

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:3513
ANSWERED ON:17.04.2000
DISCREPANCY IN TELECOM DUES
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Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether attention of the Government has been drawn to news-item captioned `Rs 100 cr. discrepancy in telecom dues` appearing in the Statesman dated March 10, 2000;
- (b) if so, the facts of the matter reported therein;
- (c) the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR COMMUNICATION

(SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) & (c): The news item primarily deals with `discrepancy` in the interest calculation on the outstanding dues which is linked to the subscriber base in case of Metro Cellular Operators and the extension of deadline for payment of all outstanding dues granted to the operators up to 15th March, 2000. The facts of the matter and reaction of the Government thereto are as under:

As per the existing License Agreements, the license fee in case of eight Cellular (metro) operators for each of the first three years is a fixed amount. From the fourth year onwards, it is linked to the subscriber base and the same had earlier been charged provisionally based on the subscriber figures furnished by the Licensees. On verification of the subscriber figures, it was found that these figures were neither being reported correctly by the licensees, nor proper records were being maintained for verification by majority of these eight licensees. The subscriber base arrived at, based on the findings of a three member committee appointed for the purpose of verification of subscriber base, was higher than the figures reported by the licensees. As a result both the license fee, and consequently, the interest on delayed payments got raised upwards. On account of subscriber base verification, the license fee dues outstanding as on the cut-off date of 31.7.1999 in terms of the migration package went up by Rs.86.87 crores (from Rs.146.52 to Rs.233.39 crores) and the interest liability also accordingly increased by Rs.30.03 crores upto actual date (s) of payment. The total difference came to Rs.116.90 crores.

Regarding the alleged miscalculation, it is stated that the calculation are correct and have been made based on the revised subscriber figures. However, in the letter issued to the operators, it was indicated that the amounts are provisional subject to finalization at a later date. This would be based on availability of further records, if any and subject to verification of the same.

As regards M/s Bharti and M's. Reliance who are holding Basic Service Licences, the demand has not been for grant of extension in effective date of payment as brought out in the news-item, but for extension of effective date of licence in terms of the Migration Package. The Migration Package offered to the licensees envisaged notional extension of effective date of licence by a period of six months for the purpose of calculation of outstanding licence fee dues upto the cut-off date of Migration, subject to the condition that where extension of effective date had been given earlier due to whatever circumstances, further extension would be given after deducting the period of extension already given subject to the total extension period not exceeding six months.

In the context of implementation of New Telecom Policy-1999 (NTP-99) and resolution of problems of existing operators, a policy regarding migration of the existing licensees to NTP-99 regime of revenue sharing arrangement was approved by the Government on 6.7.1999. As a result, a Migration Package was offered to the existing Basic and Cellular Service Licensees on 22.7.1999. The prescribed due date of 31.1.2000 for payment of the full outstanding license fee dues in terms of the Migration Package was extended to 15.3.2000 but with additional penalties viz., 2% per month on pro-rata basis on short fall of securitisation for delays in payment beyond 31.1.2000. The deadline in case of the only company M/s. Spice Communication Limited, who could not fulfil the conditions by the extended date, was further extended by the Government upto 15.4.2000 with further additional penalty.