

**CHAPTER: 4**  
**ORGANIZATION STRUCTURE AND**  
**INFORMATION**

## **INDEX**

	Page No.
4.1 Telecom Regulatory Authority of India (TRAI)	93
4.2 Cellular Operator Association of India (COAI)	103
4.3 Cellular Operators	109
4.3.1 Bharat Sanchar Nigam Limited (BSNL)	109
4.3.2 Hutchison Ltd (HUTCH)	125
4.3.3 Bharti Tele-ventures (AIRTEL)	145
4.3.4 Idea Cellular Ltd (IDEA)	164
4.4 References	181

## CHAPTER: 4

### ORGANIZATION STRUCTURES AND INFORMATION

#### 4.1 TELECOM REGULATORY AUTHORITY OF INDIA (TRAI).<sup>6</sup>

The TRAI Act came into force from 25<sup>th</sup> January 1997 in the 48<sup>th</sup> year of the Republic of India. India also signed the Global Telecommunication Pact at a WTO (World Trade Organization) meeting on 15<sup>th</sup> February, 1997 and joined 67 countries.

The new TRAI Act allows the body to set telecom tariffs and fix terms and conditions under which operators can interconnect with one another. It requires the Government to seek recommendations from TRAI before issuing a licence. A new appellate authority separate from TRAI has been set up to decide on disputes between Government and private operators.

The new act enhances TRAI's recommendatory powers, strengthens its powers relating to tariffs and interconnection but reduces the body's judicial powers.

Under this new Act, it is mandatory for the Government to seek recommendation from the TRAI before issuing a licence and before deciding on the terms and conditions of a licence. However even under the new TRAI Act, the Government can reject the TRAI's recommendation. Its reason for not doing so would have to be given in writing.

**Role of the New Appellate Authority:** The appellate tribunal was established in 2000, when the TRAI Act was amended. The new appellate authority would resolve disputes between the DOT and private operators under the 1997 TRAI Act; only disputes between service providers could be adjudicated by the TRAI. So if there was a

dispute between the Department of Telecommunication Services (DTS) (earlier DOT) and private operators over interconnection, that dispute could be resolved by TRAI. This is because that would be a dispute between service providers. However, the TRAI has no jurisdiction if there was dispute over the terms and conditions of a licence. This TRAI could not help private operators, if for instance their operations were affected due to delay caused by the Government, for instance in allocating a frequency spectrum. The new appellate authority would now arbitrate on these disputes.

Appeals against its decisions would be made directly to the Supreme Court. Appeals against the TRAI's decisions would be made to the appellate authority. Thus the reasonableness of a revenue sharing arrangement devised by TRAI could be challenged before the appellate authority.

TRAI has also launched quarterly performance indicators of the telecom sector on its website.<sup>6</sup> Performance related parameters and subscribers' base were taken from various service providers on a quarterly basis to monitor the trends and to decide upon pro-active measures to fuel the growth of the telecom sector in the country.

This compilation is intended to present a broad perspective on the telecom industry in the country and is primarily being brought out to serve as a reference document for various stake holders, consumers, research agencies and analysts.

**MEMBERS OF TRAI:**

Pradip Bajjal	Chairperson
Dr. D.P.S. Seth	Member
P.K. Sharma	Member
Dr. Arvind Virmani	Part time member
Prof. Sanjay Govind Dhande	Part time member

## **POWERS AND FUNCTION OF THE AUTHORITY:**

1. Notwithstanding anything contained in the Indian Telegraph Act, 1885, the functions of the Authority shall be to:
  - i) Recommend the need and timing for introduction of new service providers;
  - ii) Recommend the terms and conditions of licence to a service provider;
  - iii) Ensure technical compatibility and effective inter-connection between different service providers;
  - iv) Regulate arrangements amongst service providers for sharing their revenue derived from providing telecommunication services;
  - v) Ensure compliance of terms and conditions of licence;
  - vi) Recommend revocation of licence for non-compliance of terms and conditions of licence;
  - vii) Lay down and ensure the time period for providing local and long distance circuits of telecommunication between different service providers;
  - viii) Facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services;
  - ix) Protect the interest of the consumers of telecommunication services;
  - x) Monitor the quality of service and conduct periodical surveys of such services provided by the service providers;
  - xi) Inspect the equipment used in the network and recommend the type of equipment to be used by the service providers;

- xii) Maintain register of interconnect agreements and of all such other matters as may be provided in the regulations;
- xiii) Maintain register under clause (I) open for inspection to any member of public on payment of such fee and compliance of such other requirements as may be provided in the regulations;
- xiv) Settle disputes between service providers;
- xv) Render advice to the Central Government in the matters relating to the development of telecommunication technology and any other matter relevant to the telecommunication industry in general;
- xvi) Levy fees and other charges at such rates and in respect of such services as may be determined by regulations;
- xvii) Ensure effective compliance of universal service obligations;
- xviii) Perform such other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out.

2. Notwithstanding anything contained in the Indian Telegraph Act, 1885, the Authority may, from time to time, by order, notify in the Official Gazette the rates at which the telecommunication services within India and outside India shall be provided under this Act including the rates at which messages shall be transmitted to any country outside India.

Provided that the Authority may notify different rates for different persons or class of persons for similar telecommunication services and where different rates are fixed as aforesaid the Authority shall record the reasons therefore.

3. While discharging its functions under sub-section (1), the Authority shall not act against the interest of the sovereignty and integrity of

India, the security of the State, friendly relations with foreign States, public order, decency or morality.

4. The Authority shall ensure transparency while exercising its powers and discharging its functions.

i) Where the Authority considers it expedient so to do, it may, by order in writing :

1) Call upon any service provider at any time to furnish in writing such information or explanation relating to its affairs as the Authority may require, or

2) Appoint one or more persons to make an inquiry in relation to the affairs of any service provider, and

3) Direct any of its officers or employees to inspect the books of account or other documents of any service provider.

ii) Where any inquiry in relation to the affairs of a service provider has been undertaken under sub-section (i),

1) Every officer of the Government Department, if such service provider is a department of the Government.

2) Every director, manager, secretary or other officer, if such service provider is a company, or

3) Every partner, manager, secretary or other officer, if such service provider is a firm; or

4) Every other person or body of persons who has had dealings in the course of business with any of the persons mentioned in clauses (2) and (3), shall be bound to appear before the Authority making the inquiry, all such books of account or other documents in his custody or

power relating to, or having a bearing on the subject matter of such inquiry and also to furnish to the Authority with any such statement or information relating thereto, as the case may be, required of him, within such time as may be specified.

- iii) Every service provider shall maintain such books of account or other documents as may be prescribed.
- iv) The Authority shall have the power to issue such directions to service providers as it may consider necessary for proper functioning by service providers.

The Authority may, for the discharge of its functions under subsection (xi) of section 1, issue such directions from time to time to the service providers, as it may consider necessary.

#### **AMENDMENT IN TRAI ACT:**

Amendment in the Telecommunication Regulatory Act, 1997 was made in the year 2000, in the 50<sup>th</sup> Year of the Republic of India. The most important amendment was the establishment of the appellate tribunal known as Telecommunication Disputes Settlement and Appellate Tribunal.

The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Telecom Disputes Settlement and Appellate Tribunal to:

- 1) Adjudicate any dispute
  - i) Between a licensor and a licensee
  - ii) Between two or more service providers
  - iii) Between a service provider and a group of consumers;

Provided that nothing in this clause shall apply in respect of matters relating to:

1. The monopolistic trade practice, restrictive trade practice and unfair trade practice which are subject to jurisdiction of the Monopolies and Restrictive Trade Commission established under sub-section (1) of section 5 of the Monopolies and Restrictive Trade Practices Act, 1969;
  2. The complaint of an individual consumer maintainable before a Consumer Redressal Forum or a Consumer Disputes Redressal Commission or the National Consumer Redressal Commission established under section 9 of the Consumer Protection Act, 1986;
  3. Dispute between telegraph authority and any other person referred to in sub-section (I) of Section 7 B of the Indian Telegraph Act, 1885;
- 2) Hear and dispose of appeal against any direction, decision or order of the Authority under this Act.
- i) The Central Government or a State Government or a local authority or any person may take an application to the Appellate Tribunal for Adjudication of any dispute referred to in clause (i) of section 14.
  - ii) The Central Government or a State Government or a Local Authority or any person aggrieved by any direction, decision or order made by the Authority may refer an appeal to the Appellate Tribunal.
  - iii) Every appeal under Sub-section (2) shall be preferred within a period of thirty days from the date on which a copy of the direction or order or decision made by the Authority is received by the Central Government or the State Government or the

Local Authority or the aggrieved person and it shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed.

Provided that the Appellate Tribunal may entertain any appeal after the expiry of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

- iv) On receipt of an application under sub-section (1) or an appeal under sub-section (2) the Appellate Tribunal may, after giving the parties to the dispute or the appeal an opportunity of being heard, pass such orders thereon as it thinks fit.
- v) The Appellate Tribunal shall send a copy of every order made by it to the parties to the dispute or the appeal and to the Authority as the case may be.
- vi) The application made under sub-section (1) or the appeal preferred under sub-section (2) shall be dealt with by it as expeditiously as possible and endeavour shall be made to dispose of the application or appeal finally within ninety days from the date of receipt of application or appeal as the case may be.

Provided that where any such application or appeal could not be disposed of within the said period of ninety days, the Appellate Tribunal shall record its reasons in writing for not disposing of the application or appeal within the said period.

- vii) The Appellate Tribunal may, for the purpose of examining the legality of propriety or correctness of any dispute made in any application under sub-section (1), or of any direction or order or decision of the Authority referred to in the appeal preferred under sub-section (2), on its own motion or otherwise, call for the records relevant to disposing of such applications or appeal and make such orders as it thinks fit.

- (1) The Appellate Tribunal shall consist of a Chairperson and not more than two Members to be appointed, by notification, by the Central Government.
- (2) The selection of Chairperson and Members of the Appellate Tribunal shall be made by the Central Government in consultation with the Chief Justice of India.
- (3) Subject to the provision of this Act:
  - (i) The jurisdiction of the Appellate Tribunal may be exercised by the Benches thereof;
  - (ii) A Bench may be constituted by the Chairperson of the Appellate Tribunal with one or two members of such Tribunal as the Chairperson may deem fit;
  - (iii) The Benches of the Appellate Tribunal shall ordinarily sit at New Delhi and at such other places as the Central Government may, in consultation with the Chairperson of the Appellate Tribunal, notify;
  - (iv) The Central Government shall notify the areas in relation to which each Bench of the Appellate Tribunal may exercise its jurisdiction.
- (4) Notwithstanding anything contained in sub-section (2), the Chairperson of the Appellate Tribunal may transfer a Member of such Tribunal from one Bench to another Bench.
- (5) If at any stage of the hearing of any case or matter, it appears to the Chairperson or a Member of the Appellate Tribunal that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members,

the case or matter may be transferred by the Chairperson to such Bench as the Chairperson may deem fit.

Updates:

**Subscribers Base:** As per a compilation done by TRAI based on latest reports from operators, the subscriber base for telephony services has shown a record growth of 4.97 million subscribers during January, 2006, as compared to 4.92 million subscribers in December, 2005. During the first 10 months of year 2005-2006 around 31.41 million subscribers have been added.

The mobile additions consist of 3.52 million GSM subscribers and 1.17 million CDMA subscribers as against 3.19 million GSM and 1.27 million CDMA subscribers in December, 2005. In the fixed segment, a total of 0.28 million subscribers were added during January, 2006, which were predominantly WLL (F). With this the total subscriber base of fixed lines has reached 49.21 million. The gross subscribers' base consisting of fixed as well as mobile has reached around 130 million.

**Tele-density:** The tele-density at the end of January, 2006 has reached nearly 12% as compared to 11.43 at the end of the previous month.

## **4.2 THE CELLULAR OPERATORS ASSOCIATION (COAI).<sup>3</sup>**

### **4.2.1 Introduction**

### **4.2.2 Objectives**

### **4.2.3 Committees**

- 4.2.4 i) COAI Core Members
- ii) COAI Associated Members

### **4.2.1 Introduction**

The Cellular Operators Association of India (COAI) was constituted in 1985 as a registered, non-profit non governmental society dedicated to the advancement of communication, in particular of modern communication through cellular mobile telephone services. It seeks to establish and sustain a world class cellular infrastructure and deliver the benefits of affordable mobile communication services to the people of India. The main objective of the COAI is to protect, promote and upgrade mobile cellular operations in India and also to look after the common and collective interests of its members. COAI has emerged as the official voice for the Indian cellular industry and interacts directly with Ministries, Department of Telecommunication (DoT), Department of Telecom Services (DTS), Telecom Regulatory Authority of India (TRAI), Financial Institutions (ICICI, IDBI, etc.) Bureau of Industrial Costs and Prices (BICP), Wireless Planning and Co-ordination Wing (WPC), Indian Chambers of Commerce, International Telecommunication Union (ITO), CTIA etc.

COAI has emerged as the official voice for the Indian cellular industry and interacts directly with:

*The Policy Maker:* The Ministry of Communications and IT,

*The Licensor:* The Department of Telecommunications (DoT),

*The Regulator: The Telecom Regulatory Authority of India (TRAI),*

*The Spectrum Management Agency: Wireless Planning and Co-ordination Wing (WPC),*

*The Incumbent PTT & National Long Distance Operator: Bharat Sanchar Nigam Ltd., (BSNL),*

*The Incumbent International Long Distance Operator: Videsh Sanchar Nigam Limited (VSNL), Private Sector Participants in Telecom,*

*Apex Chamber of Commerce: Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce and Industry (ASSOCHAM).*

#### **4.2.2 Objectives:**

To continuously improve the standards and competitiveness of the Cellular Industry and to attain the status of world class infrastructure and deliver the benefits of affordable mobile telephony services to the people of India.

To study best industry practices and research and analysis of Cellular Experience worldwide. To assist all concerned authorities through provision of requisite industry information to enable formulation of suitable policies to spur the growth of the industry. To facilitate enhancement of standards and quality of services in the consultation with GSM India – the Indian Chapter of the GSM Association.

To maintain and upgrade the quality of services in terms of speech transmission, ability to access services, coverage and security to facilitate the expansion of cellular services.

To help address the common problems of cellular operators relating to operations, regulations, finance, or licensing through interaction with Ministry of Communications and IT, Ministry of Finance, Ministry of Commerce, Department of Telecommunications, Telecom Regulatory Authority of India and Financial Institutions.

To undertake continuous efforts to ensure customer satisfaction. To dispense information and spread awareness among the operators and consumers alike on issues relating to service quality and other value added services provided by the operators to their subscribers. To help facilitate the achievement of national objectives of increased tele density and improved Rural Access.

COAI also provides a forum for discussion and exchange of ideas between Cellular Mobile Service Providers, Policy Makers, Regulators, Technologists, Security Agencies, Radio Spectrum managers and lawyers who share a common interest in the development of mobile telephony in the country.

COAI also interacts with International Bodies and Regulators to facilitate international benchmarking of industry standards.

