दूरसंचार विभाग
Department of Telecommunications
संचार एवं सूचना प्रौद्योगिकी मंत्रालय
Ministry of Communications & Information Technology
भारत सरकार
Government of India
नई दिल्ली
New Delhi

सत्यमेव जयते

त्रैमासिक न्यूज़लेटर
Quarterly Newsletter

Today, India is one of the fastest moving telecom markets in the world with its unprecedented increase in tele-density and sharp decline in tariffs which significantly contributed a multiplier effect to the country's economic growth.

The Government has launched an ambitious **'Digital India'** programme to transform India into a digitally empowered society. BharatNet, a high speed digital highway to connect Gram Panchayats, has the potential to connect every nook and corner of the country digitally and deliver e-governance services to its citizens.

This Quarterly Newsletter tries to highlight the major initiatives and achievements of the DoT, during the quarter ending September, 2015.

1. Indian Telecom Scenario
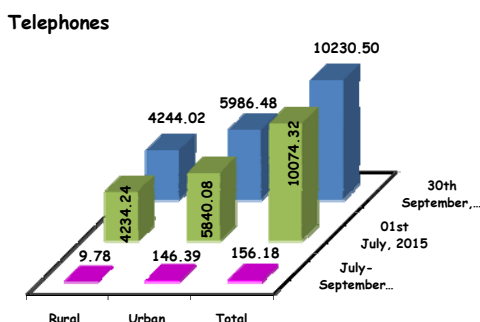
Telephones

In the month of September, 2015, the number of telephones has grown to 10230.50 lakh from 10074.32 lakh in 1st July, 2015 an increase of 156.18 lakh during the July-September 2015. The total increase so far during the current financial year is 269.20 lakh.

Tele-density

The tele-density, which was 80.02% in the beginning of 1st July, 2015, increased to 81.02% at the end of September, 2015.
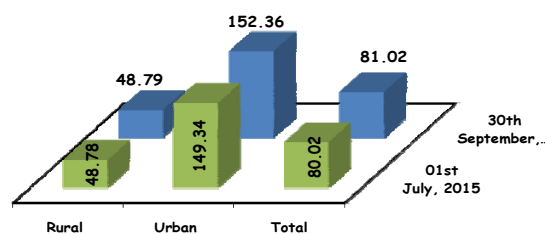
Compositional Changes

Wire line Vs. Wireless

The preference for use of wireless telephony continues. This is confirmed from the rising share of wireless phones, which has increased, though marginally, from 97.40% (9812.80 lakh) at the end of 1st July, 2015 to 97.46% (9970.96 lakh) at the end of September, 2015. On the other hand, the share of wire line steadily declined to 2.54% (259.54 lakh) at the end of September, 2015 as compared to 3.05% (284.99 lakh) during the corresponding period last year.
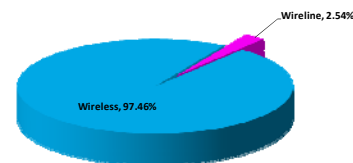
Public Vs. Private

In public sector, there was an increase of 20.56 lakh phones during July-September 2015. However, in private sector there was an addition of 135.62 lakh phones during the same period. During the current year ending September, 2015, total telephones in the country increased by 269.20 lakh, with the public sector having 25.67 lakh phones as against 243.53 lakh phones of the private sector. The share of private sector in the number of telephones was 89.94% (9201.43 lakh) at the end of September, 2015 while the share of public sector was 10.06% (1029.07 lakh) during the same period.
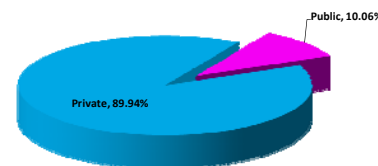
Rural Vs. Urban

There has been increasing trend in the share of rural phones in the total phones. However, in the month of September, 2015, the share of urban was 58.52% (5986.48 lakh) compared to 41.48% (4244.02 lakh) of rural areas.
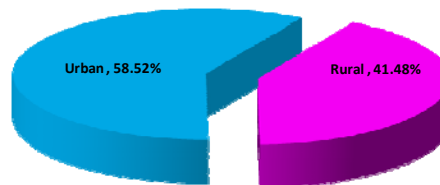
The rural tele-density stands at 48.79% as compared to the urban tele-density of 152.36% at the end of September, 2015.

