

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

UNSTARRED QUESTION NO:4291  
ANSWERED ON:19.12.2012  
SPECTRUM CHARGES FROM MERGED COMPANIES  
Sivasami Shri C.

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

:

- (a) whether the Government has decided that the existing players can hold 2.5 Mhz in prime band spectrum;
- (b) if so, the details thereof;
- (c) whether the companies would have to pay a market price, if they merged or acquired another company to which the spectrum was allocated at the old price; and
- (d) if so, the details thereof and the reasons therefor?

**Answer**

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

(a) & (b) The Government has decided that the existing telecom service providers be given the option of retaining up to 2.5 MHz of spectrum in the 900 MHz band at the time of renewal of license, subject to payment of auction determined price and further subject to participation and bidding by the holders of 900 MHz band in the auction.

(c) & (d) Government has decided the following:

(1) where a transferor (acquired) company holds spectrum against the entry fee paid, the transferee (acquiring) company (i.e. resultant merged entity), be required to pay to the Government, the differential between the entry fee, and the current auction determined price, on a pro-rata basis for the remaining period of validity of the license(s).

(2) Intra-service area merger of UAS/CMTS licences will be permitted only when both the licensees have also paid for their respective spectrum holdings in accordance with the Government decision on pricing of spectrum regarding levy of one time charges.

(3) In case of spectrum obtained through auction, if any, the relevant auction conditions shall apply.