

Budget 2014: Telecom Ministry seeks Rs 6,997 crore fund for projects

PTI Jun 20, 2014



(The long pending project...)

NEW DELHI: The [Telecom Ministry](#) has sought additional funds of Rs 6,997 crore in the budget for various projects that are to be rolled out during the current financial year.

[Telecom Minister Ravi Shankar Prasad](#) is learnt to have approached [Finance Minister Arun Jaitley](#) for additional funds to carry out schemes committed under Universal Services Obligation fund scheme.

This included the national optical fibre network (NOFN) which aims to connect 50,000 village panchayat at the end of current fiscal and total of 2.5 lakh panchayats by 2016-17.

According to sources, Prasad has written to Jaitley saying "**to carry out USOF schemes, we have received only Rs 3,538 crore and we need additional fund of Rs 6,997 crore.**"

Government collects [USO Fund](#) by levying cess on revenue earned by telecom operators from services which is used for funding telecom projects in rural areas.

The estimates for various projects during current financial year include Rs 8,500 crore for work on NOFN, Rs 587.78 crore for mobile service in nine naxal hit states, Rs 1,250 crore for a rural

telephony scheme and Rs 77.62 crore for augmentation of certain optical fibre network between block and district headquarter.

The long pending project of mobile services in naxal affected states is yet to be approved by Cabinet for which state-run firm [BSNL](#) has submitted revised estimate of Rs 3,241 crore compared to Rs 3,046 crore approved earlier.

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Strong State-Backed Player Not Good for Telecom Sector: Credit Suisse

June 22, 2014



New Delhi:

As the government marks the revival of BSNL and MTNL on top of its agendas, a Credit Suisse report has said that a 'strong state-backed competitor' is not good for private sector telecom operators.

"A strong state-backed competitor is not good news for the industry of course, and this item being on top of the list could mean some seriousness," Credit Suisse said in its report on the

Indian telecom sector.

The report said these two companies - BSNL and MTNL - have the second largest spectrum market share after Bharti Airtel, and they can "differentiate" themselves if they get their act together.

Minister of Communications and IT Ravi Shankar Prasad recently spelt out his priorities for the telecom sector that include revival of BSNL and MTNL, broadband connectivity for 2.5 lakh village 'panchayats' and developing India as a global electronic manufacturing hub.

Mr Prasad said improvement of BSNL and MTNL performance and infrastructure would be his priority.

He has decided to play a pro-active role in monitoring functioning of both the firms, for which a NOC (network operations centre) will be set up in Sanchar Bhawan.

The minister also held a meeting with senior management of the two companies a few days back and asked them to strictly follow the timelines for the revival.

In 2012-13, MTNL recorded a net loss of Rs. 5,321.12 crore on annual revenue of Rs. 3,428.6 crore. **BSNL losses, as per unaudited results, stood at Rs. 8,198 crore for 2012-13, compared with Rs. 8,851 crore posted in 2011-12.**

BSNL has been logging losses since 2009-10. The company's profits started declining after 2004-05, when its earnings stood at Rs. 10,183 crore.

The report, however, said that "any major turnaround will require infusion of capital".

"Hence, while this is an area to keep an eye on, we believe the eventual turnaround will require big hurdles to be crossed."

The research firm termed the broadband project for connecting village panchayats as a positive step for the entire industry.

"If the project starts now, the benefits should start accruing within a year's time, in our view. With fibre sharing now gaining acceptance within the industry, we believe the industry would have anyway gone ahead with its own shared fibre installation."

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BSNL, NEDO in talks for using solar energy in telecom



State-run telecom firm BSNL and Japan's NEDO today started discussions for using solar energy in telecom networks to reduce carbon footprint.

ET SPECIAL:

NEW DELHI: State-run [telecom](#) firm BSNL and Japan's [NEDO](#) today started discussions for using [solar energy](#) in telecom networks to reduce [carbon footprint](#).

"Mr (Iwao) Miyamoto, Chief of NEDO in India had a meeting today ...with Mr Anupam Shrivastava, Director Consumer Mobility BSNL and explained the support of Japan to India. This falls in line with the directives of the Prime Minister to reduce the dependence on energy by substituting the same with solar power," BSNL said in a statement.

Both the organisations met in the backdrop of a proposed visit by Prime Minister Narendra Modi visit to Japan.

New Energy and Industrial Technology Development Organization (NEDO) is a semi-governmental Japan based organization that was set up in 1980 to promote the development and introduction of new energy technologies.

NEDO has formed alliance in India with TERI to promote use of renewal energy in the country.

Government has directed telecom companies to migrate 50 per cent of all rural mobile towers and 20 per cent in urban area to hybrid power, which is mix of renewable energy and grid power, by 2015.

By 2020, all telecom companies have been directed to adopt hybrid power for 75 per cent rural towers and 33 per cent of urban towers.

BSNL has about 70,000 mobile towers across country.

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Govt to draw up revival plan for MTNL and BSNL



The govt has said that it will initiate steps to revive ailing telecom PSUs MTNL and BSNL as it looks to arrest the gradual decline in the fortunes of the two cos.

NEW DELHI: The government has said that it will initiate steps to revive ailing telecom PSUs [MTNL](#) and BSNL as it looks to arrest the gradual decline in the fortunes of the two companies that once dominated the Indian telecom market.

Communications and IT minister Ravi Shankar Prasad said that steps will be taken on a priority basis to revive the two PSUs that have failed to ride the boom in the Indian telecom sector even as private operators like [Airtel](#), Vodafone and Idea grew from strength to strength.

"I have found that MTNL and BSNL have not received as much attention as required. They need proper infrastructure support," Prasad said as he also urged the PSUs to lay a special emphasis on improving their services. **"I have asked them to improve services for consumer satisfaction. The government will provide infrastructure support."**

And to keep a check on the operational efficiencies of the two companies, Prasad is getting a network operating system installed at his office to monitor all their towers and how they operate.

