



**Auction of Spectrum in 1800MHz,
900MHz and 800MHz bands**

Auction Rules

e-Procurement Technologies Limited

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Outline

- Auction Format / Spectrum to be Auctioned
- General Information
- Clock Stage – Overviews
- Total Demand / Excess Demand / Top-up Blocks
- EMD Requirements / Eligibility
- Activity Rules / Auction Activity Requirement
- Spectrum Cap
- Bid Submission / Tie Rules
- Provisional Winning Bidders
- Closing Conditions
- Round scheduling and extensions
- Information Policy & Security Features



Auction Format

- The winners of the number of Blocks for each Service Areas in 1800MHz, 900MHz and 800MHz bands respectively will be determined through the Clock Stage.
- The Clock Stage determines a common winning price for each Service Areas in each of the bands where spectrum is available.
- Auction of Spectrum in 1800MHz and 900MHz bands is scheduled to commence from 11th March, 2013. The same is referred to as “First Auction”.
- Auction of Spectrum in 800MHz band will start 2 days after the close of the First Auction. This auction is referred to as “Second Auction”.



Spectrum to be auctioned in 1800MHz Band

- Auction to be conducted in the Service Areas of Delhi, Mumbai, Karnataka and Rajasthan.
- In the Service Areas of Delhi and Mumbai, 12 blocks each of 1.25MHz (15MHz) will be put to auction.
- In the Service Areas of Karnataka and Rajasthan, 8 blocks each of 1.25MHz (10MHz) will be put to auction.
- In the Service Areas of Karnataka and Rajasthan, provision will also be made for spectrum up to 3 blocks each of 1.25MHz (3.75MHz), wherever available, for topping up the 8 blocks put for auction to meet the requirement of New Entrants, if such an exigency arises.
- There are no top-up blocks available in the Service Areas of Delhi and Mumbai.



Spectrum to be auctioned in 900MHz Band

- Auction to be conducted in the Service Areas of Delhi, Mumbai, and Kolkata.
- In the Service Areas of Delhi and Mumbai, 12 blocks each of 1.25MHz (15MHz) will be put to auction.
- In the Service Area of Kolkata, 10 blocks each of 1.25MHz (12.50MHz) will be put to auction.
- There are no top-up blocks available in any of the Service Areas in 900MHz band.



Spectrum to be auctioned in 800MHz Band

- Auction to be conducted in 21 Service Areas, except Rajasthan.
- 3 blocks each of 1.25MHz (3.75MHz) will be put to auction in 19 Service Areas. In the Service Areas of Andhra Pradesh and Punjab, 2 blocks each of 1.25MHz (2.50MHz) will be put to auction.
- Provision will also be made for spectrum of 1 block of 1.25MHz, wherever available, for topping up the 3 blocks put for auction to meet the requirement of New Entrants, if such an exigency arises.
- Top-up blocks are NOT available in the Service Areas of Andhra Pradesh, Delhi, Kolkata, Maharashtra, Mumbai and Punjab.



General Information

- Bidders will be categorized as an “Existing Licensee” or as a “New Entrant” or as a “Renewal Licensee” for each of the Service Areas. The categorization will be separately done for both the auctions.
- In the First Auction, the Bidders whose license is due for renewal in 2014 will be categorized as “Renewal Licensees” in the respective Service Area.
- Bidders will be able to submit their bids for the number of blocks depending on their categorization in the respective Service Areas.



Clock Stage – Overview – I

- In the First Auction, there will be simultaneous bidding for all the blocks put to auction in each of the 5 Service Areas in both the bands (1800MHz and 900MHz band).
- In the Second Auction, there will be simultaneous bidding for all the blocks put to auction in each of the 21 Service Areas in 800MHz band.
- The Clock Stage will consist of a number of Clock Rounds.
- The first Clock Round will begin with all blocks in a Service Area in both the bands being offered at the Reserve Price.
- The ability to make bids is subject to the number of Eligibility Points held by bidders, EMD requirements and activity rules.

