

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

UNSTARRED QUESTION NO:3420  
ANSWERED ON:12.02.2014  
BROADBAND WIRELESS ACCESS SPECTRUM  
Majhi Shri Pradeep Kumar;Singh Shri Yashvir

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

- (a) the details of the companies which were awarded Broadband Wireless Access (BWA) spectrum during 2010 in the country, circle-wise and the revenue generated as a result thereof;
- (b) whether serious irregularities have been noticed in award of BWA spectrum to private companies which resulted in loss of thousands of crores of rupees;
- (c) if so, the details thereof and the corrective measures the Government has taken in this regard;
- (d) whether BSNL and MTNL propose to surrender BWA spectrum; and
- (e) if so, the present status thereof along with the modalities/terms and conditions set up for the same?

**Answer**

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

(a) Details of the companies which were awarded Broadband Wireless Access (BWA) during 2010, in the country, Circle-wise are given in Annexure-I. Total revenue of Rs.25,695.54 crores was received from all bidders.

(b) & (c) The Audit has observed among others, that due to provision of inadequate eligibility criterion for the participation in the auction of BWA spectrum, the promoters of, an Internet Service Provider (ISP), changed equity and transferred shares immediately after the closure of the BWA spectrum auction in June, 2010.

It has been clarified to the audit that the eligibility conditions for participation in BWA auction for all applicants including ISP Licensees were decided and published in Notice Inviting Application (NIA) dated 25.02.2010 based on the TRAI recommendations which emphasized the rural and urban broadband penetration by permitting small as well as large scale ISP operators in the auction. ISP licences were to be obtained by the successful bidders as per the prevailing guidelines for grant of ISP licence. In addition existing ISP licensees were also eligible to participate in the auction.

Further, as per the guidelines for grant of ISP licence prevailing at the time of auction in year 2010, there was no restriction with respect to minimum net worth or paid up equity capital criteria. As per the provision in ISP licence, the licensee company may, under intimation to Licensor, transfer equity between Indian promoters or person (s) or make changes in its equity pattern. The auction of BWA spectrum in terms of NIA resulted in getting revenue of Rs.12,847.77 crores for the 20MHz pan India BWA spectrum.

(d) Yes Madam.

(e) BSNL and MTNL were allotted BWA spectrum in the year 2008 and were required to pay the winning price achieved through auction in the respective service areas. Accordingly revenue of Rs.12,847.77 crores was received from BSNL and MTNL in the year 2010 after completion of auction of BWA spectrum.

Based on their request, the Government has approved surrender of BWA spectrum by BSNL in 6 service areas. Financial support of Rs. 6724.51 crores would be provided by the Government to BSNL on surrender of BWA spectrum in 6 service areas.. The financial support shall be through budgetary process, limited annually to the amount realized from the BSNL as spectrum usage charges and licence fee.

Government has also approved surrender of BWA spectrum by MTNL in 2 Metro service areas. Financial support of Rs.4533.97 crores would be provided by the Government to MTNL on surrender of BWA spectrum in 2 Metro service areas. Government has authorized MTNL to raise bonds with sovereign guarantee equal to the financial support without any sovereign guarantee fee. The total liability of the bonds, including principal and interest will be discharged by the Government on behalf of MTNL.