

122
Total licences
cancelled

FOR WHOM THE CALL DROPS

The order could allow incumbent players to raise tariffs amid lower competition, unsettle foreign investors

	Uninor	Videocon	S Tel	Loop Tele	Etisalat	Sistema	Idea*	Tata*
Licences cancelled	22	21	6	21	15	21	13	3
Market share	4.06%	0.61%	0.40%	0.36%	0.19%	1.68%	11.90%	9.34%
Subscribers	36,306,865	5,442,883	3,549,381	3,236,381	1,670,086	15,006,528	106,380,111	83,492,826

*Total subscriber base; only subscribers in circles where licences have been cancelled may get affected

HOW THE 2G STORY UNFOLDED

> **Jan 2008** Telecom minister A Raja issues 122 new licences to 9 companies at ₹1,651 crore for pan-India licence

> **Sept-Oct 2010** Swan Telecom, Unitech offload 60% and 45% stake, respectively, to foreign players, at \$2 billion each

> **Nov 2010** Raja forced to resign, as a CAG report alleges a loss of ₹ 1.76 lakh crore to the exchequer; 2G report tabled in Parliament

> **Feb 2011** Raja, his former private secretary R K Chandolia and former DoT secretary Siddhartha Behura arrested, sent to Tihar jail

> **Feb-May 2011** Several telecom executives arrested and jailed

> **Oct 2011** A CBI special court's order on framing of charges against 17 accused, including Swan Telecom, Unitech Wireless, Reliance Telecom

> **Nov 2011** Commencement of trial for accused

> **Feb 2, 2012** SC cancels 122 licences



WHO GETS IMPACTED AND HOW

> **71 million subscribers** hit (excluding Tata's subscribers in three circles)

> **Banking sector** had an exposure of **₹90,900 crore** to the telecom sector as on December 30, 2011. Banks such as SBI had given loans to new telcos, but these had been mostly paid back

> **Foreign partners** like Telenor, Sistema and Etisalat, which had invested **₹35,000-40,000 crore** in their JV companies in buying equity and rolling out services

> **PE major** Providence Equity Partners had picked 16% in Aditya Birla Telecom, the fully owned subsidiary of Idea Cellular, for **\$428 million**. Now, it holds 9.8%

> **The govt** had collected **₹10,500 crore** by selling licences. It is unclear if it will have to refund

> **Incumbents** such as Bharti Airtel and Vodafone could gain at the cost of new licensees, could see a churn in their base

GAINERS AND LOSERS

Bharti Airtel **6.88%** ↑

Idea Cellular **2.68%** ↑

DB Realty **-0.48%** ↓

Videocon **-0.92%** ↓

Tata Tele **-2.77%** ↓

RCom **-3.54%** ↓

IDFC **-4.71%** ↓

Telenor* **-4.74%** ↓

Unitech **-7.04%** ↓

*In Norway, rest on the Bombay Stock Exchange

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