Speaking on the issue of spectrum trading and sharing, he said a final view will be taken on the matter shortly. Spectrum allocations will be done in a "transparent" manner. "The days of lobbying and favouritism are over. I have told my officers to work with courage and transparency."

Stressing on the need for increasing local manufacturing of electronics here, **he said subsidies will be given to companies that set up greenfield facilities in 8 areas including Ghaziabad, Vadodara, Thane, Nashik and Aurangabad.**

For greenfield electronics manufacturing clusters, the government has planned subsidies in locations like Bhopal, Hyderabad, Bhiwadi, Jabalpur and Hosur.

Prasad said that the government will also set up electronics development fund to assist venture investments in the technology field.

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Cabinet panel rejects PSEB choice for BSNL boss



The NOFN venture, which faces a two-year time overrun, is expected to be the prime vehicle for boosting broadband penetration.

KOLKATA: The Appointments Committee of the Cabinet has rejected a Public Enterprises Selection Board proposal to appoint Anupam Shrivastava as [chairman and managing director](#) of the state-run Bharat Sanchar Nigam Ltd (BSNL).

The committee has instead asked the telecom department to "re-submit" a fresh application after seeking the "views of present telecom minister Ravi Shankar Prasad", according to government documents seen by ET.

Shrivastava, who is BSNL's director of consumer mobility, was supposed to take over from RK Upadhyay, who retires on June 30. His nomination for the top job was cleared by the Central Vigilance Commission (CVC) and approved by Kapil Sibal when he was telecom minister in the UPA regime.

The ACC's refusal to endorse Shrivastava's name has added to the succession limbo at state-run telcos, including (MTNL).

PK Purwar, who is director (finance) at MTNL, is yet to get CVC clearance for his elevation as chairman and managing director of the state-run company, which runs mobile and landline services in Delhi and Mumbai.

MTNL has been without a CEO since AK Garg's retirement on May 31. Appointment of Garg's successor could take a while as Purwar's name will be recommended to the only after CVC clearance comes through, the documents show.

Although Sibal had cleared Shrivastava's name for the top job at BSNL, he had earlier rebuked the telecom department (DoT) for recommending his name without considering a three-year extension for

Upadhyay based on a neutral appraisal by an external expert group.

Upadhyay, whose three-year term was to end on April 30, was given a two-month extension to allow him to oversee conclusion of the loss making telco's revival plans.

The documents also show that the BJP-led government plans to unveil a new broadband policy within 100 days, which would "recognise broadband connectivity as a basic fundamental right like education and health".

The policy will suggest ways to provide reliable affordable broadband access in rural and remote areas through a blend of optic fibre, wireless and VSAT (very small aperture terminals) technologies.

It will also encourage fibre-to-the-home (FTTH) rollouts and back them with enabling guidelines to create an "always connected society".

The broadband push comes at a time when the DoT has been concerned that the delayed rollout of the national optic fibre network (NOFN) could derail the government's pan-India broadband penetration targets of 175 million and 600 million users by 2017 and 2020, respectively, laid out in the National Telecom Policy 2012.

The NOFN venture, which faces a two-year time overrun, is expected to be the prime vehicle for boosting broadband penetration.

The government is also keen to establish an "appropriate institutional framework" to coordinate with different departments and agencies for laying and upkeep of telecom cables, including optic fibre cables, for rapid expansion of broadband, the documents show.

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BSNL Launches Voice SMS Services in Punjab



Targeting the non-English speaking customers in rural areas, state-run BSNL has launched a voice SMS service in Punjab, which will be extended across the country in a phased manner. The service allows customers to record their voice by dialling a 10-digit code and send it as a message. Similarly, the voice SMS can be retrieved by dialling a short code. The submission and retrieval of voice SMS will be charged 75 paise per minute. At present, the service allows a BSNL user to send voice SMS to another BSNL user only but the company is also working on a solution that allows BSNL users to send the voice message to customers of other operators. "The service is targeted at those customers who are not able to type messages on their phones as they don't understand the English letters. With this service, they will now be able to send their message," [BSNL](#) General Manager (sales and marketing) Satish Sharma told PTI. The service will also be useful for old people, who find it difficult to type messages. Sharma said the service will be available in all the north zone circles in 15 days followed by south zone, where it will be launched in one month. East and West zones will, however, take a couple of months to have the service.

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DoT working on policy to treat broadband as basic need

A new broadband policy is being prepared and will be finalised within 100 days



The Department of Telecom is expected to finalise a [National Broadband Policy](#) within 100 days that would treat high-speed [Internet](#) access a basic right like education and health.

"A new broadband policy is being prepared and will be finalised within 100 days," an official source said.

Under the new policy the government has plans to include broadband among basic necessities like education and health and work towards new legislation of 'Right to Broadband', sources said. They said it is expected to look at ways of increasing broadband penetration as well as convergence of various technologies and platforms like cable TV, optical fibre, wireless connection through spectrum, [VSAT](#) and satellite .

At present there are different departments that govern various technologies. For instance, Cable TV comes under the Ministry of Information and Broadcasting and Satellite related issues are majorly governed by the Department of Space.

The policy is proposed to look at provisions for providing affordable broadband equipments and devices for end consumer use.

The National Telecom Policy 2012 has set a target of 175 million broadband connections by 2017, and 600 million 2020 at minimum 2 Mbps download speed and making available higher speeds of at least 100 Mbps on demand.

There were about 61 million broadband subscribers at the end of March, 2014. Of these, 14.86 million subscribed broadband through fixed line and 46 million used wireless connection like dongles, mobile phone and other devices.

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