

HOW COSTS STACK UP

Cost comparison between Indian, Western phone firms.

Cost structure**	Indian operator	Western operator
SG&A**	15%	20%
Interconnect charges	12%	15-20%
Licence fee	10%	5-9%
Personnel	7-8%	10-15%
Network	11-12%	15-17%
Others	5-7%	5-7%
Operating profits	36-40%	12-30%

*As a percentage of sales

**Selling, general and administrative expense

Source: Analysts