MOTILAL OSWAL

30 July 2011

1QFY12 Results Update | Sector: Telecom

Idea Cellular

BSE SENSEX	S&P CNX
18,197	5,482

CMP:INR94 TP:INR140 Buy

Bloomberg	IDEA IN
Equity Shares (m)	3,303.3
52-Week Range (INR)	95/56
1,6,12 Rel. Perf. (%)	22/36/36
M.Cap. (INR b)	310.5
M.Cap. (USD b)	7.0

YEAR END	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GR. (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/10A	124,476	9,540	3.1	2.0	-	-	7.6	5.5	-	-
3/11A	155,032	8,986	2.7	-11.6	34.6	2.5	7.6	5.2	2.7	11.0
3/12E	198,782	8,560	2.6	-4.7	36.3	2.4	6.7	6.1	2.2	8.0
3/13E	243,714	22,432	6.8	162.0	13.8	2.0	15.7	10.9	1.8	5.6

- Idea reported strong 1QFY12 results. Consolidated revenue grew 7.6% QoQ to INR45.2b, driven by 6.5% traffic growth and ~1% RPM expansion.
- Adjusted EBITDA grew ~20% QoQ to INR12b on strong revenue traction and operating leverage (275bp QoQ margin expansion to 26.6%). We believe margin levers like 1) RPM uptick, 2) lower subscriber acquisition cost and channel commissions, and 3) scale benefits are structural and should drive ~700bp margin expansion over FY11-13.
- Reported PAT of INR1.8b (down ~12% YoY and QoQ) was impacted by 3G spectrum related costs (INR0.66b amortization + INR1.23b additional finance cost) and a higher tax rate (30.5%).
- While there have been two other instances of QoQ RPM increase (in 1QFY08 and 3QFY09, both were not sustained) for Idea over the past five years, we reiterate that the current increase is structural given significant evidence of decline in competitive intensity and relative maturity of the industry now.
- RPM increase in 1QFY12 came purely due to reduction in discounts and does not incorporate the recent base tariff hike from 1p/s to 1.2p/s in six leadership circles. These circles account for ~60% of Idea's revenue and we estimate a positive impact of ~6% on RPM and incremental EBITDA of INR8.8b when hikes are absorbed (over 2-3 quarters).
- Idea maintained capex guidance of INR40b in FY12 against INR32b in FY11 (excluding 3G spectrum fee).
- An improving competitive environment should drive better revenue growth and margin expansion for Indian wireless companies. Idea is our preferred pick to play this theme given its highest exposure to Indian wireless among listed operators and benefit of operating leverage given lower margins.
- We upgrade EBITDA estimates by 10-12%, driven by higher RPM and margins. Our upgrade is on top of the 6-21% EBITDA upgrade last week based on tariff hikes undertaken by the industry. We are now 15-30% above consensus.
- Idea trades at an EV/EBITDA of 8x FY12E and 5.6x FY13E. Reiterate **Buy** with a revised price target of INR140 (INR125 earlier) based on 8x FY13 EV/EBITDA (ex-Indus) and INR5m/tower for 12.8% effective stake in Indus towers. Our target price incorporates INR46b (INR14/share) potential outflow for regulatory risks (~50% of outlay based on revised TRAI reco).

