lower depreciation/interest cost (led by capitalized cost of ~INR13b CWIP).
- **Voice biz hurt by high incoming traffic:** Voice revenue fell 4% QoQ to INR61.7b, despite 3Q being seasonally strong for voice. Voice traffic rose 7.3% QoQ due to unfavorably high incoming traffic from Jio network (due to its free usage plans), which, in turn, led to voice RPM fall of 11% QoQ.
- **Data revenue fell 14% QoQ to INR17.3b.** Data traffic was marginally up, while ARMB declined 15% QoQ to INR0.159/MB. Data subscriber base shrunk 10% QoQ, indicating subscribers shifted to free usage on second SIM. In data, ARPU was flat at INR111 and usage/sub improved 2% to 707MB.
- **Expect 17% EBITDA decline in 4Q:** Given that RJio has announced free usage till March'17, the key metrics – voice/data traffic and pricing – will continue to weaken as subscribers shift to RJio (mostly as second SIM card). We expect voice/data segment to decline 5%/16% QoQ in 4QFY17, leading to a 17% drop in EBITDA. This leads to FY17E/FY18E EBITDA decline of 24%/5%. Idea's net debt to EBITDA stands at ~6.1x on FY18E.
- **RJio offerings post March, merger progress are key:** Idea is valued at 9.1x EV/EBITDA on FY18E. If RJio continues to offer free/significantly lower ARPU plans post March, FY18 earnings revision may pull down the stock. The stock is looking for timeline/pricing of Idea-Vodafone merger, which can improve its weak competitive footing and FCF position. Until we gather more clarity on the merger, we maintain Under Review rating.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Revenue	87,915	86,891	90,097	94,839	94,866	93,002	86,627	80,138	359,809	354,634
YoY Change (%)	16.3	14.8	12.4	12.6	7.9	7.0	-3.9	-15.5	14.0	-1.4
Total Expenditure	58,122	56,320	58,812	58,678	64,124	64,601	64,973	62,073	229,510	255,771
EBITDA	29,793	30,570	31,285	36,160	30,742	28,401	21,655	18,066	130,300	98,864
Margins (%)	33.9	35.2	34.7	38.1	32.4	30.5	25.0	22.5	36.2	27.9
Depreciation	14,117	15,381	16,231	19,737	19,192	19,543	19,653	20,070	66,508	78,457
Share in Profits from Associates	927				1,035	1,057	1,143	1,166		4,402
Interest	3,240	2,726	3,349	7,678	9,224	8,753	9,232	9,528	16,545	36,737
PBT before EO expense	13,364	12,464	11,705	8,745	3,362	1,162	-6,087	-10,365	47,247	-11,928
PBT	13,364	12,464	11,705	8,745	3,362	1,162	-6,087	-10,365	47,247	-11,928
Tax	4,816	4,371	4,063	2,989	1,158	247	-2,248	0	16,447	-843
Rate (%)	36.0	35.1	34.7	34.2	34.4	21.3	36.9	0.0	34.8	7.1
Reported PAT	8,548	8,093	7,642	5,756	2,204	915	-3,839	-10,365	30,799	-11,085
Margins (%)	9.7	9.3	8.5	6.1	2.3	1.0	-4.4	-12.9	8.6	-3.1

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Idea 3QFY17 Earnings call Highlights

Business performance – 3QFY17

- To protect subscriber base, RPM declined 10.6% to INR 29.6 paisa. Data ARMB reduced 15% to INR 15.9 paisa.
- Free offering from new entrant led to low volume elasticity in the voice business. The traffic growth of 7.3% was largely due to the increase in incoming calls from the new entrant.
- Data business witnessed decline for the 1st time ever in terms of traffic and revenue. Despite the decline in pricing the elasticity benefits were absent, as customers shifted consumption towards free offering from the new entrant.
- Voice subscriber on Idea continues as the VLR subscriber base grew by 5.6m to 192.5 m. Idea thus maintained its subscriber market share to 19.5% on YoY, which can be offered the complete gamut of digital services - including Music, Movies, Games and digital banking.
- ICR 3g contract was renegotiated which led to the fall in access costs and also the revenue base. However it is EBITDA accretive.
- Higher spends on advertisement and brand promotion increased the SG&A expenses.
- Management continues to expand the scale of operation which has increased the dep and int cost on YoY, which has led to PAT loss, a 1st in the last 40 quarters since its IPO.
- Subscriber churn increased to 6% from 5.4% on the back of high competitive intensity.
- Free usage of voice and data customers is leading to secondary simcard usage phenomena, which has impacted Idea's ARPU declining from INR 130 to INR 111.
- Idea voice rates are now comparable to the leader in the market and it is no more at a premium to Bharti and Vodafone voice rates unlike the situation, about two quarters back.
- Only 26% of Idea subscribers are using wireless data including 2g data. Thus there is a huge opportunity to expand data absorption.
- INR 950m contribution from Payment's bank business in the current quarter.
- INR 50.8b capex funded by cash profit of INR 56.9b in the 9MFY17.
- There are different trends in 2g and 3g/4g. Outgoing rate fall was more in 4g customers initially. As a counter to the new entrant's price plans, unlimited price plans were launched. Currently 2.5m customers on unlimited price plans on 4g platform.
- NLD customer are low end who is a migrant, coming from Delhi, Mumbai and other top cities. When free usage is offered they are the one who are most vulnerable to shift.
- The reduction in IUC is largely due to ICR.

