

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

UNSTARRED QUESTION NO:1073
ANSWERED ON:11.12.2013
TRANSFER OF DEPOSITS TO NEW TELECOM COMPANY
Singh Shri Yashvir

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

- (a) whether serious concerns have been raised over the permission to three companies of the 2008 licence winners to transfer their deposits to new companies they floated for applying afresh for 2G licences last year;
- (b) if so, the details thereof; and
- (c) the response of the Government thereto and the action taken thereon?

Answer

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

(a) & (b) Draft Audit Paras were received by the Department in respect of Set-off given to M/s Videocon Telecommunication Ltd.(VTL), M/s Sistema Shyam Teleservice Ltd(SSTL), and M/s Telewings Communications Services Private Limited (TCSPL). Also, an Audit note was received regarding Set-off given to M/s Idea Cellular Ltd. Out of these companies, only M/s TCSPL was a new company of Telenor group. It has been alleged by the Audit that undue benefit of Rs 1658.57 crores has been given to M/s. TCSPL, by allowing the Set off of one-time entry fee paid by the Unitech group of companies to obtain 22 Unified Access Service Licence (the licences of which have been considered illegal and quashed by the Hon'ble Supreme Court of India), against the auction price payable for spectrum in 1800 MHz by the TCSPL.

(c) The Government has replied to the observations of Audit, inter-alia, conveying that the decision to allow set-off was taken by the Empowered Group of Ministers (EGoM) in the light of the various representations and submissions by the stakeholders and guided by the principle of equal restitution. It has also been stated that Set-off is not in the nature of refund as it was allowed only in case of participation and winning of spectrum in the auction.