Mr. Anil Nayar	Chairman
Mr. Vikram Mehmi	Vice Chairman
Mr. T. V. Ramachandran	Director General
Mr. Satyan Nayar	Senior Director
Mr. Anjali Hans	Deputy Director
Ms. Priya Sawhney Mohindru	Manager - Comm. & Regulations
Mr. Gopal Mittal	Manager – Commercial & Finance
Mr. Akash Khosla	Trainee Executive
Ms. Vertika Srivastava	Trainee Executive
Ms. Seema Gupta	Sr. Admn. Officer
Mr. K. R. Gopakumar	Sr. Executive Assistant
Ms. G. Lalitha	Office Assistant

### 4.2.3 COMMITTEES

#### Executive Council Committee:

Chairman	Mr. Anil Nayar, Bharti Televentures Limited
Vice Chairman	Mr. Vikram Mehmi, IDEA Cellular Limited

#### Members:

Mr. Dilip Modi (Past Chairman)	Spice Communications Limited
Mr. K.V.P. Baskar	Aircel Cellular Limited
Mr. Narender Gupta	Bharti Televentures Limited
Mr. D.B. Sehgal	BPL Mobile Communications Limited
Mr. Naresh Gupta	Hutchison Max Telecom Limited
Mr. R.C. Rastogi	IDEA Cellular Limited
Mr. S.P. Shukla	Reliance Telecom Limited
Mr. Umang Das	Spice Communications Limited
Mr. T.V. Ramachandran	COAI

#### Legal & Regulatory Affairs Committee:

Chairman	Mr. Satyapal, Hutchison Essar Telecom Limited
Vice Chairman	Mr. Narender Gupta, Bharti Televentures Limited

#### Members

Mr. D.B. Sehgal	BPL Mobile Communications Limited
Mr. R.C. Rastogi	IDEA Cellular Limited
Mr. Rajat Mukarji	IDEA Cellular Limited
Mr. Naresh Gupta	Hutchison Max Telecom Limited
Mr. Sundeep Kathuria	Hutchison Essar Telecom Limited
Mr. Umang Das	Spice Communications Limited
Mr.Y.S. Bains	Spice Communications Limited

#### Finance & Commercial Committee:

Chairman	Mr. Sankara Narayan, Hutchison Essar Telecom Limited
Vice Chairman	Mr. Vijaya Sampat, Bharti Televentures Limited

**Members**

Mr. M. Suresh	Aircel Cellular Limited
Mr. Pankaj Sama	Bharti Cellular Limited
Mr. Pankaj Miglani	Bharti Cellular Limited
Mr. Rajinder Singhvi/Mr. Sanjay Chopra	IDEA Cellular Limited
Mr. Parvesh Aghi	IDEA Cellular Limited
Mr. G.P. Singh	Spice Communications Ltd.

**Technology Committee:**

Chairman	Mr. Anil Tandon, IDEA Cellular Limited
Vice Chairman	Mr. S. Bandhopadhyay, BPL Mobile Communications Ltd.

**Members**

Mr. Vinay Tyagi	Aircel Cellular Limited
Mr. A. K. Malhotra	Bharti Cellular Limited
Mr. Shankar Halder	Bharti Cellular Limited
Mr. D.B. Sehgal	BPL Mobile Communications Limited
Col. G.S. Dhillon	Hexacom India Limited
Mr. N. K. Dutta	Hutchison Telecom East Limited
Mr. Naresh Gupta	Hutchison Max Telecom Limited
Mr. Satyapal	Hutchison Essar Telecom Limited
Mr. H.C. Soni	Mahanagar Telephone Nigam Limited

**4.2.4(i) COAI Core Members**

Aircel Digilink India Limited  
Haryana Rajasthan, U.P. (East)

Aircel Limited  
Chennai, Tamil Nadu  
[www.aircel.com](http://www.aircel.com)

Bharti Cellular Limited  
Delhi (Metro), Mumbai (Metro), Kolkata (Metro), Chennai (Metro), Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh,

Maharashtra & Goa, Orissa, Punjab, Rajasthan, Tamil Nadu, UP (West), UP (East), West Bengal.

[www.airtelworld.com](http://www.airtelworld.com)

BPL Cellular Limited

Mumbai (Metro), Kerala, Maharashtra & Goa, Tamil Nadu

[www.bplmobile.com](http://www.bplmobile.com)

Hutch Group

Mumbai, Delhi, Kolkata, Chennai, Gujarat, Andhra Pradesh, Karnataka, Punjab.

[www.hutch.co.in](http://www.hutch.co.in)

[www.orange.co.in](http://www.orange.co.in)

Idea Cellular Limited

Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh, Kerala, Haryana, U.P. (W), Madhya Pradesh.

[www.ideacellular.com](http://www.ideacellular.com)

Reliance Telecom Limited

Assam, Bihar, Himachal Pradesh, Kolkata, Madhya Pradesh, North East, Orissa, West Bengal.

[www.ril.com](http://www.ril.com)

Spice Communications Limited

Karnataka, Punjab

[www.spiceindia.com](http://www.spiceindia.com)

[www.spicetele.com](http://www.spicetele.com)

#### **4.2.4(ii) COAI Associate Members:**

Ericsson Communications Limited

[www.ericsson.com](http://www.ericsson.com)

Motorola India Limited

[www.motorola.com](http://www.motorola.com)

Nokia India Limited

[www.nokia.com](http://www.nokia.com)

## **4.3 CELLULAR OPERATORS:**

### **4.3.1 BHART SANCHAR NIGAM LIMITED (B.S.N.L.)<sup>2</sup>**

1. Introduction
2. Vision and Mission
3. Organization Structure
4. Growth Phases
5. Corporate Social Responsibilities
6. Services Offered

#### **1. Introduction:**

On October 1, 2000 the Department of Telecom Operations, Government of India became a corporation and was named Bharat Sanchar Nigam Limited (BSNL). It is India's No. 1 Telecommunications Company and the largest Public Sector Undertaking of India with an authorized share capital of \$ 3977 million and a net-worth of \$ 14.32 billion. It has a network of over 45 million lines covering 5000 towns with over 35 million telephone connections.

With latest digital switching technology like OCB, EWSD, AXE-10, FETEX and NEC and widespread transmission network including SDH system upto 2.5 gbps, DWDM system upto 80 gbps, Web telephony, DIAS, VPN, Broadband and more than 4,00,000 data customers , BSNL continues to serve India.

Its responsibilities include improvement of the already impeccable quality of telecom services, expansion of telecom network, introduction of new telecom services in all villages and instilling confidence among its customers.

BSNL has managed to shoulder these responsibilities remarkably. Today with over 45 million line capacity, 99.9% of its exchanges digital,

nation wide Network Management and Surveillance System (NMSS) to control telecom traffic and over 4, 00,000 route kms of OFC network, Bharat Sanchar Nigam Ltd is a name to reckon with in the world of connectivity. Along with its vast customer base, BSNL's financial and asset bases too are vast and strong.

The telephone infrastructure alone is worth about Rs. 1, 00,000 crore (US \$ 22.74 billion). With a turnover of Rs. 31,400 crore (US \$ 7.14 billion), BSNL's has nationwide coverage and reach, comprehensive range of telecom services and a penchant for excellence.

## **2. Vision & Mission:**

**Vision:**

To become the largest telecom service provider in South East Asia.

**Mission:**

- i) To provide world class state-of-the-art technology telecom services on demand at affordable price.
- ii) To provide world class telecom infrastructure to develop the country's economy.

BSNL assures its valuable customers that it will strive hard to provide qualitative and reliable world class telecom services in the days to come. The year 2003-04 had been very eventful as BSNL made steady progress in all areas of its operation, including financial performance. BSNL has 45 million telephone users, which includes around 7.5 million cellular customers.

BSNL has more than 14 lakh Internet Customers who access the Internet through various modes viz., Dial-up, Leased Line, DIAS, and Account Less Internet. BSNL has been considered the number one ISP in the country and is committed to contribute the growth of Internet in the country by adding bandwidth and increased affordability.

BSNL has pioneered Broadband services in the country and has actively engaged in large scale expansion of Broadband service. A world class multi-gigabit, multi-protocol convergent IP Infrastructure is being setup which will provide convergent services like, voice, data and video through the same backbone and Broadband Access Network. Broadband rollout is planned from December 2004 in 198 cities.

BSNL is the only service provider which makes sincere efforts and takes initiatives to bridge the rural-urban digital divide. It has already provided 1.24 Crore Rural DELs and 5.11 Lakh Village Public Telephones across the country. BSNL is promoting the Public Telephone System through its franchises also. At present about 1.63 million Local / STD / ISD PCOs have been setup. BSNL has also introduced a novel scheme for rural and remote areas through Gramin Sanchar Sewaks who carry mobile phones to the doorstep of the rural population by provided telephone facility in about 10900 villages through this scheme. It will carry the benefits of Telecom Development to every nook and corner of the country. It is actively engaged in modernizing rural telecom infrastructure and to bring the majority rural populace at par with the urban main stream.

BSNL is committed to providing affordable services to its customer and would continue to offer competitive variable plans to suit requirements as well as pockets. Customer satisfaction is its top agenda and it is taking several enabling initiatives to provide satisfactory fault free service by upgrading its external plant through creation of pole less network.

### **3. Organizations Structure:**

Corporate Structure:

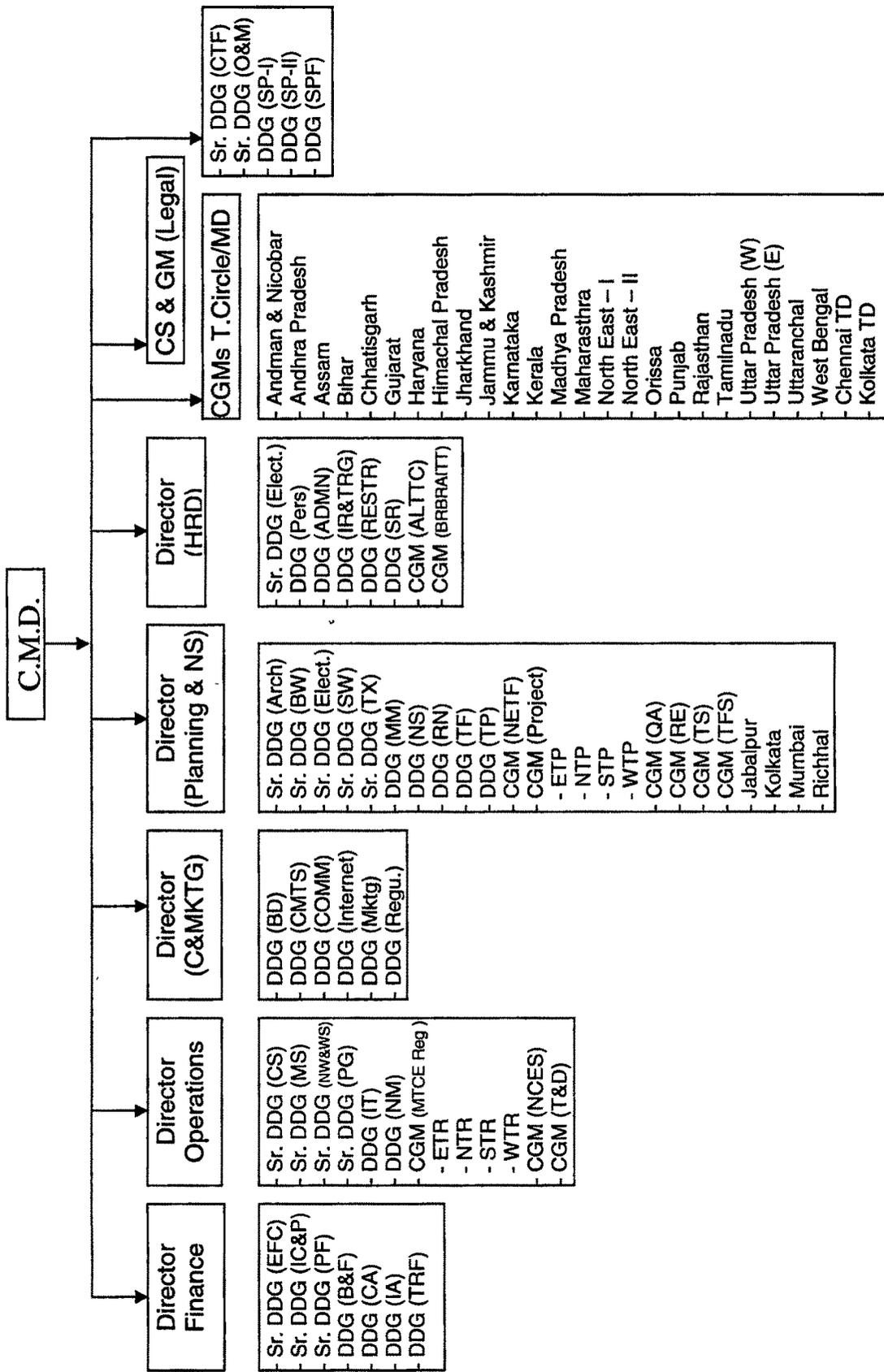
The Chairman and Managing Director is the top most authority of the corporate structure. He monitors the authorities down the line. Directors are appointed in different functional areas like finance, operations, C &

Mktg., Planning & NS, HRD, CS & GM (Legal). These Directors report to the Chairman and Managing Director, regarding the activities in their specific areas. Below the directors, there are Sr. DDGS and DDGS who look after the area allocated to them.

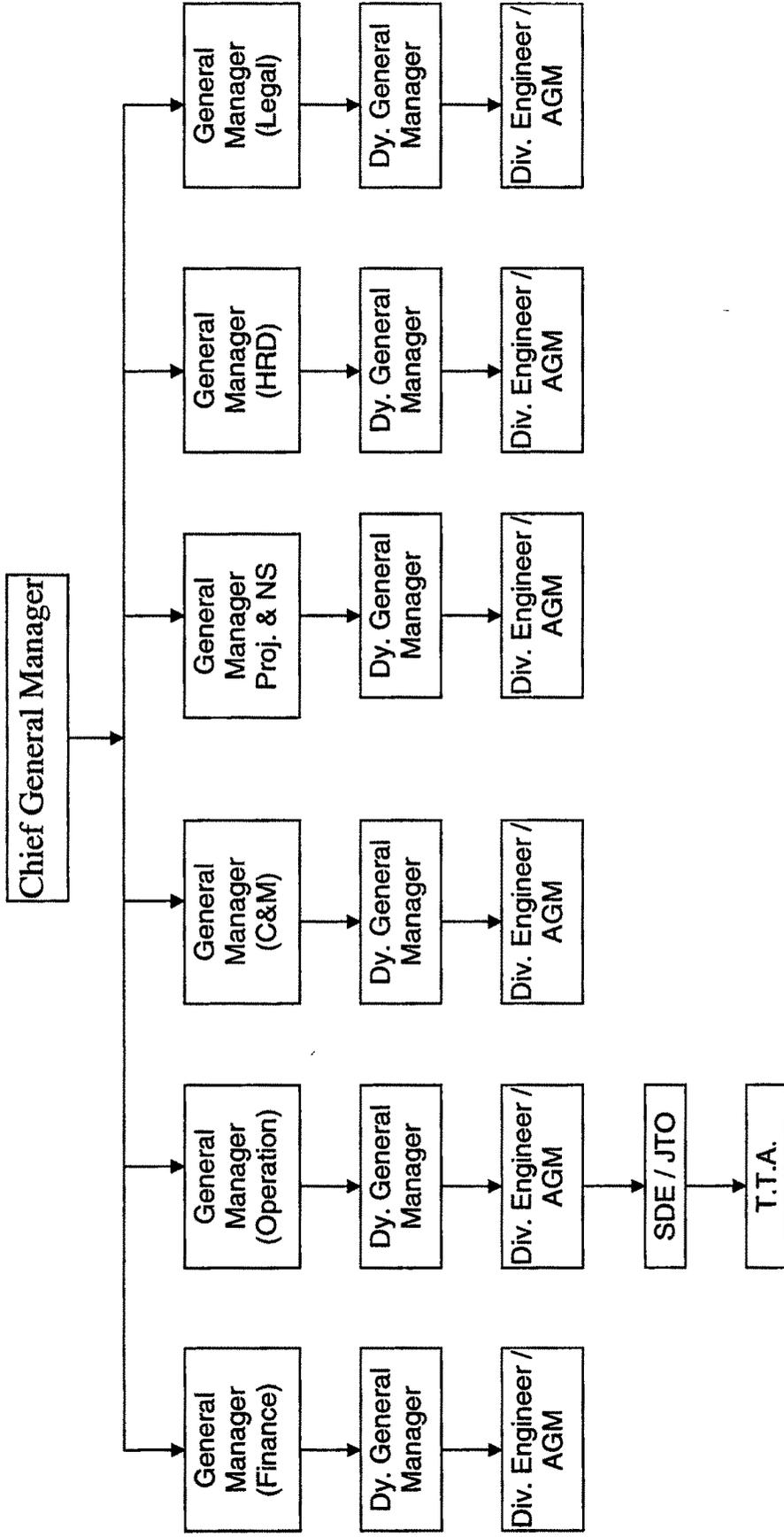
**Circle Structure:**

The Chief General Manager is the Apex Authority of every circle structure. The circle structure controls major metropolitan states of the country. The Chief General Manager falls under the category of Higher Authority Grade. He delegates various functions related to the financing of project, purchase of land etc., to the immediate junior authority. Down the line of authority, there are General Managers, Deputy General Managers; and Additional General Managers. At the operational level, there is Senior Divisional Engineer, Junior Telecom Officer and T.T.A. Linemen, who carry out the operations in every circle.