Network rollout

- The target is to reach all 22 service areas for broadband from existing 17 service areas by March'17.
- From current offers 3g in 13 circles and plans to launch in additional 2 circles (Bihar and Rajasthan) to take the total 3g coverage in 15 circles.

- Idea has expanded coverage by 69%, i.e. by 95302 sites (2g/3g/4g) in CY15 and CY16.
- Wireless broadband population coverage reaches 500m Indians in 17 service areas.
- Idea has increased its Fibre optic network coverage by nearly 50% from 90,200 km (Q3FY15) to 133,800 km in Q3FY17
- The current spectrum should allow to manage 15-20x of data with the completion of scheduled data network rollout.
- Focus is high on cutting unwanted cost and improve efficiencies. This includes, a.) Active Infrastructure sharing which is at advance discussion on 2g-3g-4g. Remain hopeful in signing multiple deals on active infra sharing. b.) Focusing on SG&A cost optimization.
- Active infra sharing needs a lot of technical work before a document can be signed. 3g ICR took more than a year. Since equipment suppliers are not the same, there may be different models, and a lot of testing needs to be carried out. Also these are long term deal, eg 8 yrs since 3g ICRs are continuing. Need to ensure that the contracts survive 5-10 years and therefore a lot of detailing is required.
- 28,200 Kms of Fiber optic cable (OFC) added in the last four quarters reaching 1,33,800 KMs of OFC network.
- Idea is working fast on launching 4g services in Gujarat. Have deep 3g coverage. The subscriber impact witnessed in Gujarat is similar to the other market. Currently facing onslaught in subscriber growth due to free services. The brand is not getting impacted due to availability, but due to the free usage.
- In Maharashtra, Idea has launched 2nd carrier 3g on 5mhz of 900mhz and 4g services on 1800mhz. It is awaiting 2mhz spectrum in 1800mhz which will be after the expiry of existing user which will allow 2nd carrier 4g services.
- FDD carriers: Currently there are 12 circles on 4g and Idea is under process of adding 8 more circle by March/April'17. 2nd Carrier on 4g in 7 markets is also under way. Out of these 4 market are already launched – MP, Haryana, Kerala and Punjab..
- Gearing to launch 4g services on 2nd carrier in Maha.
- Idea has been aggressively expanding its data broadband coverage and working hard to launch VoLTE services by FY18.

Industry scenario and business outlook

- New operators has severely impacted the market.
- Revenue and financial KPIs have sharply decline and the industry is expected to see a decline of 3-5% in FY17E. This will be for the 1st time and the market condition will only improve once the new operator starts charging subscribers.
- The revenue market share as of TRAI latest filing of 2QFY17 stands at 18.7%, 0.3% increase in RMS vs 2QFY16
- The current fragmented multi-operator telecom market should consolidated to only a handful of players which can offer the complete data services with high speed data and digital services. Idea launched Music, Movies, Games on 31st Jan'17 to widen its data offerings.
- **Profile of 4g customers:** 2.5m 4g subscribers are currently operating. The impact is high on prepaid 4g subscribers compared to postpaid. The customers

which are mid-low end ARPU customers at low value 4g handsets are shifting on free usage. The churn of low-mid end ARPU 4g customers have been higher. These customers are continuing to use voice on primary simcards of Idea but shifted data on RJio.

