

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

UNSTARRED QUESTION NO:194
ANSWERED ON:03.12.2003
LICENCE FEE
LAXMAN GILUWA;MANSUKHBHAID. VASAVA

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

- (a) whether the private sector was allowed to operate in the cellular and basic telephone services sectors on licence fee basis for bringing expansion in communication system;
- (b) if so, the details thereof;
- (c) whether it is also a fact that at later stage revenue sharing was fixed in place of licence fee;
- (d) if so, the facts thereof including the date of its introduction;
- (e) the amount of licence fee outstanding against such companies at the time of the above decision;
- (f) the percentage of revenue sharing fixed at that time and the existing percentage thereof; and
- (g) the reaction of the Government in this regard?

Answer

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

(a) Yes, Sir.

(b) Prior to implementation of New Telecom Policy, 1999. Licences were awarded to 8 Cellular Mobile Telephone Service (CMTS) operators in the 4 Metro service areas, 14 CMTS operators in 18 Telecom Circle service areas, 6 Basic Telephone Service operators in 6 Telecom Circle service areas after a competitive bidding process.

(c) Yes, Sir.

(d) to (f): Revenue sharing regime was introduced with effect from 01.08.1999 after an offer of migration package was made to the operators in July 1999. The percentage of revenue as licence fee was provisionally fixed at 15% initially. Finally the revenue share has been fixed at 12%, 10% and 8% of adjusted Gross Revenue (AGR) for category A, B and C Service Areas respectively, apart from separate charges for use of Wireless frequency spectrum. The details of outstanding License fee at that time are given in the Annexure.

(g) With the migration of operators to revenue sharing regime, tremendous growth in the number of Telephones and steep reduction in tariffs could be achieved. Thus, the customer has been benefited to avail the New Technological advancements in this Sector at affordable price.

Annexure

Details of Licence Fee Outstanding from Cellular Mobile Service Providers as on 31.7.1999

Sl. No.	Name of Company	Service Area	Licence fee due as per Migration package (As on 31.7.1999) (Rupees in Crores)
1	Bharti Cellular Ltd.	Delhi	34.68
2	Sterling Cellular Ltd.	Delhi	27.94
3	Hutchison Max Telecom Ltd.	Mumbai	19.69
4	BPL Mobile Communication Ltd.	Mumbai	40.39
5	Skycell Communications Ltd.	Chennai	5.74
6	RPG Cellular Services Ltd.	Chennai	5.87

7	Modi Telstra P.Ltd.	Calcutta	9.19
8	Usha Martin Telekom Ltd.	Calcutta	3.02
9	Bharti Telenet Ltd.	Himachal Pradesh	0.00
10	Birla Communications Ltd.	Gujarat	109.10
		Maharashtra	100.80
11	Escotel Mobile Communication Ltd.	Haryana	6.20
		Kerala	13.35
		Uttar Pradesh (W)	10.49
12.	Fascel Ltd.	Gujarat	60.19
13.	Hexacom India Ltd.	North East	00.00
		Rajasthan	44.45
14.	J.T. Mobile Ltd.	Andhra Pradesh	58.14
		Karnataka	90.76
		Punjab	293.60
15.	Modicom network P. Ltd.	Karnataka	114.13
		Punjab	103.71
16.	Srinivas Cellcom Ltd.	Tamilnadu	0.00
17.	RPG Cellcom Ltd.	Madhya Pradesh	2.19
18.	Reliance Telecom Ltd.	West Bengal	1.86
		Assam	0.06
		Bihar	26.11
		Himachal Pradesh	0.65
		Madhya Pradesh	2.22
		Orissa	17.06
		North East	0.01
19.	Tata Cellular Ltd.	Andhra Pradesh	59.17
20.	BPL US West Cellular Ltd.	Kerala	20.43
		Tamil Nadu	33.22
		Maharashtra	63.04
21	Aircell Digilink India Ltd.	Haryana	20.67
		Rajasthan	54.41
		Uttar Pradesh(East)	99.34
22	Koshika Telekom Ltd.	Bihar	56.73
		Orissa	38.09
		Uttar Pradesh(East)	94.77
		Uttar Pradesh (West)	29.76
	Total		1771.23

Details of licence fees outstanding from Basic Service Providers as on 31.7.1999

Sl.No.	Name of Company	Service Area	Licence fee due as per Migration package (As on 31.7.1999) (Rupees in Crores)
1	M/sTata Teleservices Ltd.	Andhra Pradesh	16.85
2	M/s Bharta Telenet Ltd.	Madhya Pradesh	6.48
3	M/s Hughes Telecom Ltd.	Maharashtra	55.54
4	M/s HFCL Infotel Ltd.	Punjab	18.55
5	M/s Shyam Telelink Ltd.	Rajasthan	0.00
6	M/s Reliance Telecom Ltd.	Gujarat	60.83
	Total		158.25