CORPORATE STRUCTURE :



**B.S.N.L.  
Circle Structure**



#### **4. Growth Phases:**

The Department of Telecom Operations now known as BSNL has shown sustained growth in the last 15 years. The growth rate in 2003-04 was 25%.

Annual investment in the network has increased from Rs. 785 crores (US\$ 18 billion) in 1986-87 to over Rs. 6538 crores (US\$ 1.49 billion) in 2003-2004. This investment has been financed mainly by the Department's internal accruals. The planned capital outlay during 2005-06 is Rs. 15081 crores (US\$ 3.43 billion).

#### **5. Corporate Social Responsibilities:**

BSNL is committed to providing quality telecom services at affordable price to the citizens of the remotest parts of India. BSNL is making every effort to ensure that the main objectives of the new Telecom Policy, 1999 (salient points below) are achieved:

Access to telecommunications is of utmost importance for achievement of the country's social and economic goals. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the New Telecom Policy, 1999.

Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy.

Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country.

Transform in a time bound manner, the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and a level playing field for all players.

## **6. Services Offered:**

BSNL has embedded its name for connecting the four corners of the nation, and undergone many games for attain the position of a leader. It is working round the clock to take India into the future by providing world class telecom services for people of India. It is trusted telecom brand of the Nation with the best of telecom technology.

Overview of the services offered by the BSNL:

**Basic Telephone Services:**

It is a plain old countrywide telephone service through 32,000 electronic exchanges, with Digitalized Public Switched Telephone Network (PSTN) and a host of Phone Plus value additions.

**Data One Broadband:**

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 and Broadcast Application will be added.

**SancharNet Internet:**

Keeping the global network of Networks networked, the countrywide Internet Services of BSNL under the brand name includes Internet dial up / Leased line access, CLI based access (no account is required) and DIAS service, for web browsing and e-mail applications. Subscribers can use their dialup SancharNet account from any place in

India using the same access no '172233', a facility which no other ISP provides. BSNL has customer base of more than 1.7 million for its SancharNet Service.

Internet Telephony service is also available under the brand name WEB FONE. Calls can be made to the UK, USA, Canada and many more countries for as cheap as Rs. 4.50/- per minute only. BSNL also offers Web hosting and co-location services at very cheap rates.

### ISDN

The Integrated Service Digital Network Service 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 (In 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 Rate 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 Lines and Datacom

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  $n \times 64$  kbps up to 2 mbps, useful for Internet leased lines and International Principle Leased Circuits (IPLCs).

#### Cellular Mobile Service

BSNL's GSM cellular mobile service Cell One has a customer base of over 5.2 million. Cell One 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. Cell One can be used in over 160 countries worldwide and on 270 cellular networks across 1000 cities/towns in India. It has coverage on all National and State Highways and train routes. Cell One offers all India roaming facility to both pre-paid and post-paid customers (including Mumbai and Delhi).

#### Wireless in Local Loop

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. WLL is being offered in areas that are non-feasible for the normal network. It helps relieve congestion of connections in the normal cable/wire based network in urban areas. It also helps in connecting the remote and scattered rural areas. It affords limited mobility without any air-time charge

#### Cell One Voice Mail Service (VMS)

It ensures that the customers never miss their calls even when their phone is busy, switched off, out of coverage, or the customer is simply too busy to take the call. In such cases, Cell One VMS greets the caller and records a message, which the customer can retrieve later at his

convenience from anywhere in the world. This is available to all our post-paid customers.

#### **An Overview of Cellular Services:**

India's fastest growing cellular service Cell One, along with Ex-Cel (pre-paid service) brings cellular telephony to the masses, through innovative technology and strategic pricing.

This ambitious service uses state of the art GSM technology to attain global excellence and leadership in business. BSNL's entry into this sector has brought GSM cellular service at an affordable cost to the common man; all serving a single objective, to provide better communication to millions across India.

Customers have reposed tremendous faith in BSNL and it has enrolled over 30 lakh cellular customers within ten months of the launch of its cellular service, an unprecedented mark in the Indian cellular market.

#### **BSNL Service Plus :**

Cell One Provides a number of value added services. These services help BSNL provide better service and enhance the ease and quality of communication thus bringing global connectivity at the customer's doorstep.

#### **Voice Mail Service**

**Value Added Services SIM Based Service, SMS based Services**

**Short Message Service (SMS)**

**Group Messaging**

**National & International Roaming**

**Call Forwarding**

**Corporate Virtual Private Network**

**Call conferencing**

**Friend and Family Talk**

**Call waiting and Call holding facility**

### **Unified Messaging Services:**

This provides Voice mail, FAX, e-mail, text to voice services on your mobile phone.

*Value Added Service:* Various value added services are available to mobile subscribers of BSNL. They can be Voice based or SMS based. Many SMS based Value added services are available through the SIM card and through the short codes. The Value added services forming part of the menu are listed as on the SIM. Following are the list of services presently available in the menu of the 32 K SIM Card:

My Portal

News

Finance

Entertainment

TV Schedule

Travel

Downloads

Astrology

Cricket

Others

*SMS Services:* Mobile to Mobile Messaging is a revolutionary new means of communication that allows Cell One mobile subscribers to send a short text message instantaneously to any other mobile subscriber. You can type the message and send it to any mobile. The message can be of 160-character length including spaces, punctuation and special characters. The system sends the confirmation about the delivery of the message to the sender as soon as the message is delivered. If the called number is busy or out of coverage area, the system periodically monitors the status of the called number and sends the message as soon as it becomes active. BSNL provides national and international SMS facility to its post and pre-paid customers at a very cheap price.

***Roaming Services:*** At Cell One, customers can talk to whoever whenever and wherever they want; it is designed to meet their needs. Cell One number shall remain the same whether the customer is in Mumbai, Lucknow, London, Paris or anywhere else in the world.

***Seamless Roaming:*** Since the number is the same, the call can be forwarded. The caller does not require STD/ISD facilities to call, if the call is made from within the service area of your home network. All India roaming facility is available for both post and pre-paid mobile customers.

***Only One Bill:*** Customer gets one consolidated bill, even if the service is utilized in more than one city of a country.

***CONVENIENCE GALORE:*** PIN number doesn't change; it is the same as the cell phone number.

***Cell One NATIONAL ROAMING:*** Accessible across the country on one cell phone number, by which BSNL provides the most comprehensive coverage in the country.

***Call Forwarding:*** By using the Call Forwarding feature, a customer can forward calls on a fixed line or a cell phone where someone can see messages on his behalf. He can also forward an incoming call while speaking to someone.

***Call Conference:*** The customer can speak to a group of people simultaneously. He can also have the privilege of a teleconference with up to 6 people, at the push of a few buttons.

***UNIFIED MESSAGING ON Cell One:*** It can be categorized as per these functions:

- Voice Mail Service (VMS)

- FAX Message
- E-Mail
- E-Mail to Speech (ETS)

- Voice-Mail

Using this feature, the voice mail can be send/received to/by other subscribers having this facility. The incoming voice message from the mailbox can be accessed as per following procedure:

- i) Conditional divert can be given for the voice calls to the voice-mailbox no. i.e. 17000.
- ii) Whenever a voicemail is received in voice-mailbox, the subscriber will receive an SMS on his/her cell phone.
- iii) In order to retrieve messages from the voice-mailbox, dial 17000 from your mobile phone. Press "\*" to skip the introduction.
- iv) The message can be retrieved by following the voice menus thereafter.

The voice mailbox can also be accessed on landline by this procedure:

In order to retrieve messages from your voice-mailbox by using landline phone, dial 9417017000 (which is the common access no.) followed by '#', then your own mobile no. and '#'. The system will prompt you for your password. The default password is 1234. Enter your password and follow the voice menus thereafter.

- FAX-Message

This feature will enable the subscriber to sent/receive fax message. The fax can be sent/received to/by the subscriber either through BSNL UMN account or a fax machine. The

procedure to be adopted while sending or receiving the fax message on fax machine:

- i) In order to deposit a FAX message, dial 9417017000 from a FAX machine followed by '#' and the mobile no. of the person who is the intended recipient of the FAX. A part of the voice menu says " to add a FAX, press 3". Press 3 on your FAX machine and after the system prompts you, press "START" on your FAX machine.
- ii) In order to retrieve a FAX message from your voice-mailbox, dial 9417017000 from a FAX machine. Then press '#' followed by your own mobile no. and '#'. The system prompts you for your password. Enter your password. The system tells you that you have so many new messages out of which so many are Voice/FAX/E-Mail messages. When you play a FAX message, first, the system will announce the sender's phone number and the time when the sender had deposited that message. Then the system will announce many options like to backup, to keep or to delete etc. The user simply bypasses these requests by pressing '#', then the system prompts him to press " START " on his FAX machine.

- E-Mail/SMS/FAX/Voice Message

This feature will enable the subscriber to send/receive E-mail/SMS/Fax/Voice messages. The subscriber has to get BSNL UMN account for this feature. The below mentioned procedure is to be adopted for sending/receiving the email.

- i) Dial 1403 from WAP MS to connect to internet-login to the site [www.bsnlumn.com](http://www.bsnlumn.com) (based on your location got appropriate website i.e. in the north [www.bsnlumn.com](http://www.bsnlumn.com), south [www.bsnlums.com](http://www.bsnlums.com), and east [www.bsnlume.com](http://www.bsnlume.com) and in the west [www.bsnlumw.com](http://www.bsnlumw.com))

- ii) Logon to your BSNL UMN/S/E/W E-mail Account (using your mobile no. as the user login and 1234 as the password which is a default password).

To receive e-mail: From WAP cell phone go to inbox then to email.

To send email: For sending E-mail, SMS, FAX and Voice Messages from your UMN/S/E/W account, use the E-mail, SMS, FAX and Voice options as provided under the compose menu.

- E-Mail to Speech (ETS)

This feature will enable the subscriber to receive the Email on the mobile phone .In order to listen to E-mail messages from your voice mailbox, dial the No: 17000 from your mobile phone. Press \* to skip the introduction part. The system prompt will say ' to listen E-mail message Press Option '4', thereafter, follow the voice menus. The attachments along with Email cannot be heard from your voice mail box.

### 4.3.2 HUTCH<sup>4</sup>

1. Introduction
2. Vision and Mission
3. Organization Structure
4. Growth Phases
5. Corporate Social Responsibilities
6. Services Offered

#### 1. Introduction:

Hutch is the brand name of Hutchison Essar. It established its presence in India in 1994 and was one of the first cellular providers in the city of Mumbai. Over time it has expanded operations across the country and is one of the most respected cellular service providers known for providing world class and innovative services.

#### Hutchison Essar in India

Hutchison Essar Limited, with about 13 million subscribers after the BPL Mobile Cellular Limited acquisition, is one of the most reputed telecom companies in India. Over the years, it has been named the 'Most Respected Telecom Company', the 'Best Mobile Service in the country', and the 'Most Creative and Most Effective Advertiser of the Year'.

Hutchison Telecom is a part of the multinational conglomerate - Hutchison Whampoa which has its origins dating back to 1828 in Hong Kong. The group operates five core businesses in 42 countries across the world, of which, Hutchison Telecom has been one of the pioneers in mobile multimedia communication and spans five continents.

**Essar Group:** The Essar Group is one of India's largest corporate houses with interests spanning the manufacturing and service sectors like steel, oil and gas, power, telecom and BPO, shipping and logistics

and engineering and construction. The group has an asset base of over Rs. 20 billion (US \$ 4.4 billion) and employs over 4000 people.

Hutch established its presence in India in 1994 by acquiring the cellular license for Mumbai. It now has operations in 13 circles accounting for 70% of India's mobile subscriber base.

**Essar information:** HWL is a leading global telecommunications and data services provider operating with a high growth strategy in 17 countries. It is a dynamic and agile player with a strong track record as:

The first to market with an international 3G video mobile network under the "3" brand. It is one of the most agile and profitable 2G mobile voice and data network operators, and as a major owner and operator of the fibre optic broadband and fixed-line networks in Hong Kong, serving as a telecom gateway to China.

HWL started mobile business in 1983 in the home market of Hong Kong and now serves over 20 million customers. Its array of telecommunication and data network offerings provides a depth of technological knowledge and insight into emerging consumer trends. This breadth of services in so many markets around the world also allows the company's operations to exploit opportunities, synergies and its critical mass in order to maintain its leadership position. Its telecommunication and data infrastructure support offerings in the areas of mobile telephony (voice and video based multimedia), fibre-optic broadband networks, fixed-line services and radio broadcasting.

HWL is the first international provider of 3G video mobile services and an early adopter of the latest and most promising mobile phone technology. Other operators rolled out their third-generation mobile services in late 2004. HWL has been successfully operating 3G networks and equipment in Australia, Austria, Denmark, Hong Kong, Ireland, Israel, Italy, Sweden and the United Kingdom since early 2003.

It was also the first operator in Hong Kong to introduce 3G video mobile services in January 2004.

Another major telecommunication subsidiary is Hutchison Telecommunications International Limited (Hutchison Telecom), which was listed on the Hong Kong and New York stock exchanges in October 2004. Hutchison Telecom has a significant presence, and is a market leader in nine dynamic markets, operating or rolling out mobile services in Hong Kong and Macau, India, Israel, Thailand, Sri Lanka, Ghana, Indonesia and Vietnam. The 3G network in Hong Kong and a fixed-line telecom running on a fibre optic network is also part of the Hutchison Telecom business. Hutchison Telecom is built on a high-growth strategy focused on mobile telecommunications services markets with economic prospects and good demographics. A number of Hutchison Telecom markets such as India remain significantly under penetrated and offer significant opportunities for future growth. In other markets such as Hong Kong and Israel, mobile phone penetration is higher but customers are very eager to adopt new services and applications, offering growth prospects in providing technologically-advanced value-added services.

**Corporate Profile:** Today, Hutchison is the one of the largest providers of cellular services in India with a presence in all the major regions – e.g. Orange in Mumbai. It is also the country's largest roaming operator, with a more extensive network in India and around the world than any other operation. It is part of the Hong Kong based multinational conglomerate Hutchison Whampoa Limited, a Fortune 500 company. Hutchison affiliates jointly account for the largest number of cellular subscribers in India numbering over 7.6 million.

