

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

UNSTARRED QUESTION NO:1419  
ANSWERED ON:30.07.2003  
AMENDMENT IN LICENCE CONDITION  
PRABHA RAU

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

- (a) whether the existing licence conditions stipulate that a company having more than 10% stake in one cellular operator in a circle cannot acquire more than 10% in any other cellular operator in the same circle;
- (b) if so, the facts thereof;
- (c) whether the Government propose to amend the existing licence conditions for cellular operators with a view to allow them to acquire more than one licence in the same circle; and
- (d) if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI . PRADHAN)

(a) & (b) Yes, Sir. The relevant conditions of the Licence Agreement for Cellular Mobile Telephone service (CMTS), in this regard are given in the Annexure.

(c) & (d) No, Sir. This is so, as in the case of Cellular Service Licence, a Licensee is allotted Wireless Spectrum which is a scarce and limited natural resource. One legal person, if permitted, to have substantial stakes in more than one Licence in the same Service Area for the same service, the competition gets compromised as no fresh Licensee can be inducted due to constraint of availability of Wireless Spectrum.

ANNEXURE

RELEVANT CONDITIONS IN THE CMTS LICENCE AGREEMENT FOR TRANSFER OF LICENCE

- (i) Transfer of Licence is permitted with prior written approval of the Licensor subject to certain conditions, including that no compromise in competition occurs in the provision of Telecom Services.
- (ii) No single company/legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee company in the same service area for the same service. 'Substantial equity' herein will mean 'an equity of 10% or more.' A promoter company cannot have stakes in more than one licensee company for the same service area.