CHAPTER 4

COMPANY PROFILE

4.1 Profile of Telecom sector

The report presents the evolution of the telecommunications sector in India in the last decade. The telecommunications sector plays an increasingly important role in the Indian economy. It contributes to Gross Domestic Product (GDP), generates revenue for the government and creates employment. From 2001 to 2011, the total number of telephone subscribers has grown at a Compound Annual Growth Rate (CAGR) of 35 per cent. The comparable rates in the 1980s and 1990s were 9 per cent and 22 per cent, respectively. However, the composition of the subscribers shows that mobile subscribers have led the way.

The increase in teledensity has mainly been driven by the increase in mobile phones. Demand side factors—ultra low cost of handsets, low tariffs and ultimately the ease of using a phone—as well as supply side factors have made mobiles popular in India. The number of Internet subscribers has increased but the number of data subscribers far exceeds the former.

The Digital Subscriber Line (DSL) is the most favoured technology to access the Internet through the personal computer (PC). Other services like Village Public Telephones (VPTs), Public Call Offices (PCOs), Public Mobile Radio Trunk Service (PMRTS) and Very Small Aperture Terminal Services (VSAT) show slower growth.
The data show that private providers dominate the four services including wireless subscriptions, data services, PMRTS and VSAT, while public service providers dominate the other sectors. International comparisons show that India has one of the lowest mobile tariffs in the world. Between 2007 and 2010, prepaid and blended rates show a decline of 25.3 and 21.5 per cent, respectively. In contrast, postpaid tariffs show a decline of only 8.23 per cent. The majority of the subscriptions in India are of the prepaid type. This has been termed as the budget telecom network model, an innovation that took birth in South Asia. Usage statistics also show that Indians talk more on the phone than their international counterparts.

The revenue statistics show that service providers are earning 50 per cent of their revenue from calls and 8.3 per cent from Short Message Service (SMS). Ringtones form the dominant category of value-added services (VAS). The size of the VAS market is also growing over time. Teledensity shows wide regional variations across states. There is widespread variation in broadband availability across regions too.

However, the states are making efforts to improve their ICT abilities over time. The roles of three main agencies in the telecommunications sector—DoT (Department of Telecommunications), TRAI (Telecom Regulatory Authority of India) and TDSAT (Telecommunications Dispute Settlement and Appellate Tribunal)—are an important aspect of the policy making and regulatory processes.

The Indian telecom sector has undergone major transformations through significant policy reforms. The regulatory reforms in the telecom sector from 2000 to 2011 can be broadly classified into the following three distinct phases. Phase 1 – 2000–2003: Telecom sectors were opened up to competition. Phase 2 – 2004–2007: Regulator encouraged competition and also set the stage for future growth. Phase 3 – 2008–2011: More choices were brought in for consumers in terms of technology
and services. Planned investment outlay in the telecommunications sector has increased over time. Majority of the investment over the decade has come from the private sector.

The private sector performs better in terms of return on average capital employed. The telecom sector has received on average 8.2 per cent of total inward FDI between 2000–01 and 2010–11. Most of the Foreign Direct Investment (FDI) has gone to the cellular mobile segment. Mobile telephony and economic growth positively reinforce each other. The micro studies on the impact of mobile phones are more telling. Fisheries, as an industry, has hugely benefited from introduction of mobile phones.

The impact of mobile phones on agricultural productivity and revenue varies on the type of service, literacy status of farmers and the type of complementary infrastructure available. However, middle men and traders in both fisheries and farming are dependent on the mobile to monitor their business needs.

Small and medium enterprises are also realizing the benefits of mobile telephony either through increases in productivity or finding new business ventures through the use of mobile phones. Several studies have also examined the impact of mobiles on individual sections of society. Mobiles are now being seen as an empowerment tool since research has shown that mobiles have a positive impact on the social status of women in India. The three major challenges of the next decade are (i) to overcome the digital divide, (ii) growth of broadband sector, and (iii) development of the telecommunications manufacturing sector.
### Table 4.1 Revenue of telecommunications sector