Fascel Limited, the largest cellular provider of Gujarat, is a joint venture of Hutchison Telecom, Kotak Mahindra Group and the Hinduja Group. Fascel Limited have been awarded the licence for providing cellular services Gujarat, India.

Hutchison group, one of the largest cellular operators in India, is also one of the world's leading telecommunications company. Hutchison Telecom is a part of Hutchison Whampoa Limited (HWL), a Hong Kong based Fortune 500 Company operating in 41 countries spread across the Asia Pacific region, Europe and America. It is one of the largest companies listed on the Hong Kong Stock Exchange. Hutchison Telecom is also recognized as one of the first cellular operators in the world, having started its services way back in 1985.

**Launch of Services:** Fascel Limited, now branded as Hutch, was incorporated on March, 1995. Fascel commenced commercial operations in Ahmedabad on January 24, 1997.

*Technology Partners:* The Company's cellular network is procured from Nokia Telecommunications, Finland and uses GSM 900 MHz, Technology and the leading digital wireless system, Nokia is also providing Technical Assistance for Network Planning, Commissioning of Network Hardware as well as software repairs, software upgradation and training.

The microwave based transmission backbone built by the company comprises a state-of-the-art SDH Radios and is equipped to carry high density traffic allowing customers to enjoy virtually congestion free communication and better voice and data clarity.

In 1994, through a joint venture with local partners in Mumbai (formerly Bombay), the Indian mobile services are now available across 16 of the country's 23 licence areas. It has about 13 million customers as on 31 December, 2005.

With India's status as the fastest-growing significant mobile market, the strategy to further build our already strong subscriber base and market share is designed to attract the premium segment in each of the areas where we operate. The licence areas with Hutchison Telecom

operations have all been carefully selected according to those with more affluent potential customers. Hutchison Telecom's Indian operations provide our customers with digital GSM technology voice and value added data services including GPRS and email.

## **2. Vision & Mission:**

**Mission: Pathfinders for a New Medium**

3G fuses together two of the most powerful consumer technologies in history – the interactivity and depth of the Internet with the convenience and freedom of mobile telephony. 3G takes the most compelling aspect of each of these platforms and brings them together in one device. 3G is a new wireless communications category that offers a highly personalized interactive multimedia experience anywhere, anytime.

Hutchison Whampoa believes that 3G will change the way people communicate and the way they access information and entertainment. This will be as significant as the birth of television after generation of radio.

The Hutch Mission is to enhance people's lives – by creating a service that, upon demand, shows customer where they are, what they want and how they want it – and puts it in the palm of their hand.

The Group holds 3G licences in Australia, Austria, Denmark, Hong Kong, Indonesia, Ireland, Israel, Italy, Norway, Sweden, and the UK and markets its services under the global brand. Hutch is brought by Hutchison Telecom, one of the world's leading cellular service providers. They are known for their innovative approach and world class technology. Its goal is to provide customer superior products and services, anytime and anywhere.

Values are stated simply- To be fair and transparent in what and how to do it. To provide quality services with more customer friendly practices.

To make the communication experience simple, pleasurable and fun. Get the technology that is relevant and simple. Where solutions are not just promised in the future – but delivered in the present.

**Mission:**

To be the market leader in providing world class total communication solution to customers.

**Vision:**

Advancement in communications has shrunk the world into a global village and is creating innovative business opportunities by connecting people instantaneously. Convergence of Telecom Entertainment, IT, E-Commerce, and other such areas will form a part of the emerging communications business.

Fascel will be the key player in this growing global business by continually adopting and integrating the emerging technologies. In this endeavour Fascel will also contribute effectively towards the national priorities of communication development.

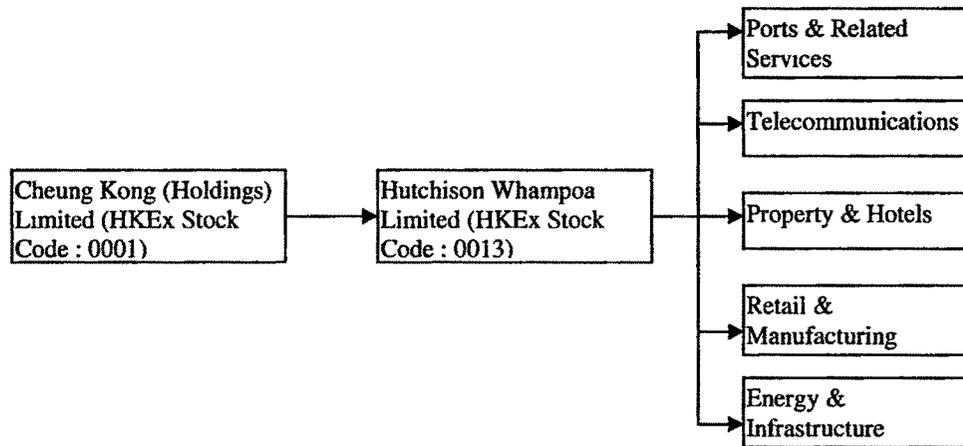
**Core Values:**

To contribute to national growth through value addition and continuous improvement. They are an innovative, risk taking, participative, futuristic and a continuously learning team of people. They regard customers as their capital. They are ethical and transparent; and cost conscious and pride profit for enhancing shareholder's value and meeting stake holder's interest. The organization is placed before the self.

Always first, always ahead.

### 3. Organization Structure:

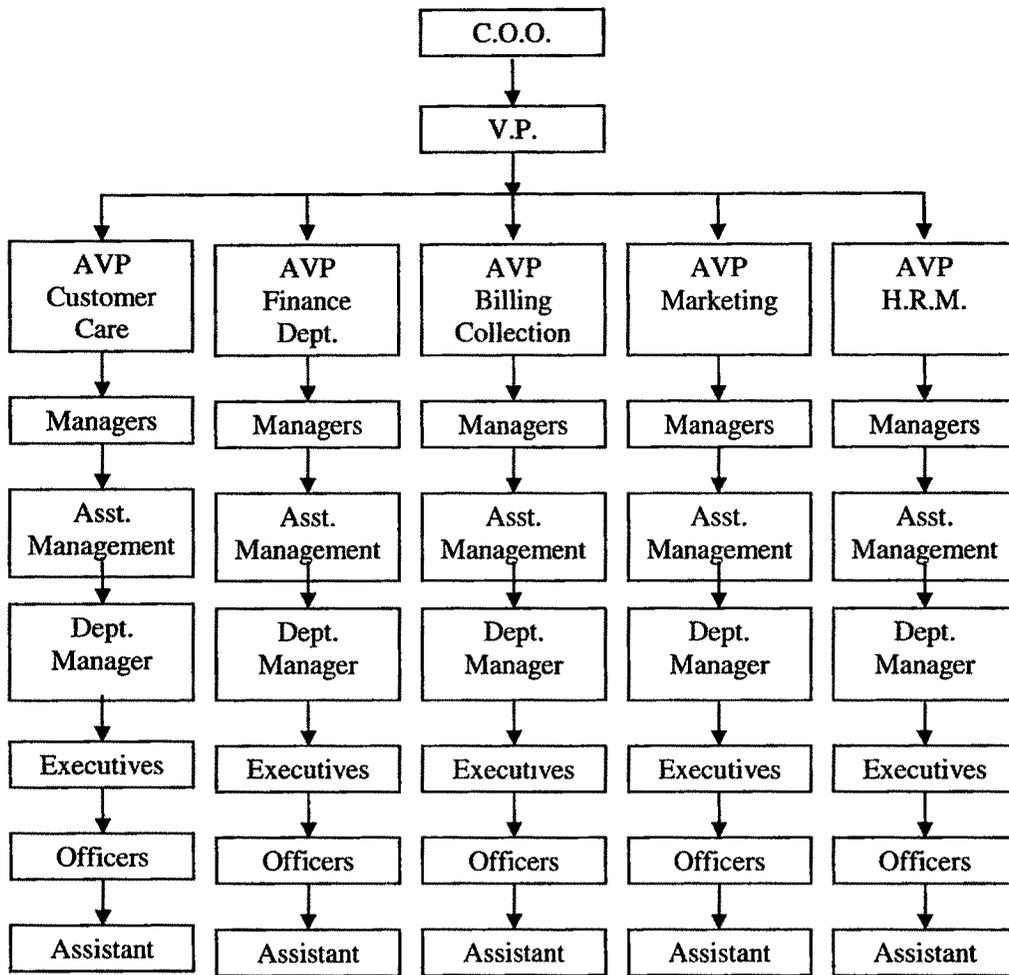
Group Structure:



After meeting responsible officers (managerial Personal) and on basis of non structured interview the information pertaining to organization has been collected.

The above mentioned group structure gives the view that telecommunication is one of the sector of Hutchison Whampoa limited which is part of Cheung Kong (Holdings) limited. The other sectors in Hutchison Whampoa limited apart from Telecommunications are Ports and Related Services, Property and Hotels, Retail and Manufacturing, Energy and Infrastructure.

Hutch's Organization Structure :



Organization structure has been created for the smooth functioning. The COO (Chief Operational Officer) is the head of each zone and is totally empowered to manage all the affairs of the business. COO is the top most authority of the structure. The Structure is divided into zones and each zone consist of Vice President functioning under COO who delegates the authority to Assistant Vice President – Customer Care, Finance, Billing and Collection, Marketing, HRM & Administration. The Assistant Vice President – Customer Care looks after all the affairs related to the customers, their complaints, queries etc.

Assistant Vice President – Finance looks after all the affairs related to finance. Assistant Vice President Billing and Collection take care of proper billing to customers and collection of the bills. The Assistant

Vice President – Marketing looks after activities like, promotion, more schemes for customers, adoption of new strategies and strategies for easy availability of Hutch Services. Assistant Vice President – HRM Manager, the Human Resource of each zone.

Below them are Managers who delegate responsibility and authority to Assistant Managers. Down the line of authority there are Department Managers, Executives, Officers and Assistants who carry out activities of each area.

#### **4. Growth Phases:**

Hutchison Whampoa Limited (HWL) is a leading international corporation committed to innovation and technology with businesses spanning the globe. Its diverse array of holdings range from some of the world's biggest retailers to property development and infrastructure to the most technologically-advanced and marketing-savvy telecommunications operators. HWL reports consolidated turnover of approximately HKD179 billion (USD23, 000 million) and HKD109 billion (USD14, 000 million) for the year ended 31 December 2004 and for the six months ended 30 June 2005 respectively. With operations in 54 countries and over 200,000 employees worldwide, Hutchison has five core businesses - ports and related services, telecommunications, property and hotels, retail and manufacturing, and energy and infrastructure.

##### **Hutchison's achievements:**

A pioneer of mobile multimedia communications with the launch of third-generation (3G) mobile phones and networks under the "3" brand.

A visionary and international telecommunications operator through Hutchison Telecommunications International Limited (Hutchison Telecom) which provides mobile phone networks and data services in nine dynamic markets in Asia, the Middle East and Africa.

The world's leading port investor, developer and operator with 41 ports across Europe, the Americas, Asia, the Middle East and Africa.

The largest health & beauty retailer in the world with Watsons Your Personal Store, Drogas, Kruidvat , Rossmann, Savers, Superdrug, Trekpleister, Spektr, Marionnaud, ICI PARIS XL and The Perfume Shop.

One of Asia's largest retailers through the Watsons Your Personal Store, PARKnSHOP supermarket, TASTE food galleria, GOURMET boutique style fine food hall, Great Food Hall, Fortress electrical appliances store, Watson's Wine Cellar and Nuance-Watson airport duty free operator.

Hutchison Whampoa Limited is among the largest companies listed on the main board of the Hong Kong Stock Exchange. Flagship companies include Hutchison Port Holdings, Hutchison Telecom, Hutchison Whampoa Properties, A.S. Watson and Cheung Kong Infrastructure.

Hutchison dates back to the 1800s and while its operations now span the globe, it continues to remain based in Hong Kong. Hutchison's executives and staff are a multicultural mix as diverse as the reach of the corporation's operations.

Hutchison has a strong commitment to the highest standards of corporate governance, transparency and accountability - principles which have been recognised by numerous awards and commendations.

#### Ports and Related Services

Hutchison Port Holdings (HPH) operates in 20 countries. The port and related services group operates a total of 242 berths in 41 ports. It operates in five of the seven busiest container ports in the world.

## Telecommunications

HWL is one of the leading owners and operators of telecommunications, offering a wide range of related services in 17 countries. These include third-generation (3G) multi-media mobile telephony, GSM mobile phone systems, fixed-line services, fibre optic broadband networks as well as radio broadcasting.

Operating under the "3" brand, HWL is leading the ongoing revolution in the 3G arena. HWL was one of the first operators in the world to introduce 3G services, enhancing people's lives with a vast range of multimedia mobile contents. HWL owns 3G licences in 10 markets: Australia, Austria, Denmark, Hong Kong, Ireland, Israel, Italy, Norway, Sweden and the United Kingdom, and now have a customer base of more than 11 million.

Hutchison Telecommunications International Limited (Hutchison Telecom) focuses on driving future growth in developing markets while using the Group's leading technology position to further develop advanced services for demanding subscribers in more sophisticated, high-demand markets. It operates or is rolling out mobile telecom services in Hong Kong and Macau, India, Israel, Thailand, Sri Lanka, Ghana, Indonesia and Vietnam, plus a 3G network in Hong Kong. Fixed-line telecom services are also provided in Hong Kong. A wide range of services is provided by Hutchison Telecom encompassing voice services (including enhanced calling features), broadband data and multimedia services, mobile and fixed-line Internet and intranet services, IDD and international roaming services, bandwidth services, data centre services, system infrastructure and application solutions services.

## Property and Hotels

From landmark office buildings on Hong Kong's skyline to luxury residential properties in the United Kingdom, Hutchison Whampoa Properties Limited develops and invests in leading real estate projects.

The Group pioneered the concept of "garden city" large-scale private housing estates in pleasant settings in Hong Kong which, thanks to their success, are extended to China. These include South Horizons and Whampoa Garden.

#### Retail and Manufacturing

A.S. Watson & Co., Limited (ASW), the Group's retail and manufacturing arm, operates over 7,100 retail stores in 36 markets worldwide.

Hutchison Harbour Ring Limited, listed on the Stock Exchange of Hong Kong, is a leading toy manufacturer and a supplier and manufacturer of consumer electronic products as well as a licensing and sourcing service provider. The company also holds investment properties in the Mainland.

Hutchison Whampoa (China) Limited, the investment arm of HWL in Mainland China, is actively engaged in a number of ventures and other activities. These investments include the manufacture and distribution of healthcare, personal care and traditional Chinese medicine products, the provision of aircraft maintenance, engineering and cabin cleaning services, the provision of logistics services, the operation of a rice farm and rice trading, hotel ownership as well as the manufacture of optical transmission equipment.

TOM Group Limited (TOM Group) is listed on the Stock Exchange of Hong Kong and is an associated company of Hutchison. TOM Group has diverse business interests in five key areas: Internet (TOM Online), outdoors (TOM Outdoor Media Group), publishing, sports marketing, television and entertainment across markets in Mainland China, Taiwan and Hong Kong. In each of the areas it operates, the TOM Group has secured market leadership.

## Energy and Infrastructure

Cheung Kong Infrastructure (CKI), the Group's infrastructure arm, is a diversified infrastructure company with businesses in transportation, energy, infrastructure materials, water plants and related operations. CKI's businesses span Hong Kong, Mainland China, Australia, UK, Canada and the Philippines.

