

## Progress of telecommunication industry in India

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### Abstract

The Telecommunications industry today is a key enabler of productivity across economies and societies. The Telecom industry is not only a significant contributor towards the economic activities of countries, but also towards the growth of other industries. In recent times, developing nations have witnessed significant transformation within this sector due to the impact it has had on their economies.

**Keywords:** Telecommunication growth, major operators

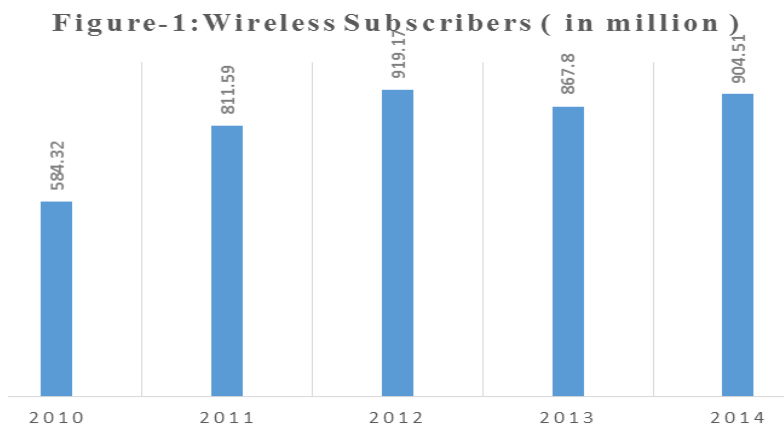
### 1. Introduction

India is one of the leading telecom markets across the world, which still has a huge potential for further growth. The Telecom Sector witnessed substantial growth in India in the number of subscribers during the year 2013-14, the subscriber base was 933.00 million, out of which 904.51 million were wireless subscribers. During the year, wireless subscriber base recorded an increase of 36.71 million, while the overall teledensity increased from 73.32 to 75.23. The year also saw increase in rural teledensity from 41.02 to 43.96 while the urban teledensity decreased to 145.78 from 146.96. As per the data reported by the service providers, by the end of March,

2014 about 117.01 million mobile subscribers have submitted their requests to different service providers for porting their mobile number. The Internet subscriber base in the country as on 31st March 2014 stood at 251.59 million as compared to 164.81 million as on 31st March 2013 <sup>[1]</sup>.

### 2. Wireless

The wireless subscriber base was 904.51million as on 31st March 2014 in comparison to the subscriber base 867.80 million as on 31st March 2013 registering a growth of 4.23% during the financial year 2013-14 <sup>[2]</sup>. The status of wireless subscriber base during the last 5 years is depicted in Figure-1

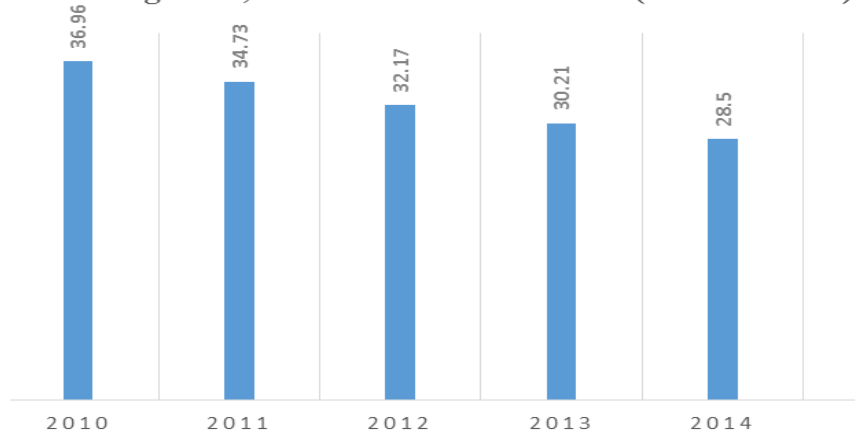


### 3. Wireline

The wireline subscriber base as on 31st March, 2014 was 28.50 million as compared to 30.21 million subscribers on 31st March, 2013, registering a decrease of 1.71 million subscribers during the year 2013-14. Out of the 28.50 million

wire line subscribers, 22.54 million are urban wireline subscribers and the remaining 5.96 million are rural wireline subscribers <sup>[3]</sup>. The status of the wire line subscribers during the last five years is depicted in Figure-2.

**Figur-2; Wireline Subscribers( in million )**

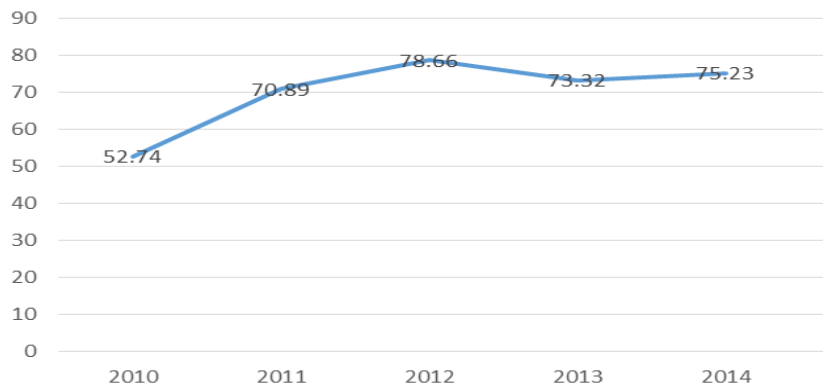


**4. Teledensity**

The tele-density at the end of March, 2014 reached the mark of 75.23 as compared to 73.32 at the end of previous year

recording an increase of 1.91 <sup>[4]</sup>. The trend of teledensity since March 2010 is depicted in Figure-3.