Operator wise performance

The operator-wise analysis indicates that PSUs' still have a large share of 73.88% in the wire line segment. Private operators, on the other hand, have a share of 91.60% in the wireless segment and 89.94% in total phones in the reported month of September, 2015. Bharti has the highest share of 23.34% in the total telephones, followed by Vodafone (18.40%), IDEA (16.28%), Reliance (10.90%) and PSUs (10.06%)**.**
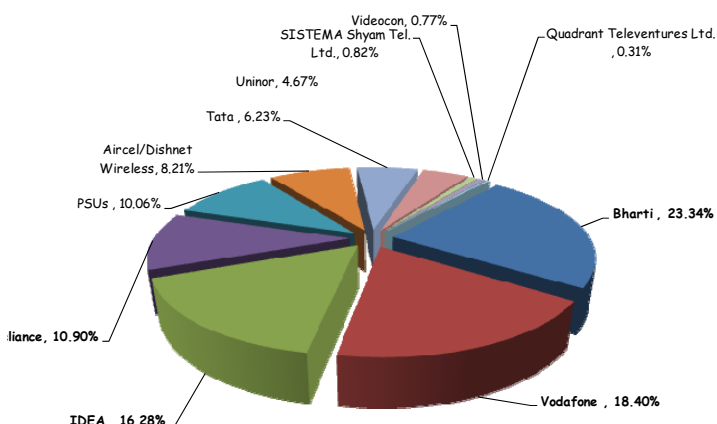
Internet Penetration

Internet usage in the country is on the increase. The number of Internet subscribers (both broadband and narrowband put together) which was 2515.90 lakh at the end of March, 2014 has increased to 3194.30 lakh by the end of June, 2015, a rise of 26.96%:

Trend of Total Internet Subscribers (in Lakh)						
Total Internet Subscribers (Includes	**Mar.'14**	**Jun.'14**	**Sept.'14**	**Dec.'14**	**Mar.'15**	**Jun.'15**
	2515.90	2591.40	2544.00	2674.00	3023.50	3194.30

The number of subscribers accessing internet via wireless phones etc. was 3002.20 lakh and 192.10 lakh wired internet subscribers at the end of June, 2015. Wireless internet subscribers constitute 93.99% of the total internet subscribers.

The number of Broadband subscribers, which was 992.00 lakh at the end of March, 2015 increased to 1208.80 lakh at the end of September'15 with a quarterly (July-September 2015) increase of 120.30 lakh.
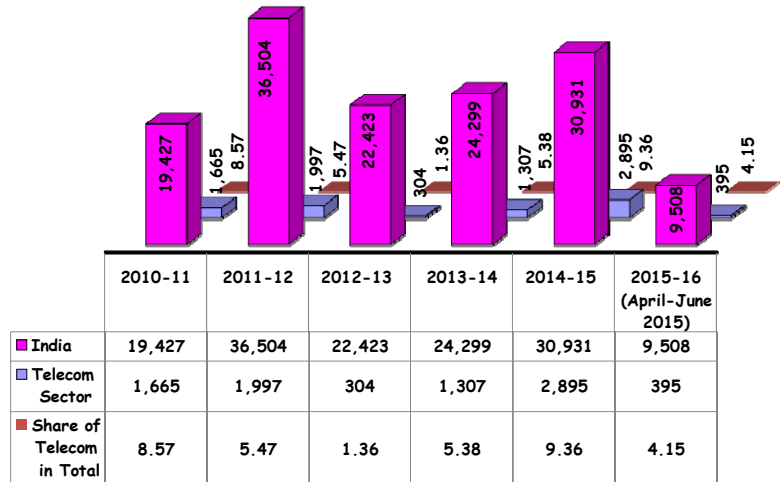
Internet subscriber base in India - June 2015 (in lakh)

	Wired	Fixed Wireless	Mobile Wireless	Total Wireless	Total Subscribers
Broadband	157.00	4.50	927.00	931.50	1088.50
Narrowband	35.10	0.30	2070.40	2070.70	2105.80
Total	192.10	4.80	2997.40	3002.20	3194.30

■ Broadband ■ Narrowband ■ Total
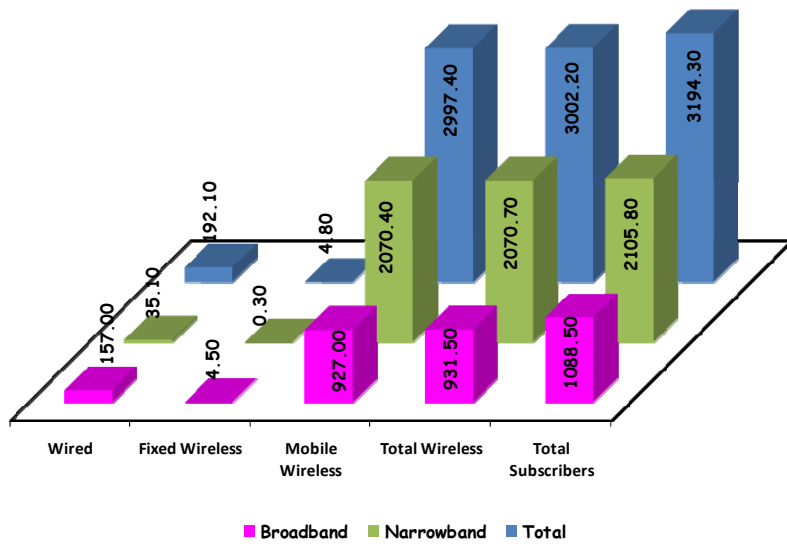
2. Foreign Direct Investment (FDI) Inflows

