

India's wireless auction reaps billions for govt

June 11 2010, By ERIKA KINETZ , AP Business Writer

(AP) -- India's auction of wireless broadband spectrum has brought in a reported \$8 billion in fees which could help plug India's fiscal deficit.

An unlisted company, Infotel, took spectrum across [India](#), while market leader Bharti Airtel and U.S. chipmaker Qualcomm each bought spectrum in four geographical areas, the Department of Telecommunications said in a statement Friday.

The Aircel group, which is majority owned by Malaysia's Maxis Communications Berhad, bought in 8 areas. Vodafone and Reliance Communications, the nation's number two and three telecommunications players, didn't take any [wireless broadband](#) spectrum.

The 16-day [auction](#) reaped the government 383 billion rupees (\$8.2 billion) in fees, the Press Trust of India reported, which it could use - along with the \$14.6 billion from a third-generation spectrum auction less than a month ago - to ease India's fiscal burden.

Profit margins are shrinking in India's fast-growing but crowded telecom sector, where 15 operators have driven the cost of calls down to less than 1 cent a minute in some places.

Proposed regulatory changes that would levy hefty fees on existing players and further restrict consolidation among dominant companies have also caused jitters.

The auction for broadband licenses comes less than a month after a much larger auction for crucial third generation spectrum, which operators need to improve call quality and roll out data intensive services to India's 600 million [cell phone users](#).

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