<table>
<thead>
<tr>
<th>Variable</th>
<th>Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teledensity</td>
<td>Feb-12</td>
<td>78.1</td>
</tr>
<tr>
<td>Urban teledensity</td>
<td>Feb-12</td>
<td>169.37</td>
</tr>
<tr>
<td>Rural teledensity</td>
<td>Feb-12</td>
<td>38.53</td>
</tr>
<tr>
<td>Total number of subscribers</td>
<td>Feb-12</td>
<td>943.49 million</td>
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</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Date</th>
<th>Status</th>
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<tbody>
<tr>
<td>Total number of wireless subscribers</td>
<td>Feb-12</td>
<td>911.17 million</td>
</tr>
<tr>
<td>Total number of wireline phones</td>
<td>Feb-12</td>
<td>32.33 million</td>
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<tr>
<td>Number of Internet subscribers</td>
<td>Dec-11</td>
<td>22.39 million</td>
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<tr>
<td>Number of broadband subscribers</td>
<td>Feb-12</td>
<td>13.54 million</td>
</tr>
<tr>
<td>Number of wireless data subscribers</td>
<td>Feb-12</td>
<td>431.37 million</td>
</tr>
<tr>
<td>Gross revenue of telecom services sector</td>
<td>2010–11</td>
<td>Rs 1,717 billion</td>
</tr>
</tbody>
</table>
**Total exports of telecom items** | 2010–11 | Rs140 billion (Rs 135 billion in 2009–10)
---|---|---
**Total imports of telecom items** | 2009–10 | Rs 450.3 billion
**FDI in telecom** | 2010–11 | Rs 75.46 billion

*Sources: Telecom Regulatory of India*

From the above table 4.1 explain the revenue of telecommunications sector in year wise with the status

### 4.2 Nokia Solutions & Network

Nokia Solutions Network is the world’s specialist in mobile broadband, Nokia Solutions Network help and enable your end users to do more than ever before with the world’s most efficient mobile networks, the intelligence to maximize their value and the services to make it all work together.

From the first ever call on GSM, to the first call on LTE, NSN operate at the forefront of each generation of mobile technology. NSN experts invent the new capabilities and networks. NSN provide the world’s most efficient mobile networks, the intelligence to maximize the value of those networks, and the services to make it all work together seamlessly.
With an unswerving focus on quality, efficiency and reliability NSN help you meet the mobile customers’ demands for universal content and connectivity more efficiently and effectively. Together, NSN deliver the innovations in mobile technology that enable people and businesses everywhere to do more than ever before. As a mobile operator, NSN face challenges from many sides that put NSN mobile network and business model under extreme pressure.

By transforming the mobile network and business, NSN will turn the challenges into opportunities. Working closely with people, NSN deliver the products and services that will help drive for success - today and tomorrow. In India Nokia Siemens Networks is one of the largest telecommunications hardware, software and professional services companies in the world. The company is a 50-50 joint venture combining the Nokia Networks Business Group and the carrier related businesses of Siemens Communications which began its operations on 01 April 2007.

4.2 (a) Telecom Network around in India

The below figure 4.1 shows the Nokia Telecom Network around in India and its operations, workforce, global services.
Figure 4.1 Telecom network around in India

Source: http://telecomregulatoryauthorityofindia.in

Around the world, Nokia Solution Networks expects a 100-fold growth in network traffic at ever lower cost over the coming years, and the majority of this growth is expected to come from emerging markets like India. For Nokia Solutions Networks, India is not just a high-growth market but also an innovation hub. The manufacturing operations, global delivery centers and research and development setups in India reflect Nokia Solutions Networks’ unwavering focus on the country and enhanced proximity to its customers. Nokia Solutions Networks is making strategic investments in India to further strengthen its local market position and tap the tremendous local growth opportunities in mobile, fixed and broad segments.

Faster time to market

- Transferred employees enjoy improved career development and working in a fast-paced environment
Nokia Solutions Networks India has fully indigenized operations and workforce with 13,000 people (direct & indirect) at 50 principle offices and present in 177 locations. Nokia Solutions Networks’ operations in India include marketing and sales to HQ offices in Delhi NCR and Mumbai; two of out five Global Network Solutions Centers (GNSC) in Noida (Delhi NCR) and Chennai; two manufacturing facilities (2G/3G) in Chennai and Kolkata (for fixed line); and a research and development center in Bangalore. NSN global services headquarters, GSM-Edge product management and a Centralized Solution Support Center (CSSC) are also based in India strengthening our local presence further. With an installed base of close to 150,000 base station sites, which is increasing at the rate of more than 5,000 per month, Nokia Solutions Networks is a leading provider of telecommunication network solutions in India. It is the vendor of choice for all major operators and has the top market share in Managed Services, Packet Core and GSM-Railways. 10 Indian operators rely on us, including Aircel, Bharti, BSNL, Defense, Idea, Railways, Tata, Uninor, Videocon and Vodafone.

4.2 (b) Corporate social responsibility

- Bridge the Gap’ program – apprenticeship opportunities for students in six New Delhi Municipal Corporation (NDMC) Schools
- University collaboration across various institutes in India; Skill upgrade initiative through Graduate Engineering Training Program
- Volunteering initiative at Bharti School Foundation, Ludhiana
- Disaster relief programs; training and employment for differently abled section of society

As a responsible corporate citizen, Nokia Solutions Networks India is focused on making a difference in a variety of areas key to the growth and
development of India – these include education, women’s role in society, the environment, and community work (volunteering). Due to the size of NSN company’s deployments in India, the country is at the forefront of our efforts for greater energy efficiency not only to focus on reduction of carbon emissions but also to help operators improve their business performance through savings in energy costs.