The Group has an interest in Hongkong Electric Holdings (HEH), the sole electricity supplier to Hong Kong Island and Lamma Island. Hutchison is also a major shareholder of Husky Energy, one of Canada's largest energy and energy related companies.

### **Awards of the Year:**

Business Week	the Asian Top 150
Finance Asia	Asia's Best Conglomerate Best Managed Company in HK Best CFO Award in HK (Mr. Frank Sixt)
Forbes	The Global 2000
Global Finance	Best Companies in Asia – Conglomerates
Hong Kong Institute of Certified Public Accountants	
Best Corporate Governance Disclosure Awards	"Significant Improvement Award" in the Hang Category
MerComm, Inc.	
2005 International ARC Silver Award – Hutchison Whampoa Limited Annual Report 2004 (Overall Report: Conglomerate)	
Yazhou Zhoukan	Top 500 Chinese Companies in the World.

## **5. Corporate Social Responsibility:**

"It is my belief that the increasing pressures to maximise profit and efficiency should not compromise our respect for equality and our determination to minimise misery"

"The strength of a nation and its people depend on education and medical care. These are the country's roots. And like a tree, the deeper its roots, the more flourishing its branches and foliage."

Quotes by Mr Li Ka-Shing

Chairman, Hutchison Whampoa

Hutchison Whampoa is a group of diverse companies operating around the globe, renowned for its entrepreneurial yet practical approach to business. As a result, their success and reputation for creating value for shareholders has tended to overshadow the Group's equally-strong commitment to their wide range of stakeholders. They have always recognised that their success is built on the achievements of the various groups that exist within as well as outside their corporate structure. They are deeply aware of the impact their businesses have on society and the world.

As a 177-year-old company, the notion of corporate social responsibility is not new to Hutchison Whampoa. From their early origins as a pharmacist in Guangzhou and Hong Kong in the early 1800s to rapid expansion over the past 20 years as an internationally diversified business with holdings in ports, retailing, telecommunications, property and energy, this company has thrived through partnerships and a commitment to serve. Corporate social responsibility has always made good business sense for Hutchison Whampoa. The company have adopted a partnership approach not only with customers, suppliers and employees, but also with the wider community that surrounds us and with which we interact.

The notion of corporate social responsibility is based at the most fundamental level on the belief that their business activities serve multiple purposes: providing products and services which make life better for everyone, benefiting shareholders and at the same time engaging in a meaningful dialogue with other stakeholders and the

community to understand the impact of their businesses as well as the expectations of society.

Apart from making continuous contributions to the Community Chest of Hong Kong, the Group undertakes a wide range of philanthropic efforts as well as community initiatives that are designed to make life better for people from all walks of life. These are also undertaken to provide substance to their engagement with stakeholders and community groups. With their extensive links to the global society, Hutchison Whampoa has a wide range of community relations initiatives in place. These programmes stretch around the globe and across all of Hutchison Whampoa's operating divisions, reaching out into all of the communities in which they operate.

#### Environment

Hutchison group companies have an extensive programme in place to mitigate the effects of their activities on the environment. Their commitment to the environment is extensive and exists on three levels: minimising the impact of existing business activities; using Hutchison Whampoa's entrepreneurial spirit to develop new environmentally-friendly products and processes with potential commercial applications; and providing support for conservation and environmental protection programmes.

These range from PARKnSHOP's recyclable plastic bags and initiatives to reduce customers' use of plastic bags, to Hongkong Electric's installation of HK\$4 billion worth of equipment to minimise environmental impacts including air pollution, and installation of a wind turbine on Lamma Island, the first commercial scale wind turbine in Hong Kong. They also include Cheung Kong Infrastructure's innovative projects that include using fuel ash from power stations in cement manufacture as well as a pilot hydrogen energy station and bus project in Hong Kong.

In addition, Hongkong Electric sponsored the annual "Clean Up the World in Hong Kong Campaign" organised by Green Power. To encourage awareness of the importance of energy efficiency among students, Hongkong Electric has been running a Smart Power Campaign. A competition to tap young people's creativity was held around the theme of "Embrace Heaven, Earth and Sea - Nature and Energy" in March 2004 and attracted 1,745 entries. Energy audits were conducted for 38 participating schools to improve energy efficiency.

Husky Energy in Canada supports about 60 community-based conservation projects - including C\$500,000 in contributions over the past 15 years to Ducks Unlimited Canada to restore wetland habitats and provide education. It is one of only five Canadian companies to receive the prestigious Ducks Unlimited Gold Legacy Sponsor Award.

Husky Energy is helping to build an open classroom in a forest ecosystem in a courtyard setting at the University of Ottawa. Students will learn about the ecosystems, environment and biodiversity of Canada's boreal forests.

## **6. Services Offered:**

**HUTCH SMS:**

**Group SMS:** Send a message to many friends at one go.

**MMS thru web:** Send a photo message online.

**Yahoo! Messenger:** Get online with your Yahoo! buddies through your Hutch Phone.

**Ringtones, Logos and Picture Messages:** Take your pick from a wide range of categories. You can even create your own logo!

**Mobile Chat:** Log on to a chat room or create your own through your Hutch phone.

**Vernacular SMS:** Think global, talk local. Send messages in Gujarati, Hindi or Marathi. Use our 123 Service.

**Mail on Phone:** Send emails and ecards. Check your POP3 accounts on your Hutch phone.

**Yahoo! Mail:** Access your Yahoo! mail account and send messages through SMS as well.

**SMS Games:** Play some fun games on your Hutch phone.

**Flash & Blink:** Change the way you sums. Flash your message on the screen or blink it in the inbox.

**HUTCH Entertainment:**

**Movies:** What is playing where, show timings and more. Use the Dial up or Voice Response service to check out your favourite movie.

**STAR TV Services:** Check program schedules, poll in, see news and more. Access through SMS.

**Jokes:** Have a laugh. Download cool ones through SMS.

**Thoughts Online:** Get inspired. Send your requests through SMS.

**Astrology:** Horoscopes, Rahukaal, Shubhmuharats. Check through SMS, Voice Response or Dial up.

**Indiatimes Services:** A mixed bag full of fun and information. Just type M and send it to 8888.

**Hutch Alive:** Cool contests, games, news, cricket... Gets non-stop action flashing on your Hutch phone.

**Call Alert:** Receive missed call alerts through SMS directly on your Hutch phone.

**Bill in Gujarati:** Get your Hutch bill in your language.

**Bill on SMS:** Check your bill details instantly on your Hutch phone.

**Dial-n-deliver:** Send a host of goodies anywhere in India. Just place your order through sums.

**Dial-a-Dominos pizza:** Order a yummy pizza through your Hutch phone.

**Dial-a-directory:** Get a complete list of Dial up numbers.

**Dictionary Services:** Get the meaning of a difficult word instantly through sums.

**Bible on SMS :** Read holy verses of the Bible through SMS.

**Reminders:** Set alerts and make sure you never miss an appointment. Use Dial up or SMS.

**SMS based service request:** Register for a service or change your existing one through SMS.

**Standard Message:** Set pre-defined messages for more convenience.

**News:** Get the latest from India Today through SMS or all kinds of news using Voice Response.

**List:** Get a complete list of SMS based services.

**Help:** Get assistance on our services.

**Hutch Travel:**

**Flight Schedules:** Check your flight status, view schedules for Jet Airways easily through SMS.

**Railway Information Service:** Long distance trains now on your fingertips. Plus reservation status, schedules, seat availability and more. Check details through SMS.

**Hutch Cricket:**

If cricket's on your mind, we have it on your Hutch phone. Make sure you are on the ball with the latest scores – whether a one-dayer or a test matches. Get your cricket updates easily and instantly.

**Hutch Finance:**

**Stock Quotes:** BSE, NSE, market updates, and your favourite scripts. Use Voice Response or SMS to get your information.

**Mobile Banking:** Check your HDFC, GTB or IndusInd Bank accounts and transact as well through SMS.

**Hutch More Services:**

**Call Management Services:** Identify your calls and manage them easily, through Call Waiting, Call Forwarding, Call Conferencing, Call Barring and Caller ID.

**Voice Messaging:** Send voice messages to USA and Canada and within India at affordable rates.

**Voice Mail:** Retrieve your messages from your Hutch Prepaid or Post-paid phone, other mobile phones or a landline. Modify your messages as well.

**Itemized Billing:** Get your complete bill details through an itemised bill, whether you are on Hutch Pre-paid or Post-paid.

### **4.3.3 BHARTI TELE-VENTURES (AirTel):<sup>1</sup>**

1. Introduction
2. Mission
3. Organization Structure
4. Phases of Growth
5. Services Offered

#### **1. Introduction:**

“As we spread wings to expand our capabilities and explore new horizons, the fundamental focus remains unchanged; seek out the best technology in the world and put it at the service of our ultimate user: our customer”. Sunil Bharti Mittal (Group Chairman and Managing Director)

Bharti Enterprises has been at the forefront of technology and has revolutionized telecommunications with its world class products and services.

Established in 1985, Bharti has been a pioneering force in the telecom sector with many firsts and innovations to its credit, ranging from being the first mobile service in Delhi, first private basic telephone service provider in the country, first Indian company to provide comprehensive telecom services outside India in Seychelles and first private sector service provider to launch National Long Distance Services in India. As of April 30, 2005, Bharti had approximately 12.26 million total customers – nearly 11.39 million mobile and 8, 74,000 fixed line customers.

Bharti Tele-Ventures Limited was incorporated on July 7, 1995 for promoting investments in telecommunications services. Its subsidiaries operate telecom services across India. Bharti Tele-Ventures is India’s

leading private sector provider of telecommunications services based on a strong customer base consisting of approximately 12.26 million total customers which constitute, approximately 11.39 million mobile and approximately 8,74,000 fixed line customers, as of April 30, 2005.

Bharti Tele-Ventures is one of India's leading private sector providers of tele-communications services with an aggregate of 11.8 million customers as of end of March, 2005, consisting of approximately 10.98 million mobile customers. The company today offers mobile services in 23 out of 23 circles in India. The company also provides fixed line services and Internet access over DSL in 6 circles. The company complements its mobile and fixed line services with national and international long distance services. The company also has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. The company provides reliable end to end data and enterprise services to the corporate customers by leveraging its nationwide fiber optic backbone, last mile connectivity in fixed line and mobile circles, VSATs, ISP and international bandwidth access through the gateways and landing station. For more information, visit [www.bhartitelevetnrues.com](http://www.bhartitelevetnrues.com).

Its services sector businesses include mobile operations in Andhra Pradesh, Assam, Bihar Circle, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh Circle, Maharashtra circle, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh (East) circle, Uttar Pradesh (West) circle and Jammu and Kashmir. In addition, it also has fixed line operations in the states of Madhya Pradesh and Chattisgarh, Haryana, Delhi, Karnataka and Tamil Nadu and nationwide broadband and long distance networks.

It is the largest private sector integrated telecommunications services group in India in terms of the number of customers. It has the largest mobile footprint in India, covering 15 of the 22 licensed areas.

Proven track record of managing growth – both organic as well as by way of acquisitions. First and largest private telecommunications services company offering fixed line services in India.

First private telecommunications company to launch long distance services.

First off the block to launch fixed line services in all the four circles of Delhi, Haryana, Karnataka and Tamil Nadu.

Bharti Tele-Ventures, its subsidiaries and management have received several awards and recognitions:

Bharti was recognized as one of the “Leading Lights of Telecom” in Asia in November 2001 in the Asia edition of the ‘tele.com’ magazine with analytical inputs from research consultants Frost and Sullivan.

The leading telecommunications service provider in India in a survey of Indian companies conducted by Business World in Association with Indian Marketing Research Bureau in September, 2001.

The “Techies” award from Information Communications World, an international business magazine, for four consecutive years (1997 to 2000) for brand excellence, network quality, customer service and value added service in our Delhi mobile circle.

Golden Peacock National Training Award – 1999 to Bharti Cellular for our Delhi mobile operations from the Institute of Directors, a non profit association in India committed to improving the competitiveness of Indian business by focusing on development of business leaders, for the best human resources and training practices.

Ascent – Times of India and Sodexo Pass award in 1999 from the Asia Pacific HRD conclave to Bharti Cellular for corporate excellence in the category of most innovative human resource practices.

Mr. Sunil Bharti Mittal (Chairman and Group Managing Director) was honoured as “One of the Top Entrepreneurs Worldwide” for the year 2000 and “Stars of Asia” for the year 2001 by international business magazine, Business Week.

Mr. Sunil Bharti Mittal was selected as the “Businessman of the year 2002” by Business.

Mr. Sunil Bharti Mittal was awarded the “Dataquest IT man of the year 2002”.

Mr. Akhil Gupta (Joint Managing Director) was adjudged the Chief Financial Officer for year 2001 for Mergers and Acquisitions activities by EIU.

Bharti Tele-Ventures current businesses include:

Mobile Services

Fixed line

National and International Long Distance Services

VSAT, Internet Services and Network Solutions.

**Competitive Strengths:** Bharti Tele-Ventures believes that the following elements will contribute to the Company’s success as an integrated telecommunication services provider in India and will provide the Company with a solid foundation to execute its business strategy:

Nationwide Footprint – As of April 30, 2005, 100% of India’s total mobile subscribers resided in the Company’s twenty three

mobile circles. These 23 circles collectively accounted for approximately 100% of India's land mass;

Focus on telecommunications to enable the Company to better anticipate Industry trends and capitalize on new telecommunications – related business opportunities.

The strong brand name recognition and a reputation for offering high quality service to its customers.

Quality management team with vision and proven execution skills; and

The Company's strong relationships with international strategic and financial investors such as SingTel, Warburg Pincus, International Finance Corporation, Asian Infrastructure Fund Group and New York Life Insurance.

## **2. Vision and Mission:**

Bharti Tele-Ventures vision for its mobile business is "To make mobile communications a way of life and be the customer's first choice".

The mission is to meet the mobile communication needs of the customer through:

- 1) Error free service
- 2) Innovative products and services and
- 3) Cost efficiency

The Company's strategic objective is to consolidate its leadership position amongst the mobile service providers in India.

The Indian mobile market, according to the COAI, has increased from approximately 1.2 million subscribers as of March 31, 1999 to approximately 42.12 million subscribers as of April, 30, 2005.

The number of mobile subscribers in India is expected to show rapid growth over the next four years. By 2006 it is projected at 50 million by COAI and 44 million by Gartner.

Bharti Tele-Ventures believes that the demand for mobile services in India will continue to grow rapidly as a result of the following factors:

- Lower tariffs and handset prices over time.
- Growth in pre-paid customer category.
- Greater economic growth and continued development of India's economy.
- Higher quality mobile networks and services; and
- Greater variety and usage of value added services.

Bharti Tele-Ventures, through its subsidiary, has the licenses to provide GSM services in all the twenty three telecom circles in India. It proposes to consolidate all its subsidiaries providing mobile services under Bharti Cellular Limited.

As of April 30, 2005, 100% of India's total mobile subscriber market resided in the Company's twenty three mobile circles, which collectively form 100% of India's land mass.

Mission:

"As we spread wings to expand our capabilities and explore new horizons, the fundamental focus remains unchanged; seek out the best technology in the world and put it at the service of our ultimate user: our customer"-Sunil Bharti Mittal (Chairman and Group Managing Director).

Bharti Tele-Ventures' strategic objective is

"To capitalize on the growth opportunities that the Company believes are available in the Indian telecommunications market and consolidate its position to be the leading integrated telecommunications services

provider in key markets in India, with a focus on providing mobile services.”

