

Bharti, Idea hike call rates, others may follow

Takes steps to account for rising costs, shares up by more than 3%

Shivani Shinde & Reuters / Mumbai January 23, 2013, 11:07 IST

India's top mobile phone carrier like Bharti Airtel and Idea have raised voice call prices by almost 100%. It is expected that players like Vodafone, Reliance Communication may also follow suit.

Bharti Airtel has doubled its call rates from Re 1 per minute to Rs 2 minute per minute, whereas Idea has hiked from 1.2 paise per second to 2 paise per second, said reports. Media reports also suggested that Bharti Airtel is also reducing free minutes from 10-25%.

Bharti said that the revision in tariff was in line with rising costs. "We have been reiterating that increase in prices is inevitable, which is reflected from the fact that despite rising costs, tariffs have been falling over the past 12 quarters. This continuous decline in margins and increasing costs have had an adverse impact of the long-term financial health of the industry. This revision in prices is in line with these increasing costs. We are committed to enhance value for our customers through continued investments in network, technology, customer experience and life enriching services," said an Airtel spokesperson.

Sources in the company said that while this hike will be extended to all of India's 22 telecommunication zones, it will be done in a phased manner.

The call price increase will be extended to all of India's 22 telecommunication zones in a phased manner, the source said, declining to be named.

The stock price of both Airtel and Idea were trending up. Idea Cellular's stock was up by almost 3.5% and Bharti Airtel's stock was up 4%.

Meanwhile, telcos have also been increasing the price for data usage. Bharti Airtel and Vodafone, earlier this month hiked tariffs for 2G data services. Airtel revised its 1GB 2G data plan from Rs 100 to Rs 125. Vodafone too has made changes to its data plans.