

## **Govt slaps Rs 50 cr penalty on Airtel, Tatas for ILD licence violation**

**The DoT had set up a committee to examine and suggest the amount of penalty to be imposed on Tata Communications and Bharti Airtel for the violation of ILD licence norms**

The Telecom Ministry is understood to have imposed a penalty of Rs 50 crore each on Bharti Airtel and Tata Communications for providing international private lease circuits to foreign company SingTel in violation of ILD licence terms and conditions.

Sources in the Department of Telecom (DoT) said notices in this regard have been sent to respective companies for violating the terms and conditions of International Long Distance (ILD) licence.

This is in contrast with the Ministry's earlier stance. DoT had pulled up SingTel for violating ILD licence norms by acquiring and billing customers in India without a licence between 2005 and 2009, and had given a clean chit to Bharti Airtel and Tatas which had provided international private lease circuits to the foreign firm.

Sources in Bharti and Tata Communications said that they have not received any such notice.

The DoT had set up a committee to examine and suggest the amount of penalty to be imposed on Tata Communications and Bharti Airtel for the violation of ILD licence norms.

As per the licensing norms, Indian ILD operators are authorised to provide Indian circuits to a foreign carrier (like SingTel in this case) so that they are able to provide end-to-end services to their customers in their territories.

The committee found, from submissions made Bharti, that the company had raised the invoice to SingTel at its Singapore address for the portion of circuit provided by Bharti Airtel.

Airtel paid the applicable licence fee on the revenue earned by providing the Indian half circuit.

While Tata Communications Ltd (erstwhile VSNL) had said in its reply that SingTel has not submitted any document showing that the customer was acquired outside India and Tatas have not felt any need to check this because as per the agreement, SingTel can acquire customers only in its own licenced territory and not in India.

Tatas have, however, taken immediate corrective steps and took confirmation from all foreign carriers that they are neither contracting nor billing the customers in India under such agreements.

The committee had also observed that Tatas too have paid the licence fee on revenues earned by them for providing half leased circuits to Singapore Telecommunications Limited and observed that the Tata Communications Ltd is not liable to pay any penalty

in response to the show cause notice issued by the DoT.

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