4.2(c) Key customer and outlook

Full range of operations including:

Nokia Solutions Networks’ mission is to grow the business sustainably. NSN will do that by behaving ethically and being responsible employers, by helping NSN suppliers and customers be more sustainable, and by working with wider stakeholders on global challenges facing the planet.

4.2 (d) Sustainability at Nokia Solutions & Network

NSN sustainability strategy is to mitigate risks, minimize environmental impacts and maximize our positive contribution. NSN focus on three key stakeholders: employees, customers and planet. Like, Code of conduct

Ethics and human rights

Reporting

Environmental sustainability
4.2 (e) Environment sustainability

NSN aim to make a positive contribution, saving energy, water and other resources, and helping to cut greenhouse gas emissions.

Minimizing the impact of our operations
Minimizing product impacts
Social sustainability

4.2 (f) Social sustainability

Communications technologies stimulate social and economic development. NSN do business ethically and aim to ensure and a positive influence on employees, partners and the communities NSN work in. Community involvement: We aim to support communities by increasing access to information and communications technology and contributing to disaster relief efforts.

Employees: We aim to create an inclusive working environment where everyone feels valued, motivated and able to reach their full potential. Nokia Solutions Networks products are designed to operate well within these limits and comply with relevant national and international safety standards and guidelines set by regulatory authorities. NSN engage with mobile network operators – our customers – to raise their awareness of EMF issues. NSN also provide detailed instructions to ensure they are able to operate equipment appropriately to keep local exposure within recommended limits.

- Leader in Packet Core, critical for rising data usage
4.2 (g) Health and safety

Health and safety is a priority for Nokia Solutions Networks. Good health and safety performance is a customer requirement and is a particular focus because NSN operate in some difficult and challenging environments. Employees and contractors can face significant risks, including installing and maintaining equipment at height or in confined spaces, and constructing base station towers.

NSN aim to assess and manage risks effectively using a robust management system with a strong focus on the highest risks. Risks are highest in NSN Global Services business where work is often done by contractors and much of it is in emerging markets. NSN Global Services health and safety program addresses these risks.

Employees are trained to recognize, report and avoid incidents where possible, and we are working hard to build a culture where everyone accepts responsibility for safe working. This includes collaborating with customers, contractors and other business partners to help them achieve the same high standards. Health, Safety and Security (HSS) team is responsible for occupational health and safety, employee security, business continuity and risk management, and information security. Health and Safety Policy clearly defines NSN responsibilities. NSN have health and safety managers in each region. They use health and safety workbook to ensure the same fundamental standards are applied in every country where they operate, but allowing adaptation to meet local regulations where necessary.
4.3 Vodafone India

Vodafone India, formerly Vodafone Essar and Hutchison Essar, is the third largest mobile network operator in India after Airtel and Reliance Communication by subscriber base. It is based in Mumbai, Maharashtra. It has approximately 147.48 million customers as of December 2012.

In July 2011, Vodafone Group agreed terms for the buy-out of its partner Essar from its Indian mobile phone business. The UK firm paid $5.46 billion to its Indian counterpart to take Essar out of its 33% stake in the Indian subsidiary. It will leave Vodafone owning 74% of the Indian business, while the other 26% will be owned by Indian investors, in compliance with Indian law. On 11 February 2007, Vodafone agreed to acquire the controlling interest of 67% held by Li Ka Shing Holdings in Hutch-Essar for US$11.1 billion, pipping Reliance Communications, Hinduja Group, and Essar Group, which is the owner of the remaining 33%. The whole company was valued at USD 18.8 billion. The transaction closed on 8 May 2007. It offers both prepaid and postpaid GSM cellular phone coverage throughout India with good presence in the metros.

Vodafone India provides 2.75G services based on 900 MHz and 1800 MHz digital GSM technology. Vodafone India launched 3G services in the country in the January–March quarter of 2011 and plans to spend up to $500 million within two years on its 3G networks.

4.3 (a) Hutchison Essar

In 1992, Hutchison Whampoa and its Indian business partner – Max Group, established a company that in 1994 was awarded a licence to provide mobile telecommunications services in Mumbai and launched commercial services as Hutchison Max in November 1995. In Delhi, Uttar Pradesh (East), Rajasthan and
Haryana, Essar Group was the major partner. But later Hutch took the majority stake.