Quarterly Performance (Consolidated) **(INR Million)**

Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q *	1Q	2QE	3QE	4QE		
Gross Revenue	**36,537**	**36,592**	**39,556**	**42,006**	**45,207**	**47,655**	**51,516**	**54,403**	**155,032**	**198,782**
YoY Growth (%)	22.8	23.0	25.6	25.5	23.7	30.2	30.2	29.5	24.5	28.2
QoQ Growth (%)	9.1	0.2	8.1	6.2	7.6	5.4	8.1	5.6		
EBITDA	**8,884**	**8,788**	**9,482**	**10,031**	**12,040**	**12,893**	**14,334**	**15,701**	**37,906**	**54,968**
YoY Growth (%)	3.3	8.6	16.5	8.6	35.5	46.7	51.2	56.5	11.3	45.0
QoQ Growth (%)	-3.8	-1.1	7.9	5.8	20.0	7.1	11.2	9.5		
Margin (%)	24.3	24.0	24.0	23.9	26.6	27.1	27.8	28.9	24.5	27.7
Net Finance Costs	1,142	1,028	941	854	2,463	2,753	2,858	2,941	3,965	11,015
Depreciation & Amortization	5,656	5,820	5,925	6,572	7,026	7,925	8,262	8,494	23,973	31,706
Profit before Tax	**2,086**	**1,940**	**2,616**	**2,605**	**2,551**	**2,215**	**3,215**	**4,266**	**9,968**	**12,247**
Income Tax Expense / (Income)	72	143	186	581	778	665	964	1,280	982	3,687
Net Profit / (Loss)	**2,014**	**1,797**	**2,430**	**2,024**	**1,773**	**1,551**	**2,250**	**2,986**	**8,986**	**8,560**
YoY Growth (%)	-32.2	-18.4	42.9	-24.1	-12.0	-13.7	-7.4	47.5	-5.8	-4.7
QoQ Growth (%)	-24.5	-10.8	35.2	-16.7	-12.4	-12.5	45.1	32.7		
Margin (%)	5.5	4.9	6.1	4.8	3.9	3.3	4.4	5.5	5.8	4.3
Mobile ARPU (INR/month)	**182**	**167**	**168**	**161**	**160**	**158**	**160**	**160**	**167**	**164**
QoQ Growth (%)	-1.6	-8.2	0.6	-4.2	-0.4	-1.7	1.8	-0.3		

E: MOSL Estimates; * Adjusted for one-off revenue of ~INR340m and costs reversal of ~INR380m in 4QFY11

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A very strong quarter: Demonstrates changing competitive landscape, significant operating leverage

- Consolidated revenue grew 7.6% QoQ to INR45.2b.
- Revenue for established circles increased 6.4% QoQ to INR40.7b.
- EBITDA in 13 established circles was INR12.1b implying EBITDA margin of 29.6%.
- New circles reported combined revenue of INR4.8b (v/s INR4.4b in 4QFY12) and EBITDA loss of INR1.4b (v/s INR1.2b in 4QFY11).
- We expect new circle EBITDA loss of INR5b in FY12 and INR4.2b in FY13.
- Standalone EBITDA grew 12.4% QoQ on a reported basis (higher growth on an adjusted basis). Standalone EBITDA margin was 23.4%.
- Depreciation and amortization increased 6.9% QoQ to INR7b due to INR0.66b amortization expense for the 3G licence fee.
- Net finance cost of INR2.5b was significantly higher than our estimate of INR1.85b.
- Effective tax rate was 30.5% in 1QFY12 v/s ~10% in FY11. The tax rate will remain high as incentives under 80IA have expired for old circles.

