CHAPTER-3:

TELECOM SERVICE PROVIDER COMPANY PROFILE
Chapter – 3: Telecom Service Providers Profile

3.1. BHARAT SANCHAR NIGAM LIMITED
   3.1.1. Introduction
   3.1.2. Growth And Development
   3.1.3. Area Of Operation

3.2. TATA TELESERVICES LIMITED
   3.2.1. Introduction
   3.2.2. Growth And Development
   3.2.3. Area Of Operation

3.3. RELIANCE COMMUNICATION
   3.3.1. Introduction
   3.3.2. Business operations
   3.3.3. Business Activity Of The Company

4.4. BHARTI AIRTEL LIMITED
   4.4.1. Introduction
   4.4.2. Growth And Development
   4.4.3. Area Of Operation

3.5. VODAFONE ESSAR LIMITED
   3.5.1. Introduction
   3.5.2 Growth And Development
   3.5.3. Area Of Operations

3.6. IDEA CELLULAR LIMITED
   3.6.1. Introduction
   3.6.2. Growth And Development
   3.6.4. Area Of Operation
3.1. Bharat Sanchar Nigam Limited

3.1.1. Introduction

VISION

To become the largest Telecom Service Provider in Asia.

MISSION

- To provide world class State-of-art technology telecom services to its customers on demand at competitive prices.
- To provide world class telecom infrastructure in its area of operation and to contribute to the growth of the country's economy.

OBJECTIVES

- To be a Lead Telecom Services Provider. To provide quality and reliable fixed telecom service to our customer and thereby increase customer's confidence.
- To provide mobile telephone service of high quality and become no. 1 GSM operator in its area of operation.
- To provide point of interconnection to other service provider as per their requirement promptly.

Contribute towards: National Plan Target of 500 million subscriber base for the country by December 2010. Broadband customer’s base of 20 million in the country by 2010 as per Broadband Policy 2004. Providing telephone connection in villages as per government policy. Implementation of Triple play as a regular commercial proposition. Bharat Sanchar Nigam Ltd. formed in October, 2000, is World's 7th largest Telecommunications Company providing comprehensive range of telecom services in India:
Wireline, CDMA mobile, GSM Mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP services, IN Services etc. Presently it is one of the largest and leading & leading public sector units in India. BSNL has installed Quality Telecom Network in the country and now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages and wining customer's confidence. Today, it has about 46 million line basic telephone capacity, 8 million WLL capacity, 52 Million GSM Capacity, more than 38302 fixed exchanges, 46565 BTS, 3895 Node B (3G BTS), 287 Satellite Stations, 614755 Rkm of OFC Cable, 50430 Rkm of Microwave Network connecting 602 Districts, 7330 cities/towns and 5.6 Lakhs villages. BSNL is the only service provider, making focused efforts and planned initiatives to bridge the Rural-Urban Digital Divide ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook & corner of country and operates across India except Delhi & Mumbai. Whether it is inaccessible areas of Siachen glacier and North-eastern region of the country. BSNL serves its customers with its wide bouquet of telecom services. BSNL is numerous operator of India in all services in its license area.

The company offers vide ranging & most transparent tariff schemes designe to suite every customer. BSNL cellular service, CellOne, has 55,140,282 2G cellular customers and 88,493 3G customers as on 30.11.2009. In basic services, BSNL is miles ahead of its rivals, with 35.1 million Basic Phone subscribers i.e. 85 per cent share of the subscriber base and 92 percent share in revenue terms. BSNL has more than 2.5 million WLL subscribers and 2.5 million Internet
Customers who access Internet through various modes viz. Dial-up, Leased Line, DIAS, Account Less Internet (CLI). BSNL has been adjudged as the NUMBER ONE ISP in the country.

BSNL has set up a world class multi-gigabit, multi-protocol convergent IP infrastructure that provides convergent services like voice, data and video through the same Backbone and Broadband Access Network. At present there are 0.6 million Data One broadband customers. The company has vast experience in Planning, Installation, network integration and Maintenance of Switching & Transmission Networks and also has a world class ISO 9000 certified Telecom Training Institute. Scaling new heights of success, the present turnover of BSNL is more than Rs.351, 820 million (US $ 8 billion) with net profit to the tune of Rs.99, 390 million (US $ 2.26 billion) for last financial year. The infrastructure asset on telephone alone is worth about Rs.630, 000 million (US $ 14.37 billion).

3.1.2. GROWTH AND DEVELOPMENT

BSNL (then known as Department of Telecom) had been a near monopoly during the socialist period of the Indian economy. During this period, BSNL was the only telecom service provider in the country (MTNL was present only in Mumbai and New Delhi). During this period BSNL operated as a typical state-run organization, inefficient, slow, bureaucratic, and heavily unionized. As a result subscribers had to wait for as long as five years to get a telephone connection.

The corporation tasted competition for the first time after the liberalization of Indian economy in 1991. Faced with stiff competition from the private telecom service providers, BSNL has subsequently tried to increase
efficiencies itself. Dot veterans, however, put the onus for the sorry state of affairs on the Government policies, where in all state-owned service providers were required to function as mediums for achieving egalitarian growth across all segments of the society.

The corporation (then Dot), however, failed miserably to achieve this and India languished among the most poorly connected countries in the world. BSNL was born in 2000 after the corporatization of Dot. The efficiency of the company has since improved. However, the performance level is nowhere near the private players. The corporation remains heavily unionized and is comparatively slow in decision making and implementation. Though it offers services at lowest tariffs, the private players continue to notch up better numbers in all areas, years after year.

BSNL has been providing connections in both urban and rural areas. Pre-activated Mobile connections are available at many places across India. BSNL has also unveiled cost-effective broadband internet access plans (Data One) targeted at homes and small businesses. At present BSNL enjoys around 60% of market share of ISP services.

2007 has been declared as "Year of Broadband" in India and BSNL is in the process of providing 5 million Broadband connectivity by the end of 2007. BSNL has upgraded existing Dataone (Broadband) connections for a speed of up to 2 Mbit/s without any extra cost. This 2 Mbit/s broadband service is being provided by BSNL at a cost of just US$ 11.7 per month (as of 21/07/2008 and at a limit of 2.5GB monthly limit with 0200-0800 hrs as no charge period). Further, BSNL is rolling out new broadband services such as triple play.

BSNL is planning to increase its customer base to 108 million customers by 2010. With the frantic activity in the communication sector in India, the
target appears achievable.

BSNL is a pioneer of rural telephony in India. BSNL has recently bagged 80% of US$ 580 m (INR 2,500 crores) Rural Telephony project of Government of India. On the 20th of March, 2009, BSNL advertised the launch of BlackBerry services across its Telecom circles in India. The corporation has also launched 3G services.

Bharat Sanchar Nigam Limited, the largest Public Sector Undertaking of the Nation, is certainly on a financial ground that's sound. The Company has a net worth of Rs. 88,634 crores (US$ 17.40 billion), authorized equity capital of Rs. 10,000 crores (US $ 1.96 billion), Paid up Equity Share Capital of Rs. 5,000 crores (US $ 0.98 billion) and Revenues is Rs. 35,812 crores (US $ 7.03 billion) in 2008-09. (Note: 1 US $ = 50.9500 INR as on 31-03-2009).

3.1.3. AREA OF OPERATION

The world class services offered by the BSNL:

The Plain old, Countrywide telephone Service through 32,000 electronic exchanges. Digitalized Public Switched Telephone Network (PSTN) with a host of Phone Plus value additions. BSNL launched Data One broadband service in January 2005 which shall be extended to 198 cities very shortly. The service is being provided on existing copper infrastructure on ADSL2 technology. The minimum speed offered to the customer is 256 Kbps at Rs. 250/- per month only. Subsequently, other services such as VPN, Multicasting, Video Conferencing, Video-on-Demand, Broadcast application etc will be added. Keeping the global network of Networks networked, the countrywide Internet Services of BSNL under the brand name BSNL BROADBAND includes Internet dial up/ Leased line access,
CLI based access (no account is required) and DIAS service, for web browsing and E-mail applications. You can use your dialup sancharnet account from any place in India using the same access no ‘172233’, the facility which no other ISP has. BSNL has customer base of more than 1.7 million for sancharnet service. BSNL also offers Web hosting and co-location services at very cheap rates. ISDN Integrated Service Digital Network Service of BSNL utilizes a unique digital network providing high speed and high quality voice, data and image transfer over the same line. It can also facilitate both desktop video and high quality video conferencing. Intelligent Network ; Intelligent Network Service offers value-added services, such as:

- Free phone service [FPH]
- India Telephone card [Prepaid Card]
- Account Card Calling [ACC]
- Virtual Private Network [VPN]
- Tele-Voting
- Premium Rae Service [PRM]
- Universal Access Number [UAN] and more.

I net; India s x.25 based packet Switched Public Data Network is operational in 104 cities of the country. It offers x.25 x.28 leased, x.28 Dial up (PSTN) Connection) and frame relay services. Leased Line; BSNL provides leased lines for voice and data communication for various applications on point to point basis. It offers a choice of high, medium and low speed leased data circuits as well as dial-up lines. Bandwidth is available on demand in most cities. Managed Leased Line
Network (MLLN) offers flexibility of providing circuits with speeds of nx64 kbps up to 2mbps, useful for Internet leased lines and International Principle Leased Circuits (IPLCs).

Cellular Mobile Service; BSNL’s GSM cellular mobile service Cellone has a customer base of over 5.2 million. CellOne provides all the services like MMS, GPRS, Voice Mail, E-mail, Short Message Service (SMS) both national and international, unified messaging service (send and receive e-mails) etc. You can use CellOne in over 160 countries worldwide and in 270 cellular networks and over 1000 cities/towns across India. It has got coverage in all National and State Highways and train routes. CellOne offers all India Roaming facility to both pre-paid and post-paid customers (including Mumbai & Delhi).

WLL ; This is a communication system that connects customers to the Public Switched Telephone Network (PSTN) using radio frequency signals as a substitute for conventional wires for all or part of the connection between the subscribers and the telephone exchange. Countrywide WLL is being offered in areas that are non-feasible for the normal network. Helping relieve congestion of connections in the normal cable/wire based network in urban areas. Connecting the remote and scattered rural areas. Limited mobility without any air-time charge.

(Source ; www.bsnl.co.in)
3.2. TATA TELESERVICES LIMITED

3.2.1. Introduction

MISSION

1. Enriching life by enabling reliable and affordable communication anytime, anywhere.
2. To be a competitive value provider in international business for Group companies and all our partners.

VISION

1. We will strive to be the preferred partner to our customers by providing appropriate and Cost-effective communication solutions.
2. The vision of becoming a customer-focused organization offering quality, convenience and accessibility has always been the core of our business model. After mapping our customer expectations, we plan to aggressively bring new technology, add innovative products and services and increase the coverage area to make a major leap into the future. Our plan is based on providing further value addition to our existing customers and integrates our operations to bring increased efficiency, enhanced flexibility and expanded reach.