By the time of Hutchison Telecom's Initial Public Offering in 2004, Hutchison Whampoa had acquired interests in six mobile telecommunications operators providing service in 13 of India's 23 license areas and following the completion of the acquisition of BPL Mobile that number increased to 16. In 2006, it announced the acquisition of a company (Essar Spacetel — A subsidiary of Essar Group) that held license applications for the seven remaining license areas.

Initially, the company grew its business in the largest wireless markets in India — in cities like Mumbai, Delhi and Kolkata. In these densely populated urban areas it was able to establish a robust network, well-known brand and large distribution network – all vital to long-term success in India. Then it also targeted business users and high-end post-paid customers which helped Hutchison Essar to consistently generate a higher Average Revenue Per User (ARPU) than its competitors. By adopting this focused growth plan, it was able to establish leading positions in India's largest markets providing the resources to expand its footprint nationwide.

In February 2007, Hutchison Telecom announced that it had entered into a binding agreement with a subsidiary of Vodafone Group Plc to sell its 67% direct and indirect equity and loan interests in Hutchison Essar Limited for a total cash consideration (before costs, expenses and interests) of approximately $11.1 billion.

Hutch was often praised for its award winning advertisements which all follow a clean, minimalist look. A recurrent theme is that its message "Hi" stands out visibly though it uses only white letters on red background. Another successful ad campaign in 2003 featured a pug named Cheeka following a boy around in
unlikely places, with the tagline, "Wherever you go, our network follows." The simple yet powerful advertisement campaigns won it many admirers. Ads featuring the pug were continued by Vodafone even after rebranding. The brand subsequently introduced Zoo Zoos which gained even higher popularity than was created by the Pug. Vodafone's creative agency is O&M while Harit Nagpal was the Marketing Director during the various phases of its brand evolution.

4.3 (b) Vodafone acquires Essar's stake

On March 31, 2011, Vodafone Group Plc announced that it would buy an additional 33% stake in its Indian joint venture for $5 billion after partner Essar Group exercised an option to sell the holding in the mobile-phone operator.

The deal raised Vodafone’s stake to 75%. Essar left the company after it implemented a put option over 22% of the venture. Vodafone exercised its call option to buy an 11% stake.

In 2007, Vodafone granted options to Essar that would enable the conglomerate to sell its entire stake for $5bn, or to dispose of part of the 33 per cent shareholding at an independently appraised fair market value. In January 2011, Vodafone objected to Essar’s plans to place part of its 33% stake in India Securities, a small public company.

Vodafone feared the move would give an inflated market value to Vodafone Essar. It had approached the market regulator SEBI and also filed a petition in the Madras High Court.

The final shareholding pattern post this deal was not provided by the company as it was not clear whether Vodafone's stake would exceed the 74 per cent
FDI limit. Indian laws don't allow foreign companies to own more than 74% in a local mobile-phone operator. Vodafone has assured it will comply with local rules.

Vodafone will have to sell that 1% to some Indian entity, or they’ll have to consider an initial public offering. Vodafone also said that final settlement is anticipated to be completed by November 2011. The completion of the deal would be subject to meeting certain conditions which include Reserve Bank of India's permission as well as valuation of the deal.

4.3 (c) 3G

On 19 May 2010, the 3G spectrum auction in India ended. Vodafone paid ₹11617.86 million (the second highest amount in the auctions) for spectrum in 9 circles. The circles it will provide 3G in are Delhi, Gujarat, Haryana, Kolkata, Maharashtra & Goa, Mumbai, Tamil Nadu, Uttar Pradesh (East) and West Bengal.

On 16 March 2011, Vodafone launched 3G services in Uttar Pradesh (East) in the city of Lucknow. Vodafone had already launched limited 3G services in Chennai and Delhi earlier, but the Uttar Pradesh (East) launch counts as its first fully commercial launch. This makes Vodafone the fifth private operator (seventh overall) to launch its 3G services in the country following Tata Docomo, Reliance Communications, Airtel and Aircel.

On 23 June 2011 Vodafone launched 3G service in Kerala by joining with Idea in an Intra Circle Roaming agreement. Initially Vodafone 3G services will be available in the following cities in Kerala – Ernakulam, Aluva, Calicut, Koyilandy, Alappuzha, Cherthala, Malappuram and Manjeri.
On 28 June 2012, Vodafone launched a new international roaming package under which the users shall have not to pay multiple rentals in the countries they are visiting.

4.3 (d) Angel store

Vodafone Angel Store, is a first of its kind retail concept store, that is completely managed and run by women employees, including security, pantry staff, customer service resources and management level personnel. As of 8 March 2013, there are 16 Vodafone Angel Stores across 14 states of India. Stores are currently operating in Mumbai, Delhi, Pune, Goa, Ahmadabad, Vadodara, Shillong, Bhubaneswar, Jaipur, Agra, Mysore, Chennai, Lucknow, Kolkata, Hyderabad and Kerala.