The Company has developed the following strategies to achieve its strategic objective:

Focus on maximizing revenues and margins;

Capture Maximum telecommunications revenue potential with minimum geographical coverage;

Offer multiple telecommunications services to provide customers with a “one stop shop” solution.

Position itself to tap data transmission opportunities and offer advanced mobile data services;

Focus on satisfying and retaining customers by ensuring high level of customer satisfaction.

Leverage strengths of its strategic and financial partners; and

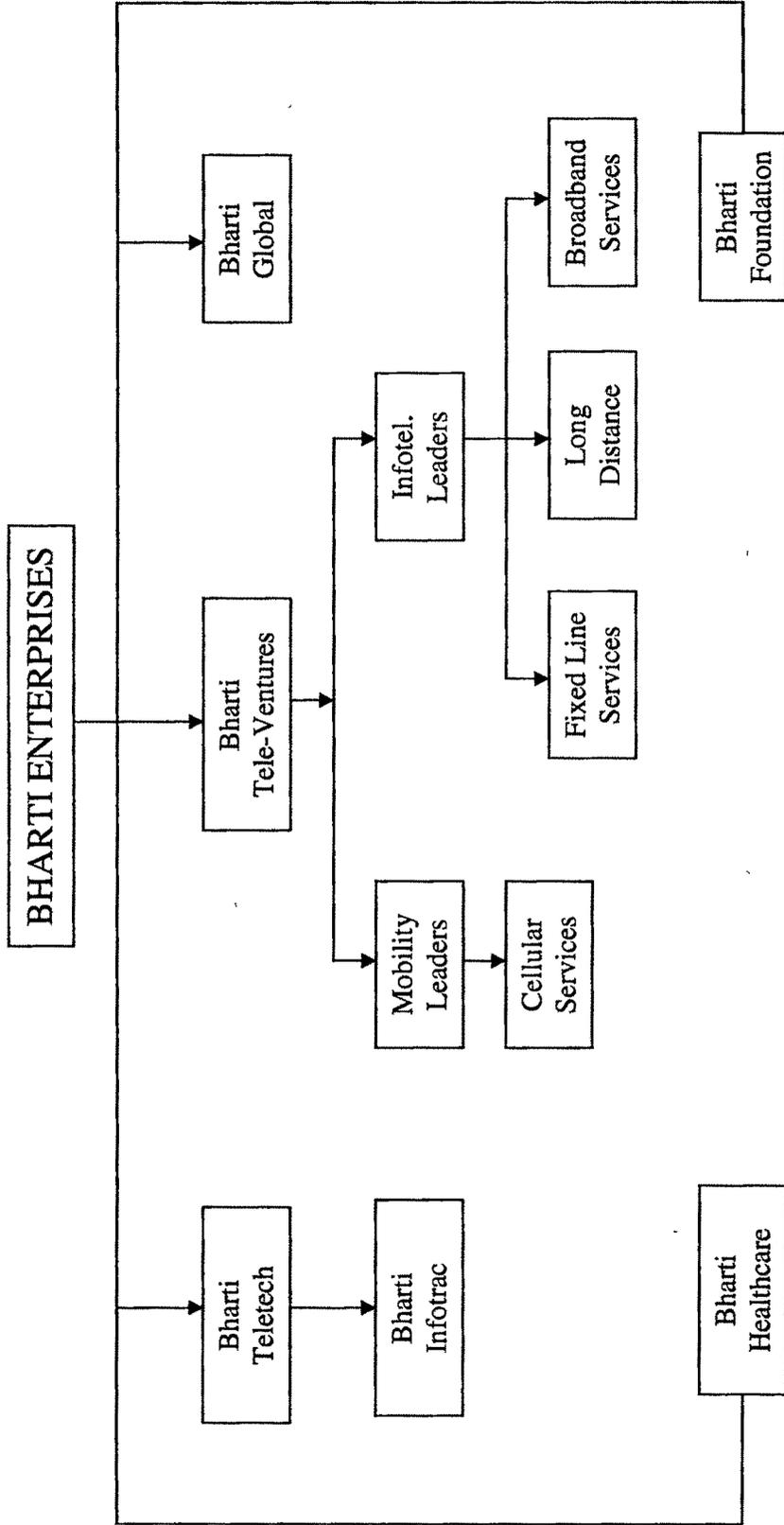
Emphasise on human resources development to achieve operational efficiencies.

### **3. Organization Structure:**

The group has been structured to create functional and operational specialization with a linear vision of business lines and functional areas.

The Company is headed by Chairman and Group Managing Director – Sunil Bharti Mittal who is assisted by two Joint Managing Directors – Akhil Gupta and Rajan Bharti Mittal. The Company also has two Presidents – President – Mobile Services and President – Infotel Services, this responsibility includes Fixed line, Long Distance and Broadband Services. The Presidents report to the Group Chairman and Managing Director. The head of units and SBUs report to the respective business’s President.

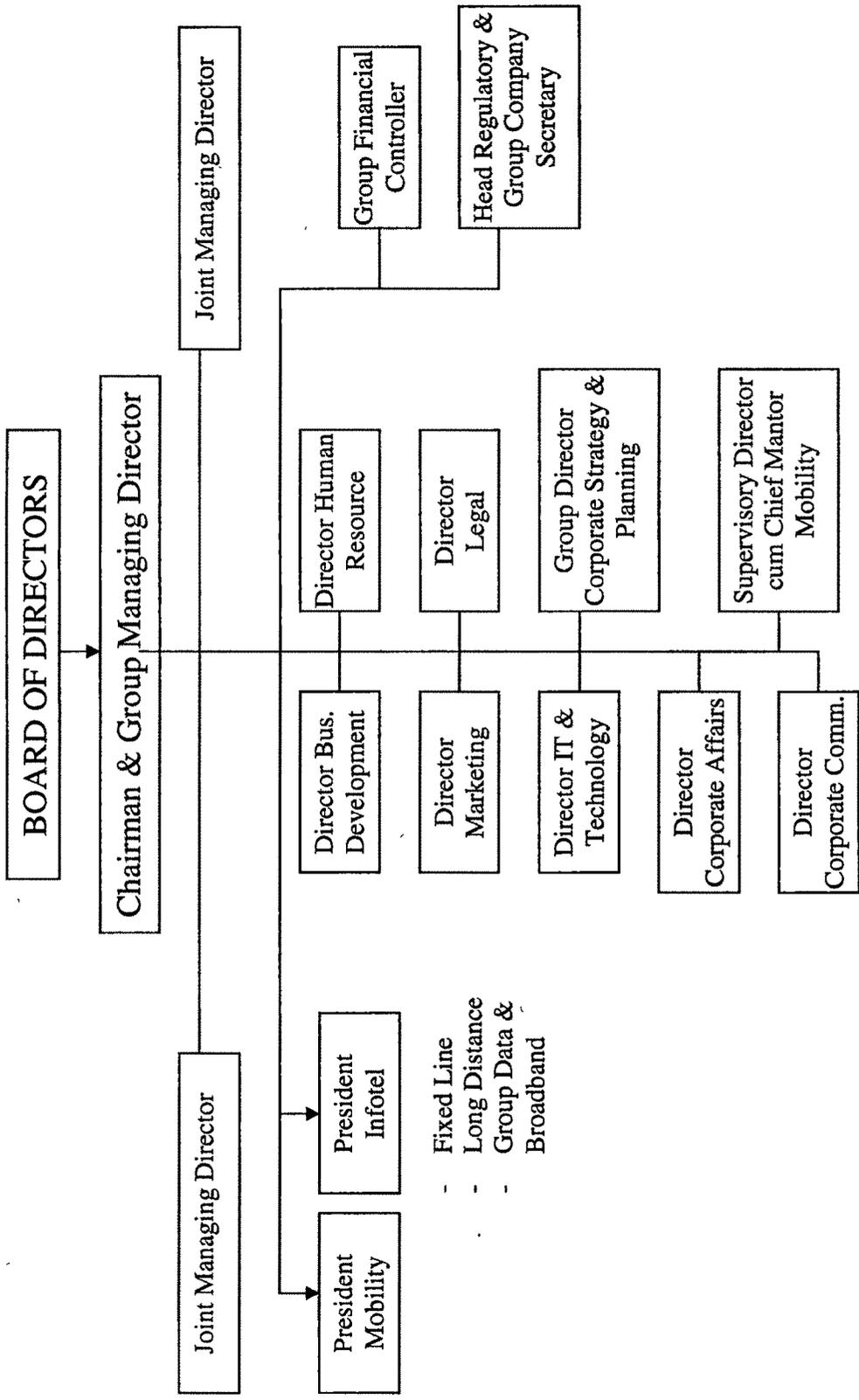
Idea Cellular



An apex team of Corporate Directors has been constituted. The corporate directors have supervisory and strategic responsibilities for functional areas across business lines. The directors oversee functional areas including Business Development, Human Resources, Marketing, Corporate Communication, IT and Technology, Finance Legal, Corporate Affairs, Corporate Strategy and Planning and Supervisory Director cum Chief Mentor – Mobility.

The organization structure is designed to ensure that identical businesses are run along similar lines and best resources in any functional field, be tapped to serve the best interests of the entire group. To gear up for the challenge strategic changes in management organization structure is made. The new structure has been designed to feel the pulse of the customer, enhance operational efficiencies and to transform Bharti into a world class institution.

The structure also defines the role of the Head of the units who are totally empowered to manage their respective companies and are fully responsible for business operations to build world class organizations with a high degree of customer focus.



### **Mobility Organization Structure:**

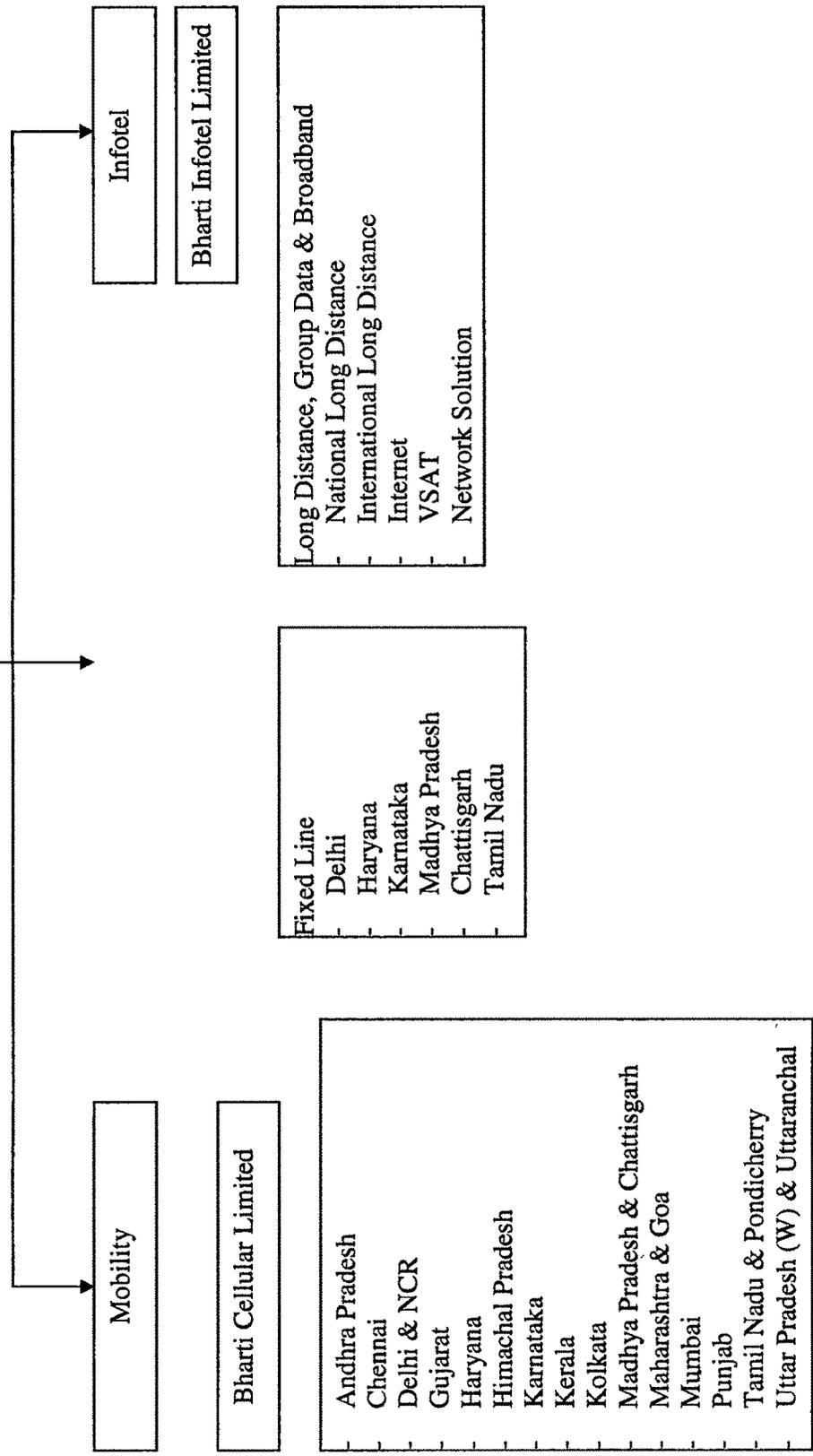
To drive the institutionalization process forward, adopts a new business structure, designed to bring the company closer to the customer and to consistently deliver business results.

The structure strengthens the mobility office, with the inclusion of four Regional Hub Chiefs, each responsible for driving the company's business goals and strategies in the Northern, Southern, Eastern and Western part of the country. The Regional Hub Chiefs to be supported by Circle and Zonal Heads, with their respective teams.

The new structure to further delegate the operations role from the Corporate office to the Mobility Office (MO) / Hubs and to enhance market response at the Circle level. The Bharti Corporate Office would thus focus on strategy, leadership development, architecture and governance.

The empowered regional hubs at their end world are responsible and accountable for overall business performance and deployment of strategies in their respective circles and regions.

**BHARTI TELE-VENTURES LTD.**



**South Region Hub:**

To include states like Andhra Pradesh, Karnataka, Tamil Nadu and Karalla. To enhance business efficiency, the Tamil Nadu and Chennai operations have been integrated into one operational unit.

**West Region Hub:**

Would include the company's mobile operations in Mumbai, Maharashtra and Goa, Gujarat, Rajasthan, Madhra Pradesh and Chattisgarh.

**North Region Hub :**

To include Delhi, Punjab, Haryana, Jammu and Kashmir, UP-West and Uttaranchal, UP-East and Himachal Pradesh.

**East Region Hub :**

Would include Bihar, Jharkhand, Orissa, Kolkata, West Bengal, Andaman and Nicobar and North East. To enhance business efficiency West Bengal and Kolkata and Assam and North East operations have been integrated into two operational units.

**4. Phases of Growth:**

1985: Bharti Telecom Limited (BTL) incorporated and entered into a technical tie up with Siemens AG of Germany for manufacture of electronic push button telephones.

1987: Ludhiana Factory of BTL commenced production of electronic push button telephones with annual capacity of 200,000 sets. (Installed capacity of approximately 10,00,000 sets).

1989: BTL tied up with Takacom Corporation, Japan for manufacture of telephone answering machines.

1990: BTL tied up with Lucky Goldstar Corporation of South Korea for manufacture of cordless telephones.

1991: BTL entered into an OEM Contract with Premier Telecom, a wholly owned subsidiary of Sprint Corporation of USA (a Fortune 500 company) for manufacture and export of telephone sets. Second factory of BTL set up at Gurgaon near Delhi, primarily to manufacture telephone sets for export to Sprint Corporation, USA.