FIVE CORE VALUES

The Tata Group has always sought to be a value-driven organisation. These values continue to direct the Group's growth and businesses. The five core Tata values underpinning the way we do business are:

- **INTEGRITY**: We must conduct our business fairly, with honesty and
transparency. Everything we do must stand the test of public scrutiny.

- **UNDERSTANDING**: We must be caring, show respect, compassion and humanity for our colleagues and customers around the world, and always work for the benefit of the communities we serve.

- **EXCELLENCE**: We must constantly strive to achieve the highest possible standards in our day-to-day work and in the quality of the goods and services we provide.

- **UNITY**: We must work cohesively with our colleagues across the Group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation.

- **RESPONSIBILITY**: We must continue to be responsible, sensitive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.

Tata Teleservices Limited spearheads the Tata Group’s presence in the telecom sector. Incorporated in 1996, Tata Teleservices Limited is the pioneer of the CDMA 1x technology platform in India. It has embarked on a growth path since the acquisition of Hughes Tele.com (India) Ltd [renamed Tata Teleservices (Maharashtra) Limited] by the Tata Group in 2002. It launched mobile operations in January 2005 under the brand Tata Indicom and today enjoys a pan-India presence through existing operations in all of India’s 22 telecom Circles. The company is also the market leader in the fixed wireless telephony market with its brand Walky. The company has recently introduced the brand Photon to provide a variety of options for wireless mobile broadband access. The company’s network has been rated as
the ‘Least Congested’ in India for last five consecutive quarters by the Telecom Regulatory Authority of India through independent surveys. Tata Teleservices Limited now also has a presence in the GSM space, through its joint venture with NTT DOCOMO of Japan, and offers differentiated products and services under the Tata DOCOMO brand name. Tata DOCOMO arises out of the Tata Group’s strategic alliance with Japanese telecom major NTT DOCOMO in November 2008. Tata DOCOMO has received a pan-India license to operate GSM telecom services—and has also been allotted spectrum in 18 telecom Circles. The company has rolled out GSM services in 14 of India’s 22 telecom Circles in a quick span of under six months. The company plans to launch pan-India operations by the end of FY 2009-10.

Tata DOCOMO marks a significant milestone in the Indian telecom landscape, and has already redefined the very face of telecoms in India, being the first to pioneer the per-second tariff option part of its ‘Pay for What You Use’ pricing paradigm. Tokyo-based NTT DOCOMO is one of the world’s leading mobile operators—in the Japanese market, the company is the clear market leader, used by over 50 per cent of the country’s mobile phone users. Today, Tata Teleservices Limited, along with Tata Teleservices (Maharashtra) Limited, serves over 58 million customers in more than 410,000 towns and villages across the country, with a bouquet of telephony services encompassing mobile services, wireless desktop phones, public booth telephony, wire line services and enterprise solutions.

In December 2008, Tata Teleservices Limited announced a unique reverse equity swap strategic agreement between its telecom tower subsidiary, Wireless TT Info-Services Limited, and Quippo Telecom Infrastructure
Limited—with the combined entity kicking off operations in early 2009 with 18,000 towers, thereby becoming the largest independent entity in this space—and with the highest tenancy ratios in the industry. The WTTIL-Quippo combine is targeting over 50,000 towers by the end of FY 2010-11.

Ratan N. Tata was appointed as the Chairman of Tata Sons Limited in 1991. He is the Chairman of several of the leading Tata group companies including Tata Steel, Tata Motors, Tata Power, Tata Consultancy Services, Tata Tea, Tata Chemicals, Indian Hotels Limited and TTSL. He is also the Chairman of two of the largest private sector promoted philanthropic trusts in India. During his tenure, the Group's revenues have grown over six-fold to Rs. 80,000 crore ($17.8 bn.). Mr. Tata’s association with Tata group companies began in December 1962. He was assigned to various companies before being appointed Director-in-Charge of the National Radio and Electronics Company Limited (NELCO) in 1971. He was named Chairman of Tata Industries Limited in 1981, where he was responsible for transforming the company into a group strategy think-tank, and was also responsible for the promotion of new ventures in high technology businesses.

He is associated with various organizations in India and abroad, including through Chairmanship of the Government of India's Investment Commission, and membership of the Central Board of the Reserve Bank of India, the International Advisory Boards of Mitsubishi Corporation, the American International Group, J.P.Morgan Chase, the International Investment Council set up by the President of the Republic of South Africa, the Asia Pacific Advisory Committee and membership of the Board of Directors of the New York Stock Exchange. He serves on the Board of
Trustees of the Ford Foundation and the Programme Board of the Bill and Melinda Gates Foundations' India AIDS Initiative He also chairs the Advisory Board of RAND's Center for Asia Pacific Policy. Mr. Tata received a Bachelor of Science degree in Architecture from Cornell University in 1962. He worked briefly with Jones and Emmons in Los Angeles, California before returning to India in late 1962. He completed the Advanced Management Program at Harvard Business School in 1975. The Government of India honored Mr. Tata with one of its highest civilian awards, the Padma Bhushan, on Republic Day, January 26, 2000. He has also been conferred an honorary doctorate in Business Administration by the Ohio State University, an honorary doctorate in Technology by the Asian Institute of Technology, Bangkok, and an honorary doctorate in Science by the University of Warwick.

3.2.2. GROWTH AND DEVELOPMENT

TTSL pioneered the CDMA 3G1x technology platform in India. The company has established a robust and reliable telecom infrastructure that ensures quality in its services. It has partnered Motorola, Ericsson, Lucent and ECI Telecom to deploy a reliable and technologically advanced network. TTSL's telephony services include mobile services, fixed wireless phones (FWP), public booth telephony and wire line services. Among its value-added services are voice portal, roaming, post-paid internet services, three-way conferencing, group calling, wi-fi internet services and data services.

The company has entered the 'prepaid' segment by launching, under the Tata Indicom brand, its '100 % Sacchai True Paid' offering across all its circles.
Tata Indicom also offers a collection of 1,000 mobile games, the latest handsets, and new voice and data services such as BREW games, picture messaging, polyphonic ring tones, and interactive applications.

TTSL, along with its subsidiary, Tata Teleservices (Maharashtra), currently serves 4.58 million customers in over 1,400 towns in India.

**TATA IN TELECOM**

**Tata Teleservices Limited** is India's leading private telecom service provider. The company offers integrated telecom solutions to its customers under the Tata Indicom brand, and uses the latest CDMA 3G1X technology for its wireless network. Currently operating in 6 states i.e. Delhi, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu and Gujarat, the company has a customer base of over 1.3 million. With a planned nationwide footprint across the country, Tata Teleservices has applied for licenses for 11 more circles, which include Punjab, Haryana, UP (West), Kerala, West Bengal, Rajasthan, Madhya Pradesh, Bihar, Orissa, Himachal Pradesh and Uttar Pradesh (East).

TATA Teleservices (Maharastra) Ltd. (TTML) (Formerly Hughes Tele.com (India) Ltd.), is India's premier broadband network based telecommunication service provider. TTML is licensed to provide telecommunication services in the western Indian states of Maharashtra (which includes Mumbai, India's commercial hub) & Goa. TTML is rapidly expanding its network and currently provides telecommunication services to over 461,000 business and residential customer lines in 10 cities and some villages in rural and remote areas in Maharashtra & Goa. In addition to its strong product offerings in the conventional voice telephony services, TTML provides a full suite of broadband services like secure Internet
access, Managed Data Network services and Managed Leased Line services, focused on communication-intensive customers.

Videsh Sanchar Nigam Limited is India's leading provider of International Telecommunications and Internet Services. As the country's leader in International Long Distance services and with a strong pan-India National Long Distance presence, VSNL is the leader in the Corporate Data Market in the country today with a strong service offering covering IPLCs, ILLs, Frame Relay, ATM and more recently, MPLS based IP-VPN services. With established relations with over 80 carriers across the globe, VSNL has a strong infrastructure base that covers multiple gateways, earth stations and submarine cable systems. Tata-owned VSNL is now rapidly growing its retail and corporate presence under the Tata Indicom brand through its products like dial-up Internet, net telephony and calling cards and has a subscriber base of over 6.5 lakh customers. VSNL also offers a host of other valued added services that include Television / Video uplinking, Program transmission services, Frame relay services and Inmarsat services.

VSNL is in the process of expanding its global presence and is setting up operations in Sri Lanka and the United States of America. VSNL is listed across all the major stock exchanges in India and also has its ADRs listed on the New York Stock Exchange.

Tata Internet Services Limited (TISL) leads the Tata Group’s foray into the Internet. Leveraging the group’s considerable strengths in telecom, software services and domain knowledge in multiple industries, TISL focuses on key elements of the value chain in

The consumer and corporate data services spaces. On the consumer front, the company offers Internet connectivity and operates several cyber cafés. On the corporate front, it offers Internet connectivity, networking services
and data centre-based services. TISL has invested extensively in networking and IT infrastructure, to set up one of India’s most advanced data networks, with independent and redundant domestic and international connectivity and world-class support services. We have the infrastructure. The expertise an integrated array of Internet services and solutions. And we promise you the reliability that is the hallmark of the Tata group.

Tata Internet Services Limited leads the Tata group’s foray into the Internet. It leverages the group's considerable strengths in IT, telecom, software services and domain knowledge in different end-user industries to position itself at strategic points in the Internet value chain.

On the consumer front there is Tatanova, the Smart ISP, now operational in five cities. Tatanova's superior service is showcased in our cybercafés across the country. For the corporate customer, Tata Internet offers Internet Connectivity, IP-based Virtual Private Networks, standard or customized Internet Data Centre services, and a host of value-added and industry-specific solutions.

Tata Internet has made extensive investments in networking and IT infrastructure from the world's leading companies to set up one of the country's most advanced data networks with independent and redundant domestic and international connectivity. A highly specialised team of dedicated professionals provide world-class support services that make the difference. Tata Internet now looks to the future - the new integrated Internet and personal communications scenario with data, voice and video convergence.

Tata Indicom VSAT Services is a division of NELCO LTD and operates the largest private enterprise VSAT network owned by the TATA Group of companies. Tata Indicom VSAT Services provides its users with a turnkey
solution for their Wide Area Networking needs including monitoring and managing their network with a 24 hour help desk and field support at most key locations throughout India.

VSAT Networks: The Right Choice, VSAT is a an acronym for Very Small Aperture Terminal, or put more simply it is a 1 to 4 meter dish on a roof linking a central hub (e.g. your Head Quarter) with all the remote offices and facilities, keeping them all in constant and immediate contact. VSATs are suitable for connecting a large number of geographically dispersed sites to a central location. They are super efficient, point-to-multipoint communications - simple to install, instantly expandable at minimal cost, and avoid all national telecom operators!

