Verdict in the 2G Spectrum Case

Why in news?

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

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How did it all begin?

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- In September 2007, the Department of Telecom (DoT) issued just a week's time for companies to apply for mobile phone licences.
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- As spectrums were priced artificially low, a mad scramble followed and 575 applications were received, most of which were from little known firms.
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- The DoT then issued 122 licences by adopting a controversial 'first-come first-served policy', which privileged those who applied at the earliest.
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- A CAG report in 2008 on 2G spectrum allocations, estimated a loss of R1.76 lakh crore to the exchequer.
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- Consequently, in 2010, Mr. Raja resigned as telecom minister and he was later arrested in early 2011.
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- Notably, the Delhi High Court set up a special court to fast-track the case.
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How did the case proceed?

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- CBI filed its chargesheet and subsequently DMK MP 'Ms. Kanimozhi' and the MD of "Kalaignar TV" 'Mr. Sharad Kumar' were also arrested in late 2011.
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- CBI also filed an FIR against another DMK leader and former telecom minister Dayanidhi Maran and his brother kalanithi Maran.
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- Overall, the trial began against 17 people, that included the telecom executives of Unitech, Swan Telecom and Reliance Anil Dhirubhai Ambani Group.
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- 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.
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- 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.
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- Enforcement Directorate (ED), in its 2014 chargesheet, accused Mr. Raja, and Ms. Kanimozhi of money laundering.
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- In 2015, CBI records in court that the Mr. Raja "misled" the then PM Manmohan Singh on policy matters pertaining to 2G spectrum allocation.
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- Finally, the special court concluded its hearing in April 2017, and it recently pronounced its final order, which aquitted all the people.
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- It remains to be seen if the case is proceeded ahead with appeals against the current order in higher courts (HC and SC).
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What are the policy spin-offs from the case?

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- SC's order that cancelled all the 122 2G licences issued in 2008 was perceieved as a judicial over-reach into the policy domain.
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- Hence, it moved a presidential reference with eight questions, that included the rationale of "auction being the only mode for allocation of resources".
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- On hearing the presidential reference, by five-judge constitution bench, the SC concluded uphoplding the primacy of the government in the policy domain.
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- 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.
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Source: Hindustan Times

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