

PRESS RELEASE

New Delhi, 26th February, 2010

Mr. T R Dua, Officiating Director General, COAI stated that while at a macro level the Budget seems to be growth oriented, however the concerns of the telecom sector with regard to the high tax burden still stay unaddressed.

As far as the telecom sector is concerned, Mr Dua stated that while the reduction in Corporate Surcharge would provide a minor relief, but at the same time the increase in MAT from 15% to 18% is a major area of concern.

He further added that the increase in Central excise duty from 8% to 10% is another area of concern and will lead to an increase in cost of service.

Mr Dua stated that the continuation of exemption from basic, CVD and special additional duties (SAD) granted to their parts, components and accessories of mobile phones is a welcome step and would help towards penetration of affordable mobile service especially to rural areas.

Mr. T.R. Dua, Officiating Director General, COAI, welcomed the impetus given by the Finance Minister to the use of clean/ alternate energy. He stated that the initiatives announced by the Hon'ble FM would encourage greater use of alternate / solar energy in the telecom sector.

Mr. Dua also welcomed the initiatives announced by the Hon'ble FM for enhancing Financial Inclusion by providing appropriate Banking facilities to habitations having population in excess of 2000 by March, 2012. **Mr. T.R. Dua, Officiating Director General, COAI, stated that the target envisaged by the Hon'ble FM could be achieved by allowing Mobile service providers to function as Business Correspondents.**

Mr Dua emphasized that the mobile service providers could easily leverage their network of about 1.2 mn retailers to enable reach of banking services to the unbanked.
