

DoT may send notices to Vodafone, Idea, Airtel in Matrix case

By [Kalyan Parbat](#), ET Bureau | 27 Nov, 2013, 02.43AM IST[Post a Comment](#)

KOLKATA: The telecom department (DoT) is set to show cause [Vodafone India](#), [Bharti Airtel](#) and [Idea Cellular](#) for violating licence conditions in Delhi by allegedly renting out bulk SIM cards to [Matrix Cellular \(International\) Services](#) without proper verification.

The violations, if proved, could entail cancellation of licences and a maximum fine of Rs 50 crore, as per an internal telecom department document seen by ET.

Back in 2011, the DoT had issued show-cause notices and Rs 50-crore demand notes each to the three mobile phone operators for allegedly flouting licence conditions by renting out SIM cards in bulk to Matrix Cellular in the Delhi service area. Subsequently, the three GSM operators had challenged the move in the telecom tribunal, TDSAT.

In its judgement dated July 17, 2012, the tribunal had directed the DoT to "serve fresh show-cause notices" and also asked DoT to refund the penalties to the three companies.

"In line with the TDSAT decision, it is proposed to issue show-cause notices to Vodafone, Bharti Airtel and Idea Cellular for violation of licence conditions while indulging in renting of SIMs to Matrix Cellular (International) Services," the note says. "The notice to Idea Cellular is already submitted for administrative approval." The draft show-cause notice also claims the licensees "violated clauses 5.13, 5.14, 7.1, 8 and 9 of the cellular mobile telephony services (CMTS) licence agreement".

The telecom department's bid to fine India's three large GSM operators comes even as it prepares to challenge the TDSAT verdict in the [Supreme Court](#). Vodafone India, Bharti Airtel and Idea Cellular did not reply to ET's emails requesting comment.

The DoT note, however, does not clarify whether the SIMs allegedly rented out to Matrix Cellular were activated in overseas networks.

Matrix Cellular had earlier denied that it had rented out Vodafone SIMs to international travellers. The company had told ET back in 2011 that it never rented out Vodafone SIM cards to global roamers travelling out of India as it purely did customer management for Vodafone subscribers in Delhi, which primarily involved all pre-activation related documentation.



DoT had earlier issued demand notice of Rs 50 crore to these companies in November 2011 but they approached TDSAT against the notice.

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