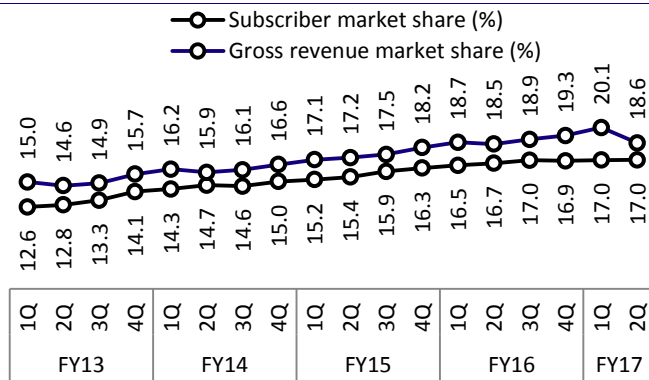
- The current studies on global market indicates that a VoLTE handset may not be available below USD 40-50. So if it is available at USD 35-40 bracket, then it may be subsidized.
- Initially there was high churn in mid-high ARPU subscribers due to the free usage. The subscribers were not lost, but shifted to 2nd simcard based usage. With the unlimited plans, the churn is arrested. The higher end of the subscribers are now seeing some retention.
- The low end ARPU subscribers who are deal hunters are now seeing more churn.
- The newly launched price plans of INR 345 ARPU are ARPU accretive but average rates fall as they consume more volume (voice and data) due to its higher offerings.
- **Revenue runrate and rate of decline** – The revenue impact in 3QFY17 is largely due to the new entrant but limited due to demonetization. The rate decline continues in Jan'17. The new entrant's subscriber addition has peaked. The subscriber addition of the new entrant is much lesser vs previously. Outgoing minutes have remained robust from Dec onwards. There is some degree of retention since the unlimited voice plans vs the previous period of when the new offering was not launched.

Merger/Capex/tower sale and deleveraging

- **Idea-Vodafone merger:** The company constantly evaluates opportunity to improve stake holder's value. Fundamental premise is of equal rights between Aditya Birla Group and Vodafone in the merged entity.
- ABTL capital reduction proposal in High court is approved for 4.85% which is shifted to P5 Asia subsidiary of Providence and therefore only 11.15% of ABTL consolidation will be done in the Idea.
- Bonds issues worth INR 7b with the intent of reducing deferred payment.
- The capex runrate for FY18 should be lower than FY17, which stands at INR 75-85b.
- The average 12-15% capex to revenue increased until two years back increased to 18-20% in the FY17, This trend should go down from the current levels.
- Deleveraging exercise led by tower sale of Indus and own tower are under exploration.
- Average cost of borrowing is at 9% on ~INR 500b debt, so the interest cost is about INR 45b, out of which some portion is not accounted due to it being capitalized currently.
- Idea is not eyeing at any pre conditions of holding strategic towers for potential tower business sale.

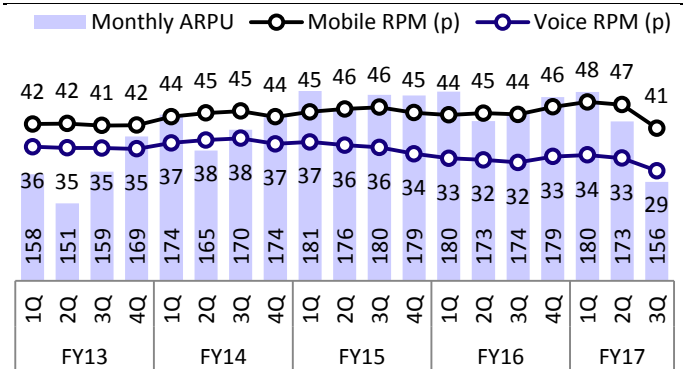
Story in charts

Exhibit 1: Idea: Subscriber and gross rev market share (%)



