

(b) if so, the details thereof and Government's response thereto; and

(c) what are the reasons for the telecom companies not being able to pay the AGR despite Government reducing AGR from 15 per cent to 8 per cent and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI DHOTRE SANJAY SHAMRAO): (a) The telecom companies and Cellular Operator Association of India (COAI) have written to the Government about the financial stress being faced by the telecom companies.

(b) A meeting of the Digital Communications Commission (DCC) was held on 28th February, 2020 wherein an agenda item on the issues related to the Telecom Sector was also discussed. The DCC discussed the issue of payments received from and payable by the Telecom Licensees pursuant to the judgement of the Hon'ble Supreme Court in the Adjusted Gross Revenue (AGR) matter and the implications thereof.

Pursuant to the recommendations of the DCC, a proposal on the implementation of the judgement of the Hon'ble Supreme Court dated 24.10.2019 in the Adjusted Gross Revenue (AGR) matter was taken up for consideration and approval by the Cabinet. Consequent to the approval by the Cabinet an application has been moved before the Hon'ble Supreme Court on 16.03.2019 seeking *inter alia*, permission of the Hon'ble Court for the licensees impacted by the AGR judgement to pay the unpaid or remaining to be paid amount of past DoT assessed/calculated dues in annual instalments over 20 years duly protecting the net present value of the said dues using a discount rate of 8%.

(c) As per TRAI's consultation paper on Tariffs in telecom sector, there have been concerns raised in many quarters about the health of the telecom service sector, including intense competition and pricing pressures leading to a decline in revenues and profitability.

Monopoly in telecom sector

2901. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government is aware that day by day the number of telecom service provider companies is coming down giving scope for monopoly in telecom services sector;

(b) if so, the details thereof; and

(c) whether Government has analysed the situation and consider bringing a policy to attract more investors into this sector?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI DHOTRE SANJAY SHAMRAO): (a) to (c) 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.

Earlier, the telecom service market in India was fragmented. A fragmented market affects adversely the capacity of the TSPs to invest into the network for regular upgradation and modernization apart from expansion. Therefore, consolidation in telecom service sector was a desirable move. Moreover, 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. Presently, telecom service providers have deployed 21,87,504 base stations (as on 29.02.2020) for serving more than 115 crore subscribers (as on 31.12.2019) and more than 95% of the population is covered with 4G network services.

The Government also keeps a close watch on the health of the telecom sector and takes necessary steps to ensure adequate competition in the sector. Recently, the following steps have been taken by the Government:—

- (i) Option has been given to TSPs for deferment of spectrum auction payment installments for two years (2020-21 and 2021-22).
- (ii) Option has been given to TSPs for higher number of installments (maximum 16 installments) for deferred payment liabilities of spectrum acquired through auction(s).
- (iii) Overall spectrum cap was revised from the earlier limit of 25% to 35%.

Further, for all telecom services including infrastructure providers (except services provided by Other Service Providers) 100% FDI is allowed where 49% FDI comes under automatic route and beyond 49%, Government approval is required. However, for Manufacturing in Telecom sector, 100% FDI is allowed under automatic route.

Discontinuation of WiNax facilities by BSNL

2902. SHRI A.K. SELVARAJ: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that Bharat Sanchar Nigam Limited has discontinued WiNax facilities to its customers;

(b) if so, the reasons therefor;

(c) whether it is a fact that such discontinuation of services one after the another by BSNL made this PSU less attractive and led to current situation being faced by it; and

(d) if so, the steps proposed to keep BSNL still a preferred source of communications for the people?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI DHOTRE SANJAY SHAMRAO): (a) and (b) Bharat Sanchar Nigam Limited (BSNL) has informed that it has closed its WiMAX services in 17 out of 20 Licensed Service Areas (LSAs). BSNL has decided to close WiMAX services in remaining three (3) LSAs of Punjab, Kerala and Uttar Pradesh (East) by 31.03.2020. BSNL has closed WiMAX services due to following reasons:—

- (i) WiMAX technology has become obsolete.
- (ii) BSNL has been facing difficulties in providing quality of service to its WiMAX customers in the absence of maintenance support for the equipment from the vendors.
- (iii) WiMAX data speed is less compared to 4G/LTE network.
- (iv) Broadband service through WiMAX is fixed and is having no mobility.
- (v) The subscribers as well as revenue from WiMAX services have drastically decreased and the OPEX is more than the revenue earned from the services.