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Shares of Idea Cellular gained over 4 per cent on Monday ahead of the Department of Telecommunications (DoT) likely approval to its merger with Vodafone India, which will create the country's largest mobile service operator. The stock rose 4.2 per cent to Rs 63.20 on the National Stock Exchange, the biggest intra-day percentage gain since the second week of June. On the BSE, Idea's shares rose by 4.13 per cent to record an intra-day high of Rs 63.10 per share.

The telecom department is expected to approve the merger of the two telecom firms Vodafone India and Idea Cellular today, PTI reported on Sunday citing official sources. The combination of Idea and Vodafone's operations is expected to create the country's largest telecom operator worth over USD 23 billion (or over Rs 1.5 lakh crore) with the proposed name of Vodafone Idea Ltd.

The likely approval news lifted the stock of Idea Cellular by as much as 4.2 per cent, which is the biggest intra-day percentage gain since June 8, reported Reuters. The telecom firm's stock has fallen about 44 per cent this year up to Friday. The merger deal was announced by Vodafone and Idea last year to create the biggest telecom business in the country after the entry of a new rival sparked a brutal price war.

The merged entity will have a 35 per cent market share and a subscriber base of around 430 million. The deal is also expected to give breather to both the debt-ridden firms — whose combined debt is estimated to be around Rs 1.15 lakh crore — from cut-throat competition in the market. An extraordinary general meeting will be held on June 26 by Idea Cellular to change the name of the merged entity to Vodafone Idea Limited following the completion of the merger. Vodafone will own 45.1 per cent, Kumar Mangalam Birla-led Aditya Birla Group will have 26 per cent share and Idea shareholders will own 28.9 per cent in the combined entity.

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