

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

UNSTARRED QUESTION NO:1351

ANSWERED ON:21.03.2012

IMPACT OF CANCELLATION OF 2G LICENSES

Ahir Shri Hansraj Gangaram;Bais Shri Ramesh;Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhagora Shri Tarachand;Bhoi Shri Sanjay;Botcha Lakshmi Smt. Jhansi;Gaikwad Shri Eknath Mahadeo;Hegde Shri Anant Kumar;Joshi Dr. Murli Manohar;Paranjpe Shri Anand Prakash;Singh Shri Rakesh;Vardhan Shri Harsh

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

- (a) whether the Government has assessed the likely impact of cancellation of 2G licences by the Supreme Court on telecom sector and the Foreign Direct Investment in the sector;
- (b) if so, the details thereof and the corrective measures taken by the Government in this regard;
- (c) whether some of the foreign companies have started winding up their services from the country;
- (d) if so, the details thereof and the action taken/likely to be taken by the Government in this regard;
- (e) whether top telecom chiefs approached the Government and highlighted the challenges being faced by the telecom sector;
- (f) if so, the details and the outcome thereof; and
- (g) the action taken/proposed to be taken by the Government to address the challenges in the telecom sector?

Answer

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

(a) & (b) Foreign direct investment decisions are based on totality of commercial considerations and it would not be appropriate to discern a link between a judgement of the Hon'ble Supreme Court and FDI into India. For telecom services Foreign Direct Investment (FDI) upto 74% is already allowed out of which 49% is through automatic route.

(c) & (d) Consequent to Hon'ble Supreme Court Judgement dated 02-02-2012, M/s. Etisalat DB Telecom Private Limited, who has foreign equity participation in the company, has given notice to the Department of Telecommunications of its intention to shut down its telecommunications network by giving its subscribers 30 days notice. Another licensee M/s. S Tel Private Limited, who has also foreign equity participation, has stated that their network has been brought to a standstill.

The Government proposes to take action as per the Supreme Court's judgement and terms and conditions of the respective licences.

(e) to (g) The interaction with the industry representatives is an ongoing process and the officials of the Government are accessible to the Industry representatives and seek to redress their grievances, wherever permissible.