

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

UNSTARRED QUESTION NO:1619

ANSWERED ON:03.08.2005

INVESTMENT BY PRIVATE COMPANIES IN TELECOMMUNICATION SECTOR

Barman Shri Hiten;Bose Shri Subrata;Saradgi Shri Iqbal Ahmed

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

- (a) whether private sector companies have evinced the interest for investment in telecommunication sector in the country;
- (b) if so, the details thereof, State-wise;
- (c) whether Private Sector and Multinational telecommunication companies have also shown interest to make investment for development of telecommunication facilities in the rural and backward districts of the country;
- (d) if so, the details thereof; and
- (e) the steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b): Yes, Sir. The State-wise foreign direct investment (FDI) approval in telecommunication sector during the period January, 2002 to May, 2005 is given in the Annexure.

(c) to (e): Yes, Sir. Agreements have been signed with six private service providers, namely Tata Teleservices Ltd., Reliance Infocomm. Ltd., Bharti Infotel, Tata Teleservices (Maharashtra) Ltd., HFCL and Shyam Telelink Ltd., for providing subsidy towards operation and maintenance of Village Public Telephones (VPTs) installed by them. Agreement has also been signed with M/s. Reliance Infocomm Ltd., for installation of Rural Community Phones (RCPs) in villages with a population more than 2000.

The tender for providing new Rural household Direct Exchange Lines (DELs) in the identified 1685 net cost positive Short Distance Charging Areas (SDCAs) has been finalized and agreements have been signed with Reliance Infocomm Ltd. (203 SDCAs), Tata Teleservices Ltd. (172 SDCAs) and Tata Teleservices (Maharashtra) Ltd. (43 SDCAs).

Multinational telecommunication companies participate in the provision of telecom services in India as per the Foreign Direct Investment (FDI) policy.

Annexure

State-wise break-up for Foreign Direct Investment (FDI) approved during January, 2002 to May, 2005 IN TELECOMMUNICATIONS SECTOR

(Rupees in crore)

S1. No.	Name of the State	No. of Financial Approvals Approved	Amount of Investment	% of Foreign Direct Investment	Total
1.	Himachal Pradesh	2	810.83	40.32	
2.	Delhi		70	482.24	23.98
3.	West Bengal		5	218.06	10.84
4.	Maharashtra		46	186.28	9.26
5.	State not Indicated		28	143.09	7.12
6.	Punjab	2	53.83	2.68	
7.	Tamil Nadu		16	38.81	1.93
8.	Kerala	2	30.03	1.49	
9.	Gujarat	1	22.27	1.11	
10.	Karnataka		13	21.27	1.06
11.	Uttar Pradesh		2	3.28	0.16

12.	Pondicherry	2	0.49	0.02
13.	Haryana	6	0.28	0.01
14.	Rajasthan	1	0.00	0.00
15.	Goa	2	0.00	0.00
16.	Chandigarh	1	0.00	0.00
Grand Total:		199	2010.76	