

The composition of Service providers in India

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INTRODUCTION

Telecom, at present, is one of the fastest-growing industries in India. As of January 2014, according to the Telecom Regulatory Authority of India (TRAI) there are 922 million wireless and over the wire subscribers in India,¹ and 56.90 million broadband subscribers including wired, wireless and wimax subscribers.² India's overall wireless teledensity was quoted as having 893.31million subscribers, with a 0.79% (7.02 million) monthly addition. Of these, 59.25% are urban subscribers and 40.75% are rural subscribers.³ The conversations engaged by the users on digital platforms range from casual conversations to confidential professional or personal communications. Service providers have often been described as the 'gate keepers' to the content on their networks and the subscriber information of their users. As such, service providers play a critical role in state surveillance and actions that service providers take to comply with the law as well as a company's internal policies impact the privacy of their users. Given the importance of service providers in the context of state surveillance, CIS has researched and provided an overview of the major service providers in India including information about the composition of the company and its overseeing board.

REVIEW OF MAJOR TELECOM AND INTERNET SERVICE PROVIDERS IN INDIA

There are a number of telecom and internet service providers in India including state owned telecom service providers, **multi-national** telecom service providers, national and Indian **multi-national** telecom service providers.

A. State owned telecom service providers

i. Bharat Sanchar Nigam Limited (BSNL):

BSNL, India's largest cellular service operator was set up in the year 2000. It is a state owned telecom company which is the largest provider of fixed telephony and largest broadband services provider.⁴ As of January 2014, BSNL had a customer base of 117 million.⁵ It has a number of former government officials on its board of directors such as Chairman & Managing Director, Director and Director (Enterprise and HRD) of BSNL are former Indian Telecom Service (ITS) officers who have worked in various capacities in different units of government departments. Apart from this the Government Director of BSNL is a former Indian Administrative Service officer who has worked extensively at policy making and strategic levels in the fields of Education, Health, Women's Development and rural Development and has been the

Joint Secretary in the Ministry of Health and Family Welfare and Additional Secretary in the Department of Electronics and Information Technology (DeitY). Other directors of BSNL have also been former civil servants with senior level experience at Central Government in the Department of Telecommunication and Ministry of Defence, Ministry of External Affairs, and the Ministry of Industries.⁶

ii. **Mahanagar Telephone Nigam Limited (MTNL):**

MTNL was set up in the year 1986 in the major metro cities of India, Mumbai and Delhi, to run telecom operations. It provides a gamut of services including fixed telephone service, GSM & CDMA based Mobile service, Internet, Broadband, ISDN and Leased Line services. It was the first company to launch ADSL2+ & VDSL2 in broadband, IPTV on MPEG4 technology, VOIP and 3G Mobile service services in India.⁷

b. multi-national telecom service providers having subsidiary in India

i. **Vodafone India Limited**

Vodafone India Limited is the subsidiary of a British multinational telecommunications company, Vodafone Group. It provides both mobile telephony and wireless broadband services.⁸ Vodafone covers all 22 telecom circles in India and having a subscriber base of 180 million which makes it the second largest mobile network operator in India.⁹

ii. **Uninor**

Telewings Communications (popularly known as 'Uninor') is the subsidiary of a Norwegian multinational telecommunications company, Telenor group.¹⁰ It was established in the year 2009 and provides both mobile telephony and wireless internet services to more than 3 crore customers in eight states.¹¹

iii. **MTS India**

Sistema Shyam TeleServices Limited (SSTL), was commonly known as Mobile TeleSystems (MTS), and was the subsidiary of Russian conglomerate Sistema.¹² It provided wireless voice, broadband Internet, messaging and data services in India. MTS India had a customer base of over 16 million as on 2012.¹³ The director of MTS India had worked in the capacity of a government officer before joining MTS India. He has acted as the Chief General Manager at State Bank of India, Chairman & Managing Director at United Bank of India and is currently one of the Arbitrators of

Bharat Heavy Electricals (BHEL),¹⁴ a public sector power plant equipment manufacturer.¹⁵

iv. **Aircel**

Aircel has been providing voice & data services ranging from postpaid and prepaid plans, 2G and 3G services, Broadband Wireless Access (BWA), Long Term Evolution (LTE) to Value-Added-Services (VAS) in India since 1999. It was acquired by Maxis Communication, a Malaysian communications service provider, through a joint venture with Sindya Securities & Investments Pvt. Ltd. Aircel is India's fifth largest and fastest growing GSM mobile service provider with a subscriber base of 65.1 million.¹⁶ The Non-Independent Non-Executive Director of Maxis has been a senior advisor at the Saudi communications authority, Communication & Information Technology Commission (CITC), and in that capacity, he provided consultancy services to various government agencies.¹⁷

