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## BSNL, MTNL to return spectrum; get ₹ 12,846 cr

The government is likely to take back 4G spectrum from state-owned Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL) and refund them about ₹ 12,846 crore paid in fee to the government. The two companies expressed their inability to launch broadband wireless access (BWA) services for want of requisite funds.

The Department of Telecommunications (DoT) has prepared a note for the group of ministers (GOM) on the issue of revival of the two public sector units.

If the GoM decides to take back spectrum from the two companies and refund them, there are likely to be similar demands from existing private players who were unable to launch services.

“There are two companies that won spectrum for BWA services through auction but are not in a position to launch services. They may also seek refund of their fee,” said an official of a large telecom service provider.

The two PSUs were issued spectrum in 2008.

According to rules, they had to pay market rate for the spectrum issued. Subsequently, a 4G spectrum auction was held in 2010, where the market price of 4G airwaves was determined. BSNL had to pay ₹ 8,313 crore as spectrum fee while MTNL paid ₹ 4,533 crore.


However, both companies begun facing financial crunch and were not able to compete with private operators.

Now, with both companies having raked in huge losses, the DoT has suggested to the government to refund the fee. Earlier, communications and IT minister Kapil Sibal had written to the government that BSNL is expected to register a loss of about ₹ 10,000 crore during last fiscal year, while MTNL's network has been completely eroded.

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### NUMBER CRUNCHING

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| <b>₹8,313 cr</b><br>Amount paid by BSNL as 4G spectrum fee | <ul style="list-style-type: none"><li>■ The DoT has prepared a note for the group of ministers (GoM) on the revival of the two companies</li><li>■ MTNL's net-worth is said to have completely eroded in 2012-13.</li></ul>  |
| <b>₹4,533 cr</b><br>Amount paid by MTNL                    |   |
| <b>₹10,000 cr</b><br>BSNL's expected loss during 2012-13   |   |