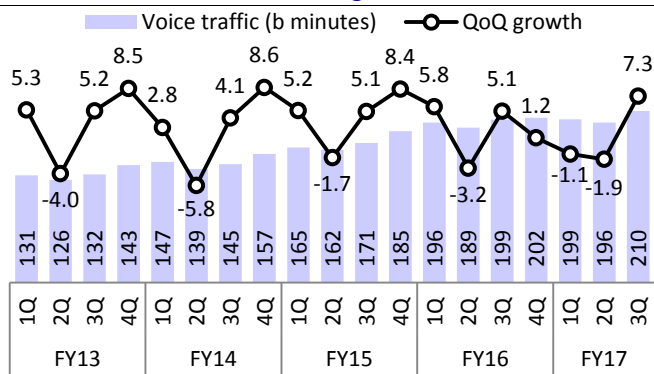
Source: Company, MOSL

Exhibit 2: Idea: ARPU and RPM trajectory



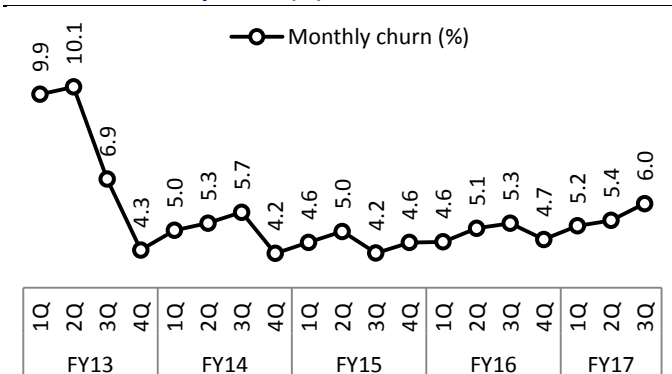
Source: Company, MOSL

Exhibit 3: Voice traffic and QoQ growth



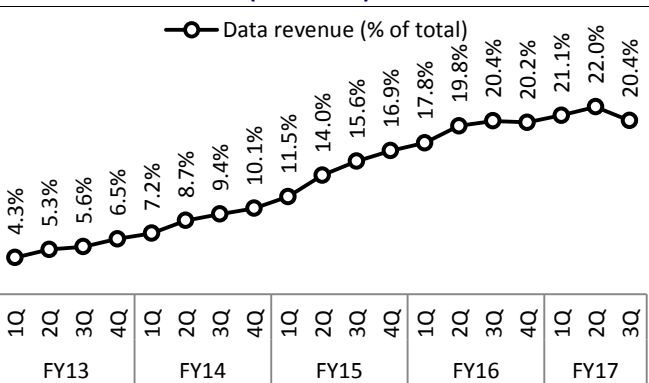
Source: Company, MOSL

Exhibit 4: Monthly churn (%)



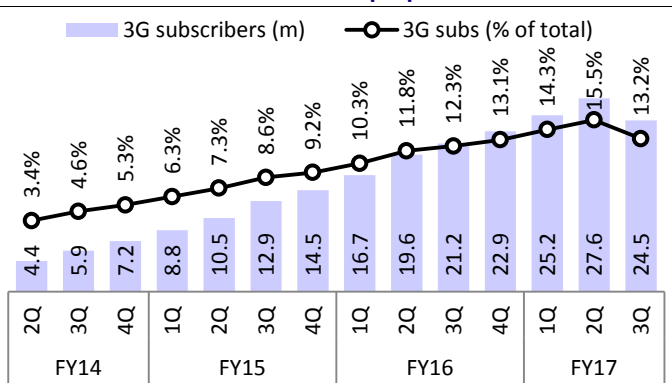
Source: Company, MOSL

Exhibit 5: Data revenue (% of total)