There is no dialing, no delays and just about any type of transmission is possible: data voice, fax, video, TV, radio and of course, very high speed always-on broadband Internet VSAT refers to a combined send/receive terminal, with a typical antenna diameter of 1 to 3.7m. VSAT networks are well suited for business applications, offering solutions for large networks with varied traffic needs. They provide very efficient point-to-multipoint communications, are easy to install, and can be expanded at very low extra cost. Any business operation with long-distance telecommunications needs find VSAT an attractive solution. With VSAT networks, there is no dialing, no response delays, no interruptions. They offer immediate accessibility and continuous high-quality transmissions. And as they are adapted for any kind of transmission, from data to voice, fax, high-speed Internet, and video, VSAT networks offer the operational flexibility needed for all information transfers, with very simple installation.
3.2.3. AREA OF OPERATION

**Products and Services**

We offer CDMA wireless services (comprising of CDMA mobile and CDMA fixed wireless services) and wire-line services in the Maharashtra (including Goa) and the Mumbai metropolitan Circles, along with internet services and value added services.

**CDMA based Mobile Services**

We provide CDMA based mobile services to our subscribers. We also offer domestic roaming to our CDMA mobile subscribers, who can avail of these services within the Maharashtra Circle and the Mumbai metropolitan Circle, and pursuant to certain arrangements with TTSL, within the 17 circles where TTSL operates. We have currently tied up with certain International Service Providers and are in the process of tying up with more international operators. We expect to commence International roaming in the near future. We provide our CDMA mobile subscribers with short messaging services, national and international long distance services and call management services (including call forwarding and caller identification services). We also provide value added services as discussed below. The subscribers have an option to avail of the mobile services through our various post paid and pre paid schemes. The tariffs in these schemes may vary across time based on the market conditions and competitive pressures.

**CDMA based Fixed Wireless Services**

We provide CDMA based fixed wireless services wherein we provide subscribers with a wireless instrument with enhanced voice and data features. This service is primarily a technologically advanced substitute to
the traditional wire line phone offering numerous customer friendly and technological benefits over traditional wire-line services. These include, among others, ease of providing connections, allowing portability with customer premises, absence of cable related disruptions in services and allowing telephone number portability within the service area. Fixed wireless services also allow us to provide features such as short messaging services, choice of ring tones, in-built phone book, speaker phone, LCD display and internet connectivity. Fixed wireless services are a cost efficient method of rolling out our services and we primarily target medium to high usage customers including small and medium enterprises and small office home office customers. We provide our CDMA fixed wireless subscribers with national and international long distance services and call management services (including call forwarding and caller identification services). We also provide value added services as discussed below. In addition to these voice-based services, we provide our fixed wireless customers with Internet services and intend to provide various data application services in the future.

Wire-line Services
In addition to CDMA based mobile and CDMA based fixed wireless services; we also provide traditional wire-line services. In this market segment, we focus primarily on corporate and high usage subscribers. We offer internet services to our wire-line customers and also provide TDMA fixed wireless services as part of our wire-line services to a limited number of subscribers. We are currently the leading private operator of wire-line services in the Maharashtra and Mumbai metropolitan circles based on the number of wire-line subscribers as at 31 March 2005. We offer national and international long distance services, integrated services digital network
(ISDN) services that allow data transmissions using end-to-end digital connectivity, digital subscriber line (DSL) services, videoconference services, web-conference services as well as virtual private network services for cost-effective communications within a specified user group.

**Public Call Offices (PCOs)**

We have deployed our Public call offices (“PCOs”) through both wire line and fixed wireless mode. PCOs form a major source of our income from wire-line services as calls from PCOs are charged on the basis of minutes of usage and typically generate higher average revenue per line. Revenues from PCOs, however, depend significantly on tariffs of national long distance and international long distance calls. While lower tariff charges on the national long distance and international long distance calls adversely affect revenues, this is partly offset by increased usage. Fixed Lines through Universal Services Obligation (USO) fund support The Company participated in an open bidding process for providing fixed phones in non-urban areas through USO fund support and won bids for Jalna, Kalyan, Nagpur, Pen and Ratnagiri LDCAs and has to provide rural DELs in 43 SDCAs. The Company had the obligation to roll out services (100 lines per telecom district), by September 2005. However, these districts were severely affects by floods in the region due to which the deadline for fulfilling the rollout was extended to December 31, 2005. The Company has duly fulfilled this rollout stipulation under this contract. The Company has a further obligation to provide lines as per demand in these SDCAs.
Value Added Services

We believe value added services are important as they offer higher revenue potential, are an important competitive differentiator and increase customer loyalty and usage. Our value added services for our CDMA mobile and CDMA fixed wireless subscribers include the following:

Information based services. We provide national and international news headlines, sports and business, finance and securities market related news through short messaging services (“SMS”) as well as through a voice portal.

Entertainment and communication based services. We provide entertainment and movies related news and updates, horoscope, cricket scores, electronic top ups, humor, contests, ring tone downloads, wallpapers and screensavers, entertainment guides, games, flight and train schedules through SMS as well as through a voice portal. We would also be launching services like Missed Call Alerts, Caller Ring Back tones (CRBT) etc. The Company also provides WAP based services and downloads for accessing “Tata Zone”, the Company’s portal for downloads. The Company also provides downloads for BREW enabled handsets.

Transaction based services. We intend to provide our subscribers with the facility to, through our network, make airline and train reservations, pay bills and complete banking transactions.

Internet Offerings

The Company is a Category A (National) ISP Licensee and offers a broad range of Internet-related product offerings including DSL, post paid dial-up Internet access and content services. The company also provides Wireless Internet Connectivity through its Vdata Card facility. This card once fitted into notebook PC/Laptop, allows user to connect to the Internet, send and receive e-mails, connect to a corporate network, and make voice calls, without the need for a network cable or phone line.
Since April 2005, the Company discontinued Wi-Fi Service (which was commenced in July 2003) and has agreed to transfer the Wi-Fi business and assets to Videsh Sanchar Nigam Limited

**Tata Indicom Conference Call Service**

We offer audio-conference service since 2001 under the “Tata Indicom Conference Call Service”. Because of a large number of corporate, more than 70% of conferencing revenue comes from customers within the Mumbai Circle. Outside Mumbai, the customer base is spread across all metros of India and users are all across the globe.

Points of Presence of this service have been created in 11 cities (Ahmedabad, Bangalore, Chennai, Delhi, Goa, Gunthur, Hyderabad, Nagpur and Vijaywada, Kolkata, Jamshedpur).

**Marketing, Distribution and Customer Services ;**

**Marketing**

We market our services under the Tata Indicom brand name which we have been permitted to use by Tata Sons Limited and are focused on leveraging and further developing this brand as a means of customer acquisition and retention. We believe that our brand has been developed to suggest attractive products and services for subscribers at competitive rates, which are simple to comprehend and clearly communicated. In our marketing efforts, we focus on customer acquisition and retention, improving the yield per customer and focusing on each customer segment. We place a strong emphasis on customer development and loyalty and aim to differentiate ourselves on the basis of providing competitive tariff packages to attract and retain subscribers and enhance consumer experience by offering better
quality and superior range and value of our services.
The Company has launched Innovative marketing campaigns, a recent one being the ‘Non Stop Mobile’ for Tata Indicom prepaid mobiles. Despite being the sixth mobile operator in the mobile market the Company was able to achieve 29% Incremental Market share for the month of November 2005. The Company also launched EMI schemes on the Tata Indicom postpaid mobiles for Corporate Customers along with various value added services like Enterprise Bulk SMS Services etc. and customized tariff structures which have helped the Company expand it’s corporate customer base.

**Distribution**
We use a multi-channel distribution strategy, deployed through a network of franchisees, distributors and retailers, to make our products and services available to our subscribers. We have strategically aligned our marketing initiatives with that of TTSL and certain other Tata group companies to target the high-end corporate subscriber segment by providing customized integrated telecommunications solutions. The Company has also set its own branded retail channel under the brand name ‘True Value Shoppe’ which has helped increasing its reach in the market. The Company also has its own branded showrooms ‘True Value Hub’ which sells all the products and services of the Company under the Tata Indicom Brand including Fixed Wireless Services, Wired line Services, Mobiles, Internet, Recharge Vouchers, Mobile Accessories and Value Added Services. The Company currently has 88 True Value Shoppes in the Mumbai Metro Circle and 97 in the Maharashtra Circle. The Company also has 3 True Value Hubs in Mumbai. We also leverage the retail distribution network of other Tata group companies such as retail showrooms, franchisee and retail network
and malls belonging to various Tata group companies, to market our services.

**Commissions**
For our various services, we pay a fixed commission/margin to our retailers and franchisees with graded incentives based on volumes and choice of tariff plans. These commissions are however subject to reversal and adjustments in the event that the subscriber discontinues with our services within a period of six months of activation of services.

**Customer Care**
We believe that our business success is closely linked to customer satisfaction. We strategically focus on developing strong customer relationships and loyalty. Our customer care department redresses customer queries in accordance with standardized policies and procedures. We are easily accessible to our customers through our call centers, toll-free telephone numbers, interactive voice mail system, website, e-mail and facsimile. Presently our call centre services have been outsourced to Serwizsol Limited, a subsidiary of Tata Sons Limited. We continuously evaluate the access mechanisms for improving our response time. We have a standardized complaint management system and ensure that our employees are given continuous training to ensure satisfactory customer care.

**Billing Services**
We bill our customers on a monthly basis and provide our subscribers with a range of payment choices for their convenience, including making payment through the internet, credit cards, drop boxes and bill junction. We have
deployed the Kenan Arbor BP billing system of Lucent for postpaid subscribers, which is part of a centralised billing system we share with TTSL. The prepaid customers are serviced through our IN system procured from Alcatel.

(Source; www.tataindicom.com)
3.3. RELIANCE COMMUNICATION

3.3.1. Introduction

VISION
By 2015, be amongst the top 3 most valued Indian companies, providing Information, Communication & Entertainment services, and being the industry benchmark in Customer Experience, Employee Centricity and Innovation.

MISSION
Creating world-class benchmarks by:

- Meeting and exceeding Customer expectations with a segmented approach
- Establishing, re-engineering and automating Processes to make them customer centric, efficient and effective
- Incessant offering of Products and Services that are value for money and excite customers
- Providing a Network experience that is best in the industry
- Building Reliance into an iconic Brand which is benchmarked by others and leads industry in Intention to Purchase and Loyalty
- Developing a professional Leadership team that inspires, nurtures talent and propagates RCOM Values by personal example

Board of Directors
Shri Anil D. Ambani
Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D. Ambani (50), the Chairman of all listed companies of the Reliance ADA Group, namely, Reliance Communications, Reliance Capital, Reliance Infrastructure, Reliance Natural Resources and Reliance Power. He
is also the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. An MBA from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with pioneering several path breaking financial innovations in the Indian capital markets. He spearheaded the country’s first forays into overseas capital markets with international public offerings of global depositary receipts, convertibles and bonds. Under his Chairmanship, the constituent companies of the Reliance ADA Group have raised nearly US$ 7 billion from global financial markets in a period of less than 3 years. Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad. He is currently a member of: Wharton Board of Overseers, The Wharton School, USA Board of Governors, Indian Institute of Management (IIM), Ahmedabad Executive Board, Indian School of Business (ISB), Hyderabad.

