

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
STARRED QUESTION NO.540
TO BE ANSWERED ON 4TH APRIL, 2018**

CAP ON SPECTRUM HOLDING

*540. DR. P. VENUGOPAL:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government has approved relaxing the cap on spectrum holding by the Telecom Service Providers (TSPs) and if so, the details thereof;
- (b) whether the Government has given any options to TSPs to extend the time period for payment of spectrum bought in auction from the present 10 years to 16 years and if so, the details thereof;
- (c) whether the aforementioned new spectrum cap will facilitate consolidation in the telecom market and if so, the details thereof; and
- (d) whether the said spectrum cap is likely to encourage more participation in future spectrum auction and if so, the reaction of the Government thereto?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) to (d) A statement is laid on the table of the House.

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PART (a) to (d) OF LOK SABHA STARRED QUESTION NO. *540 FOR 4TH APRIL, 2018 ON “CAP ON SPECTRUM HOLDING”.

(a) Yes, Madam. The Union Cabinet considered the recommendations of Inter-Ministerial Group (IMG) on “Stressed assets in Telecom Sector” and approved the proposal of relaxing the cap on spectrum holding by the Telecom Service Providers (TSPs) as follows:

- The overall spectrum cap be revised from 25% to 35%.
- The intra-band cap be removed. Instead, there would be a cap of 50% on the combined spectrum holding in the sub-1 GHz bands (700 MHz, 800 MHz and 900 MHz bands).
- There would be no cap for individual or combined spectrum holding in above 1 GHz band.
- The revised spectrum cap limits may be revisited after Final Acts of World Radiocommunication Conference (WRC) 2019.

(b) Yes, Madam. The Union Cabinet considered the recommendations of Inter-Ministerial Group (IMG) on “Stressed assets in Telecom Sector” and approved the proposal of restructuring of deferred payment liability of spectrum auction. The Government has given a one-time option to TSPs to extend the period of payment of instalments in respect of spectrum acquired through auction. The TSPs can opt for a maximum of 16 instalments (as against previous 10). The restructured instalments will be based on the principle that the Net Present Value (NPV) of the “payment due” is protected.

(c) & (d) Yes, Madam. New spectrum cap will facilitate consolidation in the telecom industry through merger and acquisition, and spectrum trading and sharing. It is expected to promote competition in the market. Revised spectrum cap will increase the spectrum holding capacity of TSPs which will allow them to acquire additional spectrum in order to provide 5G services. This would encourage more participation in future auction.
