

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 976
TO BE ANSWERED ON 13TH FEBRUARY, 2025**

INCREASING DEBT IN TELECOM SECTOR

976 SHRI SANJAY RAUT:

Will the Minister of Communications be pleased to state:

- (a) the steps taken by Government to address the increasing debt in the telecom sector, particularly with companies like Vodafone Idea owing substantial amounts to Government;
- (b) whether Government is considering a revision in the spectrum fee payment model, such as adopting a revenue-sharing system to reduce the financial burden on telecom operators;
- (c) the initiatives taken by Government to encourage the entry of more private players into the mobile industry; and
- (d) the manner in which Government plans to ensure that the increased competition from new private players benefits consumers, especially in terms of pricing, service quality and innovation?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT
(DR. PEMMASANI CHANDRA SEKHAR)**

(a) to (d) To address the issue of financial stress in the telecom sector, the Government has approved various structural and process reforms in the telecom sector since September, 2021. They are as below:

- i. Rationalization of Definition of Adjusted Gross Revenue.
- ii. Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF) / Spectrum Usage Charges (SUC).
- iii. Rationalization of Bank Guarantees.
- iv. Removal of levy of Spectrum Usage Charges on the spectrum acquired in auctions held after September, 2021.
- v. Provision for payment of Spectrum auction bids in 20 equal annual instalments for auctions held after September, 2021.
- vi. Requirement of securitizing annual deferred spectrum instalment with a Financial Bank Guarantee has been done away with for spectrum auctions held after September, 2021. For spectrum auctions conducted prior to 2021, the requirement for bank guarantee to secure the next deferred spectrum installment payment has been rationalized.
- vii. Surrender of spectrum will be permitted after 10 years for spectrum acquired in auctions held after September, 2021.

- viii. Moratorium of up to four years in annual payments of dues arising out of the AGR judgement and spectrum purchased in past auctions. The moratorium is ongoing and ends in FY 2024-2025.
- ix. To encourage investment, 100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector with applicable safeguards.
- x. Simplification of Standing Advisory Committee for Radio Frequency Allocation (SACFA) clearance process for installing telecom towers.
- xi. Launch of Gati Shakti Sanchar Portal for centralized Right of Way (RoW) approvals.
- xii. To facilitate faster and easier deployment of telecom infrastructure, the Telecommunications (Right of Way) Rules, 2024 have been notified and came into force with effect from 01.01.2025.
- xiii. Production Linked Incentive (PLI) Scheme to facilitate investment in the manufacturing of telecom equipment and reduce import dependency of the telecom industry.

These initiatives were introduced to promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers.
