

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

UNSTARRED QUESTION NO:1757
ANSWERED ON:03.12.2014
IRREGULARITIES IN ALLOCATION OF G SPECTRUM
Mann Shri Bhagwant

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

- (a) whether the Government has received any complaints regarding irregularities in the allocation of 4G spectrum;
- (b) if so, the details thereof;
- (c) the steps taken/proposed to be taken by the Government to investigate into the matter;
- (d) whether the Government proposes to cancel the licenses of the companies found to be involved in the irregularities; and
- (e) if so, the details thereof and if not, the action taken by the Government against the erring company?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) to (e) The Audit has observed, among others, that due to provision of inadequate eligibility criterion for the participation in the auction of Broadband Wireless Access (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 the 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, under intimation to Licensor, may 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.38543.77crores including Bharat Sanchar Nigam Limited/ Mahanagar Telephone Nigam Limited (BSNL/MTNL).