

Government of India
Ministry of Communications & IT
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi - 110 001.

No. 842-503/2005-VAS/5

Dated 15th September 2005

To,

All the Access Service Providers (CMTS/ UAS)

Subject : Merger of Chennai Metro & Tamil Nadu Telecom Circle Service Areas for the CMTS/ UAS Licence.

For the purpose of Cellular Mobile Telephone Service (CMTS)/ Unified Access Services (UAS), the State of Tamilnadu has been divided into two Service Areas, namely Chennai Metro, and Tamil Nadu Telecom Circle, which is not generally the case in relation to other States.

2. The removal of above anomaly, in public interest, was under consideration of the Government and the undersigned is directed to state that for the purpose of CMTS/ UAS Licenses the Service Areas of Chennai Metro, and Tamil Nadu Telecom Circle are merged with immediate effect subject to the following conditions :

- (i) Merged service areas of Tamilnadu State shall be called "**Tamilnadu Service Area**". All new UAS Licenses shall be for the merged service area.
- (ii) The entry fee for merged service area shall be the sum of the individual entry fees of these service areas i.e. the entry fee for Tamilnadu Service Area now would be **Rs. 233 Crores** (Rupees Two Hundred Thirty Three Crores only).
- (iii) The Licensees, who are having Licenses in both the service areas of Tamilnadu State, may apply for issue of License for merged service area in lieu of two separate licenses without payment of any additional entry fee. The effective date for the merged licence shall be same as that of the existing Licenses. However, in case the effective dates of existing Licenses are not the same; the effective date of the License later in date shall be the effective date for the merged License.

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- (iv) In case of Group Companies having separate licenses, if they desire and apply, they may be permitted to transfer their existing Licenses to any one of the companies as a special case. In such cases, after the transfer of License to any such company, a fresh license may be issued for merged service area in lieu of separate licenses as in (iii) above. Group Companies shall mean the companies where majority stakeholders are the same.
- (v) The License fee for the merged service area of Tamilnadu would be @ 10% of Adjusted Gross Revenue (AGR). However, the Licensees, who are presently paying License Fee @ 8% in Tamil Nadu Telecom Circle Service Area shall pay License Fee @ 9% of AGR in the merged service area of Tamilnadu from 1st October 2005 to 31st March 2008. After 31st March 2008, the License fee shall be @ 10% of AGR for all Licensees in Tamilnadu Service Area.
- (vi) In all other cases, the existing licensees shall continue to operate in their existing territory till the expiry of their current License period. In such cases, the Licensees shall continue to pay the License Fees as if there is no merger of the service areas.

(A. K. Dhar)
Asst. Director General (VAS-I)
Tel. No. 2337 2069
For and on behalf of President of India

Copy to:

1. Secretary, TRAI.
2. Sr. DDG (TEC), DOT
3. Wireless Advisor, WPC Wing.
4. DDG (BS), DOT.
5. DDG (LF), DOT.
6. DDG (WPF), DOT.
7. COAI
8. AUSPI