Source: Company, MOSL

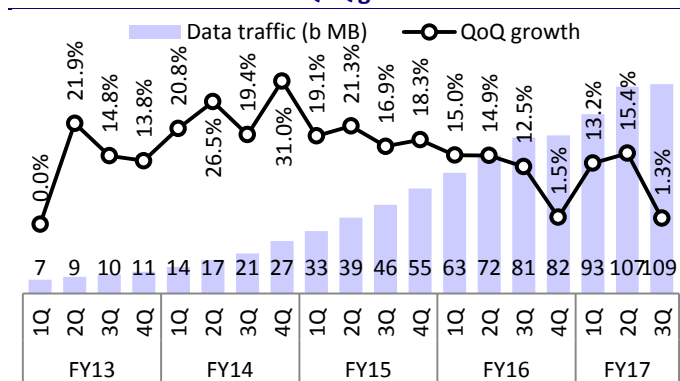
Exhibit 6: 3G subscriber base ramp-up



Source: Company, MOSL

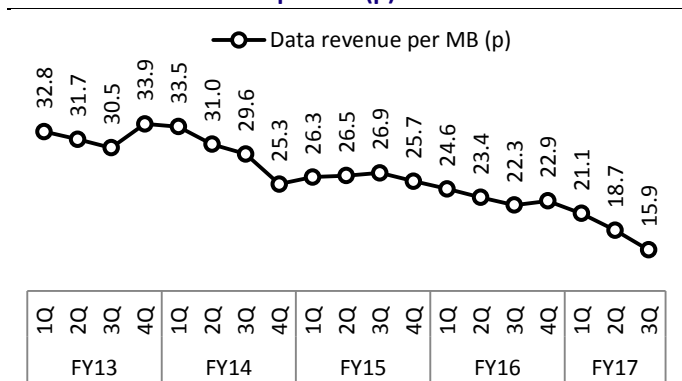
Story in charts

Exhibit 7: Data traffic and QoQ growth



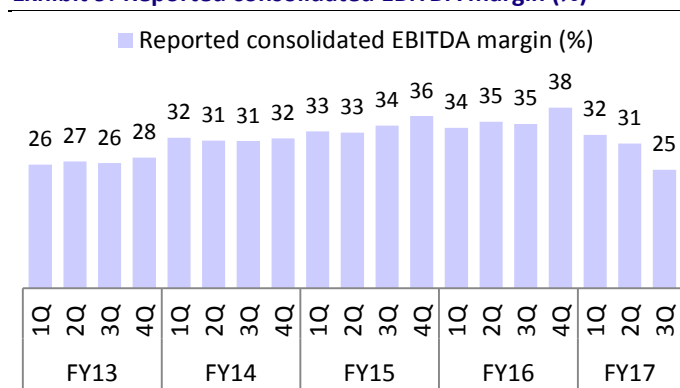
Source: Company, MOSL

Exhibit 8: Data revenue per MB (p)



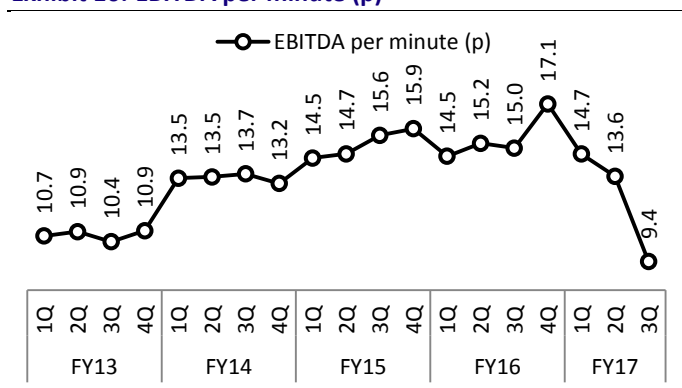
Source: Company, MOSL

Exhibit 9: Reported consolidated EBITDA margin (%)



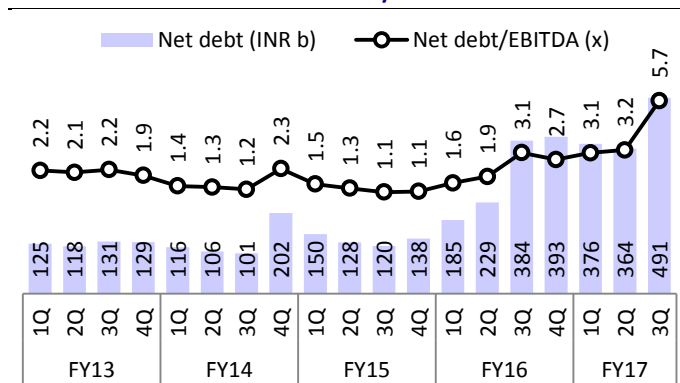
Source: Company, MOSL

Exhibit 10: EBITDA per minute (p)



