

# The 2g spectrum scandal

[Food & Diet](#)



**ASSIGN  
BUSTER**

The 2G spectrum scandal involved officials in the government of India illegally undercharging mobile telephony companies for frequency allocation licenses, which they would use to create 2G subscriptions for cell phones. The shortfall between the money collected and the money which the law mandated to be collected is 1, 76, 379 crore (1. 763 trillion) rupees (roughly equivalent to 39 billion US dollars).

The issuing of licenses occurred in 2008, but the scam came to public notice when the Indian Income Tax Department was investigating political lobbyist Nira Radia. The government's investigation and the government's reactions to the findings in the investigation were the subject of debate, as were the nature of the Indian media's reactions. The discussion around the reactions to the 2G spectrum scam became known in the media as the Nira Radia tapes controversy.

Much of the credit of bringing this whole scam into public light goes to Dr. Subramanian Swamy who is the chief petitioner for this case in the court of law. [1] \* | Parties accused of involvement The selling of the licenses brought attention to three groups of entities - politicians who had the authority to sell licenses, corporations who were buying the licenses, and media professionals who mediated between the politicians and the corporations. Politicians involved \* A.

RAJA , the Minister of Communications and Information Technology who sold the licenses Corporations accused \* Unitech Group a real estate company entering the telecom industry with its 2G bid; sold 60% of its company stake at huge profit to Telenor after buying licensing[2] \* Swan Telecom sold 45%

of its company stake at huge profit to Emirates Telecommunications Corporation (Etisalat) after buying licensing[2] \* Loop Mobile \* Videocon Telecommunications Limited \* S Tel \* Reliance Communications

Media persons accused \* Nira Radia, a corporate lobbyist whose conversations with politicians and corporate entities were recorded by the government and leaked creating the Nira Radia tapes controversy \* Barkha Dutt, an NDTV journalist alleged to have lobbied for A. Raja's appointment as minister \* Vir Sanghvi, a Hindustan Times editor alleged to have edited articles to reduce blame in the Nira Radia tapes \* Rajdeep Sardesai, a CNN IBN senior editor [3] Shortfall of money A.

Raja arranged the sale of the 2G spectrum licenses below their market value. Swan Telecom, a new company with few assets, bought a license for Rs. 1537 crore. [4] Shortly thereafter, the board sold 45% of the company to Etisalat for Rs. 4200 crore. Similarly, a company formerly invested in real estate and not telecom, the Unitech Group, purchased a license for Rs. 1661 crore and the company board soon after sold a 60% stake in their wireless division for Rs. 6200 crore to Telenor. 4] The nature of the selling of the licenses was that licenses were to be sold at market value, and the fact that the licenses were quickly resold at a huge profit indicates that the selling agents issued the licenses below market value. Nine companies purchased licenses and collectively they paid the Ministry of Communications and Information Technology's telecommunications division Rs. 10, 772 crore. [4] The amount of money expected for this licensing by the Comptroller and Auditor General of India was 1, 76, 700 crore. 5] Relationship between media and government Media sources such as OPEN and Outlook reported that <https://assignbuster.com/the-2g-spectrum-scandal/>

Barkha Dutt and Vir Sanghvi knew that corporate lobbyist Nira Radia was influencing the decisions of A. Raja. [6] The critics alleged that Dutt and Sanghvi knew about corruption between the government and the media industry, supported this corrupt activity, and suppressed news reporting the discovery of the corruption. [6] Ratan Tata petitions over leak The tapes leaked to the public include conversations between Nira Radia and Ratan Tata.

Tata petitioned the government to acknowledge his right to privacy and demanded accountability for the leak, with the Minister for Home Affairs, CBI, Indian Income Tax Department, the Department of Telecommunication, and the Department of Information Technology as respondents in the petition. [7] Response to scam In early November 2010 Jayalalithaa accused the state chief minister M Karunanidhi of protecting A. Raja from corruption charges and called for A. Raja's resignation. [8] By mid November A. Raja resigned. 9] In mid November the comptroller Vinod Rai issued show-cause notices to Unitech, S Tel, Loop Mobile, Datacom (Videocon), and Etisalat to respond to his assertion that all of the 85 licenses granted to these companies did not have the up-front capital required at the time of the application and were in other ways illegal. [10] Some media sources have speculated that these companies will receive large fines but not have their licenses revoked, as they are currently providing some consumer service. [10]