Clock Stage – Overview – II

- After each clock round, the bidders in each Service Area will be ranked with respect to the Provisional Winning Blocks which they hold as per the tie rules.
 - ***In case of the First Auction, ranking will be done for each of the Service Areas in each of the bands.***
- If **Total Demand** in a Service Area for a Clock Round Price is NOT less than the number of blocks put to auction, in which case the Clock Round Price will be increased in the following clock round , with the **price increment** linked to the level of **Excess Demand**.
 - ***Total Demand will be calculated on basis of Number of Blocks for which Bids have been submitted for a particular Clock Round Price.***



Clock Stage – Overview – III

- In the following round, bidders state whether they wish to bid at the new prevailing prices for the number of blocks which they are permitted to depending on their categorization.
- Clock rounds continue until there is no further activity in each Service Area at current clock price.
- Once the clock stage closes, the current Provisional Winning Bidders are declared Winning Bidders.
- The Provisional Winning Price will become the Winning Price for all winners in that Service Area.



Total Demand & Excess Demand

- Total Demand is calculated based on the Total Number of Blocks for which bids have been submitted for a Clock Round Price.
- Excess Demand is calculated based on the Total Demand *minus* the Total Blocks (excluding top-up blocks) put up for Auction.
- If Excess Demand is –ve, the Clock Round Price in the subsequent Round will remain same as the last completed Clock Round.
- If Excess Demand is Zero or +ve, the Clock Round Price in subsequent Round will be the Clock Round Price of last completed Clock Round plus a strictly positive price increment.

Top-up Blocks

- Allotment of top up blocks would be considered to accommodate the demand of a New Entrant only.
- Top up blocks, wherever available, will be utilized in the case where the New Entrant becomes a Provisional Winning Bidder for the number of block(s)
 - Which is Greater than Zero but less than Four in case of 1800MHz band .
 - Which is equivalent to One in case of 800MHz band.
- Topping up facility will be used to make a minimum allocation of 4 blocks only (in case of 1800MHz band) and 2 blocks (in case of 800MHz band) even if the bidder might have submitted the bid for higher number of blocks in the particular Service Area.

Example (Total Demand, Excess Demand & Top-up)

Service Area – Karnataka (1800MHz band)

Total blocks put to Auction – 8, Top-Up blocks - 3

Rank	Bidder Name	No. of Blocks for which Bid Submitted	No. of Blocks allotted as a Provisional winning Bidder
1	Existing Bidder-1	1	1
2	New Bidder-1	4	4
3	Existing Bidder-2	1	1
4	New Bidder-2	5	2 + 2 top up

Total Demand = 11, Excess Demand = 3

Example (Total Demand, Excess Demand & Top-up)

Service Area – Karnataka (800MHz band)

Total blocks put to Auction – 3, Top-Up block - 1

Rank	Bidder Name	No. of Blocks for which Bid Submitted	No. of Blocks allotted as a Provisional winning Bidder
1	Existing Bidder-1	2	2
2	New Bidder-1	3	1 + 1 top-up
3	Existing Bidder-2	1	0
4	New Bidder-2	2	0

Total Demand = 8, Excess Demand = 5



Earnest Money Deposit Requirements

- Each block in a Service Area in each of the bands has a deposit requirement.
- In any round, any bid for a combination of Service Areas must have a total deposit requirement less than the Earnest Money Deposit made.
- Initial eligibility will be determined by the Earnest Money Deposit .
- The Notice contains full details of these rules.



Eligibility to make bids

- Each block in a Service Area in each of the bands has been assigned a specific number of eligibility points.
- Each bidder has an initial number of eligibility points in the first round based on the Earnest Money Deposit.
- A bidder will maintain or lose part or all of its eligibility to bid in subsequent clock rounds depending on its bid in the current clock round and on the auction activity rules.
- These rules allow bidders flexibility to switch between Service Areas (except if they are currently a provisional winner in any Service Area, in which case, they can switch from that Service Area only after they are outbid).