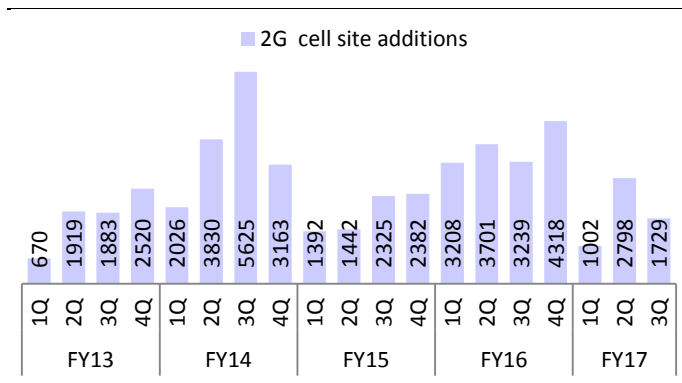
Source: Company, MOSL

Exhibit 11: Net debt and net debt/EBITDA



Source: Company, MOSL

Exhibit 12: 2G cell site additions



Source: Company, MOSL

Exhibit 13: Consolidated P&L and revenue drivers

Consolidated P&L (INR m)	3QFY16	2QFY17	3QFY17	YoY%	QoQ%	3QFY17E	v/s est (%)
Revenue	90,097	93,002	86,627	-3.9	-6.9	86,883	-0.3
EBITDA	31,285	28,401	21,655	-30.8	-23.8	22,903	-5.5
EBITDA margin (%)	34.7	30.5	25.0	-973bps	-554bps	26.4	-136bps
Depreciation and amortization	16,231	19,543	19,653	21.1	0.6	21,107	-6.9
EBIT	15,054	8,858	2,002	-86.7	-77.4	1,796	11.5
EBIT margin (%)	16.7	9.5	2.3	-1440bps	-721bps	2.1	24bps
Net Finance Costs	3,349	8,753	9,232	175.7	5.5	13,096	-29.5
Profit before Tax	11,705	105	-7,230	-161.8	-6997.3	-11,300	-36.0
Share of Associates	0	1,057	1,143		8.2	1,078	6.1
Adj Tax	4,063	247	-2,248	-155.3	-1009.3	0	#DIV/0!
Tax rate (%)	34.7	21.3	36.9	222bps	1566bps	0	3693bps
Profit after Tax	7,642	915	-3,839	-150.2	-519.7	-10,222	-62.4
Revenue drivers	3QFY16	2QFY17	3QFY17	YoY%	QoQ%	3QFY17E	v/s est (%)
Total minutes (b)	199	196	210	5.4	7.3	200	4.9
Revenue per min (paise)	44.4	47.0	40.7	-8.3	-13.4	43	-5.1
Voice RPM (paise)	31.6	32.7	29.3	-7.1	-10.4	30.8	-4.7
Data traffic (b MB)	81.0	107.4	108.8	34.4	1.3	105.2	3.5
Data realization (paise per MB)	22.3	18.7	15.9	-28.7	-15.0	15.9	0.0
Data as % of revenue (%)	20.4	22.0	20.4	4bps	-161bps	19.7	77bps

Source: Company, MOSL

Exhibit 14: Summary of estimate change

	FY17E	FY18E	FY19E
Revenue (INRb)			
Old	356	359	392
Actual/New	355	351	384
Change (%)	-0.2	-2.1	-2.1
EBITDA (INRb)			
Old	101	96	110
Actual/New	99	94	108
Change (%)	-2.6	-2.3	-2.1
EBITDA margin (%)			
Old	28.5	26.9	28.1
Actual/New	27.9	26.8	28.1
Change (bp)	-67bps	-6bps	-1bps
Depreciation & amortization (INRb)			
Old	83	94	100
Actual/New	78	93	99
Change (%)	-5.2	-1.3	-1.4
Net finance cost (INRb)			
Old	44	54	51
Actual/New	37	54	53
Change (%)	-16.8	0.0	2.6
Tax rate (%)			
Old	-6.6	0.0	0.0
Actual/New	7.1	0.0	0.0
Change (bp)	1371bps	0bps	0bps
Net Profit (INRb)			
Old	-22.6	-46.4	-36.1
Actual/New	-11.1	-47.1	-38.1
Change (%)	-50.9	1.5	5.5
EPS (INR)			
Old	-6.3	-12.9	-10.0
Actual/New	-3.1	-13.1	-10.6
Change (%)	-50.9	1.5	5.5
MoU (min)			
Old	366	362	358
Actual/New	378	397	392
Change (%)	3.2	9.5	9.5
Data usage/sub (INR)			
Old	654	966	1217
Actual/New	770	966	1217
Change (%)	17.7	0.0	0.0

Source: Company, MOSL

Financials and Valuations

Consolidated - Income Statement					(INR Million)		
Y/E March	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
Total Income from Operations	224,577	265,189	315,709	359,809	354,634	351,456	384,323
Change (%)	14.9	18.1	19.1	14.0	-1.4	-0.9	9.4
Total Expenditure	164,531	181,852	207,592	229,510	255,771	257,247	276,422
% of Sales	73.3	68.6	65.8	63.8	72.1	73.2	71.9
EBITDA	60,045	83,337	108,117	130,300	98,864	94,209	107,901
Margin (%)	26.7	31.4	34.2	36.2	27.9	26.8	28.1
Depreciation	34,778	45,194	53,036	66,508	78,457	92,606	98,575
EBIT	25,268	38,143	55,081	63,792	20,407	1,603	9,327
Int. and Finance Charges	9,495	7,700	5,755	16,545	36,737	51,341	52,692
PBT bef. EO Exp.	15,773	30,443	49,325	47,247	-16,330	-49,738	-43,365
Share of profits of associates	0	0	0	0	4,402	4,903	0
PBT after EO Exp.	15,773	30,443	49,325	47,247	-11,928	-44,834	-43,365
Total Tax	5,664	10,765	17,396	16,447	-843	0	0
Tax Rate (%)	35.9	35.4	35.3	34.8	7.1	0.0	0.0
Reported PAT	10,109	19,678	31,929	30,799	-11,085	-44,834	-43,365
Adjusted PAT	10,109	19,678	31,929	30,799	-11,085	-44,834	-43,365
Change (%)	39.8	94.7	62.3	-3.5	-136.0	304.5	-3.3
Margin (%)	4.5	7.4	10.1	8.6	-3.1	-12.8	-11.3

