

DoT slams CAG, defends licence given to Reliance Jio

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NEW DELHI: The telecom department has slammed the national auditor for challenging the government's decision-making powers and asked it to remove paragraphs in its draft audit report which note that the DoT gave undue benefit to Reliance Industries Ltd's telecom unit Reliance Jio Infocomm.

The Comptroller & Auditor General of India (CAG) claimed that the telecom department, through a series of decisions, allowed undue favours of Rs 22,848 crore to Mukesh Ambani-owned RJio.

Citing the sovereign right of the government to take policy decisions, the telecom department defends its decision to fix different prices for 3G and broadband wireless access (BWA) spectrum, according to a note accessed by ET.

It also cited different levels of technical efficiency and the consequent capital expenditure incurred on laying a network as the two primary reasons for setting a lower reserve price for BWA spectrum.

The national auditor had in the past alleged that the telecom department allowed RJio to rig auctions as it colluded with Infotel Broadband Services, the only sole winner of the pan-India block of 20 MHz of airwaves in the 2300 MHz band.

The auditor claimed that DoT didn't ensure checks on the performance bank guarantees submitted by Infotel, which was acquired by Reliance Industries within hours of the closure of the auctions.



The telecom department defends its decision to fix different prices for 3G and broadband wireless access spectrum.

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CAG claims that previously telecom department had allowed RJio to rig auctions

CAG says telecom department didn't ensure checks on the performance bank guarantees submitted by Infotel

While the telecom department has maintained that several allegations were baseless as they fell outside the purview of the department's powers and responsibilities, on the remaining claims, it said, The aforesaid policy decisions were timely decisions and were in fulfillment of mandate given by the Cabinet and taken with the approval of the telecom minister."

The department said the CAG's observations, in effect, challenged the decision-making powers of various government organs and the authority vested under the rules of business with the telecom minister.

"It also seeks to substitute the wisdom and the decisions of the decisionmaking authorities of relevant time with that of another alternate approach suggested in the DAP (draft audit para), which need not have been the best approach," the telecom department has said in a letter. The department defended the decision to allow RJio to move to a unified licence regime, which enables it to offer voice services

using airwaves meant for broadband wireless spectrum.

It said BWA spectrum winners were allowed to acquire either a unified access service licence or an Internet service provider permit. If they purchased a unified licence (UL), they could provide any service under the permit, including full mobile voice services.

To convert to a UL, the BWA spectrum holder needs to pay Rs 1,658 crore to the government. An ISP without spectrum can migrate to UL by paying the difference between license fees, the department said.

RJio obtained spectrum through an open auction and had to pay the entry fee of Rs 1,658 crore without having any bundled airwaves otherwise provided under the unified access service licence, it said.

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