In June 2004, Shri Ambani was elected as an Independent member of the Rajya Sabha – Upper House, Parliament of India, a position he chose to resign voluntarily on 29th March, 2006.

3.3.2. BUSINESS OPERATIONS

Reliance Communications Limited ("RCOM", "Borrower" or the "Company") is the flagship Company of the Reliance Anil Dhirubhai Ambani ("ADA") Group. Rated among "Asia's Top 5 Most Valuable Telecom Companies", Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 65 million including over 1.7 million individual overseas retail customers, ranks among the Top 10 Telecom companies in the world by number of customers in a single country. RCOM’s corporate
clientele includes 2,100 Indian and multinational corporations, and over 800 global, regional and domestic carriers. Reliance Communications Limited has established a pan-India, next generation, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering over 20,000 towns and 450,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 175,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. On consolidated basis RCOM's operating revenues and net profit for the 12 month period ended March 31, 2008 was Rs. 190.7 billion (USD 4,765 million) and Rs. 67.9 billion (USD 1,697 million) respectively.

3 On March 31, 2008, RCOM had a net worth of Rs. 290.3 billion (USD 7,254 million) and a net debt of Rs. 140.8 billion (USD 3,518 million).

Reliance communication encompasses a complete range of telecom services covering mobile and fixed line telephony. It includes broadband, national and international long distance services and data services along with an exhaustive range of value-added services and applications. Our constant endeavour is to provide an enhanced customer experience and achieve customer satisfaction by up scaling the productivity of the enterprises and individuals we serve.

Reliance Mobile (formerly Reliance India Mobile), launched on 28 December 2002, coinciding with the joyous occasion of the late Dhirubhai Ambani’s 70th birthday, was among the initial initiatives of Reliance Communications. It marked the auspicious beginning of Dhirubhai’s dream of ushering in a digital revolution in India. Today, we can proudly claim that
we were instrumental in harnessing the true power of information and communication, by bestowing it in the hands of the common man at affordable rates.

We endeavor to further extend our efforts beyond the traditional value chain by developing and deploying complete telecom solutions for the entire spectrum of society

**Wireless Reliance Mobile**

With over 100 million subscribers across India, Reliance Mobile is India’s largest mobile service brand. Reliance Mobile services now cover over 24,000 towns, 6 lakh villages, and still continuing.

We have achieved many milestones in this short journey. In 2003, AC Nielsen voted Reliance Mobile (formerly Reliance India Mobile) as India’s Most Trusted Telecom Brand. In July 2003, it created a world record by adding one million subscribers in a matter of just 10 days through its ‘Monsoon Hungama’ offer.

What sets Reliance Mobile apart is the fact that nearly 90 per cent of our handsets are data-enabled, and can access hundreds of Java applications on Reliance Mobile World. Reliance Mobile has ushered in a mobile revolution by offering advanced multimedia handsets to the common man at very affordable rates. This innovative low pricing has increased the number of mobile phone users and its result is clearly reflected in the meteoric rise in India’s tele-density over the past four years.

Our pan-India wireless network runs on CDMA2000 1x technology, which has superior voice and data capabilities compared to other cellular mobile technologies. CDMA2000 1x is more cost-effective as it utilises the scarce
radio spectrum more efficiently than other technologies do. Enhanced voice clarity, superior data speed of up to 144 kbps and seamless migration to newer generations of mobile technologies are some of its key differentiators.

**R World**

The R World suite of Reliance Mobile is a unique Java-based application. Its uniqueness lies in the fact that it enables complex Internet application to be introduced in mobile phones effectively and quickly. R World receives over 1.5 billion page views per month from Reliance Mobile users.

R World offers a wide array of applications that include hourly news updates, high quality headline video clips, downloadable multi-lingual ring tones, seasonal updates including festival specials, city and TV specials, exam results, astrology, mobile banking, bill payment.

With over 150 data applications offering varied services - unique to any wireless service in India - R World is truly a treasure house of knowledge, information, entertainment and commerce.

**Corporate Governance**

Organisations, like individuals, depend for their survival, sustenance and growth on the support and goodwill of the communities of which they are an integral part, and must pay back this generosity in every way they can...

his ethical standpoint, derived from the vision of our founder, lies at the heart of the CSR philosophy of the Reliance – ADA Group.

While we strongly believe that our primary obligation or duty as corporate entities is to our shareholders – we are just as mindful of the fact that this imperative does not exist in isolation; it is part of a much larger compact
which we have with our entire body of stakeholders: From employees, customers and vendors to business partners, eco-system, local communities, and society at large. We evaluate and assess each critical business decision or choice from the point of view of diverse stakeholder interest, driven by the need to minimise risk and to pro-actively address long-term social, economic and environmental costs and concerns.

For us, being socially responsible is not an occasional act of charity or that one-time token financial contribution to the local school, hospital or environmental NGO. It is an ongoing year-round commitment, which is integrated into the very core of our business objectives and strategy.

Reliance – ADAG continually reviews corporate governance best practices to ensure that they reflect global developments. It takes feedback into account, in its periodic reviews of the guidelines to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and other stakeholders.

Our codes of conduct and business policies encompass the following areas:

- Values and commitments
- Code of ethics
- Business policies
- Ethics management
- Prevention of sexual harassment
- Policy on insider trading
3.3.3. BUSINESS ACTIVITY OF THE COMPANY

Market leadership position
RCOM is among the top two providers of wireless communication services in India with a subscriber base of more than 65 million wireless subscribers. RCOM is second largest seller of mobile handsets/devices in the country, and the largest service provider engaged in this activity. Due to its unique strength in high speed wireless data transmission, RCOM has 65% market share of the data card and USB modem market for laptops and PCs. In addition, RCOM is the largest PCO operator in the private sector with over 50% market share. RCOM has achieved this leadership status in the Indian telecom market within 4 years of the commercial national commercial launch of its CDMA based services. The Company has the distinction of being EBITDA positive since the first year of its operations. This rapid build-up of the subscriber base has been achieved by leveraging the telecom network and national retail presence through nearly 2,000 exclusive Reliance World and Reliance Express stores with a presence in over 700 Indian cities. Together with preferred retailers, RCOM has a branded retail presence in over 1,300 towns. Apart from the growth witnessed in the wireless telecom market, RCOM is increasing its presence in the broadband segment too. The enterprise broadband services were launched in the first half of 2005, focusing on the top 40 cities of India. RCOM has leveraged its existing metro fibre optic network to connect with customers in select buildings. As on 31 March 2008, 787,567 buildings are directly connected and 1,031,000 access lines had been activated. RCOM has established an enterprise customer base that includes 850 of the top Indian enterprise and MNCs, rapidly expanding its customer in the SME segment too. RCOM is
the market leader in the IDC services (Reliance Data Centre) with over 62% market share and has an enterprise customer base that includes 800 of the top 1,000 Indian enterprises and MNCs. RCOM is also the leading provider of MPLS-VPN and Centrex solutions. RCOM entered the long distance market in India in mid 2003 and has become the largest carrier of international voice minutes, with a market share of 35% for International Long Distance (“ILD”) wholesale inbound traffic. In addition to this RCOM has over 1.5 million customers for the Reliance India Call service which accounts for 40% of the total retail market calls made from the United States to India.

**Largest Capacity and Superior Network in India**

Company will soon be present in over 23,000 towns though its CDMA network and over 8,000 towns through GSM network. RCOM’s network will also cover over 600,000 villages and address 90% of India’s population. RCOM has also commenced setting up of GSM network in the 14 additional circles where it has received requisite Government approvals and spectrum to roll-out GSM. RCOM’s national inter-city long distance network is the largest next generation network in India, with over 110,000 route kilometers of ducted fibre optic cables, which is being further expanded to 135,000 route kilometers. RCOM has a totally unique asset in over 25,000 route kilometers of ducted fibre optic cables installed in the leading cities in India. The entire inter-city and metro fibre optic backbone network is deployed in a ring and meshes architecture and is MPLS enabled. The Reliance Data Network has over 180 MPLS integrated network nodes. 4 CDMA is a spread spectrum technology where the information at a standard rate of 9.6 Kbits per second is spread on 1.23 MHz bandwidth. RCOM’s network can support
2.3 times more simultaneous calls per MHz as compared to that of other GSM operators.

**Integrated telecom approach**

The next generation telecom network, capable of supporting voice and data, is being leveraged by RCOM to offer a full suite of telecommunications services ranging from wireless to wireline including voice, data and broadband. The guiding strategy followed by RCOM in the network design and implementation has been the “follow-the-demand” principle. The superior and extensive telecom network is the basis for (i) an integrated telecom approach providing a full suite of telecommunications services ranging from wireless to wireline including voice, data and broadband; (ii) providing affordable and high quality services based on technological leadership; and (iii) enabling the RCOM Group to offer innovative communications products and services catering to evolving customer needs.

**Recent Developments**

On January 11, 2008, the Company received start-up spectrum to launch nationwide GSM services under its existing Unified Access Service License (UASL). RCOM has been granted GSM spectrum in 14 service areas. The DOT had also made necessary amendments to Unified Access Service Licenses (UASL) of Reliance Telecom Limited (RTL), wholly owned subsidiary of the RCOM, to enable RTL to offer CDMA services in Assam and North East Service Area in addition to existing GSM services and made allotment of start up spectrum to RTL for providing CDMA services in Assam and North East. RCOM is planning to participate in the upcoming 3G auction and would like to bid for nationwide 3G frequencies. RCOM expects
the auction price to be in a range upwards of USD 1 billion for a nationwide licence. RCOM believes that with implementation of MNP; 3G will act as a key differentiator to attract high-end customers to its newly launched nationwide GSM operations. RCOM has planned a suite of high end applications such as video telephony which are expected to be highly attractive to high-end 3G customers. Also, India is a low broadband penetration market with high growth potential. 3G data card services will be able to bridge the supply gap currently limited due to low fixed-line penetration in the country.

RCOM has announced launch of pan India GSM services on December 30, 2008. RCOM believes that with a nationwide GSM network complementing its existing nationwide CDMA network it will be able to achieve No. 1 leadership position in the wireless space in India. With a nationwide GSM network, RCOM will be able to share growth opportunities in India’s GSM market, which constitutes 80% of the Mobility market and which has a very high churn rate. RCOM will be able to expand its market share in segments which are high VAS users (such as youth) and which are today mostly using GSM technology because of highly developed eco-system of GSM handsets in the country. This coupled with the existing leadership position in enterprise and NLD/ILD business, RCOM has the potential to become the undisputed leader in the Indian telecommunication sector. RCOM has also started upgrading its existing CDMA 1x network with EVDO technology at selective locations in the top 250 cities across India. RCOM believes that CDMA provides an edge in wireless data transfer and can be a very cost effective solution for high data ARPU customers. RCOM is already the leader in the wireless data card business in India through its CDMA 1x data cards; EVDO will strengthen this leadership further by providing consumers
with much greater speed and superior SLAs. On January 31, 2009, the Board of Directors of Reliance Communications Limited had approved a Scheme for consolidation of Optic Fiber Division of the Company to Reliance Infratel Limited, a 5 subsidiary of the Company. Transfer of Optic Fiber division Assets from RCOM to Reliance Infratel will be through a Court approved Scheme of Arrangement at fair value. No additional equity shares are to be issued and no change is proposed in the capital structure of the Company in terms of said Scheme.