Tariff hike in leadership circles should drive ~6% improvement in blended RPM

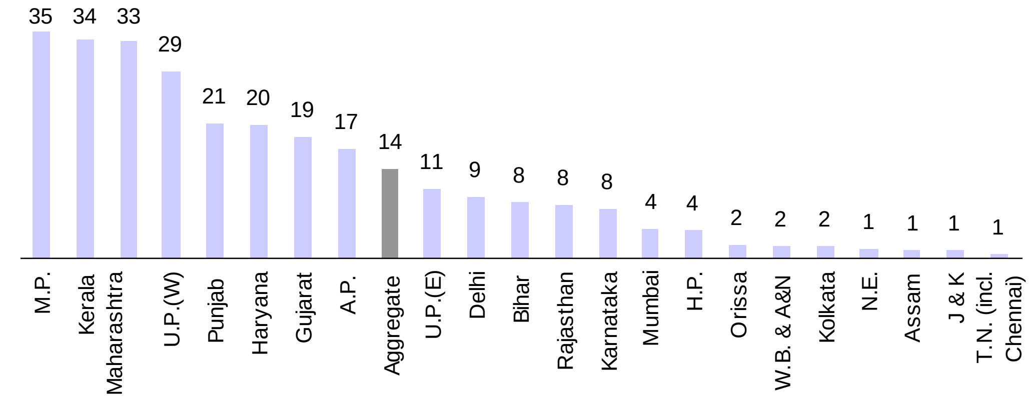
- We highlight that the RPM increase in 1QFY12 was purely due to reduction in discounts and does not incorporate the recent base tariff hike from 1p/s to 1.2p/s in the six leadership circles of Idea, which include Kerala, AP, Maharashtra, MP, UP(W) and Gujarat.
- These leadership circles account for ~60% of Idea's revenue and we estimate a positive impact of ~6% on RPM once the hikes are absorbed (over 2-3 quarters).
- For the calculations we assume (1) traffic share of 60% from the six leadership circles, (2) pre-paid contribution of ~80% of overall traffic in these circles, and (3) outgoing at ~50% of pre-paid traffic.
- Our calculations indicate potential incremental revenue of INR11b and incremental EBITDA of INR9b once the tariff hike is fully absorbed, assuming no elasticity.
- The tariff hike is valid for new customers and old customers coming up for tariff renewal (typically a one-year period).
- Assuming that tariff validities are evenly dispersed, most migrations to higher tariff plans should take place in 2-3 quarters.

Idea: Potential RPM increase of ~6% from recent tariff hikes

Overall company traffic (b min)	460
Contribution from 6 leadership circles (%)	~60
Traffic contribution from 6 leadership circles (b min)	276
Prepaid traffic (%)	~80
Prepaid traffic in 6 leadership circles (b min)	221
Outgoing/incoming ratio (%)	50
Outgoing prepaid traffic in 6 leadership circles (b min)	110
Increase in tariff per min (INR)	0.10
Incremental revenue per year (Rsb)	11.0
Incremental EBITDA per year @ 80% incremental margin (INR b)	8.8
Increase in RPM (p)	2.4
Current RPM (p)	41.0
Increase in RPM (%)	5.9

Source: Company/MOSL

Idea: Circle wise AGR (adjusted gross revenue) market share (%)

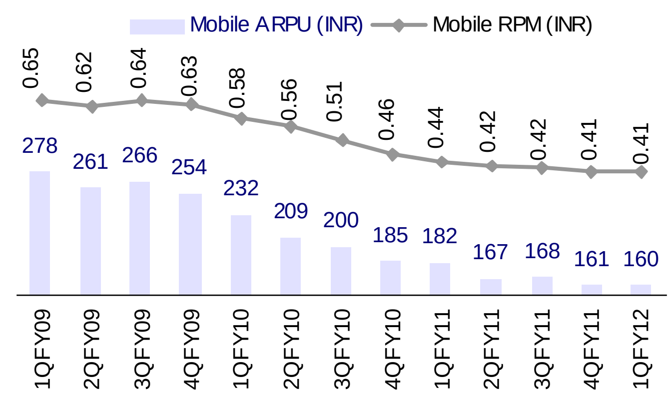


Source: Company/MOSL

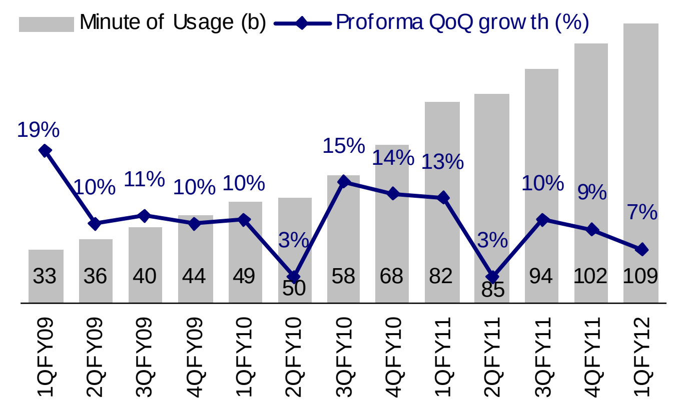
Solid operating metrics

- Idea reported 1QFY12 ARPU of INR160 (against our estimate of INR156), down 12% YoY and 0.4% QoQ.
- Idea's RPM declined 6.5% YoY but increased ~1% QoQ to 41p.
- Total volumes carried on the network increased 6.5% QoQ to 108.6b minutes (in line with our estimate).
- Minutes of use per subscriber declined 5.8% YoY and 1.5% QoQ to 391.
- Monthly churn declined to 9.8% in 1QFY12 (v/s 10.7% in 4QFY11).