According to Marten Pieters, Managing Director and CEO, Vodafone India, "The Angel Stores are a part of Vodafone’s commitment to provide our women employees with one of the most secure and productive work environment. Additionally, our women customers feel more welcomed while visiting the store.

Vodafone's own research and customer feedback revealed that the Angel Stores help improve the quality of customer service as women generally show greater patience and empathy than men, and are able to act and help in speedy resolution.

Vodafone also found that higher productivity and performance parameters recorded in Angel Stores, across locations
4.3 (e) Awards and recognition

The Brand Trust Report, 2011 published by Trust Research Advisory has ranked Vodafone as the 16th most trusted brand in India.

4.4 Videocon telecommunications limited

Videocon Telecommunications Limited, a Videocon group company offers GSM mobile services GSM service under the brand name Videocon. The services are already up and running in Punjab, Gujarat, Haryana, Madhya Pradesh and soon will be present across the country. The Videocon Group is a $10 billion, global business conglomerate with a strong presence in Household Consumer Goods, Oil & Gas, Retail, Telecom, DTH and the Power sector.

Videocon Telecom, formerly Videocon Mobile Services, was an Indian cellular service provider that offered GSM mobile services in India. The company was a subsidiary of Videocon Industries, and was headquartered at Gurgaon, Haryana. At its peak, Videocon held licenses to provide mobile services in 18 out of 22 telecom circles of India. However, Videocon launched commercial services only in 11 out of the 18 circles it held licenses in. Following the 2G spectrum scam, the Supreme Court cancelled 122 licenses issued by the Indian Government in 2008, including 21 licenses belonging to Videocon. In the 2012 spectrum auction, Videocon won back licenses in 6 circles.

The Videocon group has constantly leveraged a culture of innovation to develop a range of market re-defining products. The Group has several manufacturing facilities globally and R&D centers spread across Americas, Europe and Australasia that are constantly working towards creating global quality products deploying the most up-to-date technology. Videocon has one of the largest distribution networks in India with a nation-wide presence.
The Group has a full range of products in Flat Panel Devices (LCD’s) and CTV’s, Washing Machines, ACs, Refrigerators, Home Theatre systems, microwave ovens, food processors, and sophisticated small home appliances. Recently the group also successfully launched a range of Mobile Handsets and next-generation Direct-to-Home television services and world’s first satellite TV. Apart from having a stronghold in the domestic market, the company has a significant market share in the global arena as well. Videocon exports consumer electronics and home appliances to markets in the Middle East and Europe, West Asia, Latin America and South East Asia. The Group is rated among India’s Top 15 Business Houses and is listed among the 100 Emerging Giants of the World according to a Boston Consulting Group study in addition to being rated amongst the Top 15 of India’s ‘buzziest brands’ by agency faqs in 2010.

The Videocon Group is a global business conglomerate with a strong presence in Household Consumer Goods, Retail, Telecom, DTH and the Power sector. The Videocon group has constantly leveraged a culture of innovation to develop a range of market re-defining products. The Group has several manufacturing facilities globally and R&D centers spread across Americas, Europe and Australasia that are constantly working towards creating global quality products deploying the most up-to-date technology.

Videocon has one of the largest distribution networks in India with a nationwide presence. The Group has a full range of products in Flat Panel Devices (LCD’s) and CTV’s, Washing Machines, ACs, Refrigerators, Home Theatre systems, microwave ovens, food processors, and sophisticated small home appliances. Recently the group also successfully launched a range of Mobile
Handsets and next-generation Direct-to-Home television services and world’s first satellite TV.

Apart from having a stronghold in the domestic market, the company has a significant market share in the global arena as well. Videocon exports consumer electronics and home appliances to markets in the Middle East and Europe, West Asia, Latin America and South East Asia.

The Group is rated among India’s Top 15 Business Houses and is listed among the 100 Emerging Giants of the World according to a Boston Consulting Group study in addition to being rated amongst the Top 15 of India’s ‘buzziest brands’ by agency faqs in 2010.

4.4(a) Proposed launch of 4g services

Videocon planned to launch 4G services over 1800MHz band which the company secured in the November auction in Jharkhand, Bihar, West and East Uttar Pradesh, Gujarat, Haryana, Chhattisgarh and Madhya Pradesh. Videocon won liberalized spectrums in the auction and can offer services over the 1800 MHz band using any technology. Videocon will use LTE-FDD technology to roll out 4G on 1800 MHz band. It should be noted that globally LTE-FDD 1800 is getting more importance across the globe, more than 30% of LTE roll outs are on this band.