c. **National**

i. **Reliance Communications Ltd.**

Reliance Communications Ltd. is India's second largest telecom operator which was established in 2004. It has a customer base of above 118 million including over 2.6 million individual overseas retail customers.¹⁸ It provides both mobile and internet services to its subscribers.¹⁹ The Independent director of Reliance Communications has been the Managing Director and Chairman of Life Insurance Corporation of India, a public sector investment company and has also served as a member of the Securities Appellate Tribunal²⁰ and the Non-Executive non-independent Director of Reliance was a former Indian Revenue officer.²¹

i. **Idea Cellular**

Idea Cellular, commonly referred to as Idea, is an Aditya Birla Group Company, which offers 2G and 3G services, and has its own National Long Distance and International Long Distance operations, and ISP license. It had a subscriber base of over 121 million in the year 2013. It ranks among the Top 10 country operators in the world with a traffic of over 1.5 billion minutes a day and is India's 3rd largest mobile operator. The Chief Technology Officer at Idea has previously served in the Indian Army in the Corps of Signals, which handles Indian army's military communications, for 30 years.²²

d. **Indian Multi National**

i. Bharti Airtel Limited

Bharti Airtel Limited is an Indian multinational telecommunications services company which operates in 20 countries. It is the largest cellular service provider in India, with 192.22 million subscribers as of August 2013²³ and is the largest mobile operator in South Asia and the fourth largest in the world by subscriber base. It provides 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers to the Indian subscribers.²⁴ Airtel also has a fairly large number of former government officers on its board of directors. The founder of Airtel, Sunil Bharti Mittal serves on Prime Minister of India's Council on Trade & Industry.²⁵ Apart from this, the independent non-executive director of Airtel is a former Indian Administrative Service (IAS) officer who has served as Secretary of Department of Financial Services, Ministry of Corporate Affairs, Department of Commerce and Ministry of Commerce.²⁶ One of the directors of Airtel has worked at the World Bank²⁷ and another has been former Presidential Advisor, former Minister of Education and Minister of Mines & Minerals for the Federal Republic of Nigeria and the Vice President for Africa Region at the World Bank.²⁸

¹<http://www.trai.gov.in/WriteReadData/WhatsNew/Documents/Press%20Release%20on%20'Telecom%20Subscription%20Data%20as%20on%2031st%20January,%202014'.pdf>

²<http://www.trai.gov.in/WriteReadData/WhatsNew/Documents/Press%20Release%20on%20'Telecom%20Subscription%20Data%20as%20on%2031st%20January,%202014'.pdf>

³<http://www.trai.gov.in/WriteReadData/WhatsNew/Documents/Press%20Release%20on%20'Telecom%20Subscription%20Data%20as%20on%2031st%20January,%202014'.pdf>

⁴ http://en.wikipedia.org/wiki/Bharat_Sanchar_Nigam_Limited

⁵ Ibid

⁶ http://bsnl.in/opencms/bsnl/BSNL/about_us/company/board_of_directors.html

⁷ <http://mtnl.in/aboutus.htm>

⁸ <https://www.vodafone.in/about-us/company-history>

⁹ http://en.wikipedia.org/wiki/Vodafone_India

¹⁰ <https://www.uninor.in/about-us/Pages/who-we-are.aspx>

¹¹ <http://en.wikipedia.org/wiki/Uninor>

¹² <http://www.mtsindia.in/>

¹³ http://en.wikipedia.org/wiki/MTS_India

¹⁴ <https://www.mtsindia.in/corporate/Madhukar.html>

¹⁵ <http://www.bhel.com/about.php>

¹⁶ http://www.aircel.com/AircelWar/appmanager/aircel/karnataka?_nfpb=true&_pageLabel=aboutus_book

¹⁷ <http://in.reuters.com/finance/stocks/companyOfficers?symbol=MXSC.KL>

¹⁸ http://www.rcom.co.in/Rcom/aboutus/overview/overview_reliancegroup.html

¹⁹ http://www.rcom.co.in/Rcom/aboutus/ir/pdf/RCOM_Investor_Presentation_August09.pdf

²⁰ http://www.rcom.co.in/Rcom/aboutus/overview/overview_bod.html

²¹ http://www.rcom.co.in/Rcom/aboutus/overview/overview_bod.html

²² <http://www.ideacellular.com/aboutus/keypeople>

²³ <http://telecomtalk.info/aircel-adds-highest-number-of-gsm-subscribers-in-august-followed-by-airtel-vodafone-loses-coai/108943/>

²⁴ <http://www.airtel.in/about-bharti/about-bharti-airtel>

²⁵ <http://www.airtel.in/about-bharti/investor-relations/corporate-governance/board-of-directors>

²⁶ http://www.airtel.in/about-bharti/investor-relations/corporate-governance/board-committees/Profile_Dinesh%20Kumar%20Mittal?cid=13

²⁷ http://www.airtel.in/about-bharti/investor-relations/corporate-governance/board-committees/Profile_Manish%20Kejriwal?cid=11

²⁸ http://www.airtel.in/about-bharti/investor-relations/corporate-governance/board-committees/Profile_Obiageli%20Oby%20Ezekwesili?cid=16