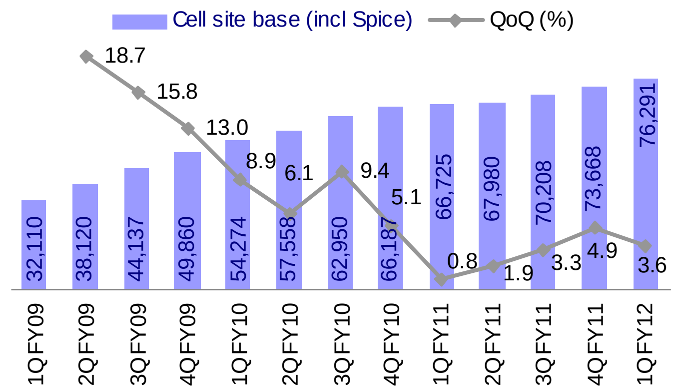
RPM up 1% QoQ; ARPU down marginally



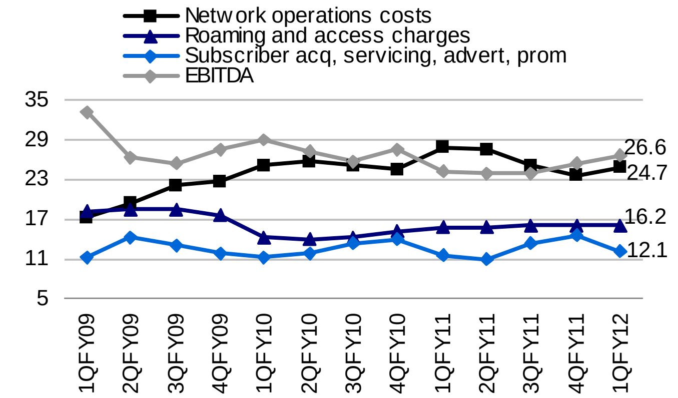
Traffic growth of 7% QoQ in line with our estimate



Idea adds ~2,600 cell sites (up ~4% QoQ) in 1QFY12



Lower subscriber acquisition costs drive margin expansion



Source: Company/MOSL

Indus EBITDA up 9% QoQ, implied margin 45%

- Idea's share of 16% of Indus revenues for 1QFY12 was INR3.1b and revenue eliminations were INR3.4b. Proportionate EBITDA from Indus was up 9% QoQ at INR1.4b.
- In 1QFY12 Idea rolled out ~2,600 2G cell sites, taking the total 2G cell site base to ~76,300. Idea owns 9,125 towers and the rest of the sites are rented (of which 40,953 sites have been rented from Indus).

3G rollout on track

- Idea launched 3G services in 825 towns in 15 circles (10 circles where Idea has won 3G spectrum + 5 with bilateral roaming arrangements).
- The company aims to roll out 3G services in 3,000 towns in India by the end of FY12.
- The management mentioned that only ~25% of 3G subs are on daily VLR, likely indicating that initial usage patterns are sub-optimal.

FY12 capex guidance unchanged at INR40b; Consolidated net debt up 12% QoQ at INR118b on lower creditors

- Idea incurred capex (including addition to CWIP) of INR10.4b in 1QFY12.
- FY12 capex guidance is unchanged for Idea standalone (v/s capex of INR32.1b excluding 3G spectrum fees and interest capitalized in FY11).
- Consolidated net debt increased 12% QoQ to INR118b due to one-time correction in working capital (lumpiness in creditors).
- Idea has net debt/annualized EBITDA of 2.4x (v/s 2.5x in 4QFY11) and net debt/ equity of 0.9x at the consolidated level.

