

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
STARRED QUESTION NO. 351
TO BE ANSWERED ON 18TH MARCH, 2020**

TELECOM SERVICE PROVIDERS

***351. SHRI T.R. BAALU:**

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the number of Telecom Service Providers (TSPs) have been reduced from ten to three;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the said reduction in the number of TSPs will adversely affect the quality of telecommunication services, if so, the details thereof and the reaction of the Government thereto; and
- (d) the steps taken/being taken by the Government to ensure competition and quality services in the telecom sector?

ANSWER

**MINISTER OF COMMUNICATIONS, LAW & JUSTICE AND
ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)**

- (a) to (d) A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. *351 FOR 18TH MARCH, 2020 REGARDING “TELECOM SERVICE PROVIDERS”.

(a) & (b) Since 2012, number of Telecom Service Providers (TSPs) has reduced over the years. At present, the following TSPs are offering wireless access services in the country:

- (i) Bharat Sanchar Nigam Limited/ Mahanagar Telephone Nigam Limited
- (ii) Bharti Airtel Limited
- (iii) Vodafone Idea Limited
- (iv) Reliance Jio Infocomm Limited

The reasons for reduction in number of TSPs are as follows:

- I. Hon’ble Supreme Court of India vide its judgement dated 02.02.2012 passed in the Writ Petition (Civil) No. 423 of 2010, cancelled 122 telecom licenses. Subsequently, spectrum was delinked from the license and is being allocated through auction. TSPs, whose licenses were cancelled by the Hon’ble Supreme Court, were given an opportunity to participate in the auction for spectrum to continue telecom services. However, M/s Etisalat DB Telecom Private Limited, M/s Loop Telecom Limited and M/s STel Private Limited did not participate in the spectrum auction process and closed their services.
 - II. Consolidation in the telecom industry due to mergers also reduced the number of TSPs. The details are as follows:
 - (i) Sistema Shyam Teleservices Limited merged with Reliance Communications Limited
 - (ii) Telenor (India) Communication Private Limited merged with Bharti Airtel Limited
 - (iii) Vodafone India Limited and Vodafone Mobile Services Limited merged with Idea Cellular Limited
 - (iv) Mobile business of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited merged with Bharti Airtel Limited and Bharti Hexacom Limited
 - III. TSPs such as M/s Aircel/ M/s Dishnet Wireless Limited and M/s Reliance Communications Limited/ M/s Reliance Telecom Limited are under-going insolvency proceedings at National Company Law Tribunal (NCLT), Mumbai under Insolvency and Bankruptcy Code (IBC), 2016. Although assets such as licenses and spectrum are still with the companies, no wireless telecom services are being provided through their telecom networks.
- (c) Reduction in the number of TSPs has not affected the quality of telecommunication services. The number of base stations (viz. Base Transceiver Station/ Node B/ eNode B) has increased by 236% from 6,49,834 (as on March, 2014) to 21,87,504 (as on Feb, 2020). There is a substantial increase in telecom network coverage and subscriber base as well. Presently, TSPs are serving more than 115 crore subscribers in the country and more than 95% of the population is covered with 4G network services.
- (d) The Merger and Acquisition guidelines, 2014 prescribe a cap of 50% of the market share (on the basis of adjusted gross revenue as well as subscriber base), which may be held by a merged (resultant) entity. This ensures that sufficient competition remains in the telecom sector after merger of TSPs. Merger of TSPs can provide operational efficiency and the benefits of economies of scale to the merged entity.

Even after the consolidation in telecom sector, there is sufficient competition, as four TSPs are providing services in each licensed service area (LSA) in wireless access services segment. Significant reduction in tariffs for voice and data since 2016 has resulted in availability of better telecom services at affordable tariff, which also indicates presence of adequate competition in telecom sector.