FDI in telecom sector has helped the expansion of telecom services in the country which has led to affordable telecom services to the masses and created greater employment opportunities in the country. FDI up-to 100% is allowed in Telecom Services, with up-to 49% being permitted via automatic route and beyond 49% via government route. FDI up-to 100% is also allowed in manufacturing of telecom products under the automatic route.

FDI Equity Inflows (US$ in million)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (April-June 2015)
■ India	19,427	36,504	22,423	24,299	30,931	9,508
■ Telecom Sector	1,665	1,997	304	1,307	2,895	395
■ Share of Telecom in Total	8.57	5.47	1.36	5.38	9.36	4.15

Actual flow of FDI inflow in telecom sector from April 2000 to June 2015 is US$ 17,453 million (₹86,609 crore) as well as the during 2015-16 (April-June 2015) telecommunication sector attracted FDI Equity Inflows of US$ 395 million (₹2,517 crore), which is 4.15% of the total FDI Equity Inflows in India.

3. Collection of Spectrum Usage Charges

In order to make spectrum available in various bands, Department of Telecommunications (DoT) has conducted Spectrum auction in 2015, in a completely transparent and with fair bidding process, raising the highest ever auction proceeds of ₹1,09,874 crore, against the approved reserve price of ₹80,277 crore, thus restoring the confidence of all stakeholders in the sector.

Actual Collection of spectrum usage charges up to September 2015 during 2015-16 is ₹3906.14 crore as against BE ₹7554 crore projected for 2015-16. The spectrum charges collection during September 2015 has been ₹173.96 crore.

Telecom Sector in India - Highlights

➢ Spectrum Sharing

Government has allowed the spectrum sharing, the guidelines for which have been issued on 24th September, 2015. Spectrum sharing allows operators to pool their respective spectrum for usage in a specific geographical areas and thus complementing each other's needs and ensuring more efficient utilisation of the spectrum. This facilitates optimisation of resources and also creates a conducive environment for telecom growth.

➢ Spectrum Trading

The National Telecom Policy envisage to move at the earliest towards liberalisation of spectrum to enable use of spectrum in any band to provide any service in any technology as well as to permit spectrum pooling, sharing and later, trading to enable optimal utilisation of spectrum through appropriate regulatory framework.

The spectrum trading leads to greater competition provides incentives for innovation, better/new services being available to consumers at cheaper tariffs, better choice to consumer, etc. This also facilitates ease of doing business in India by allowing free play in the commercial decisions and leads to optimisation of resources apart from improving the special efficiency and quality of service.

After considering the recommendations of TRAI on spectrum trading, the Government has now decided to allow of access spectrum as per guidelines issued.

➢ Connecting Rural India through High Speed Broadband

Government under the umbrella of its flagship programme **'DIGITAL INDIA'** has taken up 'BharatNet', to connect all the 2,50,000 Gram Panchayats in the country with 100 mbps broadband to bridge the rural coverage gap both for broadband penetration and voice. 'BharatNet' is being funded by the Universal Social Obligation Fund (USOF).

➢ **Penetration of Telecom Services to the remote localities**

The Government has also taken the following initiatives to connect the unconnected part of the nation:

> To connect all the 55669 unconnected villages, which presently do not have mobile connectivity, in a phased manner, by March 2019.

> A Comprehensive Telecom Development Plan for the North-Eastern Region at an estimated cost of ₹5336.18 crore has been approved. This project will connect 8621 villages through installation of 321 mobile tower sites and is likely to be commissioned by September 2017.

> Another Comprehensive Telecom Development Plan for Andaman & Nicobar Islands and Lakshadweep Islands with the total estimated investment of ₹221.05 crore which will cover population of about 3.8 lakh people in the islands, has also been approved.

> Government has also approved a project to provide Mobile Services in 2199 locations in the areas affected by Left Wing Extremism (LWE).

