

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

UNSTARRED QUESTION NO:2953  
ANSWERED ON:29.08.2012  
SPECTRUM MORTGAGE BY OPERATORS  
Kumar Shri Kaushalendra;Saha Shri Anup Kumar

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

- (a) whether the Telecom Regulatory Authority of India (TRAI) has suggested that the mobile operators be allowed to mortgage spectrum to raise funds from banks and financial institutions;
- (b) if so, the details thereof and the reasons therefor;
- (c) the grounds on which the banks and financial institutions are liable to give loans to these mobile operators;
- (d) whether the Government proposes to provide any bail out package to mobile companies and whether there has been opposition to the move from various quarters including from C&AG; and
- (e) if so, the details thereof and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

- (a) Yes, Madam.
- (b) Telecom Regulatory Authority of India (TRAI), in its Recommendation dated 23.4.2012 on Auction of Spectrum, recommended that the mortgage of spectrum may be allowed by spectrum holders to a registered Indian financial institution against borrowings. The mortgage will be subject to the condition that in the event of default of the liability, the spectrum shall be auctioned by the financial institution under the supervision of the DOT and all proceeds in excess of the liability shall be remitted to the Government.
- (c) Government has decided that the existing Tripartite agreements in Unified Access Service Licence (UASL) be modified appropriately to include `spectrum`, in order to achieve the desired objective in consultation with the Department of Legal Affairs and the Department of Financial Services. Further, in the event of default by a licensee entailing auction of spectrum, financial institutions/agents be allowed to conduct auction in consultation with the Department of Telecommunications and in accordance with such guidelines as may be laid down for the purpose by the Department of Telecommunications. It would be open to financial institutions to request the licensor to conduct the auction without prejudice to their rights,
- (d) No, Madam.
- (e) Does not arise in view of (d) above.