Strong 1Q drives 10-12% EBITDA upgrade; Raising target price to INR140; Maintain Buy

- Improving competitive environment in the wireless sector should drive better revenue growth and margin expansion for Indian wireless companies. Idea is our preferred pick to play this theme given its highest exposure to the Indian wireless sector among listed operators and higher benefit of operating leverage given lower margins.
- We are upgrading EBITDA estimates by 10-12% driven mainly by higher RPM and margins. Our upgrade is on top of the 6-21% EBITDA upgrade last week based on tariff hikes undertaken by the industry; We are now 15-30% above consensus.
- Idea trades at an EV/EBITDA of 8x FY12E and 5.6x FY13E. Reiterate **Buy** with a revised price target of INR140 (INR125 earlier) based on 8x FY13E EV/EBITDA (ex-Indus) and INR5m/tower for 12.8% effective stake in Indus towers. Our target price incorporates INR46b (INR14/share) potential outflow for regulatory risks (~50% of outlay based on revised TRAI reco).

SOTP valuation

	Methodology	Driver	Multiple	Fair Value (INR b)	value/share (INR)
Core Business (ex-Indus)	FY13 EV/EBITDA	70	8.0	557	169
Stake in Indus	Tower base	108,500	INR5m/tower	69*	21
Less Net debt (FY13E)				116	35
Less 50% of potential spectrum liability				46	14
Total Value				510	140
Shares o/s (m)				3,303	
CMP (INR)					94
Upside (%)					48

* 80% stake in ABTL which owns 16% stake in Indus towers Source: MOSL

Summary of estimate change

	FY12E	FY13E
Revenue (INR b)		
Old	191.0	225.5
Actual/New	198.8	243.7
Change (%)	4.1	8.1
EBITDA (INR b)		
Old	49.1	69.3
Actual/New	55.0	76.2
Change (%)	11.9	10.0
EBITDA margin (%)		
Old	25.7	30.7
Actual/New	27.7	31.3
Change (bp)	193bp	55bp
Depreciation & amortization		
Old	31.8	32.6
Actual/New	31.7	33.1
Change (%)	-0.4	1.5
Net finance cost (INR b)		
Old	9.9	10.3
Actual/New	11.0	11.1
Change (%)	11.1	7.2
Tax rate (%)		
Old	14.0	18.0
Actual/New	30.1	30.0
Change (bp)	1,610bp	1,200bp
Net Profit (INR b)		
Old	6.3	21.6
Actual/New	8.6	22.4
Change (%)	34.9	3.9
EPS (INR)		
Old	1.9	6.5
Actual/New	2.6	6.8
Change (%)	34.9	3.9

Source: MOSL

Segmental break-up

	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12
Consolidated revenue break-up (INR b)					
Established service areas*	33.8	33.5	35.9	38.3	40.7
9 new service areas	3.1	3.4	4.0	4.4	4.8
Idea standalone	36.9	36.9	39.9	42.7	45.6
Proportionate revenue - Spice	-	-	-	-	-
Proportionate revenue - Indus	2.6	2.8	2.8	2.9	3.1
Eliminations	-2.9	-3.1	-3.1	-3.3	-3.4
Consolidated revenue	37.5	37.6	39.6	42.3	45.2
Consolidated EBITDA break-up (INR b)					
Established service areas*	9.3	9.0	9.6	10.7	12.1
9 new service areas	-1.4	-1.4	-1.4	-1.2	-1.4
Idea standalone	8	8	8	9	10.67
Proportionate EBITDA - Spice	-	-	-	-	-
Proportionate EBITDA - Indus	0.9	1.2	1.3	1.3	1.4
Consolidated EBITDA	9.9	8.8	9.5	10.8	12.0
EBITDA margin (%)					
Established service areas*	27.6	27.0	26.7	27.9	29.6
9 new service areas	-45.7	-42.2	-34.9	-26.7	-29.0
Idea standalone	21.5	20.7	20.6	22.2	23.4
Implied margin - Spice	-	-	-	-	-
Implied margin - Indus	37.1	42.1	45.8	42.7	44.6
Consolidated EBITDA margin	26.3	23.4	24.0	25.4	26.6