**Main Object of the Company**

The main objects of the Company are:

1. To carry on and undertake the business of finance, investment, loan and guarantee company and to invest in acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities, shares, stocks, equity linked securities, debentures, debenture stock, bonds, commercial papers, acknowledgements, deposits, notes, obligations, futures, calls, derivatives, currencies and securities of any kind whatsoever, whether issued or guaranteed by any person, company, firm, body, trust, entity, government, state, dominion sovereign, ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or abroad. The Company will not carry on any activity as per Section 45 1A of RBI Act, 1934.

2. To carry on and undertake the business of financial services like financial restructuring / reorganization, investment counseling, portfolio management and all activities and facilities of every description including all those capable of being provided by bankers, stockbrokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, advisors, consultants, providing other financial or related services and to carry on the activities of hire-purchase, leasing and to finance lease operations of all
kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment and to assist in financing of all and every kind and description of hirepurchase or deferred payment or similar transactions and to subsidize, finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of movable property including plant and machinery, equipments, ships, aircrafts, automobiles, computers, and all consumer, commercial, medical and industrial items with or without security and to lease or otherwise deal with them including resale thereof, regardless of whether the property purchased and leased is new and/or used and from India or abroad.

3. To carry on and undertake the business of acting as agent of any person, public or private sector enterprises, financial institutions, banks, central government and state governments and to do financial research, design and preparation of feasibility study reports, project reports and appraisal report in India and abroad.

4. To carry on, manage, supervise and control the business of telecommunication, infrastructure, telecommunication system, telecommunication network, and telecommunication services of all kinds including and not limited to setting up telephone exchange, coaxial stations, telecommunication lines and cables of every form and description, transmission, emission, reception through various forms, maintaining and operating all types of telecommunication service and providing data programmes and data bases for telecommunication.

(Source; www.rcom.co.in)
3.4. BHARTI AIRTEL LIMITED

3.4.1. INTRODUCTION

Bharti Airtel is a provider of telecommunications services. The businesses at Bharti Airtel have been structured into three individual strategic business units (SBU’s) - mobile services, broadband & telephone services (B&T) & enterprise services. The company's mobile services include pre-paid and post-paid tariffs, value-added services, roaming services, Blackberry services, and business solutions. These services are provided under the Airtel brand. The company's broadband and telephone services include those for both residential and business customers. Services comprise DSL Internet access and fixed line telephony. These services are provided under the Airtel Broadband brand. The company's enterprise services include voice services, mobile services, satellite services, managed data and Internet services, managed e-Business services, and managed customized integrated solutions. The company serves over 37 million mobile customers and around one million broadband and telephony customers.

3.4.2. GROWTH AND DEVELOPMENT

Bharti Airtel was established as Bharti Tele-Ventures, in 1995. The company offered its initial public offering in 2002. During 2004, the company delisted its shares from the Delhi Stock Exchange. It continued to trade on the National Stock Exchange and the Mumbai Stock Exchange. Vodafone acquired a 10% stake in Bharti Tele-Ventures for around $1.5 billion, in 2005. Bharti Tele-Ventures renamed itself to Bharti Airtel Limited, in 2006. In September 2007, the company signed a managed networks deal for
its Sri Lanka operations with Huawei Technologies Company, a leader in providing next generation telecommunications network solutions for operators around the world. In October 2007, Bharti Airtel and Indian Institute of Technology (IIT) Delhi announced their plans to establish the Bharti-IIT Delhi Telecom Centre of Excellence. Bharti Infratel, a subsidiary of the company announced plans to partner with Vodafone Essar and Idea Cellular to form Indus Towers, an independent tower company to provide passive infrastructure services in India, in December 2007. The company and the All India Football Federation (AIFF), the official governing body in India for football, signed an MoU to create a comprehensive programme for the development and globalisation of Indian football, in January 2008.

Bharti Airtel along with eight companies of the global telecommunications industry signed a formal Construction and Maintenance Agreement in Rome today to build a high-capacity fiber-optic submarine cable that stretches from India to France via the Middle East, in February 2008. In the same month, the company along with five international companies executed an agreement to build a high-bandwidth undersea fiber-optic cable linking Asia and the US. In March 2008, the company launched Airtel Call Home service for calls made from US to India. In the same month, Guernsey Airtel, a subsidiary of the Bharti Group, launched its mobile services in Guernsey (Channel Islands, Europe). The company offered products and services under the Airtel-Vodafone brand to customers on the Island. Also in the same month, Airtel Telemedia Services, a private broadband and telephone service provider, launched airtellive.com, an all-in-one internet portal for Airtel Customers.
3.4.3 MANAGEMENT GROUP

Sunil Bharti Mittal, Chairman and Managing Director, Since: 2001, Age: 49

Mr. Sunil Bharti Mittal is the Founder, and has been the Chairman and Managing Director at Bharti Airtel since 2001, and a Director since 1995. He started his first business in 1976, with a capital investment of Rs 20,000. Mr. Sunil Bharti Mittal initially founded a number of trading concerns, and established the first company to manufacture push button telephones in India. Apart from his role at Bharti, he is also a member of the Prime Minister’s Council on Trade and Industry. Mr. Sunil Bharti Mittal is the Vice President of Confederation of Indian Industry (CII) and serves on several Boards including the Board of Standard Chartered PLC, the International Advisory Board of the Center for the Advanced Study of India (CASI); University of Pennsylvania, Harvard Business School India Advisory Board, International Business Council of the World Economic Forum, Global GSM Association, Indo-British Partnership (IBP), Singapore-India Partnership Foundation, the Indian Institute of Management, Lucknow, and the Indian Institute of Technology, Mumbai. Mr. Sunil Bharti Mittal has also been conferred the degree of Doctor of Science (Honoris Causa) by the G.B. Pant University of Agriculture & Technology, and is an Honorary Fellow of The Institution of Electronics and Telecommunication Engineers (IETE) of India. He is an Honorary Consul General of the Republic of Seychelles in New Delhi, India and a Trustee of Bharti Foundation.
3.4.4. AREA OF OPERATION

PRODUCTS & SERVICES

The businesses at Bharti Airtel have been structured into three individual strategic business units (SBU’s) - mobile services, broadband & telephone services (B&T) & enterprise services. The mobile services group provides GSM mobile services across India in 23 telecom circles, while the B&T business group provides broadband & telephone services in 90 cities. The Enterprise services group has two sub-units - carriers (long distance services) and services to corporate. All these services are provided under the Airtel brand. Its include:

Voice Services
- Mobile Services
- Satellite Services
- Managed Data & Internet Services
- Managed e-Business Services

Voice Services

Bharti Airtel became the first private fixed-line service provider in India. It is now promoted under the Airtel brand. Recently, the Government opened the fixed-line industry to unlimited competition. Airtel has subsequently started providing fixed-line services in the four circles of Delhi, Haryana, Madhya Pradesh, Karnataka, Tamil Nadu & UP (West). Airtel Enterprise Services believes that these circles have high telecommunications potential, especially for carrying Voice & Data traffic. These circles were strategically selected so as to provide synergies with Airtel’s long distance network and Airtel’s extensive mobile network. Airtel Enterprise Services, India's premium telecommunication service, brings to you a whole new experience in telephony. From integrated telephone services for Enterprises
and small business enterprises to user-friendly plans for Broadband Internet Services (DSL), we bring innovative, cost-effective, comprehensive and multi-product solutions to cater to all your telecom and data needs.

**Voice - Product Portfolio**

Airtel Enterprise Services telephone services go beyond basic telephony to offer our users a whole host of Value Added Services as well as premium add-ons. Each telephone connection from Airtel Enterprise Services is backed by a superior fiber-optic backbone for enhanced reliability and quality telephony. Few of the Value Added Services offered are Calling Line Identification, Three Party Conferencing, Dynamic Lock, Hunting Numbers, and Parallel Ringing etc. Airtel Enterprise Services Voice Services provide Free Dial-up Internet access that is bundled along with your Telephone connection from Airtel. It’s fast, reliable and gives you unlimited Internet access.

**Mobile Services**

Airtel’s mobile footprint extends across the country in 21 telecom circles. Its service standards compare with the very best in the world. In fact, that’s how Bharti has managed to win the trust of millions of customers and makes it one of the top 5 operators in the world, in terms of service and subscriber base. The company has several Firsts to its credit: The First to launch full roaming service on pre-paid in the country. The First to launch 32K SIM cards. The First in Asia to deploy the multi band feature in a wireless network for efficient usage of spectrum. The First to deploy Voice Quality Enhancers to improve voice quality and acoustics. The First telecom company in the world to receive the ISO 9001:2000 certification from British Standards Institute.
Satellite Services
Airtel Enterprise Services provides you connectivity where ever you take your business. Our Satellite Services bring you the benefits of access in remote locations. Airtel Enterprise Services is a leading provider of broadband IP satellite services and DAMA/PAMA services in India. Our solutions support audio, video and voice applications on demand. Satellite Services include: PAMA/DAMA, BIT – Internet, VPN, Satellite based IPLCs for redundancy reasons.

Managed Data & Internet Services
Airtel Enterprise Services brings you a comprehensive suite of data technologies. So we are able to support all types of networks and ensure our customers can migrate their network to the future seamlessly. Our Managed Data & Internet services make our customers future proof. Managed Data & Internet Services include:
MPLS, ATM, FR, Internet, IPLC
Leased Lines, Customised Solutions, International Managed Services
Metro Ethernet.

Managed e-Business Services
Airtel Enterprise Services offers an internationally benchmarked, carrier class hosting, storage and business continuity services. A range of services that help to keep your business running the way you want- 24x7. Thanks to our world-class high tech Data Centers. Managed e-Business Services include: Co-lo: Dedicated and Shared, BCRS Services, Web hosting

(Source; www.airtel.in)
3.5. VODAFONE LIMITED

3.5.1. Introduction

MISSION

“We will be the communications leader in an increasingly connected world.”

Future Vision:

The future is unfolding around us. Over the next decade we will be able to see all sorts of differences that we can barely imagine today.

In the Vodafone Future Vision Website you can explore what we think that future might look like, experience some of the changes we believe will happen, and tell us what you think of them.

Vodafone is working hard to mobilize tomorrow's world, but we need your input. You are our partners in innovation; helping to shape a future that offers the mobile services we want, and brings us closer to the people we care about, wherever they are in the world. Together we can build a future that turns this vision into reality.