Activity Rules – I

- A bidder's activity in a clock round is the sum of:
 - the number of eligibility points associated with the block(s) in the Service Area(s) in which the bidder has been determined to be a provisional winner at the end of the last completed clock round (provided the bidder has not bid in the same Service Area(s) in the same band in current Clock Round); and
 - the eligibility points associated with the block(s) in the Service Areas where the bidder has made new bids



Activity Rules – II

- A bidder must demonstrate bid activity in each clock round that equals or exceeds a certain percentage of its eligibility, otherwise its eligibility will be reduced proportionately in the following round
- The percentage (Auction Activity Requirement) will increase over the duration of the clock stage from 80% to 90% and then finally to 100%.
- These increases will be made by the auctioneer as overall bidding activity declines across all circles.

Auction Activity Requirement

- Depending on AAR set for a clock round, bidder will be required to maintain a minimum BAR (Bidder Activity Requirement)
- If the Activity is maintained, for the subsequent round;
 - The eligibility will be equal to original eligibility
 - If not, will be reduced accordingly (rounded down to nearest whole number) as per below given formula

$$\text{Bidder's Eligibility Points in Clock Round (R+1)} = \frac{\text{Activity Level in Clock Round R}}{\text{Auction Activity Requirement in Round R}}$$

Auction Activity Requirement

AAR %	Initial Eligibility	Min. Eligibility points to bid for	Eligibility associated with Bid	Eligibility for next round *	Eligibility associated with Bid	Eligibility for Next Round**
80%	70	56	60	70	50	62
90%	70	63	70	70	60	66
100%	70	70	70	End of Auction		

- If bidder is NOT a provisional bidder in any service area in last completed round, and fails to submit a new bid in the subsequent round, then Eligibility points for subsequent round will become zero and hence will not be able to participate further.

Spectrum Cap

The upper limit (maximum blocks) for which a bidder can bid in any Service Area in any band will be restricted by a Cap which is as follows:

- The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands.
- The Spectrum Cap in each Service Area in each band (Band-wise Spectrum Cap for each Service Area) is calculated as 50% of the Total Spectrum assigned for Telecom Services in that particular band in the respective Service Area.

It is to be noted that the Total Spectrum assigned also includes the Spectrum (excluding Top-Ups) being put in the Current Auctions.



Maximum Bidding Cap

The maximum number of blocks for which a bidder can submit a bid for each Service Area in each band would be the **LOWEST** of the Spectrum (converted to blocks) as mentioned below:

- 1) Overall Spectrum Cap in the Service Area ***minus*** Total Current Holding across all bands in the particular Service Area
- 2) Spectrum Cap in the band ***minus*** Current Holding of the bidder in the respective band for a Service Area
- 3) Total Spectrum put to auction (excluding top-up) in a Service Area in the respective band.

Bid Submission – First Auction

Service Areas of Delhi and Mumbai

New Entrant / Renewal Licensee

- The bidder has to bid for a minimum of Four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area.
- Such bidder can bid for any number of block(s) (including “No” selection) in the corresponding 900MHz or 1800MHz band.
- If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the band, then in the subsequent round at a higher Clock Round Price, if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band. Such bidder can bid for any number of block(s) in the corresponding band.