* partial consolidation of Spice in 4QFY10, full consolidation from 1QFY11

Source: Company/MOSL

KPI Trend - Idea (Standalone)

	1QFY10	2QFY10	3QFY10	4QFY10	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12
Minute of Usage (b)	48.7	50.3	57.8	68.3	82.3	84.8	93.5	102.0	108.6
Mobile ARPU (INR)	232	209	200	185	182	167	168	161	160
MOU (per sub)	399	375	389	398	415	394	401	397	391
Mobile RPM (INR)	0.58	0.56	0.51	0.46	0.44	0.42	0.42	0.41	0.41
VAS (% of ARPU)	10.1%	10.6%	11.2%	12.4%	12.6%	12.9%	13.0%	12.1%	12.1%
VAS ARPU (INR)	23.4	22.2	22.4	22.9	22.9	21.5	21.8	19.5	19.4
Voice ARPU (INR)	209	187	178	162	159	145	146	142	141
Voice RPM (INR)	0.52	0.50	0.46	0.41	0.38	0.37	0.36	0.36	0.36
EBITDA/min (INR)	0.16	0.14	0.12	0.12	0.09	0.09	0.09	0.09	0.10
EBITDA/sub (INR)	62	53	47	48	39	34	35	36	37
Prepaid (of subs)	95.1	95.3	95.8	95.7	95.9	96.1	96.3	96.4	96.5
Monthly Churn - Prepaid (%)	6.9	7.4	9.4	7.9	8.4	8.2	10.3	11.0	9.8
Monthly Churn - Postpaid (%)	2.9	3.0	3.1	3.0	2.9	2.9	2.8	2.7	3.0
Monthly Churn - Blended (%)	6.7	7.2	9.1	7.7	8.2	8.0	10.0	10.7	9.8
QoQ Growth (%)									
Minute of Usage *	10.2	3.3	14.9	13.5	13.0	3.1	10.2	9.0	6.5
Mobile ARPU	-8.7	-9.9	-4.3	-7.5	-1.6	-8.2	0.6	-4.2	-0.6
MOU	-0.7	-6.0	3.7	2.3	4.3	-5.1	1.8	-1.0	-1.5
Mobile RPM	-8.0	-4.1	-7.8	-9.6	-5.7	-3.5	-1.0	-3.2	0.9

* 4QFY10 and 1QFY11 like to like growth excluding Spice consolidation impact

Source: Company/MOSL

Idea Cellular: an investment profile

Company description

Idea Cellular, an Aditya Birla Group company, is India's fifth largest wireless operator with a revenue market share of ~14%. Idea operates in all 22 telecom circles, of which 13 are classified as established service areas and nine recently launched circles, as new service areas.

Key investment arguments

- Idea's strong execution in established and new circles will drive 22% average subscriber growth a year over FY11-13. We expect consolidated EBITDA CAGR of 42% over FY11-13 driven by strong volume growth, RPM increase and operating leverage.
- Strong incumbency advantage in eight established circles and spectrum allocation in the 900MHz band in nine circles.
- Key beneficiary of tower sharing initiatives including formation of Indus Towers, a three way passive infrastructure JV between Bharti, Idea, and Vodafone.
- Idea won 3G Spectrum in 11 circles. We expect incremental 3G revenue to contribute ~5% of wireless revenues by FY13.

Investment risks

- Regulatory environment is uncertain with the government targeting to formulate a NTP - 2011.
- Relatively high leverage with net debt/annualized EBITDA of 2.4x on 1QFY12 basis.
- MNP implementation likely to put pressure on post-paid RPM and subscriber retention costs.

