

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

UNSTARRED QUESTION NO:6569

ANSWERED ON:16.05.2012

CANCELLATION OF LICENSES

Angadi Shri Suresh Chanabasappa;Dhruvanarayana Shri R. ;Pandurang Shri Munde Gopinathrao;Ray Shri Rudramadhab

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

- (a) whether the Supreme Court, in its recent judgement, has ordered for cancellation of licences of different telecom companies within a stipulated time period;
- (b) if so, the details thereof and whether the deadline for re-auction of the 2G spectrum has been extended;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether certain foreign telecom companies have sought compensation for cancellation of their telecom licences;
- (e) if so, the details thereof; and
- (f) the steps proposed to be taken by the Government to resolve the issue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) to (c) The Hon'ble Supreme Court vide its Judgement dated 02.02.2012 in WP (C) No.423/2010 and WP(C) No.10/2011 has, inter-alia, ordered that:

(i) The licences granted to the private respondents on or after 10.1.2008 pursuant to two press releases issued on 10.1.2008 and subsequent allocation of spectrum to the licensees are declared illegal and are quashed.

(ii) The above direction shall become operative after four months.

(iii) Keeping in view the decision taken by the Central Government in 2011, TRAI shall make fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction, as was done for allocation of spectrum in 3G band.

A list of 122 Licences cancelled in view of the above order is given in Annexure. Further in IA No.2 to 7 in WP(C) No.423/2010 and WP(C) No.10/2011 the Hon'ble Supreme Court vide Order dated 24.4.2012 has directed that The time specified in judgement dated 2.2.2012 in Writ Petition No.423 of 2010 and Writ Petition No.10 of 2011 for conducting the auction for grant of fresh licenses and allocation of spectrum is extended up to 31.08.2012. The existing licenses shall be entitled to continue to operate till 07.09.2012.

(d) to (f) The Department of Telecommunications have received notices from the foreign investors, namely (i) M/s Sistema Joint Stock Financial Corporation, Russia, foreign investor in M/s Sistema Shyam Teleservices Ltd.; (ii) M/s Telenor Asia Pte. Ltd. Singapore, foreign investor in M/s Unitech Wireless (Tamil Nadu) Pvt. Ltd.; and (iii) M/s Capital Global Limited, Mauritius and M/s Kaif Investment Limited, Mauritius both Mauritius based investors in M/s Loop Telecom Limited; under the provisions of the applicable Bilateral Investment Promotion and Protection Agreements/ Comprehensive Economic Cooperation Agreement to resolve alleged investor disputes. One of the Companies, M/s Loop Telecom Limited has demanded for refund of entry fee, Performance Bank Guarantee and Financial Bank Guarantee including compensation for investment already made and also damages.

An Inter-Ministerial Group has been constituted to evolve a coordinated response to the legal notice from M/s. Sistema Joint Stock Financial Corporation, Russia. The other notices are also being dealt with in consultation with other Ministries/Departments concerned for evolving a coordinated response of the Government in the matter. Further, certain questions of Law and facts arising out of the Supreme Court Judgement dated 02.02.2012 have been referred to Hon'ble Supreme Court through a Special Reference No.1 of 2012 by her excellency the President of India. The Reference is listed for hearing on 10th July, 2012.