The Department of Telecommunications (DoT) has turned down Vodafone India's request to extend the term of its telecom licences in seven circles. The licences originally awarded to the operator for a period of 20 years are coming up for renewal in December 2015. Vodafone India had approached the department to extend the validity of these licences for another 10 years.

However, declining the operator's request, DoT has taken a view that Vodafone India should acquire fresh permits under the new unified licencing regime and buy back spectrum during the next round of auction if it wants to continue operations in the seven circles. The seven circles for which the operator had sought an extension of its licences include Kerala, Tamil Nadu, Haryana, Rajasthan, Uttar Pradesh (East), Maharashtra and Gujarat.

Vodafone India had approached the department since the earlier licencing rules allowed operators to make a request for extension of licences on mutually agreed terms. The operator on its part had even offered to pay entry fee afresh if it was allowed to retain spectrum in these circles. However, post the Supreme Court ruling on the 2G spectrum scam, DoT has taken a stance that the landscape of the telecom industry has changed a lot and accordingly the rules for allocation of spectrum stands change. Further, the department has claimed that court has directed the government that in future spectrum should be awarded to operators through market determined process.

In fact, under the new unified licencing regime, spectrum has been de-linked from the licence. DoT has conducted several rounds of auction to enable operators to reacquire spectrum in order to continue their operations in existing markets. Majority of operators whose licences were set to expire in November 2014 have already bought back spectrum during the auctions held by the government in February 2014.

Earlier in December 2012, Vodafone India had also applied for extension of licences in three circles - Delhi, Mumbai and Kolkata on similar grounds. However, the department turned down this request, following which Vodafone India had moved the Delhi High Court.

Later, the operator had offered to pay Rs 40 billion and a spectrum usage charge of three per cent in for extension of its licences in the three circles for a period of 20 years. With DoT

refusing to accept these terms, Vodafone India had to buy fresh spectrum through auction in the three circles.

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