➢ **Mobile Number Portability**

Government has also allowed One Nation – Full Mobile Number Portability (MNP) w.e.f. July, 2015. This will enable the subscribers to change their licence service area and still retain their mobile number. For example, a subscriber can move from Delhi to Bangalore without change of mobile number.

MNP also allows subscribers to retain their existing mobile number when they switch from one telecom service provider to another irrespective of technology or service area limitation. This will also help in developing mobile numbers as an identity of individuals for providing various government services and more towards JAM (Jan Dhan-Aadhar-Mobile) Trinity.

➢ **Compensation to Customers for Call Drops and Penalty on Telecom Operators**

In this regard, TRAI has recommended for telecom operators to compensate consumers by ₹1 for call drops with effect from 1st January, 2016. The compensation will however, be limited to three dropped calls in a day. TRAI has raised the penalty on telecom operators for poor mobile voice quality, including call drops. The penalty amount would be as high as ₹2 lakh if the operators are unable to meet the benchmark set for the quality service in two or more subsequent quarters.

- **C-DoT to launch Broadband Products**

C-DoT, the premier R&D institute of the Department of Telecommunications, Government of India, has developed indigenous technologies attuned to the sensitive needs of Indian landscape aim at the digital convergence of rural and urban India with a vast potential for building the citadels of "Digital India". The following 4 products were launched by Hon'ble Minister of communication & IT, Shri Ravi Shankar Prasad on 6th July 2015 during Digital India week observed from 1-7 July 2015.

Long Distance Wi-Fi System
Solar Powered Wi-Fi System
100Gbps OFC Link
C-DoT Next Generation Network in MTNL Network

These uniquely architected indigenous solutions can play a catalytic role in fulfilling the objective of holistic digital empowerment resulting in the creation of a knowledge economy as envisaged under the flagship mission, "Digital India" – a programme to transform into digitally empowered society and knowledge economy. Hon'ble MoC&IT will launch C-DoT products designed and developed to take Broadband to every nook and corner of India. These products are essential infrastructure for broadband connectivity and enabler to facilitate delivery of services.

With this India has become at par with all other developed countries in the world in respect of quality telecommunication services and effective penetration of advanced broadband based services. Union Minister for Communication and IT, Ravi Shankar Prasad while launching the new products indigenously developed by C-DoT stated that Government is committed to bring all 2.5 lakh villages under broadband services and enhance internet penetration from 300 million to 500 million within 2 and half years.

- **Up gradation of the speed of Landline Broadband customers**

Committed to the Government's Digital initiatives announced by Hon'ble PM, BSNL has decided to upgrade Broadband speed to minimum 2 Mbps at no additional cost for all the Broadband customers on PAN-India Basis from 1st October 2015. BSNL is also offering 1Gb free E-Mail box to their customer from 50 Mb mail box.

The speed up-gradation will benefit all the existing and new Broadband customers of BSNL. Under this scheme, BSNL is upgrading the speed of existing Broadband plans of 512 Kbps & 1 Mbps to **2 Mbps** speed. With this up-gradation, BSNL customers can access/surf the internet including social network websites like Facebook, Google, Twitter, etc. at high speed.

This up-gradation shall enhance customer experience while surfing on internet and enjoying live video streaming by all customers even in the low price range. This scheme is expected to attract new customers for subscribing to BSNL Broadband in an affordable manner.

To provide great value preposition to the esteemed customers of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL), they have launched schemes to the benefit of their landline & broadband customers by allowing unlimited free local calls during night hours effected from 1st May, 2015. MTNL has also made the STD call charges local by making call charges rate 180 seconds/pulse during night hours as well as Bharat Sanchar Nigam Limited (BSNL) also offered the free incoming calls while their mobile customers are roaming anywhere in India, this is a major attempt to facilitate their customers and it has got valuable social impact.

➢ **BharatNet:**

BharatNet project was planned to connect all Gram Panchayats (approx. 2.5 lakh) in the country through trough Optical Fibre Cable.

In order to review the strategy and approach towards speedy implementation of BharatNet, Government of India constituted a committee. The committee submitted its report on 31st March 2015. The committee, interalia recommended that the project be renamed as BharatNet to reflect the national aspiration to establish highly scalable broadband network infrastructure accessible on a non discriminatory basis, to realize the vision of Digital India, in partnership with states and the private sector.

The latest status of execution of BharatNet, as on 30.09.2015, is given below:

Number of Gram Panchayats where OFC laying completed:	28177
Optical Fibre Cable laid:	65720 kms
PLB pipe laid:	91870 kms

➢ **Scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected Areas:**

Government has approved the project on 20.08.2014 to provide mobile services at 2199 locations(1836 new sites and 363 sites already installed by BSNL) in areas affected by Left Wing Extremism in the states of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal. The estimated project implementation cost is Rs. 3567.58 crore, to be funded by USOF.

