

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

UNSTARRED QUESTION NO:5941
ANSWERED ON:03.05.2010
VIOLATION OF GUIDELINES BY TELECOM COMPANIES
Singh Shri Sushil Kumar

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

- (a) whether as per the guidelines on mergers and acquisitions by the telecom companies, intra city mergers are not allowed till the licensee completes three years from the date of issue of licence;
- (b) if so, the details thereof;
- (c) whether a number of companies have violated the guidelines in this regard;
- (d) if so, the details thereof, company-wise; and
- (e) the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) & (b) As per the Guidelines dated 22.04.2008 for intra service area Merger of Cellular Mobile Telephone Service (CMTS)/Unified Access Services (UAS) Licences, any permission for merger shall be accorded only after completion of 3 years from the effective date of the licences.

(c) to (e) Madam, following companies have applied for merger/amalgamation of the companies:

- (i) M/s. Adity Birla Telecom Limited with M/s. Idea Cellular Limited.
- (ii) M/s. Spice Communications Limited with M/s. Idea Cellular Limited.
- (iii) M/s. Allianz Infratech (Pvt.) Limited with Etisalat DB Telecom Private Ltd.

Further, as per clause 6.3

(ii) of UAS Licence Agreement, merger or demerger is sanctioned and approved by the High Court or Tribunal as per the law in force; in accordance with the provisions; more particularly Sections 391 to 394 of Companies Act, 1956. So far, Department of Telecommunications (DoT) has not given any go ahead for the merger of the companies which do not meet these licensing provisions. Intra service area Merger of CMTS/UAS Licences, shall be considered by DoT as per conditions of licence agreements and guidelines dated 22.4.2008 in this regard and after the scheme of merger/amalgamation is approved by the High Court or Tribunal as per the law in force.