So Videocon can leverage the advantages of LTE-FDD on 1800 MHz, as the ecosystem including devices are quite mature compared to other Indian companies. As Videocon has only 5 MHz spectrum for both 2G and 4G, the company plans to auto-allocation of spectrum for 4G during peak and off-peak hours. In peak hours Videocon can provide up to 9 Mbit/s over its upcoming LTE network and during off-peak hours speed may go up to 21Mbit/s
4.4(b) Corporate social responsibility

In the memory of Videocon founder, Videocon group runs a world class hospital equipped with latest technologies and dedicated doctors specializing in cancer and heart surgery. The hospital is 100% charitable and caters to people who cannot afford treatment. Patients from all over visit Seth Nandlal Dhoot Hospital for treatment. Videocon also manage a school in Gangapur dedicated to giving high quality school education to the underprivileged girls and inspire them to aim higher, and work for the development of the country. Videocon have adopted all the municipal schools within 3km of radius of our Chittagong (Aurangabad) factory and provide the schools with furniture, upkeep and maintenance on a regular basis. Videocon group arranges blood donation camp every year on 26th April, as homage to late Seth Nandlal Dhoot.

4.5 Idea cellular limited

Idea Cellular is an Aditya Birla Group Company, India's first truly multinational corporation. Idea is a pan-India integrated GSM operator offering 2G and 3G services, and has its own NLD and ILD operations, and ISP license. With revenue of Rs. 31,571 crore; revenue market share of nearly 17.5 per cent; and subscriber base of over 161 million in FY 2013, Idea is India’s third largest mobile operator. Idea ranks among the top 10 country operators in the world with a traffic of over 1.5 billion minutes a day.

Idea Cellular (commonly referred to as simply Idea, and stylised as !dea) is an Indian mobile network operator based in Mumbai, Maharashtra. Idea is a pan-India integrated GSM operator offering 2G, 3G and 4G mobile services. Idea is India’s third largest mobile operator by subscriber base. Idea has 160.08 million subscribers as of June 2015.
During its inception in 1995, Aditya Birla Group, Tata Group and AT&T Wireless each held one-third equity in the company. Following AT&T Wireless' merger with Cingular Wireless in 2004, Cingular decided to sell its 32.9% stake in Idea. This stake was bought by the remaining two stakeholders equally. Tata forayed into the cellular market with its own subsidiary, Tata Indicom, a CDMA-based mobile provider and in April 2006, Aditya Birla Group announced the acquisition of the 48.18% stake held by Tata Group at INR 40.51 a share amounting to INR 44.06 billion with 15% of the stake acquired by Aditya Birla Nuvo and the remaining by Birla TMT holdings Private Ltd.


Idea’s robust pan-India coverage is built on a network of over 100,000 2G and 3G cell sites, spread across over 55,000 towns in India. Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points, comprising nearly 4,500 exclusive Idea outlets, and over 7,000 call centre seats. Idea’s customer service delivery platform is ISO
9001:2008 certified, making it the only operator in the country to have this standard certification for all 22 service areas and the corporate office.

Idea has consistently stayed ahead of the industry in VLR reporting. Idea’s thought leadership on Mobile Number Portability (MNP) has enabled it to stay as the top gainer with the highest net gain. Every 4th mobile user who exercises choice through MNP, prefers Idea. Idea offers a range of high-speed mobile broadband devices including Android based 3G smart phones, dongles etc. Idea’s wide portfolio of 3G smart phones offer the latest in 3G applications and high-end data services such as Idea TV, games, social networking etc. at affordable prices.

Idea has been a pioneer in introducing customized product offerings for segmented customers. It is the first mobile operator to introduce innovative value added services in the Indian telephony market, and has remained ahead of the industry in data product offerings. Idea has received several national and international recognitions for its path-breaking innovations in mobile telephony products and services. Idea won the prestigious ‘NDTV Business Leadership Award’ in the telecom category for its solid, consistent performance in 2012. It was the winner of ET Telecom Awards 2012, in the categories — ‘Customer Experience Enhancement’, ‘Excellence in Marketing’, and ‘Innovative Products’. Idea also won the ‘Best Ad Campaign of the Year’ award for the popular Honey Bunny campaign at the Tele.Net Telecom Awards 2012.

Idea won the ‘Best Brand Campaign’ at the esteemed World Communication Awards in 2012 and 2011. It also won the GSM Association Award for ‘Best Billing and Customer Care Solution’ for two consecutive years, and was awarded ‘Mobile Operator of the Year Award – India’ for 2007 and 2008 at the Annual Asian Mobile News Awards. Idea is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.
4.6 Ericsson India private limited

At Ericsson, they strive to connect everyone, wherever they may be. Because by being connected, people can take part in the emerging global collaboration that is the Networked Society - a society in which every person and every industry is empowered to reach their full potential. Our services, software and infrastructure - especially in mobility, broadband and the cloud - are enabling the communications industry and other sectors to do better business, increase efficiency, improve their users' experience and capture new opportunities. By enabling the Networked Society, ericsson make a real difference to people's lives, and the world they live in.