Delhi and Mumbai – Submissions not Allowed

If the Bidder is NOT a Provisional Winning Bidder at the end of the Previous Clock Round, following submissions will not be allowed

Case – 1

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	Yes	Less than 4
	1800MHz	0	Yes	Less than 4

Case – 2

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	Yes	Less than 4
	1800MHz	0	No	

Case – 3

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	No	
	1800MHz	0	Yes	Less than 4

Delhi and Mumbai – Submissions not Allowed

If the Bidder is a Provisional Winning Bidder at the end of the Previous Clock Round, following submissions will not be allowed

Case – 1

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	2	Yes	Less than 4
	1800MHz	0	Yes	Less than 4

Case – 2

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	4	Yes	Less than 4
	1800MHz	0	No	

Case – 3

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	No	
	1800MHz	4	Yes	Less than 4

Valid Bids – Delhi and Mumbai

Case – 1

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	Yes	>3 / Any Number
	1800MHz	0	Yes	Any Number / >3

Case – 2

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	Yes	Any Number
	1800MHz	4	No	

Case – 3

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	No	
	1800MHz	4	Yes	>3

Case – 4

Service Area	Band	Provisionally Allocated Blocks	Want to Bid	Select Blocks
Delhi	900MHz	0	Yes	>3 / Any Number
	1800MHz	4	Yes	Any Number / >3

Bid Submission – First Auction

Service Areas of Delhi and Mumbai

Existing Licensee

- The bidder will be able to submit the bid for a minimum of One (1) block.
- The bid of the bidder in any band is not bound in any way with the bid in the corresponding band .

Bid Submission – First Auction

Service Area of Kolkata

New Entrant

- The bidder is required to bid for a minimum of Four (4) blocks.

Existing Licensee / Renewal Licensee

- The bidder can submit a bid for a minimum of One (1) block

Bid Submission – First Auction

Service Area of Karnataka and Rajasthan

New Entrant

- The bidder will be required to bid for a minimum of Four (4) blocks.

Existing Licensee

- The bidder can submit a bid for a minimum of One (1) block

Since there is no Spectrum due for renewal in 2014 in the Service Areas of Karnataka and Rajasthan, there will not be any categorization of bidders as “Renewal Licensees” in these Service Areas.

Bid Submission – Second Auction

New Entrant

- The bidder will be required to bid for a minimum of Two (2) blocks.

Existing Licensee

- The bidder can submit a bid for a minimum of One (1) block

There would be no bidders categorized as “Renewal Licensee” in the Second Auction (800MHz band).

Provisional Winning Blocks

For a Service Area in each band, Provisional Winning Blocks are determined as follows:

- Only the blocks submitted at the Current Clock Round Price would be considered.
- Hence, if there is a bid, even for a single block at the Current Clock Round Price, the Provisional Winning Block(s) from the previous Clock Round at a lower Clock Round Price will NOT be considered.
- Only in the case, where there is No bid at the Current Clock Round Price, the Provisional Winning Blocks from the previous Clock Round at a lower Clock Round Price will be considered.

A bidder, who has been allocated ' n ' blocks as Provisional Winning Bidder at the end of last completed Clock Round for a Service Area in a particular band, will not be allocated more than ' n ' blocks in the subsequent round, if such bidder is NOT revising the bid in the subsequent round for higher number of blocks.



Provisional Winning Bidders

For a Service Area in a particular band, the Provisional Winning Bidders are determined as follows:

- The bidders who have submitted the Provisional Winning Blocks will be ranked.
- After each Clock Round, when the results of the Rounds are declared, a bidder can be allotted any number of blocks “equal to or less than” what has been submitted at a Clock Round Price depending on the ranking.
- In any case, a bidder would be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas.

Provisional Winning Bidders

- The minimum number of Provisional Winning Block(s) required for a bidder to be declared as a Provisional Winning Bidder is as given below:
 - For all the Service Areas in each bands, the minimum number of Provisional Winning Blocks required for a bidder categorized as an “Existing Licensee” to be declared as a Provisional Winning Bidder is One (1), irrespective of the number of blocks for which the bid has been submitted.



Provisional Winning Bidders (1800MHz & 900MHz band)

- In the Service Areas of Delhi & Mumbai, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” or as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 4 blocks in at least one of the band (1800MHz or 900Mhz band), irrespective of whether the bidder has submitted a bid for more than 4 blocks.



