

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

UNSTARRED QUESTION NO:2522
ANSWERED ON:09.08.2010
MERGER OF TELECOM COMPANIES
Rathod Shri Ramesh;Singh Shri Sushil Kumar

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

- (a) whether the Department of Telecommunications (DoT) proposes to the merger of Spice Communications and Idea Cellular in the country;
- (b) if so, the details thereof;
- (c) whether the merger of these companies is in line with the existing licence conditions;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) to (f) Madam, the amalgamation or the merger of the companies is governed under Company's Act, 1956 particularly its sections 391 to 394 and the scheme of amalgamation or merger is approved by the Hon'ble High Court or the Tribunal as per law in force. However, if after amalgamation/merger of the companies, the transferee entity happens to hold more than one Cellular Mobile Telecom Service/Unified Access Service license in the same service area, then the intra service area merger guidelines of Department of Telecom are attracted. The scheme of amalgamation/merger of M/s. Spice Communications with M/s. Idea Cellular has been approved by the Hon'ble High Courts of Gujarat and Delhi. After merger of these companies, the transferee entity holds two licenses in six service areas namely Punjab, Karnataka, Maharashtra, Andhra Pradesh, Delhi and Haryana Circles. The action as per the terms and conditions of the license agreement and intra circle service area guidelines is under process of the Department of Telecommunication.