Consolidated - Balance Sheet					(INR Million)		
Y/E March	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
Equity Share Capital	33,143	33,196	35,978	36,005	36,005	36,005	36,005
Total Reserves	111,073	132,073	194,314	221,670	210,585	165,750	127,693
Net Worth	144,217	165,269	230,292	257,675	246,590	201,755	163,698
Total Loans	140,438	206,350	268,591	415,031	573,284	603,380	604,486
Deferred Tax Liabilities	11,180	18,133	19,015	30,714	30,714	30,714	30,714
Capital Employed	295,834	389,752	517,898	703,420	850,588	835,849	798,897
Gross Block	467,357	516,970	618,207	986,766	1,194,745	1,269,745	1,344,745
Less: Accum. Deprn.	175,818	221,012	262,871	303,848	382,304	474,910	573,485
Net Fixed Assets	291,539	295,958	355,336	682,918	812,441	794,835	771,260
Goodwill on Consolidation	61	61	61	61	61	61	61
Capital WIP	8,811	114,194	51,405	60,986	60,986	60,986	60,986
Total Investments	10,280	2,155	115,267	13,728	13,728	13,728	13,728
Curr. Assets, Loans&Adv.	53,092	53,206	82,598	68,807	63,375	77,698	72,658
Inventory	726	683	710	1,065	876	951	1,048
Account Receivables	9,601	8,006	9,789	11,776	9,580	11,584	11,561
Cash and Bank Balance	1,429	1,881	15,537	7,818	7,217	13,870	5,185
Loans and Advances	41,336	42,636	56,562	48,148	45,702	51,292	54,865
Curr. Liability & Prov.	67,949	75,823	86,769	123,081	100,004	111,460	119,797
Account Payables	64,719	68,960	78,013	112,331	91,521	100,882	109,531
Provisions	3,230	6,863	8,756	10,750	8,483	10,578	10,267
Net Current Assets	-14,857	-22,616	-4,171	-54,273	-36,628	-33,761	-47,138
Appl. of Funds	295,834	389,752	517,898	703,420	850,588	835,850	798,897

Financials and Valuations

Ratios							
Y/E March	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
Basic (INR)							
EPS	2.8	5.5	8.9	8.6	-3.1	-12.5	-12.0
Cash EPS	12.5	18.0	23.6	27.0	18.7	13.3	15.3
BV/Share	40.1	45.9	64.0	71.6	68.5	56.0	45.5
DPS	0.3	0.4	0.6	0.6	0.0	0.0	0.0
Payout (%)	11.5	7.9	8.1	8.4	0.0	0.0	0.0
Valuation (x)							
P/E			8.3	8.6	-23.8	-5.9	-6.1
Cash P/E			3.1	2.7	3.9	5.5	4.8
P/BV			1.1	1.0	1.1	1.3	1.6
EV/Sales			1.6	1.9	2.3	2.4	2.2
EV/EBITDA			4.8	5.1	8.4	9.1	8.0
Dividend Yield (%)	0.4	0.5	0.8	0.8	0.0	0.0	0.0
Return Ratios (%)							
RoE	7.4	12.7	16.1	12.6	-4.4	-20.0	-23.7
RoCE	5.9	7.5	8.2	7.1	2.5	0.2	1.2
RoIC	6.0	9.0	11.7	8.7	2.7	0.2	1.3
Working Capital Ratios							
Fixed Asset Turnover (x)	0.5	0.5	0.5	0.4	0.3	0.3	0.3
Asset Turnover (x)	0.8	0.7	0.6	0.5	0.4	0.4	0.5
Inventory (Days)	1	1	1	1	1	1	1
Debtor (Days)	16	11	11	12	10	12	11
Leverage Ratio (x)							
Current Ratio	0.8	0.7	1.0	0.6	0.6	0.7	0.6
Interest Cover Ratio	2.7	5.0	9.6	3.9	0.6	0.0	0.2
Net Debt/Equity	0.9	1.2	0.6	1.5	2.2	2.9	3.6
Consolidated - Cash Flow Statement							
					(INR Million)		
Y/E March	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
OP/(Loss) before Tax	10,109	19,678	31,929	30,799	-11,085	-44,834	-38,058
Depreciation	34,778	45,194	53,036	66,508	78,457	92,606	98,575
Interest & Finance Charges	9,963	8,564	9,337	18,498	36,737	51,341	52,692
Direct Taxes Paid	-4,110	-6,384	-11,043	-10,789	0	0	0
(Inc)/Dec in WC	6,096	5,354	5,540	-3,429	-18,246	3,786	4,692
CF from Operations	56,836	72,406	88,800	101,587	85,862	102,898	117,901
Others	6,135	9,786	15,379	18,512	0	0	0
CF from Operating incl EO	62,971	82,192	104,179	120,100	85,862	102,898	117,901
(Inc)/Dec in FA	-34,766	-36,448	-41,576	-75,157	-207,980	-75,000	-75,000
Free Cash Flow	28,205	45,744	62,603	44,943	-122,117	27,898	42,901
(Pur)/Sale of Investments	0	0	0	0	0	0	0
Others	657	-29,194	-15,680	-54,772	0	0	0
CF from Investments	-34,109	-65,642	-57,256	-129,928	-207,980	-75,000	-75,000
Issue of Shares	248	263	37,374	175	0	0	0
Inc/(Dec) in Debt	-10,368	-15,936	52,355	-86,558	158,253	30,096	1,106
Interest Paid	-9,283	-7,682	-6,656	-8,505	-36,737	-51,341	-52,692
Dividend Paid	-250	-1,306	-2,792	-2,598	0	0	0
Others	0	0	0	0	0	0	0
CF from Fin. Activity	-19,653	-24,661	80,280	-97,486	121,516	-21,245	-51,586
Inc/Dec of Cash	9,209	-8,111	127,202	-107,315	-601	6,654	-8,685
Opening Balance	1,521	10,729	3,543	130,745	7,818	7,217	13,870
Closing Balance	1,429	1,881	15,537	23,430	7,217	13,870	5,185