4.6 (a) Leading transformation through mobility

Ericsson is a world leader in the rapidly changing environment of communications technology – providing equipment, software and services to enable transformation through mobility. Some 40 percent of global mobile traffic runs through networks Ericsson have supplied. More than 1 billion subscribers around the world rely every day on networks that they manage. With more than 37,000 granted patents, they have one of the industry’s strongest intellectual property rights portfolios.

Ericsson leadership in technology and services has been a driving force behind the expansion and improvement of connectivity worldwide. Ericsson believe that through mobility, ericsson society can be transformed for the better. New innovations and forms of expression are finding a greater audience, industries and hierarchies are being revolutionized, and ericsson are seeing a fundamental change in the way they communicate, socialize and make decisions together. These exciting changes represent the realization of ericsson vision: a Networked Society, where every person and every industry is empowered to reach their full potential.
4.6 (b) Corporate Governance

Corporate governance describes how rights and responsibilities are distributed among corporate bodies according to applicable laws, rules and internal processes. Corporate governance also defines the decision-making systems and structure through which owners directly or indirectly control a company. Shareholders may exercise their decision-making rights in the Company at General Meetings of shareholders. A Nomination Committee is appointed each year by the major shareholders in accordance with the Instruction for the Nomination Committee adopted by the Annual General Meeting of shareholders. The tasks of the Nomination Committee include the proposal of an external auditor and Board members for election by the Annual General Meeting of shareholders and proposals of Board member and auditor remuneration.

In addition to the Board members elected by shareholders, the Board of Directors consists of employee representatives and their deputies, which the unions have the right to appoint under Swedish law. The Board of Directors is ultimately responsible for the strategy and the organization of Ericsson and the management of its operations.

The President and CEO, appointed by the Board of Directors, is responsible for handling the day-to-day management of Ericsson in accordance with instructions from the Board. The President and CEO is supported by the Executive Leadership Team (ELT). The external auditor of Ericsson is elected by the General Meeting of shareholders.

Ericsson's Code of Business Ethics summarizes the Group’s basic policies and directives and contains rules to ensure that business is conducted with a strong sense of integrity. This is critical to maintain trust and credibility with Ericsson’s customers, partners, employees, shareholders and other stakeholders. The Code of
Business Ethics has been translated into 30 languages. This ensures that it is accessible to everyone working for Ericsson. During recruitment, employees acknowledge that they are aware of the principles of the Code of Business Ethics. This procedure is repeated during the term of employment. Through this process, Ericsson strives to raise awareness throughout its global operations. Everyone working for Ericsson has an individual responsibility to ensure that business practices adhere to the Code of Business Ethics.

4.7 Bharti Airtel Telecommunications Pvt Ltd

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 4 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G wireless services and mobile commerce. Bharti Airtel had over 307 million customers across its operations at the end of November 2014. Bharti Airtel Limited is an Indian multinational telecommunications services company headquartered in New Delhi, India.

It operates in 20 countries across South Asia, Africa, and the Channel Islands. Airtel provides GSM, 3G and 4G LTE mobile services, fixed line broadband and voice services depending upon the country of operation. It is the largest cellular service provider in India, with 230.66 million subscribers as of June 2015. Airtel is the largest mobile operator in South Asia and the third largest in the world with a 303 million subscriber base. Airtel was named India's second most valuable brand in the first ever Brandz ranking by Millward Brown and WPP plc. Airtel is credited
with pioneering the business strategy of outsourcing all of its business operations except marketing, sales and finance and building the 'minutes factory' model of low cost and high volumes. The strategy has since been adopted by several operators.

Airtel's equipment is provided and maintained by Ericsson and Nokia Solutions and Networks whereas IT support is provided by IBM. The transmission towers are maintained by subsidiaries and joint venture companies of Bharti including Bharti Infratel and Indus Towers in India. Ericsson agreed for the first time to be paid by the minute for installation and maintenance of their equipment rather than being paid up front, which allowed Airtel to provide low call rates of 1/minute (US$0.02/minute). The Enterprise business provides end-to-end telecom solutions to corporate customers and national and international long-distance services to telcos through its nationwide fiber optic backbone, last mile connectivity in fixed-line and mobile circles, VSATs, ISP and international bandwidth access through the gateways and landing stations. It has two sections under it.

