

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:2706

ANSWERED ON:17.03.2006

BASIC SERVICE PROVIDERS IN TELECOMMUNICATION

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**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether contribution of Basic Service Providers (BSPs) towards rural telephony has been dismal, rather negligible ever since private sector participation in telecommunication;
- (b) if so, the facts thereof and the reasons therefor;
- (c) the obligations of BSPs towards rural telephony contemplated under New Telecom Policy (NTP) 1994 and 1999;
- (d) the extent to which these obligations have been carried out by them; and
- (e) the action taken against them for non-fulfillment and non-compliance of their obligations?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) No, Sir. Private sector participation in basic telecommunication services commenced in 1997-98. The contribution of Basic Service Providers (BSPs) towards rural telephony has not been dismal as rural teledensity has increased by more than four times from 0.43 in 1997-98 to 1.8 by December 2005.

(c) to (e) Pursuant to NTP-94 licences were issued in 1997-98 for Basic Services, which stipulated obligations in terms of Village Public Telephones (VPTs). The licences issued in 2001 stipulated obligations in terms of setting up of Point of Presence (PoP) in Short Distance Charging Area (SDCA) in equal proportions in each category of urban, semi-urban and rural SDCAs in a service area. Further, consequent to announcement of Unified Access Service Licence (UASL) regime all private Basic Service Providers migrated to UASL regime on payment of requisite fees and their roll-out obligations were changed to the coverage of 50% of District Headquarters or any town in lieu thereof. The details of the obligations and performance are in Annexure I & II.

Liquidated Damage (LD) Charges to the tune of Rs. 53.75 crores were recovered from six Private Basic Telephone Service operators for delay in commencement of service as well as delay in provisioning of VPTs and Direct Exchange Lines (DELs) as per details are given in Annexure-III.

Annexure-I

DEL and VPT STATUS OF OLD PRIVATE BASIC SERVICE PROVIDERS (1997-98).

Item	Bharti	Tata	Tata	Reliance	Shayam	HFCL	TOTAL
Telenet							
Telese-							
Telese-							
Telecom							
Telelink							
Infotel							
Ltd.							
rvides							
rvides							
Gujarat							
Rajasthan							
Punjab							
Madhya							
Andhra (Mahara							
Pradesh							
Pradesh							
shtra)							
Ltd.							
(HUGES)							

Month of commencement of service	June 1998	March 1999	Oct 1998	May 2000	June 2000	Sept 2000
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No. of uncovered villages	19168	6096	11091	6911	17338	Nil	60604
As on 15.8.2000	(4202)#						

No.of VPTs Committed in first 3 years from effective date\$

16500	9635	25760	8635	31834	5442@	97806
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Cumulative No of VPTs provided as on 31.10.2003

611	1408	2643	4114	3010	879	12665
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No.of DELs Committed in first 3 years from effective date\$

203516	300000	607900	288000	146909	525000	2017809
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Cumulative No of DELs provided as on 31.10.2003

228883	349231	379544	372609	103688	124673
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\$ These commitments were to be met by 30-9-1998 in case of AP, Gujarat, Punjab and by 30-9-99 in case of Maharashtra. For MP and Rajasthan the same were to be completed by 30-9-2000 and 4.3.2001 respectively.

Figures are as reported by the licensees.

@ As all villages have been covered in Punjab by BSNL, the faulty MARRs are replaced by the private licensees.  
# In Gujarat 4202 are the villages which do not have a telecom facility. 2709 villages have phones but not a public phone.

#### Annexure-II

#### NUMBER OF DELs & VPTs PROVIDED BY BASIC SERVICE LICENSEES AS ON 31st Oct.2003

Name of Company	Service Areas	DELs	VPTs	No. of SDCAs in which PoP setup		
				Urban	Semi-	Rural
	Wireless	Total				
	Handheld					

M/s Tata Teleservices Ltd.	Tamil Nadu	180	64548	433908	10811	NIL	14(25)	26(104)	1(1)
	Karnataka	644	73577	452978	11951	NIL	5(22)	27(136)	4(22)
	Andhra Pradesh #	115955	102705	130571	349231	1408	12(32)	0(141)	0(70)
	Gujarat	4541	49476	32176	86193	NIL	9(21)	20(126)	3(14)
	Delhi	4272	52097	965687	15293	NIL	1(1)	0(0)	0(0)
	Total	125592	342403	348002	815997	1408	41(101)	73(507)	8(107)