As on 30.09.2015, 956 towers out of 2199 towers are on air.

➢ **Comprehensive Telecom Development Plan for NER:**

On 10.09.2014, the Government approved a proposal to implement a 'Comprehensive Telecom Development Plan for the North-Eastern Region'. The Project envisages providing mobile coverage to 8621 identified uncovered villages, installation of 321 mobile tower sites along National Highways and strengthening of transmission network in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The estimated

cost of implementation is ₹5336.18 crore. The Project would be funded by Universal Service Obligation Fund (USOF).

The plan consists of the following schemes:
- Provision of mobile services in uncovered villages in Arunachal Pradesh and Karbi Anglong and Dima Hasao districts of Assam.
- Provision of mobile services in uncovered villages in rest of NER.
- Provision of seamless mobile coverage along the National Highways in NER.
- Augmentation of Transmission media in NER.

Scheme at 2(a) above is being executed by BSNL on nomination basis. BSNL is finalising tender documents for the same.

For Schemes at 2(b) and 2(c) above, the financial benchmarking for open competitive bidding has been completed. A Stakeholders' meeting was held on 29.06.2015. Draft Tender documents have been prepared and are under process.

Scheme at 2(d) above is being executed by BSNL on nomination basis.
- BSNL had floated the tender for procurement of transmission equipment and the two bids were opened on 29.04.2015. Techno-commercial evaluation was completed on 12.06.2015. Financial bids were opened on 10.07.2015 and are under evaluation.
- BSNL Tender for procurement and trenching/laying of Optical Fibre Cable was opened on 17.04.2015. The tender was under litigation in High Court of Delhi & Kolkata till 22.09.2015. The Financial bids were opened on 31.10.2015. Action is being taken for Reverse Auction. No bids have been received for Sikkim state and action is being taken by BSNL to float a separate tender for Sikkim.

➢ **Mobile services to uncovered villages in the states/UTs with fewer unconnected villages:**

A USOF Scheme of provision of mobile services to 937 uncovered villages in the States of   Goa, Tamil Nadu, Uttar Pradesh, West Bengal and Union Territory of Daman & Diu and Dadar and Nagar Haveli is under consideration. Work Order for preparation of Detailed Project Report (DPR) has been given to M/s Telecom Consultants India Ltd.(TCIL).

4. International Collaboration, Meets and Visits

❖ In 7th BRICS summit at Ufa, Russia, during 8-9th July, 2015, DoT had proposed to establish a 'BRICS Institute for Future Networks' in line with India's flagship programs 'Digital India' and 'Make in India', to enable development and manufacture of new generation telecom equipment in India, under which it is felt that there is a strong need to have such a collaborative platform among the BRICS countries leveraging their strengths in hardware, software and R&D.

- ❖ Indo-Africa ICT Expo 2015 was jointly launched by Mr. Ravi Shankar Prasad, Hon'ble Minister of Communication & IT, Government of India and H.E. Dr. Fred O Matiang'I, Cabinet Secretary, ICT, Kenya on July 7, 2015 at New Delhi.

- ❖ The 1st Indo-African ICT Expo was held in Nairobi between 28th -29th September, 2015, to build synergy among India & African countries to showcase innovative & diversified products and services and to bring together leaders across the entire ICT value chain from India and Africa to discuss solutions to regulatory and business. The event was attended by over 2000 visitors and over 300 conference delegates. The Department of Telecommunications in conjunction with ICT Authority of Kenya, India's Telecom Export Promotion Council (TEPC), and NASSCOM has launched the 1st Indo-Africa ICT Expo in KICC, Nairobi.

- ❖ A delegation led by the Secretary (Telecom) visited Israel during 6th -8th September, 2015 and participated in key engagements such as high level interactions with Israel Government authorities, Digital Life Design (DLD) Innovation Festival, Cyber research centre at Tel Aviv Chamber of Commerce, Israel Tech industry etc.

- ❖ Department of Telecommunications organised two Innovation Meets on 31st August, and 18th September, 2015 in New Delhi with Telecom Centres of Excellence (TCOE) India where Senior Officers from Government, Representatives from Telecom Manufacturing Industry and Telecom Service Providers, Start up Companies, Venture capitalists, Angel investors and Academia also participated. The objective was to rejuvenate the ICT ecosystem and to discuss various innovations that can strengthen ICT ecosystem.

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