Recent developments

- Idea increased its base tariffs in the most popular promotion plans from 1p/s to 1.2p/s in its six leadership circles, which contribute ~60% of Idea's revenue.
- Idea has filed an application before the Delhi High Court seeking vacation of an ex-parte stay brought by the DoT challenging the Scheme of Amalgamation with Spice Communications Ltd. The high court has approved the amalgamation but with certain conditions not acceptable to Idea (the company has appealed against the order).
- Idea launched 3G services in 15 circles.

Valuations and view

- We upgrade EBITDA estimates by 10-12% driven by higher RPM and margins. Our upgrade is on top of the recent 6-21% EBITDA upgrade based on tariff hikes undertaken. We are now 15-30% above consensus.
- Idea trades at EV/EBITDA of 8x FY12E and 5.6x FY13E. Reiterate **Buy** with a revised target price of INR140 (INR125 earlier) based on 8x FY13E EV/EBITDA (ex-Indus) and INR5m/tower for 12.8% effective stake in Indus. Our target price incorporates INR46b (INR14/share) potential outflow for regulatory risks (~50% of outlay based on revised TRAI reco).

Comparative valuations

		Idea	RCOM	Bharti
P/E (x)	FY12E	36.3	22.2	20.5
	FY13E	13.8	10.8	13.6
EV/EBITDA (x)	FY12E	8.0	7.3	8.3
	FY13E	5.6	5.6	6.4
EV/Sales (x)	FY12E	2.2	2.2	3.0
	FY13E	1.8	1.8	2.5
P/BV (x)	FY12E	2.4	0.6	2.8
	FY13E	2.0	0.5	2.3

EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY12	2.6	3.0	-13.3
FY13	6.8	3.7	86.3

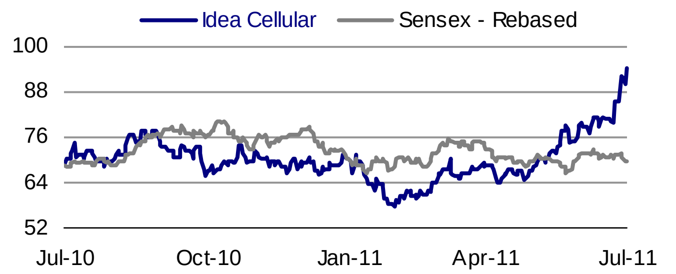
Target price and recommendation

Current Price (INR)	Target Price (INR)	Upside (%)	Reco.
94	140	48.4	Buy

Shareholding pattern (%)

	Jun-11	Mar-11	Jun-10
Promoter	46.0	46.0	47.0
Domestic Inst	8.0	7.9	7.7
Foreign	43.0	42.8	40.1
Others	3.0	3.3	5.2

Stock performance (1 year)



Financials and Valuation

Income Statement (INR Million)

Y/E March	2009	2010	2011	2012E	2013E
Revenues	**101,485**	**124,476**	**155,032**	**198,782**	**243,714**
Change (%)	50.6	22.7	24.5	28.2	22.6
Total Expenses	73,131	90,406	117,127	143,814	167,505
EBITDA	**28,353**	**34,070**	**37,906**	**54,968**	**76,209**
% of Gross Sales	27.9	27.4	24.5	27.7	31.3
Depn. & Amortization	14,039	20,148	23,973	31,706	33,087
EBIT	14,314	13,922	13,933	23,261	43,123
Net Interest	4,943	3,168	3,965	11,015	11,077
PBT	**9,371**	**10,754**	**9,968**	**12,247**	**32,045**
Tax	363	1,214	982	3,687	9,614
Rate (%)	3.9	11.3	9.9	30.1	30.0
Adjusted PAT	**9,008**	**9,540**	**8,986**	**8,560**	**22,432**
Change (%)	-13.6	5.9	-5.8	-4.7	162.1
PAT after EO	**9,008**	**9,540**	**8,986**	**8,560**	**22,432**

Balance Sheet (INR Million)

