

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3282
ANSWERED ON:04.02.2004
PACKAGE FOR TELECOM SECTOR
CHADA SURESH REDDY

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government proposes to announce a comprehensive package for the telecom sector;
- (b) if so, the details thereof;
- (c) whether the Ministry has set up any task force in relation to national security aspect;
- (d) if so, the details thereof; and
- (e) the time by which the new proposed comprehensive package is likely to come into effect?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI , PRADHAN)

(a) & (b): Yes, Sir. In order to provide incentive for expansion of telecommunication services, it has been decided to reduce licence fee for Basic/Cellular/Unified Access Service licensees by 2% of Adjusted Gross Revenue with effect from 1st April, 2004. Further, it has been decided to reduce the licence fee in respect of Cellular Mobile Telephone Service licensees who were granted licences for Circle Service Areas in 1994-1996, further by 2% of Adjusted Gross Revenue for a period of 4 years from 1st April, 2004 subject to the condition that the licensee has to pay a minimum of 5% of Adjusted Gross Revenue as licence fee.

Further, Customs Duty reduction w.e.f. 09.01.2004 is as follows:

Customs Duty on specified telecom equipment required for the provision of Basic, Cellular, Internet, Very Small Aperture Terminal, Public Mobile Radio Trunking Service and Radio Paging reduced from 5% to Nil.

Customs Duty on Cellular phones reduced from 10% to 5%. Customs Duty on other telecom equipment covered under ITC (HS)8517 and 8525.20 reduced from 15% to 10%. Special additional duty of 4% has been abolished.

(c) No, Sir.

(d) Does not arise, in view of above.

(e) The reduction in licence fee shall be effective from 1st April, 2004 as indicated in parts (a) & (b) above. The reduction in customs duties is effective from 09.01.2004.