1992: Bharti Cellular Limited (BCL) formed to offer cellular services under the brand name AirTel.

1993: BTL is Awarded ISO 9002 Accreditation for Gurgaon Factory. BTL provided technical assistance for manufacture of Electronic Push Button Telephones in Uganda.

1994: BTL's Ludhiana factory also awarded ISO 9002 accreditation. BTL entered into a strategic alliance with Casio, Japan for assembly and marketing of Casio Radio Pagers in India. BTL entered into an OEM contract with CONAIR, USA for manufacture and export of telephone sets. BCL awarded a license to operate cellular services in Delhi.

1995: Formed Siemens Telecom Limited – a joint venture with Siemens Limited to market telephone terminals under SIEMENS and BEETEL brand names. Acquired Geo Telecommunications and Systems Ltd., an existing profit making company to manufacture Wireless Transmission Equipment. Formed Bharti Telenet Limited (BTNL), a consortium with Telecom Italia, Italy (then STET) to bid for basic and cellular services in terms of nationwide tenders.

Bharti Tele-Ventures Limited incorporated on July 7, 1995.

Bharti Cellular launched mobile services "AirTel" in Delhi.

1996: Bharti Telenet Launched Mobile Services in Himachal Pradesh.

1997: Bharti Telenet obtained a license for providing fixed line services in Madhya Pradesh circle.

Bharti Telecom formed a joint venture, Bharti BT, for providing VSAT services.

1998: Bharti Telecom formed a joint venture, Bharti BT Internet for providing Internet Services.

First Indian private fixed line services launched in Indore in the Madhya Pradesh Circle on June 4, 1998 by Bharti Telenet thereby ending fixed line services monopoly of DoT (Now BSNL).

1999: Warburg Pincus (through its investment company Brentwood Investment Holdings Limited) acquired equity interest in Bharti Tele-Ventures.

Bharti Tele-Ventures acquired an effective equity interest in Bharti Mobile (formerly JT Mobiles), the mobile services provider in Karnataka and Andhra Pradesh circles.

2000: New York Life Insurance Fund, or NYLIF, acquired an equity interest in Bharti Cellular.

Bharti Tele-Ventures acquired an effective equity interest in Bharti Mobinet (formerly Skycell Communications), the mobile services provider in Chennai.

Bharti Tele-Ventures acquired equity interest of Telecom Italia and Bharti Telecom in Bharti Telenet thereby making Bharti Telenet a 100% subsidiary of Bharti Tele-Ventures.

SingTel (Through its investment company Pastel Limited) acquired STET's equity interest in Bharti Tele-Ventures.

Bharti Tele-Ventures acquired an additional effective equity interest in Bharti Mobile resulting in Bharti Tele-Ventures holding an effective 74% equity interest in Bharti Mobile.

2001: Bharti Telesonic entered into a joint venture, Bharti Aquanet, with SingTel for establishing a submarine cable landing station at Chennai.

Bharti Tele-Ventures acquired NYLIF's equity interest in Bharti Cellular.

Bharti Cellular acquired a 100% equity interest in Bharti Mobitel (Formerly Spice Cell), the mobile services provider in Kolkata.

Bharti Tele-Ventures acquired equity interest in Bharti Cellular from British Telecom thereby making Bharti Cellular its 100% subsidiary.

Bharti Tele-Ventures acquired an additional equity interest in Bharti Mobinet from Millicom International and BellSouth International.

Punjab license restored to Bharti Mobile by the DoT and migration to NTP 1999 accepted.

Bharti cellular entered into license agreements to provide mobile services in eight new circles following the fourth operator mobile license bidding process.

Bharti Telenet entered into license agreements to provide fixed line services in the Haryana, Delhi, Tamil Nadu and Karnataka circles.

Bharti Telesonic has entered into a license agreement with DoT to provide National Long Distance Services in India and has been the first service provider to start the service in the country.

Bharti Aquanet, Bharti Telesonic and Bharti Cellular have entered into license agreements with the DoT to provide ISP services in India.

2002 : Bharti launched mobile services in Gujarat, Haryana, Kerala, Madhya Pradesh circle, Maharashtra, Mumbai, Punjab, Tamil Nadu, Uttar Pradesh (West) circle.

Bharti listed on the National stock exchange, Bombay Stock Exchange and the Delhi Stock Exchange on February 18, 2002.

Bharti entered into a license agreement with the DoT to provide international long distance services in India.

Bharti launched fixed line services in the Delhi, Haryana, Karnataka, and Tamil Nadu license areas.

Bharti became the first private telecommunications services provider to launch international long distance services.

## 5. **Corporate Social Responsibility:**

The company looks after the needs and interest of all its stakeholders, reaches out to the underprivileged, reaches out to communities in which it operates and protects the environment.

*Key Initiatives:* A large number of initiatives were undertaken in 2004-05. These activities were initiated and executed at all levels and in every part of the organisation, in conjunction with the Bharti Foundation. The company has many policies and process to ensure it meets customers' needs and responds to their questions and grievances. The customers with special needs have initiatives such as the "Confidence Plan" for the hearing impaired. This plan offers SMS services at a very nominal cost to allow this special segment of customers to enjoy the freedom of mobile communication.

The company ensures that its infrastructure causes minimal disturbance to the environment and to the community at large. For this purpose the company shares infrastructure with other telecom service providers.

The company conducts an annual Employee Satisfaction Survey from which inputs are taken for introduction or adaptation of policies and programs to ensure employees feel valued and cared for.

As a response to the need expressed by local communities, Airtel has set up local call centres in Srinagar, Andaman & Nicobar and Assam to give a boost to local employment.

*Social Initiatives:* The company behaves in the power of education. So most of the initiatives were in the area of education for children and young people. Through education; it tried to create programmes that bring about sustainable changes, use of technology and information and best practice sharing. In close partnership with Pratham, the

company has established nine Bharti Computer centres. The company has supported Akshay Patra in setting up a kitchen in Vrindvan by contributing towards the cost of building the kitchen. This kitchen provides nourishing and hygienically prepared meals to 30,000 underprivileged children everyday.

To give children from disadvantaged backgrounds an opportunity, Bharti in partnership with Pratham has set up 12 libraries in Patna, Bihar. Bharti School has been established at the Indian Institute of Technology (IIT), Delhi with a vision to be a center of excellence, to develop Telecom Leaders through excellence in education and research. There is also the Bharti Centre for Entrepreneurial Initiatives in partnership with Entrepreneurship Development Institute of India (EDI). A scholarship scheme was instituted to provide financial support on merit-cum-means basis to students pursuing higher education.

#### **6. Service Offered:**

**AirTel Prepaid:** AirTel pre-paid, the Ready Cellular Card comes to the customer from Bharti Enterprises, India's leading integrated telecom service provider. With a host of great features, also simple to use, AirTel Pre-paid makes everything simple.

**AirTel Post-paid:** More exciting, innovative yet simple new ways to communicate. To give the customer the unlimited freedom to reach out to people.

**AirTel Roaming:** AirTel's Roaming service allows customers to use mobile phone to make or receive calls from almost anywhere in India and abroad. AirTel Roaming has two great options:

- **AirTel National:** Roaming in India across 42 partner networks and over 750 cities.

- AirTel International: Roam across international destinations, in nearly 119 countries including USA, Canada, UK, etc., with 284 partner networks.

Long Distance: National Long Distance facility allows the customer to make long distance calls in India and Overseas from his cellular phone. This service is available to both Post-paid and Pre-paid customers.

#### **4.3.4 IDEA CELLULAR LTD.<sup>5</sup>**

1. Introduction
2. Vision & Mission
3. Organization Structure
4. Growth Phases
5. Corporate Social Responsibilities
6. Services Offered

##### **1. Introduction:**

Idea Cellular's antecedents date back to 1995, when the Aditya Birla Group and AT&T (through Birla AT&T Communications – Maharashtra and Gujarat circle) and the Tata Group (through Tata Cellular – Andhra Pradesh circle) set up cellular networks. Both the companies were among the first company to commercially start operations in circles other than metros and achieve financial closure in the Indian telecom industry.

In 2000, breaking merger of Tata Cellular with Birla AT&T Communications and the subsequent acquisition of RPG Cellular (Madhya Pradesh circle) in 2001, helped take the company even further and led to the formation of Birla Tata AT&T Limited. In 2001, the company won fourth cellular license for Delhi metro circle and in 2002 the company introduced its common brand "IDEA" and changed the name to IDEA Cellular Limited.

Since then, IDEA Cellular has made great progress. The company launched Delhi operations in 2002 and added a record 100,000 subscriber within one month of its launch.

In 2003, the company achieved the largest financial closure in Indian Telecom for all its circle. In 2004, the company entered into a definitive agreement to acquire Escotel Mobile Communications (existing

operator in Haryana, Kerala and UP (W)) and Escorts Telecommunications (cellular licensee holder for UP (E), Himachal Pradesh and Rajasthan). The company is poised well to strengthen its leadership position in the Indian Telecom landscape.

**Corporate Profile:**

It was just two years ago in 2002 when three big entities, each one with a distinct knack for business, having a reputation of being one of the most admired corporate in their domains-Tata, Birla and AT&T joined hands and an IDEA was born. Even before IDEA celebrated its 2<sup>nd</sup> birthday, it made its presence in the annals of Indian telecom by concluding the largest ever acquisition in the Indian wireless industry when it acquired Escotel.

With the Escotel acquisition, they covered around 60% of India's population and over 65% of the potential telecom market. They have leapfrogged to become a national player with a presence in 11 circles across the country. It is also the only company with one of its circles having crossed the one million subscriber marks barring the metro markets.

*About Idea Cellular:*

IDEA Cellular Ltd. is headquartered in Pune. As India's leading GSM Mobile Services operator, IDEA Cellular has licenses to operate in 11 circles. With a customer base of over 5 million, IDEA Cellular has operations in New Delhi, Maharashtra, Goa, Gujarat, Andhra Pradesh, Madhya Pradesh, Chattisgarh, Uttarnachal, Haryana, UP – West and Kerala. Idea Cellular's footprint currently covers approximately 45% of India's population and over 50% of the potential telecom market.

Customer Service and Innovation are the drivers of this brand. With GPRS currently available on all its networks, for both pre and post paid customers, IDEA Cellular is the first company to demonstrate and

commercially launch next generation technology (3G technology) for its Delhi circle.

As a leader in value added services, innovation is part of IDEA. It is the first cellular company to launch music messaging with "Cellular Jockey", "Global SMS" in over 540 networks across all technology platforms and a voice portal. A frontrunner in introducing revolutionary tariff plans, offering maximum savings to its customers, IDEA Cellular has the distinction of offering the most customer friendly and competitive Pre Paid Offerings, for the first time in India, with "Eco Talk", "Flexi-charge" and other segmented offerings. The most recent offering "Lifetime Idea" is a loyalty program for pre paid customers, introduced by a cellular brand.

It has many milestones to its credit, mainly – scoring the highest percentage in Metros and Circle B & C in Customer Satisfaction and the highest percentage in Value Added Service and Overall Sales satisfaction as per the Voice and Data – Customer Satisfaction Survey in December 04. The largest M&A deal in India through its acquisition of Escotel in 2004 and its Rs. 5000 crore financial closure, both being the largest ever in the history of Indian telecom.

*Customer Focus:*

Ahead of the numbers, market shares, revenues, profits, technologies, marketing, advertising, footprint, investment, growth and whatever it takes to run a successful telecom business, remains a single idea – of providing an ultimate customer service that creates a happy, satisfied and loyal base of customers. Therefore, customer service is an utmost priority for everyone at IDEA and becomes the single most important driving force gushing through the arteries, veins and the nervous system of the company. Be it the people or the technology at the call centre or any other entity within the system, it is solely geared to ensure the highest level of customer satisfaction.

It covers over 3,660 small and major towns and villages along with a total highway connectivity of over 6,000 kilometres. Today, there are over 380 IDEA n U outlets and Idea ships and a well entrenched network of over 44,000 retailers and dealers across the country. Each circle with its own dedicated call centre with a single call resolution approach towards the customer is a unique effort provided by any operator.

Idea offers roaming across 200 networks in India and across the world, two way pre paid roaming is also available to customers while roaming in India, Customers can stay connected internationally by receiving calls and sending and receiving SMS.

*Footprint in India:*

IDEA controls a portfolio of India's most attractive and mainly contiguous properties including the 7 states of Maharashtra (excluding Mumbai), Goa, Gujarat, Andhra Pradesh, Madhya Pradesh, Chattisgarh, UP (W), Haryana, Kerala and Delhi (inclusive of NCR). Having operations in four of the five largest cellular circles in India, IDEA is the market leader in the Maharashtra and Goa, Kerala, UP (W) and Madhya Pradesh and Chattisgarh circles in terms of number of subscribers.

With the Escotel acquisition IDEA has a footprint Kerala, Haryana, Utter Pradesh, Rajasthan, Uttaranchal and Himachal Pradesh, virtually covering India from North to South, through 11 circles of telecom operations.

IDEA's Delhi circle is also the fastest growing fourth operator in the country, which is an achievement in itself and also showcases customer confidence of a high degree.

### *Value Added Services:*

With a clear focus on providing unique, distinct innovative and tremendously valuable services to the subscribers, IDEA embarked upon an initiative to setup a VAS (value added services) factory within the company, which conceptualises and provides tailor – made value added services. Since April 1, 2003, the VAS factory has produced over 47 value added services. For IDEA, most of them proved to be the revenue drivers for the current year and were able to enhance customer loyalty to far reaching heights.

IDEA was the first and only company to bring the concept of Cellular Jockey to all its subscribers. IDEA also launched Global SMS for the first time in the country, which allows the users to send and receive SMS from over 540 networks and 170 countries across the technology platforms like GSM, CDMA, TDMA and Satellite Phones. Recently, they introduced Mobile Top-up (a flexible anytime anywhere recharge service for prepaid customers) and features that allow the users to access value added services by speaking into their mobiles.

### *Technological Superiority:*

The challenge of the wireless revolution demands a technology IDEA to match. IDEA Cellular has been, and will remain, uncompromisingly voted to its commitment, to deploy only the best equipment in the world.

Delhi is an EDGE network where IDEA has demonstrated EDGE and now made it commercially available. It is the first and only operator in the country to demonstrate and commercially launch it. The company has already started deploying EDGE ready networks, which would provide a platform for offering innovative and the latest services to keep the customer experience one step ahead of the competition. Not the least important element of the technology is the enduring partnerships it enjoys with the GSM champions, Ericsson and Nokia, transmission

equipment makers, Alcatel and billing systems providers, Schlumberger Seam.

*Skilled manpower:*

It is people who make the organization. With a clear focus on professionalism, highly skilled and trained manpower of superior quality, IDEA today boasts of a strength of around 1700 employees. Most of them have come from reputed management and technical institutions from around the country.

Management graduates, engineers, teams of support are vivacious, youthful, energetic, and bring a positive attitude to work. With the average age of an employee being only 31, IDEA becomes one of the most youthful organizations in the country today.

**2. Vision and Mission:**

Core Beliefs :

The company continuously harnesses the power of the wireless revolution to provide world class products and services. It aims at responding to customer needs proactively by anticipating requirements and providing ready solutions.

Idea Cellular draws inspiration from the loyalty of its subscribers to keep raising the bar, to shape the future, and to change and enrich the life of every member of its ever growing family of subscribers.

*Idea Cellular's Mission:*

Innovate, Stimulate, Liberate... Through continuous innovation, Idea Cellular seeks to liberate customers from the shackles of time and space.

