

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

**LOK SABHA
UNSTARRED QUESTION NO. 1509
TO BE ANSWERED ON 27TH DECEMBER, 2017**

EASING OF BURDEN ON TELECOM SERVICE PROVIDERS

1509. SHRI K. ASHOK KUMAR:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether TRAI has recommended the Government to favorably consider its recommendations to cut levies and relax payment period for auctioned spectrum and if so, the details thereof and the decision taken by the Government thereon;
- (b) whether the said recommendations will help ease the financial burden of telecom companies and keep services affordable and if so, the details thereof;
- (c) whether the TRAI has suggested to reduce the GST on telecom service to 5% from 18% and treat telecom sector as core infrastructure sector; and
- (d) if so, the details thereof and the action taken by the Government thereon?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) The TRAI vide its D.O No. 301-1/2017-F&EA dated 29.03.2017 and subsequent D.O. No. 14-03/2017-F&EA dated 23.06.2017 had mentioned the issues as under:
 - (i) reduction in the license fee and USO levy
 - (ii) reduction in Spectrum Usage Charges (SUC)
 - (iii) relaxation in spectrum pay-out terms keeping in view the existing debt burden on the telecom companies

The issues are under examination.

- (b) The TRAI vide its D.O. letter referred in para (a) above had suggested for favourable consideration which would help in minimizing the financial stress of the Telecom company and enable them to offer quality services to consumer at affordable prices.
- (c) The TRAI vide their D.O. letter dated 23.06.2017 had noted that, as regards the suggestion of TSPs about treating the telecom sector as core infrastructure sector and reduction of GST rate is concerned, the TRAI finds considerable merit in their proposition as this would be in the interest of end consumers of telecom service and would help in realizing the goal of Digital India. DoT may consider actively taking up these issues with the Ministry of Finance.
- (d) In this respect, the DoT vide its D.O. No. 37-1/2017-LFP-I (Part) dated 01.12.2017 had recommended to the Department of Revenue during the process of the Budget exercise that a standard rate of GST @12% for telecom service should be fixed in place of existing 18%. Now the subject matter is with the Department of Revenue, Ministry of Finance for necessary action as per the "Government of India (Allocation of Business) Rules, 1961."
