

You are here: [ET Home](#) » [Budget 2012](#) » [News](#) » [News By Industry](#) » Telecom

15 MAR, 2012, 07.09PM IST, PTI

Economic Survey 2011-12: Telecom sector profit expected to fall by 84.7% in 2011-12

[Your Zodiac Horoscope](#)

Insert Your Birthdate & Get Answers about Past-

Present and Future. Free :

[AboutAstro.com/horoscope](#)

Ads by Google

NEW DELHI: Reeling under the pressure of borrowings for 3G services, the profit of telecom sector is likely to dip by 84.7 per cent in 2011-12, Economic Survey today said.

"PAT (Profit After Tax) during 2011-12 is expected to fall by 84.7 per cent, mainly on account of the sharp rise in the industry's interest outgo and higher depreciation charges due to the heavy borrowings for acquiring 3G licences and rolling out 3G services," the survey said.

Budget at ET: [Budget 2012](#) | [Union Budget](#) | [Railway Budget 2012](#) | [Budget News](#) | [Economic Survey 2012 Live](#)

The pre-Budget document said it expects sales of telecom industry to slow down in 2011-12 to 8.7 per cent from 10.5 per cent during 2010-11. However, it expects the revenues to gain momentum in 2012-13 with a growth rate of 10.6 per cent.

The survey estimates that profit margin of IT sector also to remain under pressure inspite of healthy growth in topline.

For the year ending March 2012, the Indian IT industry's sales are expected to grow by 20.5 per cent and another 18.5 per cent during 2012-13, driven mainly by an increase in orders.

Profit after tax (PAT) is expected to grow by 13.1 per cent in 2011-12 and 14.2 per cent in 2012-13, the survey said.

While software services exports have continued to be steady, the unfolding events in the euro zone could lead to some sluggishness in the sector, it added.

The survey said that these two services sectors ,software and telecom, can be a high growth propelling force for many more years to come with positive spillovers to other sectors and can give a cutting edge in these sectors while facing international competition.

Download ET's mobile applications for iPad, iPhone, Android, BlackBerry, Nokia and Windows Phone to track news as it happens, live stock quotes, monitor portfolio, get market stats like gainers, losers and movers & much more. To check out free Economic Times apps , [Click here](#)

Get a Quote

Type Company Name

Browse Companies

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | 1 2 3 4 5 6 7 8 9

Other Times Group news sites

Times of India | [Mumbai Mirror](#)
Times Now | [Indiatimes](#)

Living and entertainment

[Timescity](#) | [iDiva](#) | [Bollywood](#) | [Zoom](#)

Networking

[itimes](#) | [Dating & Chat](#) | [Email](#)

Hot on the Web

[Live Union Budget Blog 2012](#) | [Budget 2012](#)
[Railway Budget 2012](#) | [What is Budget](#)
[Budget Videos 2012](#) | [Budget 2012](#)

Services

[Book print ads](#) | [Online shopping](#) | [Business solutions](#) | [Book domains](#) | [Web hosting](#)
[Business email](#) | [Free SMS](#) | [Free email](#) | [Website design](#) | [CRM](#) | [Tenders](#) | [Remit](#)
[Cheap air tickets](#) | [Matrimonial](#) | [Ringtones](#) | [Astrology](#) | [Jobs](#) | [Property](#) | [Buy car](#)
[Bikes in India](#) | [Online Deals](#)