Y/E March	2009	2010	2011	2012E	2013E
Share Capital	31,020	32,998	33,033	33,038	33,038
Additional Paid up Capital	110,338	139,406	139,406	139,406	139,406
Reserves	-3,072	-58,681	-49,440	-40,871	-18,439
Net Worth	**138,286**	**113,723**	**122,999**	**131,574**	**154,005**
Loans	89,165	78,593	120,228	131,659	118,452
Other Liabilities	917	2,142	3,099	3,867	3,867
Capital Employed	**228,368**	**194,458**	**246,326**	**267,100**	**276,324**
Gross Block	248,880	276,111	373,505	419,351	453,704
Less : Depreciation	59,982	88,906	112,128	143,637	176,724
Net Block	**188,898**	**187,205**	**261,377**	**275,714**	**276,980**
Other Non-Current Assets	5,440	0	0	0	0
Curr. Assets	**66,304**	**38,139**	**42,378**	**37,182**	**45,140**
Inventories	410	468	542	697	854
Debtors	2,951	3,500	4,057	5,211	6,389
Cash & Bank Balance	51,316	14,204	14,777	1,974	1,974
Other Current Assets	11,627	19,967	23,002	29,300	35,923
Curr. Liab. & Prov.	**32,274**	**30,887**	**57,429**	**45,796**	**45,796**
Net Curr. Assets	**34,030**	**7,253**	**-15,051**	**-8,614**	**-656**
Appl. of Funds	**228,368**	**194,458**	**246,326**	**267,100**	**276,324**

E: MOSL Estimates

Ratios

Y/E March	2009	2010	2011	2012E	2013E
Basic (Rs)					
EPS	**3.0**	**3.1**	**2.7**	**2.6**	**6.8**
Cash EPS	7.7	9.6	10.0	12.2	16.8
Book Value	46.3	36.7	37.2	39.8	46.6
DPS	0.0	0.0	0.0	0.0	0.0
Payout %(Incl.Div.Taxes)	0.0	0.0	0.0	0.0	0.0
Valuation (x)					
P/E	31.1	30.5	34.6	36.3	13.8
Cash P/E	12.2	9.8	9.4	7.7	5.6
EV/EBITDA	11.6	10.4	11.0	8.0	5.6
EV/Sales	3.2	2.9	2.7	2.2	1.8
Price/Book Value	2.0	2.6	2.5	2.4	2.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)					
RoE	10.4	7.6	7.6	6.7	15.7
RoCE	7.4	5.5	5.2	6.1	10.9
Turnover Ratios					
Debtors (Days)	11	10	10	10	10
Asset Turnover (x)	0.77	0.71	0.75	0.80	0.90
Leverage Ratio					
Debt/Equity Ratio(x)	0.6	0.7	1.0	1.0	0.8

Cash Flow Statement (INR Million)

Y/E March	2009	2010	2011	2012E	2013E
Op.Profit/(Loss) bef Tax	28,353	34,070	37,906	54,968	76,209
Other Income	0	0	0	0	0
Interest Paid	-4,943	-3,168	-3,965	-11,015	-11,077
Direct Taxes Paid	-107	11	-25	-2,919	-9,614
(Inc)/Dec in Wkg. Cap.	-4,716	-4,904	23,098	-19,227	-7,958
CF from Op.Activity	**18,587**	**26,009**	**57,014**	**21,807**	**47,560**
(inc)/Dec in FA + CWIP	-95,713	-18,455	-98,145	-46,043	-34,353
(Pur)/Sale of Investments	5,560	0	0	0	0
CF from Inv.Activity	**-90,153**	**-18,455**	**-98,145**	**-46,043**	**-34,353**
Issue of Shares	94,073	31,309	69	2	0
Inc/(Dec) in Debt	24,011	-10,572	41,635	11,431	-13,207
Other Financing Activities	-178	-65,404	-2	-2	-2
CF from Fin.Activity	**117,907**	**-44,666**	**41,704**	**11,433**	**-13,207**
Inc/(Dec) in Cash	**46,341**	**-37,112**	**573**	**-12,803**	**0**
Add: Opening Balance	4,975	51,316	14,204	14,777	1,974
Closing Balance	**51,316**	**14,204**	**14,777**	**1,974**	**1,974**

NOTES

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