Vodafone Group Plc is the world's leading mobile telecommunications company, with a significant presence in Europe, the Middle East, Africa, Asia Pacific and the United States through the Company's subsidiary undertakings, joint ventures, associated undertakings and investments.

The Group's mobile subsidiaries operate under the brand name 'Vodafone'. In the United States the Group's associated undertaking operates as Verizon Wireless. During the last two financial years, the Group has also entered into arrangements with network operators in countries where the Group does not hold an equity stake. Under the terms of these Partner Network Agreements, the Group and its partner networks co-operate in the development and
marketing of global services under dual brand logos. At 31 March 2008, based on the registered customers of mobile telecommunications ventures in which it had ownership interests at that date, the Group had 260 million customers, excluding paging customers, calculated on a proportionate basis in accordance with the Company's percentage interest in these ventures.

The Company's ordinary shares are listed on the London Stock Exchange and the Company's American Depositary Shares ('ADSs') are listed on the New York Stock Exchange. The Company had a total market capitalisation of approximately £99 billion at 31 December 2007. Vodafone Group Plc is a public limited company incorporated in England under registered number 1833679. Its registered office is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

**Vodafone itself was formed in 1982** as a joint venture between Racal Electronics plc's subsidiary Racal Strategic Radio Ltd (who won one of two UK cellular telephone network licenses) along with Millicom and the Hambros Technology Trust. In this arrangement Racal owned 80%, Millicom 15% and Hambros 5%.

The network was known as Racal Vodafone, with the Vodafone name being derived from the firm's goal of establishing a voice and data services over cellular telecommunication networks. Hence VO represented voice and DA symbolized data yielding the name Vodafone. Vodafone was launched on 1 January 1985 and later that year Racal Strategic Radio was renamed Racal Telecommunications Group Limited in 1985. A year later, on 29 December 1986 Racal Electronics bought out the minority shareholders of Vodafone for GB£110 million. In September 1988 the company was again renamed Racal Telecom and on 26 October 1988 Racal Electronics floated 20% of the company — a flotation
that valued Racal Telecom at GB£1.7 billion. On 16 September 1991 Racal Telecom was demerged from Racal Electronics as Vodafone Group and the mobile telephony giant was born. During the mix 1990s Vodafone began to consolidate itself on the British high-street. In July 1996 Vodafone acquired the two thirds of Talkland it did not already own for £30.6 million. On 19 November 1996, in a defensive move, Vodafone purchased Peoples Phone for £77 million, a 181 store chain whose customers were overwhelmingly using Vodafone's network. In a similar move the company acquired the 80% of Astec Communications that it did not own, a service provider with 21 stores. This made Vodafone a very visible presence on the British high street and significantly increased the company's share of UK mobile customers.

VODAFONE – INDIA
Vodafone Essar started its operations in India in 1994 and is under the Vodafone Group. The company Vodafone Essar Limited has become one of the leading companies in the telecom sector in India due to its high standard of services that it provides to its customers. The company Vodafone Essar has its operations in 16 telecom circles of the country, which covers around 86% of the customer mobile base in India. The company offers both postpaid and prepaid GSM cellular mobile coverage all across India and its hold is especially strong in the metropolitan cities. The company Vodafone Essar Limited provides services like 2G, which are based on 1800Mhz and 900Mhz GSM digital technology. The company Vodafone Essar also offers voice and data services.
OWNERSHIP

Vodafone Essar is owned by Vodafone 52%, Essar Group, 33% and other Indian nationals, 15%. On February 11, 2007, Vodafone agreed to acquire the controlling interest of 67% held by Li Ka Shing Holdings in Hutch-Essar for US$11.1 billion, pepping 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.[2]. The transaction closed on May 8, 2007. In December 2006, Hutch Essar relaunched the "Hutch" brand nationwide, consolidating its services under a single identity. The Company entered into agreement with NTT DoCoMo to launch i-mode mobile Internet service in India during 2007. The company used to be named Hutchison Essar, reflecting the name of its previous owner, Hutchison. However, the brand was marketed as Hutch. After getting the necessary government approvals with regards to the acquisition of a majority by the Vodafone Group, the company was rebranded as Vodafone Essar. The marketing brand was officially changed to Vodafone on 20 September 2007. On September 20, 2007 Hutch becomes Vodafone in one of the biggest brand transition exercises in recent times. Vodafone Essar is spending somewhere in the region of Rs 250 crores on this high-profile transition being unveiled today. Along with the transition, cheap cell phones have been launched in the Indian market under the Vodafone brand. The company also plans to launch co-branded handsets sourced from global vendors as well. A popular daily quoted a Vodafone Essar director as saying that "the objective is to leverage Vodafone Group's global scale in bringing millions of low-cost handsets from across-the-world into India.
3.5.2 GROWTH AND DEVELOPMENT

Vodafone Group (British) is one of the rare groups that have significant world coverage in the telecommunications field. It principally specializes in the mobile telephony and telephonic transmission network sectors. It has subsidiaries in numerous countries: In North and South America, Asia, Oceania and Africa. Better known by its former name, Vodafone Air Touch, it has become the leading mobile phone operator in Germany, Britain and the USA (Verizon Wireless). And there are a whole series of holdings: SFR, Swiss Mobile, Vodafone K.K. (Japan), 100% of Vodafone Ireland, 100% of Vodafone Spain and 99 of Vodafone Netherlands etc.

The group offers services from mobile phones to customized communication services (call management, message services) and supplies data management equipment: Internet, Modems, fax, directories and telemetric servers. Vodafone Group Plc (Vodafone) is engaged in providing service, such as voice, messaging, data and fixed line and others. Voice services include provision of mobile voice communications. Messaging include text, picture and video messaging using mobile devices. Date services provide e-mail, mobile connectivity and Internet on Your mobile. Fixed lines provide customers with fixed broadband and fixed voice and date solutions. Other services include mobile advertising and business managed services, as well as incoming roaming and wholesale mobile virtual network operators. On December 30, 2008, Vodacom Group (Pty) Limited (Vodacom) acquired the carrier services and business network solutions subsidiaries of Gateway Telecommunications SA (Pty) Ltd. In January 2009, Verizon Wireless completed its

The Vodafone Group is the mobile telecommunications company with the most significant presence around the world. It has over 303 million customers calculated on a proportionate basis in 31 countries and the brand is present in a further 40 countries through partnership networks. In an increasingly connected world, we intend to be a global communications operator capable of responding to all our customers’ needs, whether it’s using a mobile, a fixed line or broadband, building on the know-how and experience that we have acquired in the mobile sector. Through our services, customers are able to lead fuller lives at home or at work, benefiting from irresistible, innovative mobile communications, mobile-PC convergence and fixed communications services. We are committed to making it possible for our customers to use the services they are used to, no matter how they access them and with a simple and transparent usage experience. We are in the forefront of the definition of mobile voice and data services throughout the world and are constantly exploiting new technologies.

We also differentiate ourselves in terms of our prices by offering customers the most transparent and competitive price plans in the market. With roaming calls, for example, we pass on to the customer the advantages of being part of a global operator. The Group's principal activity is providing voice and data communications services. Through its mobile businesses, the Group provides a range of mobile communications services including voice, text messages, picture messages and other datas. The Group is also focusing on developing total communications solutions for customers broadband connectivity. The Group operates in Europe,
the Middle East, Africa, Asia, Pacific & the United States. Vodafone Group is a mobile tele-communications company. The company has a significant presence in Europe, the Middle East, Africa, Asia Pacific and the United States. In the United States the Group’s associated undertaking operates as Verizon Wireless.

The name Vodafone comes from Voice datafone, chosen by the company to "reflect the provision of voice and data services over mobile phones." [2] As of 2009 Vodafone had an estimated 303 million customers in 25 markets across 5 continents.[3] On this measure, it is the second largest mobile telecom group in the world behind China Mobile. In the United States, Vodafone owns 45% of Verizon Wireless, the largest wireless telecommunications network in the United States, based on number of subscribers.

Global Enterprise is a business set up by Vodafone with the sole purpose of handling Vodafone's multinational clients. It is the high end business to business section of Vodafone group, and acts like an operating country (such as for example Vodafone UK). Devices and services available in any operating country, are available to Global Enterprise customers in the same country, and so Vodafone Global Enterprise are able to offer a wide range of products. Vodafone Global Enterprise have a presence in over 65 countries and this number is expected to grow in future, as with the recent acquisition of Ghana Telecom.

Since its foundation in 2007, Global Enterprise has aimed to be a world leader in managed mobility services. Vodafone Global Enterprise are headquartered in Newbury, but do have operatives around the world; while many of Vodafone's marketing employees are relocated to
London, Global Enterprise' team will remain in Newbury. Nick Jeffery leads Vodafone Global Enterprise. He led the creation of Vodafone Global Enterprise in 2007 and continues to define the strategy and operational execution for Vodafone's relationship with multi-national corporate customers. Global Enterprise have a dedicated group of account managers, at both global and national levels, who look after customers needs, and are supported by pre-sales and technical consultancy teams. Products and Services include Enterprise Central, Telecoms Management, Global Device Portfolio and Managed Mobility Services. In 2009 Vodafone Global Enterprise was the winner of Best Mobile Enterprise Service at the GSMA Global Mobile Awards 2009.

3.5.3. MANAGEMENT GROUP

Our Vision and Values guide the way we act. Our Vision is to be the world’s mobile communication leader – enriching customers’ lives, helping individuals, businesses and communities be more connected in a mobile world. Our Values are about how we feel – in other words the Passions that make us the company we are.

One of our four corporate Values is 'Passion for the world around us':
"We will help the people of the world to have fuller lives - both through the services we provide and through the impact we have on the world around us." At the start of 2002, we introduced a set of ten Business Principles to make our Vision and Values happen. These define our relationships with all our stakeholders and govern how Vodafone conducts its day-to-day business. Our Business Principles apply to all Vodafone operating companies (majority owned businesses). We also promote the Principles to our
associate companies (where Vodafone holds a minority stake) and business partners. Chief Executives are responsible for ensuring application of the Principles within their business.

Every employee is expected to act in accordance with the Business Principles. If employees have concerns about the application of the Principles, they can ask their local human resources managers for further advice, or contact the Group Human Resources Director or the Group Audit Director. We are incorporating training on our business principles into our employee induction process.

Sir John Bond - Chairman of Vodafone Group Plc on 25 July 2006 having previously served as a Non-Executive Director.

Vittorio Colao - Chief Executive of Vodafone Group Plc on 29 July 2008, having previously served as a Board Director.

**VODAFONE PEOPLE**

We rely on our people – their enthusiasm, their talent, their commitment – to maintain and build on the success of our business, even more so in today’s competitive market. We depend on our people to deliver excellent service to our customers. We believe that the better experience our people have at Vodafone, the better service they will give our customers.

