

## Verdict in the 2G Spectrum Case

### Why in news?

\n\n

A CBI court recently acquitted all the accused in the 2G spectrum allocation scam case.

\n\n

### How did it all begin?

\n\n

\n

- In September 2007, the Department of Telecom (DoT) issued just a week's time for companies to apply for mobile phone licences.

\n

- As spectrums were priced artificially low, a mad scramble followed and 575 applications were received, most of which were from little known firms.

\n

- The DoT then issued 122 licences by adopting a controversial 'first-come first-served policy', which privileged those who applied at the earliest.

\n

- A CAG report in 2008 on 2G spectrum allocations, estimated a loss of R1.76 lakh crore to the exchequer.

\n

- Consequently, in 2010, Mr. Raja resigned as telecom minister and he was later arrested in early 2011.

\n

- Notably, the Delhi High Court set up a special court to fast-track the case.

\n

\n\n

### How did the case proceed?

\n\n

\n

- CBI filed its chargesheet and subsequently DMK MP 'Ms. Kanimozhi' and the MD of "Kalaingar TV" 'Mr. Sharad Kumar' were also arrested in late 2011.

\n

- CBI also filed an FIR against another DMK leader and former telecom minister Dayanidhi Maran and his brother Kalanithi Maran.  
\n
- Overall, the trial began against 17 people, that included the telecom executives of Unitech, Swan Telecom and Reliance Anil Dhirubhai Ambani Group.  
\n
- In early 2012, Supreme Court cancelled all the 122 telecom licences allocated to nine companies in 2007, by holding 'first-come, first-served' policy at fault.  
\n
- Income-Tax department, in 2013, submitted to the SC, the recordings of 5,800 tapped controversial phone conversations between corporate lobbyist Niira Radia and politicians.  
\n
- Enforcement Directorate (ED), in its 2014 chargesheet, accused Mr. Raja, and Ms. Kanimozhi of money laundering.  
\n
- In 2015, CBI records in court that the Mr. Raja "misled" the then PM Manmohan Singh on policy matters pertaining to 2G spectrum allocation.  
\n
- Finally, the special court concluded its hearing in April 2017, and it recently pronounced its final order, which acquitted all the people.  
\n
- It remains to be seen if the case is proceeded ahead with appeals against the current order in higher courts (HC and SC).  
\n

\n\n

### **What are the policy spin-offs from the case?**

\n\n

- SC's order that cancelled all the 122 2G licences issued in 2008 was perceived as a judicial over-reach into the policy domain.  
\n
- Hence, it moved a presidential reference with eight questions, that included the rationale of "auction being the only mode for allocation of resources".  
\n
- On hearing the presidential reference, by five-judge constitution bench, the SC concluded upholding the primacy of the government in the policy domain.  
\n
- It also explicitly stated that auctions is not a must for all resource allocations

and that maximisation of revenue cannot be the sole criterion in all situations.

\n

\n\n

\n\n

**Source: Hindustan Times**

\n