**Figure-3:Growth of Teledensity**



**5. Major Players in Telecommunication Industry in India**

**a) Aircel**

Aircel group is an Indian mobile network operator headquartered in Chennai, which provides wireless voice, messaging and data services in India. It is a joint venture between Maxis Communications Berhad of Malaysia and Sindya Securities & Investments Private Limited, whose current shareholders are the Reddy family of Apollo Hospitals Group of India, with Maxis Communications holding a majority stake of 74%. Aircel commenced operations in 1999 and today the leading mobile operator in Tamil Nadu, Assam and North- East. It is the fifth largest mobile service provider in India with a subscriber base of 83.05 million subscribers as of June 2015 among the GSM operators in the country <sup>[5]</sup>. Additionally, Aircel has also obtained permission from Department of Telecommunications (DoT) to provide International Long Distance (ILD) and National Long Distance (NLD) telephony services. It also has the largest service in Tamil Nadu.

**b) Bharti Airtel**

Bharti Airtel Limited, commonly known as Airtel, is an Indian Telecommunications company that operates in 20 countries across South Asia, Africa and the Channel Islands. It operates a GSM network in all countries, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the

world's third-largest mobile telecommunications company with over 261 million subscribers across 20 countries as of August 2012. It is the largest cellular service provider in India, with 200 million subscribers as of August 2012. Airtel is the third largest in-country mobile operator by subscriber base, behind China Mobile and China Unicom. Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services <sup>[6]</sup>. It offers its telecom services under the Airtel brand, and is headed by Sunil Bharti Mittal. Bharti Airtel is the first Indian telecom service provider to achieve Cisco Gold Certification. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. It is known for being the first mobile phone company in the world to outsource all of its business operations except marketing, sales and finance. Its network—base stations, microwave links, etc.—is maintained by Ericsson, Nokia Siemens Network and Huawei, business support is provided by IBM and transmission towers are maintained by another company (Bharti Infratel Ltd. in India). On May 2012, Bharti Airtel awarded the three year contract to Alcatel- Lucent for setting up an Internet Protocol across the country. This would help

consumer's access internet at faster speed and high quality internet browsing on mobile handsets.

**c) BSNL**

Bharat Sanchar Nigam Limited (abbreviated BSNL) is an Indian state-owned telecommunications company headquartered in New Delhi, India. It is the largest provider of fixed telephony and fourth largest mobile telephony provider in India, and is also a provider of broadband services. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in Indian telecommunications sector. BSNL is India's oldest communication service provider and had a customer base of 93.29 million as of June 2015 [7]. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam (MTNL).

**d) Idea Cellular**

Idea is India's third largest mobile operator by subscriber base. Idea has 182 million subscribers as of 31 December 2015. During its inception in 1995, Aditya Birla Group, Tata Group and AT&T Wireless each held one-third equity in the company. Following AT&T Wireless' merger with Cingular Wireless in 2004, Cingular decided to sell its 32.9% stake in Idea [8]. This stake was bought by the remaining two stakeholders equally. Tata forayed into the cellular market with its own subsidiary, Tata Indicom, a CDMA-based mobile provider and in April 2006, Aditya Birla Group announced the acquisition of the 48.18% stake held by Tata Group at INR 40.51 a share amounting to INR 44.06 billion with 15% of the stake acquired by Aditya Birla Nuvo and the remaining by Birla TMT holdings Private Ltd. both AV Birla family owned companies. Malaysia based Axiata bought a 19.96% stake in the company in 2009.

**e) Reliance Communications**

Reliance Communications Ltd. (commonly called RCOM) is an Indian broadband and telecommunications company headquartered in Navi Mumbai, India. RCOM is the world's 15th largest mobile phone operator with over 150 million subscribers and India's 2nd largest telecom operator in India, only after Bharti Airtel. Established on 2004, a subsidiary of the Reliance Group. The company has five segments: Wireless segment includes wireless operations of the company broadband segment includes broadband operations of the company; Global segment include national long distance and international long distance operations of the company and the wholesale operations of its subsidiaries; Investment segment includes investment activities of the Group companies, and Other segment consists of the customer care activities and direct-to-home (DTH) activities [9].

**f) Tata Docomo**

Tata Docomo is an Indian cellular service provider on the GSM CDMA and platform-arising out of the strategic joint venture between Tata Teleservices and NTT Docomo in November 2008. DOCOMO stands for Do Communications over Mobile Network. It is the country's seventh largest network in terms of subscribers (including both GSM and CDMA). Fast growing network. On 2015 spectrum auction

Tata Docomo won 10 MHz frequency bandwidth in Tamil Nadu circle [10].

**g) Vodafone**

Vodafone India is a 100 per cent subsidiary of Vodafone Group. It commenced operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. Brand Vodafone was launched in India in September 2007, after Vodafone Plc. acquired a majority stake in Hutchinson Essar in May 2007. From a single operation base with 31 million customers, the company has expanded its operations across the country to cover all 22 telecom circles and service 180 million customers.

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