Vodafone Group employs approximately 71,000 people around the world. We want to enhance our reputation as an employer that provides excellent development opportunities, equipping employees with the skills and experience they need to help Vodafone compete successfully. We aim to ensure that all our working environments are inclusive, safe, promote wellbeing, treat people with respect, engage employees, and offer attractive
incentives opportunities.

LEARNING AND DEVELOPMENT
We provide training for our employees to develop new skills and opportunities to gain new experiences. This helps them reach their full potential and benefits our business.

ONLINE TRAINING
We have a catalogue of more than 70 online training courses on a wide range of subjects related to specific aspects of the business or key skill sets. These include: Communicating for impact – business writing, giving presentations, managing meetings, negotiation skills. Putting customers first. Delivering results – budgets, objectives, project management. Making a personal difference – self-development, mentoring and time management. Managing a changing environment – decision making and problem solving. Performing through our people – delegation, team building, leadership, facilitation. IT – how to use specific computer programmes.

We are integrating corporate responsibility into our training programmes and induction courses. Online courses include related subjects such as anti-corruption and privacy training. We also use online webinars (web seminars) and wikis to inform employees about key business strategies, embedding our commitment to total communications.

BENEFITS
Each of our local operating companies offers a competitive range of benefits for employees. The benefits packages offered are determined by local
legislative and tax requirements and industry benchmarks. Depending on the location, we offer benefits such as life assurance, accident insurance, private medical insurance, subsidized mobile phones, and service and retirement benefits. Retirement benefits are provided through a variety of arrangements, including defined benefit and defined contribution schemes. These vary depending on the conditions and practices in the countries concerned such as local market practice, taxation, legislation and the quality of the state’s pension.

3.5.4. AREA OF OPERATION

Vodafone At Home
Vodafone At Home includes a number of offers designed to meet all your home communications needs through a single device, now available in most European markets. With zonal tariffs, you can make reduced rate calls within your home area to fixed numbers and defined mobile Networks, offering the value of a fixed line with the freedom of a mobile. You can also take out a subscription for unlimited calling to fixed line numbers from your mobile, reducing the need for fixed line devices and allowing cheaper calls when on the move.

Quick Stats:
Vodafone Office is the umbrella name for a series of products and services designed to meet all our business customers’ communications needs. With Vodafone Wireless Office, companies can transfer voice minutes from a fixed line to the mobile network, reducing the need for fixed desk phones. Existing fixed line and extension numbers can be assigned so that all calls
are easily transferred to your mobile.
A closed user group tariff is available allowing employees to call each other for a flat monthly fee. In Germany, Spain, Greece, Italy and Portugal, location based zonal tariffs allow preferential rates when calling from the office. Geographic numbers enable increased fixed to mobile substitution, allowing you the freedom to use a single mobile phone in and out of the office.

Vodafone Passport
Vodafone Passport makes it possible for your home tariff to travel with you, offering better value and simplicity when you go abroad. With Vodafone Passport, you know exactly what the charges will be when you use roaming services, and in some cases Vodafone Passport includes free minutes bundles and the option to receive calls at no change. Our services are accessed on a wide range of handsets, the Vodafone Mobile Connect card with 3G broadband and the Vodafone Mobile Connect USB modem.

Handsets
Our handset portfolio ranges from handsets for our core voice services, to premium multimedia devices and includes a range of low-cost Vodafone handsets for the emerging markets.

Vodafone live! Handsets
Our customers access 3G services on a range of handsets including the exclusive Sony Ericsson V640i and an exclusive Mobile Internet version of the Nokia 6120c. Our higher speed HSDPA mobile broadband services are also available to subscribers on mid-priced handsets.
Our ‘Internet on Your Mobile’ services are available on a selection of handsets customized for internet experience, including high-end devices like the Nokia N95 8GB, Sony Ericsson W910i and Samsung SGH-F700V QBowl. The Vodafone 125 and Vodafone 225 were the first ultra low cost handsets under the Vodafone brand, and the lowest cost mobile phones we have ever launched.

**Business handsets**

We are always expanding our range of business handsets. Our exclusive devices include the Palm Treo 500v and the BlackBerry® Curve™ 8310 Smartphone. Both offer business email combined with Vodafone live! services, such as Google Maps, internet browsing and instant messaging. In addition, the BlackBerry 8100 series and the BlackBerry 8110 series continue to be in demand along with the Nokia E series range.

**Vodafone Mobile Connect**

The Vodafone Mobile Connect card with 3G broadband offers enhanced speeds which can be up to 7.2 Mbps downlink and up to 2.0 Mbps uplink through HSPA technology. Built-in 3G broadband from Vodafone is now available across a portfolio of 44 laptop models. Our partners Acer, Dell, HP and Lenovo fit a Vodafone SIM to their laptops which include a built-in modem. We have a range Vodafone Mobile Connect USB modems with exclusive designs, including USB sticks, all benefiting from “plug and go” software, making them easy to use for consumers and businesses. We offer a number of products and services to enhance our customers’ access to data services, including Vodafone live! for consumers as well as a suite of products for business users such as Vodafone Mobile Connect data cards and
internet-based and corporate email solutions.

**Vodafone live! – Internet on Your Mobile**

“Internet on your Mobile” offers easy to use and secure browsing, including Google search, an unlimited browsing tariff and access to some of the most popular online services. You can use your mobile to access and update your social networking profiles, view and upload YouTube videos, buy and sell items on eBay, and check locations on Google Maps. You can also chat to friends easily with Yahoo! and MSN instant messaging using an easy to use dedicated interface. Using the new Vodafone live! Mobile and PC music player you can search for music, artist pages and previews from a catalogue of more than 750,000 songs. Music from some of the world’s greatest artists is available, with music secured from agreements with major record labels such as Sony BMG Music Entertainment, EMI, Universal Music, Warner Music, as well as independent music labels. Mobile TV offers an average of 20 channels from both local and international broadcasters. Vodafone has local agreements with broadcasters, such as the BBC, ZDF, RAI, Pro-Sieben, Channel 4 and RTL, as well as international broadcasts from HBO, Fox, NBC Universal, Warner Brothers, UEFA Champions League, Vodafone McLaren Mercedes and MTV, ensuring diverse and relevant mobile content.

**Vodafone Mobile Connect**

Vodafone Mobile Connect enables you to access the internet on your laptop or PC via Vodafone Mobile Connect data cards or Vodafone Mobile Connect USB modems. Business customers can access services such as email, corporate applications and company intranets using the service.
**Vodafone Mobile Connect card:**
You can enjoy built-in 3G broadband from Vodafone across 44 laptop models, including Vodafone’s partners Acer, Dell, HP and Lenovo. Everything you need to make an internet connection from your computer using a mobile network is installed and configured, allowing you to work on the move. The Vodafone Mobile Connect card with 3G broadband offers enhanced speeds which can be up to 7.2 Mbps downlink and up to 2.0 Mbps uplink by utilising HSPA technology.

**Vodafone Mobile Connect USB modems:**
There are a range of Vodafone Mobile Connect USB modems with exclusive designs. The USB modems are “plug and play” compatible, allowing for a fast set up and making the device easy to use.

(Source; www.vodafone.in)
3.6. IDEA CELLULAR LIMITED

3.6.1. INTRODUCTION

IDEA Cellular is a publicly listed company, having listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in March 2007. IDEA Cellular is a leading GSM mobile services operator in India with over 53 million subscribers, under brand IDEA. It is a pan India integrated GSM operator covering the entire telephony landscape of the country, and has NLD and ILD operations. A frontrunner in introducing revolutionary tariff plans, IDEA Cellular has the distinction of offering the most customer friendly and competitive Pre Paid offerings, for the first time in India, in an increasingly segmented market. From basic voice & Short Message Service (SMS) services to high-end value added & GPRS services such as Blackberry, Datacard, Mobile TV, Games etc - IDEA is seen as an innovative, customer focused brand. IDEA offers affordable and world-class mobile services to varied segments of mobile users. Be it high end users, or low-end, price sensitive consumers - IDEA's tariff plans are designed to suit every pocket. With a vision of delighting its customers while meeting their individual communication needs anytime, anywhere, IDEA offers seamless coverage to roaming customers traveling to any part of the country, as well as to international traveling customers across over 200 countries. IDEA Cellular has partnership with over 400 operators to ensure that customers are always connected while on the move, within the country or other parts of the world.

IDEA is the winner of ‘The Emerging Company of the Year Award' at The Economic Times Corporate Excellence Awards 2008-09. The company has
received several other national and international recognitions for its path-breaking innovations in mobile telephony products & services. It won the GSM Association Award for “Best Billing and Customer Care Solution” for 2 consecutive years. It was awarded “Mobile Operator of the Year Award - India” for 2007 and 2008 at the Annual Asian Mobile News Awards (Click here to view the complete list)*IDEA Cellular is an Aditya Birla Group Company, India's first truly multinational corporation. The group operates in 25 countries, and is anchored by over 1,30,000 employees belonging to 30 nationalities. The Group has been adjudged the ‘6th Top Company for Leaders in Asia Pacific Region' in 2009, in a survey conducted by Hewitt Associates, in partnership with The RBL Group, and Fortune. The Group has also been rated ‘The Best Employer in India and among the Top 20 in Asia' by the Hewitt-Economic Times and Wall Street Journal Study 2007.

3.6.2. GROWTH AND DEVELOPMENT

Idea Cellular was incorporated as Birla Communications Limited on March 14, 1995 and granted a certificate of commencement of business on August 11, 1995. Its registered office was in Mumbai, Maharashtra. Its name was changed to Birla AT&T Communications Limited on May 30, 1996 following the execution of a joint venture agreement dated December 5, 1995 between AT&T Corporation and Grasim Industries Limited pursuant to which the Aditya Birla Group held 51% of its Equity Share capital and AWS Group held 49% of its Equity Share capital. The registered office was transferred from Industry House, 1st Floor, 159 Church Gate Reclamation, Mumbai 400020, and Maharashtra to Suman Tower,
Plot No. 18, Sector 11, Gandhinagar, 382011. Gujarat on October 22, 1996. With effect from January 1, 2001 following merger with Tata Cellular Limited the joint venture agreement between AT&T Corporation and Grasim Industries Limited dated December 5, 1995 was replaced by a shareholder’s agreement dated December 15, 2000 entered into between Grasim Industries Limited on behalf of the Aditya Birla Group, Tata Industries Limited on behalf of the Tata Group and AT&T Wireless Services Inc. on behalf of the AWS Group following which its name was changed to Birla Tata AT&T Limited on November 6, 2001. Consequent to the introduction of the “Idea” brand, its name was changed to Idea Cellular Limited on May 1, 2002. The AWS Group exited from the Company on September 28, 2005 by selling 371,780,740 Equity Shares of the Company, which constituted 50% of the holding of AT&T Cellular Private Limited in equity share capital, to ABNL and by transferring the remaining 371,780,750 Equity Shares to Tata Industries Limited. The Tata Group ceased to be a shareholder of the Company on June 20, 2006 when Tata Industries limited and Apex Investments (Mauritius) Holding Private Limited (formerly known as AT&T Cellular Private Limited) sold all their shares in the Company to the Aditya Birla Group. On October 26, 2006, P5 Asia Investments (Mauritius) Limited (“P5 Asia”) acquired 14.60% of our Equity Share capital. Under a Governance and Exit Rights Agreement dated October 23, 2006 between P5 Asia, ABNL and Birla TMT, so long as an initial public offering has not occurred and P5 Asia holds no less than 10% of Equity Shares, ABNL and Birla TMT are required to procure that (a) Company and its Subsidiaries shall not take or pursue any of the following actions without P5 Asia’s prior consent (such consent to be obtained in a board and/or
Shareholders resolution) including in respect of (i) Any merger with, acquisition of, or amalgamation or consolidation with another company or business;

(ii) Assuming or permitting to exist any borrowings or indebtedness in the nature of borrowings if the amount of all such borrowings of Company and its Subsidiaries would exceed Rs. 6,800 million;

(iii) Entering into a new line of business;

(iv) Increasing our authorized or issued share capital; or

(v) entering into a joint venture and (b) our Company makes available to P5 Asia certain financial information relating to our Company and its Subsidiaries such as monthly management accounts, quarterly unconsolidated balance sheet and profit and loss account and the annual audited consolidated balance sheets and profit and loss accounts.