M/s Bharti Telenet Ltd.	Madhya Pradesh #	200825	28058	0	228883	611	16(23)	11(283)	0(55)
	Haryana	64333	0	0	64333	NIL	5(10)	7(34)	2(11)
	Delhi	69466	0	0	69466	NIL	1(1)	0(0)	0(0)
	Tamil Nadu	100408	0	0	100408	NIL	6(25)	16(104)	0(1)
	Karnataka	60553	0	0	60553	NIL	6(22)	21(136)	0(22)
	Total	495585	28058	0	523643	611	34(81)	55(557)	2(89)

M/s Shyam Telelink Ltd.	Rajasthan #	61476	10785	31427	103685	3010	13(14)	13(168)	2(76)
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M/s Tata Teleservices Ltd.	Maharashtra#	210849	81150	87545	379544	2643	12(27)	0(202)	10(77)
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M/s HFCL Infotel Punjab # \$ 79931 19876 24866 124673 879\$ 10(11) 25(42) 1(2)  
Ltd.

M/s Reliance Gujarat # 160 24204 348245 372609 4114 21(21) 80(126) 12(14)  
Telecom Ltd./

Andhra 0 10590 426102 436692 NIL 20(32) 129(141) 45(70)  
Pradesh  
Karnataka 0 6855 372584 379439 NIL 16(22) 101(136) 16(22)  
Maharashtra 0 44495 838040 882535 NIL 14(27) 141(202) 42(77)  
Punjab 0 6043 243142 249185 NIL 8(11) 34(42) 2(2)  
Rajasthan 0 3809 135717 139526 NIL 6(14) 78(168) 32(76)  
Orissa 0 3369 46682 50051 NIL 6(7) 42(89) 3(24)  
Madhya 0 4194 140759 144953 NIL 10(23) 127(283) 24(55)  
Pradesh  
Tamil Nadu 0 8387 591926 600313 NIL 23(25) 99(104) 1(1)  
Bihar 0 140 60891 61031 NIL 6(15) 62(135) 15(29)  
West Bengal 0 23005 282577 305582 NIL 10(16) 26(41) 11(16)  
Kerala 0 13782 239121 252903 NIL 12(12) 29(29) 17(17)  
Uttar 0 8133 203501 211634 NIL 9(18) 63(127) 10(19)  
Pradesh(East)  
Himachal 0 0 1680 1680 NIL 0(1) 5(25) 2(7)  
Pradesh  
Uttar 0 1267 138862 140129 NIL 14(21) 42(76) 4(6)  
Pradesh(West)  
Haryana 0 878 91835 92713 NIL 9(10) 33(34) 11(11)  
Delhi 0 40774 592936 633710 NIL 1(1) 0(0) 0(0)  
Total 160 199925 4754600 4954685 4114 185(276) 1091(1758) 247(446)  
Grand Total 973593 682197 5246440 6902230 12665

# Licence issued in 1997-98 with roll-out conditions of DELs & VPTs. Rest licences issued in 2001 with roll-out conditions of setting up of POP in SDCAs. .

\$ Replacement of VPTs as all villages were covered by 15.08.2000. Figures are as reported by the licensees.

#### Annexure-III

#### Details of LD charges from six old private Basic Service Operators

Name of Service Month of Total LD LD for LD  
the Area commenceme- Charged delay in Charged  
operator nt of for non provision for non  
service commiss- of VPT commiss-  
ioning of and DEL ioning  
service & (in crores of service  
delay in of Rs.) (in crore  
provision of Rs.)  
of VPTs  
and DELs  
(in crores  
of Rs.)

Bharti Madhya June 1998 4.00 4.00 Nil  
Telenet Pradesh  
Ltd.

Tata Andhra March 1999 13.00 6.50 6.50  
Tele- Pradesh  
services

Hughes Maharashtra October 1998 7.75 6.50 1.25  
Tele.com

Reliance Gujrat May 2000 13.00 6.50 6.50  
Telecom

Shyam Rajasthan June 2000 8.00 4.00 4.00  
Telelink

HFCL Punjab Sept,2000 8.00 4.00 4.00  
Infotel

Total 53.75 31.50 22.25