

Another tariff hike likely by telecom operators to recover investments: Report

The tariff hike by operators is likely in the next 9-12 months, along with the levy of premium charges for 5G subscribers, rating agency CareEdge said in a report.

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Telecom service providers are expected to hike tariffs in their existing 4G plans, partly to recover their large investments made through bidding of 5G spectrum auction, a rating agency report said.

The tariff hike by operators is likely in the next 9-12 months, along with the levy of premium charges for 5G subscribers, rating agency CareEdge said in a report. Notably, Jio, Airtel, and Vodafone Idea had hiked tariffs by around 20 per cent late last year.

Total aggregate debt levels for the major telecom service providers are likely to touch Rs 6.20 trillion by March 2023, an increase of about 30 per cent from debt levels of Rs.4.73 trillion at the end of 2021-22, the report said.

After 40 rounds and 7 straight days of bidding, the highly anticipated 5G spectrum auction concluded on August 1, fetching over Rs 1.50 trillion, higher than the government's expectations.

Leading telecom operators Reliance Jio Infocomm (Jio) and Bharti Airtel (Airtel) emerged as the front runners at the recently concluded spectrum auction.

Reliance Jio, Adani group, Bharti Airtel, and Vodafone Idea were the four major participants in the spectrum auction.

Allocation of spectrums to the telecom operators is expected before August 15, and the initial 5G services in the country will start subsequently in several Indian cities.

"While the purchased spectrum is sufficient for coverage across the country, achievement of a complete coverage is expected to take a couple of years. This will necessitate an incremental investment outlay pegged at around Rs 3 trillion," it added.

"Considering the telecom service providers shall opt for payments spread across the life of the spectrum i.e. 20 years, the aggregate annual instalment towards the spectrum purchase is estimated at an additional Rs 13,400 crore," the report added.

(inputs from ANI)