4.7(a) Mobile data service

The different services under mobile data are BlackBerry services, a web-enabled mobile email solution working on 'Push Technology', USB modem that helps in getting instant access to Internet and corporate applications, Airtel Data Card that gives the liberty to access the internet anytime, Easy Mail is a platform that provides access to personal/corporate e-mails independent of handset operating system and application services that shorten the queues at the billing section, off-load the pressure on the billing staff and bring convenience to the user.
4.7(b) Enterprise business solutions

There are two kinds of solutions offered by Airtel. One is GPRS Based Solutions like mobile applications tools for enterprise, TrackMate, automatic meter reading solutions etc. and the other is SMS Based Solutions like interactive sms, bulk sms, inbound call center solutions.

4.7(c) Worldwide presence

Airtel is one of the largest mobile operator in the world in terms of subscriber base and has a commercial presence in 20 countries and the Channel Islands. Baysquare Technology developed a Settlement and Reconciliation Tool (SRT) to reconcile from various data streams. The system was developed to match the calls being captured by the network elements and the calls getting rated, i.e. ensuring that operator is billing all calls its serves and also it is paying out to other operators the correct billing amounts.

4.7(d) Telemedia

Under the Telemedia segment, Airtel provides broadband internet access through DSL, internet leased lines as well as MPLS (multiprotocol label switching) solutions, as well as IPTV and fixed line telephone services. Until 18 September 2004, Bharti provided fixed line telephony and broadband services under the Touchtel brand. Bharti now provides all telecom services including fixed line services under a common brand airtel. As of September 2012, Airtel provides Telemedia services to 3.3 million customers in 87 cities. As on 30 November 2012, Airtel had 1.39 million broadband subscribers.
Airtel Broadband provides broadband and IPTV services. Airtel provides both capped as well as unlimited download plans. However, Airtel's unlimited plans are subject to free usage policy (FUP), which reduces speed after the customer crosses a certain data usage limit. In most of the plans, Airtel provides only 512kbit/s beyond FUP, which is lower than the TRAI specified limit of half the subscriber's original speed.

The maximum speed available for home users is 16Mbit/s. In May 2012, Airtel Broadband and some other Indian ISPs temporarily blocked file sharing websites such as vimeo.com megavideo.com, thepiratebay.se, etc. without giving any legal information to the customers.

4.7 (e) Mobile data services

The different services under mobile data are BlackBerry services, a web-enabled mobile email solution working on 'Push Technology', USB modem that helps in getting instant access to Internet and corporate applications, Airtel Data Card that gives the liberty to access the internet anytime, Easy Mail is a platform that provides access to personal/corporate e-mails independent of handset operating system and application services that shorten the queues at the billing section, off-load the pressure on the billing staff and bring convenience to the user.

4.7 (f) GreenTowers P7 program

Bharti Infratel is the only telecom tower company, which has installed almost 3 MWT of solar capacity on their network, generating more than 5 million units of electricity every year. The Green Towers P7 program is scoped for 22,000 tower sites (primarily rural areas having low or no Grid Power availability) out of which 5,500 sites have already been implemented in the first year as a part of this 3-year
program. Once completed, the initiative will reduce diesel consumption by 66 million liters per year with a significant carbon dioxide reduction of around 150,000 MT per year. Bharti Infratel received the 2011 'Green Mobile Award' at the GSMA Mobile World Congress at Barcelona and was also awarded the 2010 innovative infrastructure company of the year award at the CNBC Infrastructure Awards for this groundbreaking initiative. Bharti remains the first company in the world to introduce the practice of sharing of passive infrastructure by collaborating with their competition to share mobile towers and to reduce the collective carbon footprint of the industry. This has become a subject of case studies in institutions including the Harvard Business School.

The company has installed solar hot water generator at its main campus in Gurgaon for fulfilling the hot water requirement in the cafeteria. Majority of its facilities across NCR region are now equipped with LES (Lighting Energy Savers) which have reduced energy consumption in the lighting system to the tune of 10–25%. Variable Frequency Drives installed in AHU (Air Handling Unit) at its campus have helped in enhancing the efficiency of cooling system by 10%. These measures have resulted in a total saving of 850,000 units of electricity per year.

Airtel has embarked upon technology related initiatives like virtualisation of servers that has helped it release over 500 CPUs. Also the drive of sending e-bills to the post-paid customers is helping save 12,840 trees annually. Within its campus the 'Secure Print Solution' – an automated queue management–based secured printing solution has led to an annualised saving of about 8 metric tonnes of paper.

Alternative energy sources such as solar energy used at 1050 sites saving 6.9 mn litres of diesel and approximately 280 million.

Energy efficiency measures such as Integrated Power Management Systems and variable speed DC generators have resulted in reduction in the rate of diesel
consumption by 1.2 million litres, leading to savings of 47 million across 900 sites.

Demand side management like Free cooling Units (FCU) instead of air conditioners has been implemented across 3400+ sites, saving consumption of 4.1 million litres of diesel