

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:119
ANSWERED ON:26.07.2010
RELAXATION IN ECB NORMS
Owaisi Shri Asaduddin

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether according the Department of Telecom (DoT) guidelines the successful bidders would be required to pay twenty five per cent of the bid amount within five days of the close of the auction and balance amount within ten days;
- (b) if so, whether keeping in view the short period between day of auction and day of payment the Government has relaxed the External Commercial Borrowings (ECB) norms for 3G bidders in the country;
- (c) if so, the details thereof; and
- (d) the extent to which it will help to bidders?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

- (a) No, Madam. As per the Notice inviting Applications (NIA) published on 25th February, 2010 by Department of Telecommunications for auction of 3G and BWA spectrum, payment of the successful bid amount was to be deposited within 10 calendar days of the close of the relevant Auction.
- (b) to (d) Yes, Madam. The amount involved is huge and the same has to be raised with in a limited period of time, the bidders may find it difficult to raise External Commercial Borrowing (ECB). Therefore it has been decided that the fee for spectrum allocation may be met out of Rupee resources by successful bidders, to be refinanced with a long term ECB subject to:
 - (i) The ECB should be raised within 12 months from the date of payment of the final installment to the Government.
 - (ii) The authorized Dealers should monitor the end-use of funds;
 - (iii) Domestic banks will not be permitted to provide any guarantee; and
 - (iv) All other conditions of ECB, such as eligible borrower, recognized lender, all-in-cost, average maturity, etc. should be complied with.