Corporate profile

Company description

Idea Cellular, an Aditya Birla Group company, is India's third largest wireless operator with a revenue market share of ~17%. Idea operates in all the 22 telecom circles of which 15 are classified as established service areas and 7 as new service areas.

Exhibit 1: Sensex rebased

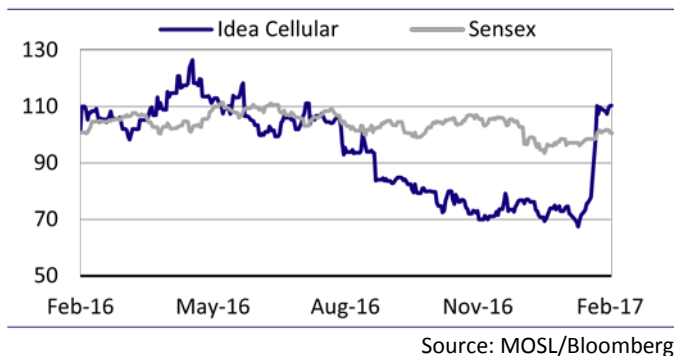


Exhibit 2: Shareholding pattern (%)

	Dec-16	Sep-16	Dec-15
Promoter	42.5	42.2	42.2
DII	6.9	6.6	5.4
FII	24.3	25.1	24.1
Others	26.3	26.1	28.3

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
Axiata Investments 1 (India) Limited	12.9
Axiata Investments 2 (India) Limited	6.9
P5 Asia Investments (Mauritius) Limited	3.3
National Westminster Bank PLC as Depository of First State Asia Pacific Leaders Fund A Sub Fund of F	3.2
ICICI Prudential Life Insurance Company Ltd.	3.2

Source: Capitaline

Exhibit 4: Top management

Name	Designation
Kumar Mangalam Birla	Chairman
HIMANSHU KAPANIA	Managing Director
Akshaya Moondra	Whole Time Director & CFO
PANKAJ KAPDEO	Company Secretary

Source: Capitaline

Exhibit 5: Directors

Name	Name
Rajashree Birla	Sanjeev Aga
Shridhir Sariputta Hansa Wijayasuriya	Arun Thiagarajan
Madhabi Puri Buch	Mohan Gyani
P Murari	Tarjani Vakil
Alka Bharucha	

*Independent

Exhibit 6: Auditors

Name	Type
Deloitte Haskins & Sells LLP	Statutory
Sanjay Gupta & Associates	Cost Auditor

Source: Capitaline

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY17	-3.1	0.7	-539.7
FY18	-12.5	-0.7	1621.8
FY19	-12.0	-1.0	1106.0

Source: Bloomberg

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