

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

UNSTARRED QUESTION NO:4322

ANSWERED ON:06.12.2010

LICENCES TO TELECOM COMPANIES

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

- (a) whether the Comptroller and Auditor General of India (CAG) has sought explanation for giving mobile licences to various telecom companies;
- (b) if so, the details thereof;
- (c) whether those companies are not fulfilling the eligibility criteria for obtaining the licences;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government in this regard?

Answer

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

(a) to (e) 122 Unified Access Services (UAS) licences were granted in 2008 as per the extant UAS licence guidelines dated 14.12.2005. However, as per the Report of Comptroller & Auditor General of India (CAG) on "Issue of Licences and Allocation of 2G Spectrum by the Department of Telecommunications", tabled in the Parliament on 16.11.2010, 85 Licenses out of the 122 new licenses issued to 13 Companies in 2008 were granted to those companies which did not satisfy the eligibility conditions prescribed by the DoT. All 85 licenses were given to companies which did not have the stipulated paid up capital at the time of application. Further, 45 out of these 85 licenses were issued to companies who failed to satisfy conditions of main object clause in their Memorandum of Association on the date of application. The CAG Report concluded that 85 licenses were issued to the Companies which suppressed facts, disclosed incomplete information and submitted fictitious documents to the DoT and thus used fraudulent means for getting UAS licenses and thereby access to spectrum.

Unified Access Services (UAS) licences are granted in terms of the UAS guidelines dated 14.12.2005 and based on the information/ documents/certificates submitted by the applicant companies duly certified by their Company Secretary as mentioned in the Guidelines/ Application Form. As a matter of abundant precaution, Department of Telecom (DoT) also takes an undertaking from the applicant company that "if at any time, any averments made or information furnished for obtaining the licence was found incorrect, then their application and the licence if granted thereto on the basis of the such application, shall be cancelled". If any misrepresentation of facts is brought to notice at a later date necessary action can be taken as per due procedure under the provisions of the UAS licence Guidelines/ agreement.

DoT sought legal opinion on issues arising from the above observations of Audit. It is proposed to issue notices to ineligible companies under the terms & conditions of extant guidelines and licence conditions.