#### Outlets in India:

Idea n' U are authorized showrooms, located at strategic locations around the city to serve customers in the same uncompromising and world class ways. With thoroughly trained staff, state-of-the-art management systems facilitate top class quality service, whether it is booking a new connection or giving a request for change of rate plan.

"Attracting and nurturing talent has become the single most dominant force in business". IDEA deals with innovation, which comes from intelligence, talent, skills, involvement, hard work and continuous learning.

With the backing of the Aditya Birla group, Tata group and the world's largest telecom giant AT&T Wireless, USA believe in constantly evolving in a rapidly changing environment. People are focused and performance oriented working teams. They providing exciting career opportunities, challenges and cheerful work environment. Core strength lies in providing individual growth aligned with the corporate growth. The company has fun based work, flexi timing, flat organization structure and cohesive work groups.

At Idea employees have job satisfaction, an opportunity to handle important responsibilities with high level of knowledge and skills enhancement.

#### Partners:

Idea welcomes all businesses and individuals interested in partnering with them to enhance and strengthen the IDEA products and services portfolio.

#### Some Technology and Content Partners:

- Nokia
- Ericsson
- Schlumberger Sema

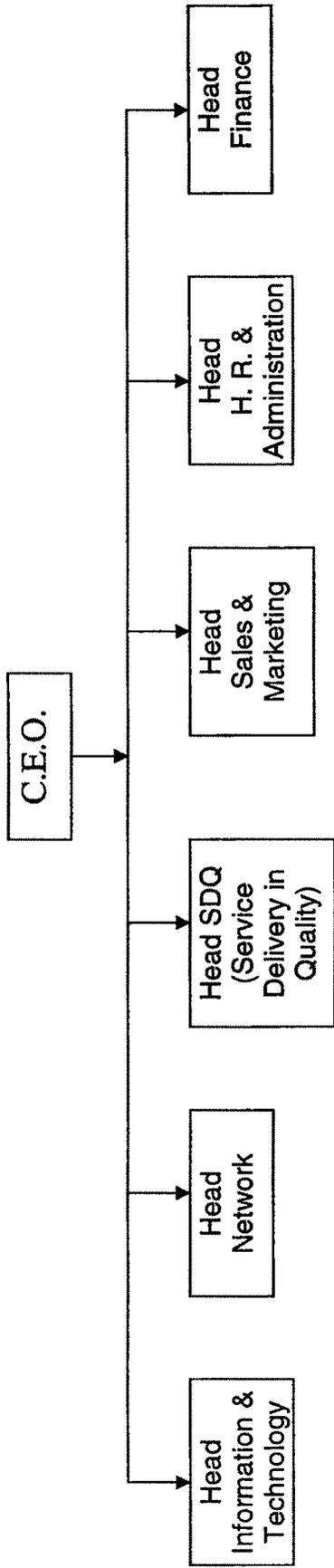
- NDTV
- Indiatimes
- Rediff
- C2W

### **3. Organisation Structure:**

#### **Corporate Structure:**

The Chief Executive Officer is the top most authority of the corporate structure. He monitors the authority down the line. Heads are appointed in different functional areas like information and technology. This takes care of smooth flow of information all over the organization, software of computers etc. Head – Network looks after inter connectivity between the computers installed in line different parts of the country. Head – Service Delivery in Quality ensures that best services are provided to customers. The Head – Sales and Marketing monitors various promotional schemes and strategies for increase in sales. Head – Human Resource and Administration ensures that there is a supply of qualified employees to various departments, after careful screening, recruitment and selection and to maintain a continuous source of labour for the organization. The Head – Finance is responsible for acquiring various sources of finance and proper utilization of it.

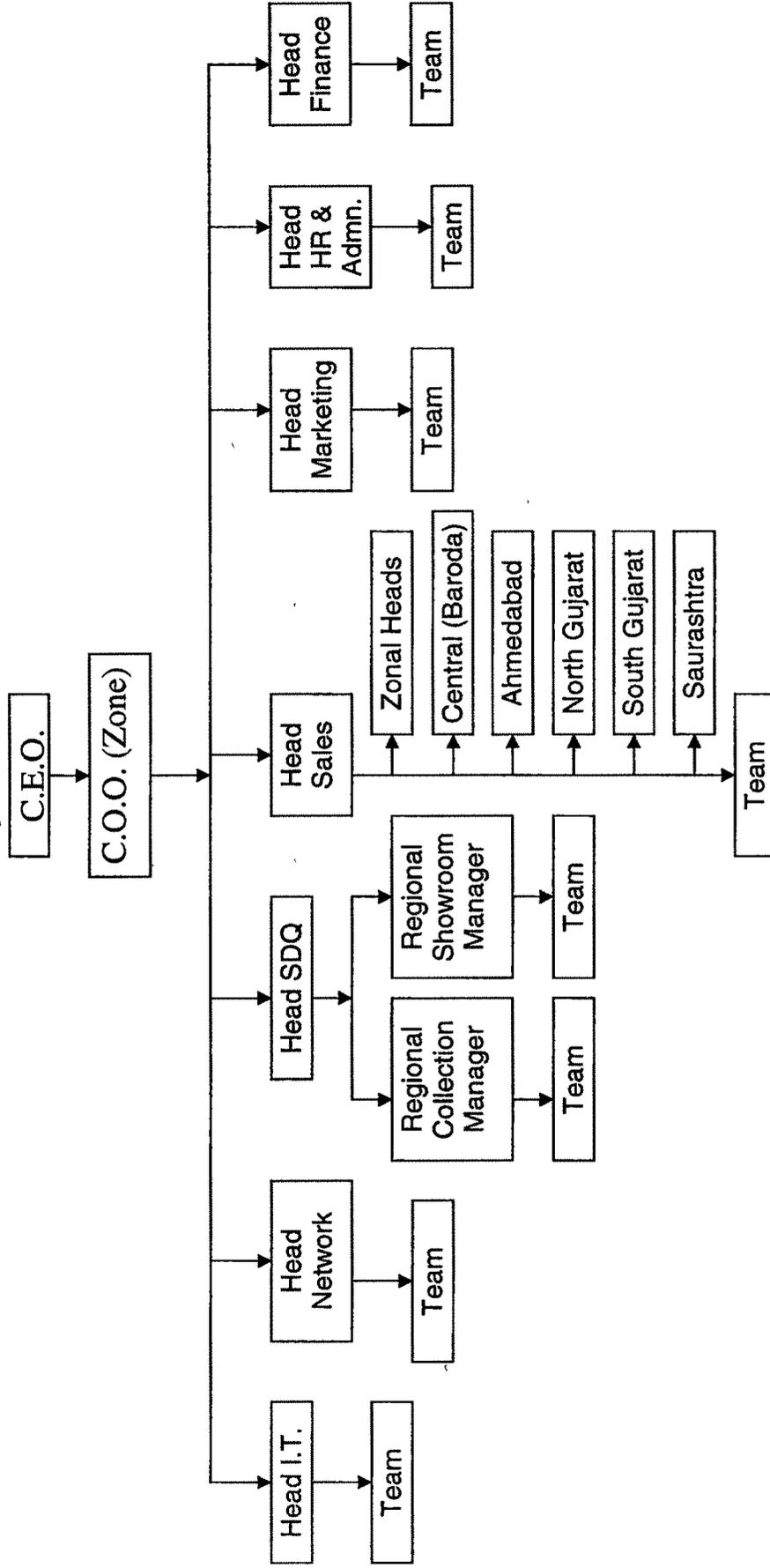
# Idea Cellular Corporate Structure



### Circle Structure:

In each circle structure the apex authority is the CEO (Chief Executive Officer). Below him is the Chief Operational Officer of each zone. This is an example of the Gujarat zone. The Chief Operational Officer delegates the authority and responsibility to various functional Heads of each Zone, namely Information and Technology, Network, Service Delivery in Quality, Sales, Marketing, Human Resource & Administration and Finance. These heads are answerable to the Chief Operational Officer and Corporate Head of their respective functional areas. The Information and Technology Head delegates the responsibility and authority to the team working under him. Head – Network delegates to his team. Head – Service Delivery and Quality to Regional Collection Manager and Regional Showroom Manager who delegates the authority and responsibility to the respective team. The Heads – Sales have divided their work into different zones and Baroda is the central head of the Gujarat Circle. Other zonal areas are Ahmedabad, North Gujarat, South Gujarat and Saurashtra. These zones are made on basis of subscriber base. These zonal heads have whole teams working under them. The Head – Marketing delegates authority to his team. The Head – Human Resource and Administration has his team down the line of authority. Last the Head – Finance has his team for the smooth functioning of that department.

# Circle Structure



#### **4. Growth Phases:**

IDEA has license in eight circles with frequency and other advantages and is expanding the number of subscribers by adopting a mass market strategy. They firmly believes that cellular services will continue to grow in popularity among the masses hence the focus would be on expanding the base of pre paid customers and attracting and retaining the quality post paid subscribers.

Since its inception IDEA cellular's has been a fabulous growth story. Idea is the fastest growing GSM operator in its area of operations. The growth rate in the last 6 months has been 85% in its area of operations as against 84% of all operators in the same area of operations. The company is now cash positive, and is expected be profit positive in the financial year 04-05.

##### *Finance:*

IDEA has invested as much as Rs. 52,000 million in its existing 5 circles. Idea Cellular has been blessed with the support of its bankers and a clean capital structure where the sponsors have directly contributed equity of around Rs. 23,000 million. Its recent financial closure with a project cost of Rs. 5,000 crores was the largest ever in the history of Indian telecom.

##### *Awards and Recognitions:*

Due to its innovation, excellent customer service and superior quality of service, IDEA has been endorsed by various industry authorities by several awards and recognitions. Some of them are:

- Golden Peacock Innovative Product / Service award in the communication sector from the Government of India for implementation of the M-Coupon product in the Delhi circle in 2003.

- The Madhya Pradesh circle was rated number one operator twice in two consecutive surveys of Quality of Service (QoS) conducted by TRAI in August, 2002 and March, 2003.
- Chosen for the “India Award for Marketing Excellence” for being the highest recalled brand in the year 2003.
- Ranked second in overall user satisfaction by the Voice and Data – IDC Mobile User’s Satisfaction Survey, October 2003, which was based on parameters like network availability and performance, customer care, value added services, pre-sales and sales effort, and billing.

## **5. Corporate Social Responsibility:**

Since the economic liberalization in 1991, private participation in education has increased manifold. With 340 universities including the deemed ones, 12000 colleges, 3.5 lakhs teachers and 9 million students, the canvas of higher education in India is one of the widest in the world. However, there are several unresolved issues in the wake of “haphazard” increase in private participation in higher education. While it appears that the State has gradually withdrawn from this sector, corporate India’s lack of vision has not helped the cause.

There is the basic issue of the “questionable” quality of higher education that is supported by the corporate sector. The government too has remained closed to innovations, divorced from the demands of the industry. With the Indian economy opening up and globalization making its presence felt, there is a need to redraw certain regulations. The need of the hour – the government must reorient its priorities and regulations; private sector entrants should evaluate their motivation.

This can happen only when there is concerted dialogue between the government, and the stakeholders from the industry. Higher education in India is at the crossroads, which makes it imperative to take a fresh look at the landscape.

## **6. Services Offered:**

“A Concept, a thought, a notion”. Idea has the potential to bring about a powerful change. It is about simple thoughts that have the power to enhance peoples’ lives. Idea is about services unheard of; be it their sweeping coverage or distinct voice clarity. Customized tariff plans or value added “Idea Power” services.

*Pre-paid card: How to start -*

- a) Gently scratch the silver strip to reveal the 13 digit code number.
- b) To recharge, just dial \*223 \* <voucher code> # and press OK. Your Idea chitchat will be recharged instantly.
- c) Or alternatively call ‘2222’ or ‘2233’ from your pre-paid cellular phone for remote recharge. Follow the instructions played by the system and enter the code number from this card when requested. Your account will be recharged and your balance will be played back.
- d) For further assistance call ‘4444’ from your cellular phone.

*Making a Call:*

It is very easy to make a call to either a landline a WLL phone. First dial the City code followed by the phone number. In the same way, to make an international call, dial the ISD code followed by the number you want to call.

*Receiving Calls:*

To receive calls on Idea chitchat, either from a landline or from another cell phone, the caller must dial the entire 10 digit number.

***Validity:***

Idea chitchat will be valid as long as the customer wants, provided it is recharged before the stipulated date or as soon as the prepaid account value is used, whichever is first. In case the customer could not recharge before the stipulated date, he will still have a grace period during which they can recharge their account.

***Balance Carry Forward:***

If the customer recharges Idea chitchat within the first 15 days of the grace period, they can carry forward the entire unused talk value, which will be added back to the new balance.

***Account Balance Query:***

To know the balance, just dial \*212# and press OK. The balance will be displayed on your mobile screen. Or you could also dial 2121 or 2222 (toll free) and follow the simple instructions to check the balance in your account.

***Idea SMS:***

P2P SMS: Idea enables the sending of messages to near ones across India and even while roaming.

Global SMS: Can be in touch with friends and relatives staying abroad by sending SMS in 160 countries and 519 CDMA, TDMA and Satellite networks across the globe.

***Idea Power:***

Idea Power offers breaking news, stocks, easy access to email, mobile coupons, SMS in your mother tongue, chat rooms, movie information and lots more.

***Online Services:***

Music Messaging: Dial 2345 and listen to songs of your choice. The customer can also attach a personalized message and send it to near and dear ones.

**Cricket Online:** To know the latest scores on cricket, dial 4646 and get ball by ball update.

**Stocks Online:** To know the latest movement of scripts in stock market, dial 7777 to get the pulse of the market.

*Idea Voice Mail:*

Activate voicemail in English / Hindi / Gujarat and ensure it is always connected, whether the phone is out of coverage area, busy or switched off.

*Dial-n-Buy:*

Just dial 4000 and get things you desire – from flowers to pizzas, forex to travel tickets or courier services. Also get special offers and discounts on purchases.

*Idea Roaming:*

With Idea Roaming, a customer can be in touch with anyone, anywhere, anytime. Also the cellular number remains the same, wherever they go.

**NATIONAL ROAM:** If customer travels around the country frequently, then Idea National Roam service is the perfect solution to suit his requirement. Get pre-activated two way roaming, that means now the customer can make and receive calls from anywhere in the country.

**WORLD ROAM:** With Idea World Roam customer can be close to his home even when he leaves the country. Its extensive network allows customer to use all the services on the same mobile number while he goes globe trotting. The airtime rates are specific to specific networks visited, as levied by the respective operator.

***Idea Coverage:***

Idea gives you coverage in Gujarat like no other mobile service can. Covering 24 out of 25 districts and all the three Union Territories. Additionally, it also covers the major national and state highways.

***Idea Call Collect:***

Idea Call Collect is a feature wherein for the international calls that the customer makes, the ISD call charges are paid by the receiving party. But here, the receiving party will be charged for an international call as per the telecom charges of his country, whereas the sender will only be charged local charges. Idea chitchat offers Call Collect facility to make calls to 30 destinations around the world.

***3 Times Faster with EDGE:***

Idea revolutionizes mobile telephony in India with EDGE technology. Video streaming, browsing and downloads on the cell phone can be done at much higher speeds than imagined. Customer need to activate GPRS and MMS for these facilities.

#### 4.4 References:

- 1) [www.bharti.com](http://www.bharti.com)
- 2) [www.bsnl.co.in](http://www.bsnl.co.in)
- 3) [www.coai.com](http://www.coai.com)
- 4) [www.hutch.co.in](http://www.hutch.co.in)
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