P5 Asia also has a right to appoint one director to our Board so long as it holds at least 10% of our total issued and outstanding Equity Shares. Mr. Biswajit Subramanian has been appointed to our Board by P5 Asia pursuant to the exercise of the above right. In addition, any IPO of our Equity Shares requires P5 Asia’s written consent, and, further, in any such IPO, P5 Asia has the right to offer for sale such number of Equity Shares representing up to 10% of the total Equity Shares which are held by it. By its letters dated December 2, 2006 to ABNL and Birla TMT, P5 Asia has given its written consent for the Issue and has confirmed that it does not intend to offer for sale any of the Equity Shares held by it in such Issue. We, either directly or through our Subsidiaries, provide mobile services in the Andhra Pradesh, Delhi, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra and Uttar Pradesh (West) Circles, and have recently launched services and as
such are in the process of fully rolling-out our network in the Uttar Pradesh (East), Rajasthan and Himachal Pradesh Circles pursuant to licenses issued by the DoT.

3.6.3. MANAGEMENT GROUP

IDEA Cellular is part of the Aditya Birla Group, India's first truly multinational corporation. Global in vision, rooted in Indian values, the Group is driven by a performance ethic pegged on value creation for its multiple stakeholders. The group operates in 25 countries, and is anchored by over 100,000 employees belonging to 25 nationalities. The Group has been adjudged 'The Best Employer in India and among the Top 20 in Asia' by the Hewitt-Economic Times and Wall Street Journal Study 2007. A premium conglomerate, the Aditya Birla Group is a leader in swathe of products - viscose staple fiber, aluminum, cement, copper, carbon black, insulators, garments. The Group has also made successful forays into financial services, telecom, software, and BPO and retail sectors. Today, the Group is India's most diversified business house.

Our Promoters are -

1. Aditya Birla Nuvo Limited
2. Grasim Industries Limited
3. Hindalco Industries Limited and

3.6.4. AREA OF OPERATION

We offer pre-paid and post-paid mobile services in our 11 Circles under the brand names of “Idea Chit Chat” and “Idea”, respectively. We seek to
identify new business opportunities and be the first mover amongst our competitors for value added services (“VAS”). We were the first mobile operator to offer an extended validity post-paid product, which now forms a sizeable percentage of our post-paid base. In addition to our core mobile voice services, we offer our subscribers features such as:

- Easy to use missed call alerts;
- GPRS enabled entertainment services like MMS, Video Tones, WAP, wallpapers, Java games and Mobile Magazine;
- GPRS enabled information services like internet browsing, data cards and mobile email;
- Voice and SMS based entertainment services like Ring Back Tones, background Music, voice and SMS chat, ringtones, horoscopes, expert advise and subscription services;
- Call-forwarding (allowing a subscriber to divert incoming calls to another telephone number);
- Call conferencing (allowing a subscriber to speak to two or more persons simultaneously);
- Voice mail (allowing callers to leave voice messages for the subscriber);
- Regional, on-net, national and international roaming options for the subscribers;
- GPRS roaming available with key national and international operators; and
- Fixed Cellular Terminal for corporate needs, GSM gateways, vehicle tracking; and Automatic Meter Reading.
Pre-paid services

As at September 30, 2006, approximately 86.1% of our subscribers were pre-paid. These subscribers pay for mobile services by means of purchasing pre-paid cards which are sold through a wide variety of retail and other outlets. It has been our strategy to build strong distribution channels to support our pre-paid mobile services business. We believe a significant factor in our historic growth has been the way we have made our pre-paid cards available in our target markets. Our distribution channels have grown by 30% in terms of the number of retail outlets over the past twelve months.

Pre-paid starter packs and pre-paid cards are sold to distributors upfront for cash, who in turn supply them to retail outlets. The Indian retail sector is not organized on a national scale and comprises a large number of small retail shops throughout the country. We believe the depth of our distribution network is comprised of the wide variety of categories of retail outlets in which our pre-paid cards are available, ranging from neighborhood department stores and pharmacies to exclusive telecom outlets and branded stores. We are one of the few companies to develop and explore alternate distribution channels such as tie-ups with branded stores such as “Big Bazaar” and “Pantaloons” that have retail stores in many locations in India to distribute our pre-paid cards. This enables us to maintain a high profile among existing and potential subscribers in a wide variety of geographic and demographic segments. As a longstanding licensee in seven of the Established Circles, we have enjoyed long relationships with our distributors and have sought to work with them to improve the service we provide to our subscribers. We offer incentives to distributors and retailers who are successful in meeting activation targets, such as a trip to Dubai in June 2006 to witness the International Indian Film Academy awards ceremony and also
arrange events with our retailers such as our conference in Surat, Gujarat to launch a major market share initiative. We believe this promotes distributor and retailer loyalty and, as a result, continuity and availability of our products to our subscribers.

**Post-paid services**

Our post-paid services are marketed by our Enterprise Business Unit as well as through a combination of Idea ‘n’ U showrooms (some of which are owned and managed by us but most are franchised to third parties), dealers and direct sale agents. Our Enterprise Business Unit focuses on the corporate and SME segments and provides products and services based on a concept of providing a complete package to meet the telecommunication needs of the corporate or SME, after sales-services and support with respect to billing queries and complaints. The Enterprise Business Unit has launched a major initiative in relation to corporate business, where we typically focus on the top 10 to 15 towns in each Circle, which we have identified as having higher potential for the marketing of post-paid services.

**Subscriber Acquisition Costs**

Customer acquisition costs include the cost of customer verification in accordance with Government policy (for further details see “Business - Customer Verification” on page [●] of this Draft Red Herring Prospectus), SIM costs and, in the case of pre-paid services, a discount to the distributor and retailer, and in the case of post-paid services a commission to the franchisee/dealer.

For pre-paid services, we grant a fixed discount of approximately 20% (5% to distributors and 15% to retailers) on starter packs and 5% (2% to
distributors and 3% to retailers) on pre-paid cards. For post-paid services, a commission is paid to the franchisee/dealer. It is our practice to pay dealer commission in tranches such that the second and last tranche are only paid if the subscriber continues to be on our network for six months or more, and also to claw back a percentage of the commission paid should a post-paid subscriber default in payment of their first bill without any usage (the default amount equals the fixed monthly rental fee). These deferred commission and claw back arrangements are used to incentivize our retailers and distributors to ensure that subscribers remain active users of our services. We are flexible in our approach to commissions and seek to use payments to optimize our presence in each market.

The gross level of commissions and discounts payable by us to retailers and dealers in relation to subscriber acquisitions has increased, primarily as a result of intense competition from other operators. Within this overall rise, however, there is a distinction between pre-paid and post-paid subscribers, with discounts for pre-paid subscribers increasing while commission levels for post-paid customers have slightly decreased.

**Customer contact points**

Our subscribers can use one of the following to contact us: call centers, showrooms, SMS, USSD based messaging and email messaging. We address customer issues through both in-house and outsourced call center facilities. In order to meet growing needs of customers, apart from continuously expanding the capacities of these channels we also keep innovating on developing new channels of contact, for example, we currently offer services via our web portal, through SMS messaging and by e-mail and we will shortly rollout “Self Service Kiosks” to provide extra
facilities to customers visiting showrooms. We currently have over 570 showrooms across the Established Circles. We plan to have over 100 showrooms in the New Circles by March 2007. To proactively address customer issues and to educate customers on new products that we launch from time to time, we also have in place outsourcing arrangements with reputable vendors who provide additional call handling services such as making initial contact with prepaid and postpaid subscribers and a follow-up call after a specified period to cross-sell and promote VAS. We have recently established a call center in Delhi to service our northern Circles including the Delhi, Rajasthan, Haryana, Uttar Pradesh (West) Circles.

**Customer relations and our loyalty program**

Our customer relations department oversees our relationships with our subscribers and seeks to manage Churn. This department is split into teams focusing on our post-paid, pre-paid and corporate subscribers, respectively. To assist in managing customer retention, and in particular churn for pre-paid subscribers with whom we have less interaction, we use a variety of techniques to predict, pre-empt and contain Churn. We have also sought to increase subscriber loyalty with the introduction of one of the first pre-paid loyalty programs in the Indian telecom market, “Lifetime Idea”. Our post-paid loyalty program, “Idea Select”, is the first of its type in India. This program offers rewards in the form of events or gifts and has two levels, gold and silver, based on factors such as gross monthly billing, length of time with our network and payment performance. The majority of loyalty program members are high net worth retail subscribers. We believe our loyalty scheme is effective in increasing retention, with the Churn rate for “Idea Select” subscribers being much lower (less than 1%) than our average for post-paid subscribers generally.
Roaming Services

Roaming enables subscribers to make and receive voice calls send and receive data or messages or access other services when traveling outside their Circle or home network. We offer roaming services to both our pre-paid and post-paid subscribers. The amounts we charge our subscribers when they roam to other networks (“out roammers”) and the amounts we charge subscribers of other operators who roam into our network (“in roamers”) vary according to whether an out roamer is a pre-paid or post-paid customer and whether out roaming or in roaming is on a national or international basis. The charges involve both fixed fees and airtime charges. We also are required to pay certain amounts to third parties in connection with roaming, for example interconnection charges (“IUC”) and data clearing charges. We enter into preferred roaming relationships with select foreign operators whereby our network is selected automatically when an out roamer of the relevant operator enters any of our 11 Circles and vice-versa, and we have arrangements with various international roaming services providers. We also seek to promote loyalty from in roamers and plan to introduce a dedicated roaming customer care help desk. We have approximately 218 existing bilateral international roaming partners for voice transmissions and are testing GPRS roaming with approximately 33 operators.

(Source; www.idealcellular.com)