

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

**LOK SABHA
STARRED QUESTION NO.42
TO BE ANSWERED ON 6TH FEBRUARY, 2019**

NEW TELECOM POLICY

†*42. SHRI DHARMENDRA YADAV:
SHRI ADHALRAO PATIL SHIVAJIRAO:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the telecom sector is passing through a crisis due to heavy debt, tariff war and irrational spectrum costs and if so, the details thereof;
- (b) whether there is a need to ponder over the policy measures to minimise the over bidding of assets during auctions and if so, the details thereof;
- (c) whether the Government proposes to formulate a New Telecom Policy (NTP) to develop the telecom sector as an economy booster rather than a revenue generator;
- (d) if so, the details thereof and the time by which NTP is likely to be framed and implemented; and
- (e) whether the new telecom policy would present a roadmap for the development of the telecom sector in the next five years which is facing a serious financial crisis and if so, the details thereof along with the salient features of the new telecom policy?

ANSWER

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

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

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STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. *42 FOR 6TH FEBRUARY, 2019 ON “NEW TELECOM POLICY”.

(a) & (b) The Committee of Secretaries (CoS) of Government of India had discussed the issue relating to stress in balance sheet in several sectors including Telecom, in its meeting held on 29.03.2017. RBI Circular dated 18.04.2017 had also directed the Banks to review the Telecom sector in light of stressed financial condition. Consequently, an Inter-Ministerial Group (IMG) was constituted on 16.05.2017 with following terms of reference:

- To examine systemic issues affecting viability and repayment capacity in telecom sector and furnish recommendations for resolution of stressed assets,
- Policy reforms and strategic interventions for Telecom sector.

The Inter-Ministerial Group submitted its report on 31.08.2017. As per the IMG Report, the total debt of the telecom industry was Rs 7.88 lakh crores.

The Key Recommendations of IMG inter alia are as follows:

1. TSPs may be given a one- time opportunity to opt for higher number of instalments (16) instead of the then permitted 10 instalments.
2. DoT may issue appropriate clarification that only the gain or profit arising from trade of spectrum shall constitute as part of revenue for the purpose of calculation of AGR.
3. One-year MCLR of SBI may be adopted with effect from the date of its introduction by RBI i.e. April 01, 2016 in place of PLR.

As per the present Tariff framework in the country, the tariff for mobile services is under forbearance except for national roaming, leased line, and mobile number porting charges, for which ceiling tariffs have been specified. Mobile operators have the flexibility to offer different tariff plans/schemes depending on the market conditions and other commercial considerations.

Reserve Price for different bands of spectrum for auction is fixed by the Government after considering the recommendations of Telecom Regulatory Authority of India (TRAI). Bidding for spectrum is done by Telecom Service Providers (TSPs) based on their requirement of spectrum and within the Spectrum Cap stipulated by the Government.

(c) to (e) The National Digital Communications Policy (NDCP)-2018 has been notified in the Gazette of India on 22nd October, 2018.

The policy aims to support India's transition to a digitally empowered economy and society and to achieve the following Strategic Objectives by 2022:

1. Provisioning of Broadband for All.
2. Creating 4 Million additional jobs in the Digital Communications sector.
3. Enhancing the contribution of the Digital Communications sector to 8% of India's GDP from ~ 6% in 2017.
4. Propelling India to the Top 50 Nations in the ICT Development Index of ITU from 134 in 2017.
5. Enhancing India's contribution to Global Value Chains.
6. Ensuring Digital Sovereignty.

The National Digital Communications Policy 2018 inter alia also seeks to rationalize taxes, levies and differential duties to incentivize local manufacturing of equipment, networks and devices to the extent of domestic value addition.