Provisional Winning Bidders (1800MHz & 900MHz band)

- In the Service Area of Kolkata, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 1 block, irrespective of whether the bidder has submitted a bid for more than 1 block.
- In the Service Area of Kolkata, Karnataka and Rajasthan, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” to be declared as a Provisional Winning bidder would be 4 blocks, irrespective of whether the bidder has submitted a bid for more than 4 blocks.



Provisional Winning Bidders (800MHz band)

- In any Service Area, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” to be declared as a Provisional Winning bidder would be 2 blocks, irrespective of whether the bidder has submitted a bid for more than 2 blocks.



Provisional Winning Prices

For a Service Area in a particular band:

- At the end of each Clock Round, all the Provisional Winning Blocks would have been submitted at the same Price only.
- The price at which the Provisional Winning Blocks have been submitted becomes the Provisional Winning Price.

Ranking Information – I

Rank will be generated for each Service Area in each of the band at the end of each Clock Round.

Only those Bidders who have submitted their bids for the Service Area(s) in a band at the Clock Round Price of the Current Clock Round will be considered for ranking for the respective Service Area(s) in the particular band at the end of this particular Clock Round.

Only in the case where there are NO bids at the Clock Round Price of the Current Clock Round, the Provisional Winning Bidders from the immediate previous Round at a lower Clock Round Price will be considered.

Change from
auction of
November, 2012



Ranking Information – II

- A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum or Current Holding (Prescribed Limit), whichever is less. For this purpose, 1800MHz and 900MHz band will be considered as a Single band. This entitlement has been incorporated in the ranking rule and to be exercised by Renewal Licensees in Service Areas of Delhi and Mumbai solely by participation and bidding. The priority in ranking for retention in 900MHz band is limited to 2.5MHz only. The priority in ranking for the balance spectrum up to the prescribed limit will be accorded in the 1800MHz band, if the Renewal Licensee submits the bid in this band.
- For the Auction of Spectrum in 800MHz band (Second Auction), there would be no bidders categorized as “Renewal Licensee”.



Consequences

- Even if there is a bid for a Single block at a higher Clock Round Price, all the Provisional Winning Bidders from the earlier Clock Round at a lower Clock Round Price will cease to remain as a Provisional Winning Bidder, unless the same bidder has submitted the bid at the higher Clock Round Price.
- In the Service Areas of Delhi and Mumbai, If a New Entrant or a Renewal Licensee bidder is not allocated the minimum 4 blocks required to be declared as a Provisional Winning Bidder, in at least one of the bands (1800MHz or 900MHz band), in which case, the bidder will also not be allocated the blocks in the corresponding band.



Tie (Ranking) Rules – I

- A bidder, who is categorized as a “Renewal Licensee”, will be ranked on priority for the spectrum up to which the bidder is entitled for retaining;
- Where there is a tie according to the first criteria, ranking will be in descending order of the highest Clock Round Price when the bid was submitted in the earlier rounds (excluding the Current round for which the rank is being generated) in the respective Service Area for a particular band;



Tie (Ranking) Rules – II

- Where there is a tie according to the first two criteria, ranking will be in descending order of the count of the number of times the bid has been submitted for a Unique Clock Round Price for the particular Service Area in the particular band;
- Where there is a tie according to the first three criteria, ranking will be in descending order according to the total value of all Blocks for which bid has been submitted by the bidder for all the Service Areas across all the bands at the Current Clock Round Price;
- Where there is a tie according to the first four criteria, ties will be broken according to a random index assigned to the Bid (in ascending order) in that service area when it is received by the EAS

Example – Delhi and Mumbai (Bids Submitted)

Bids submitted for the Service Area of Delhi in Round R. (Total Blocks put to Auction = 12 in each band)

Bidder Name	Categorization	Band	No. of Blocks for which Bid Submitted
Bidder-1	New	1800MHz	4
		900MHz	2
Bidder-2	Existing	1800MHz	2
		900MHz	0
Bidder-3	New	1800MHz	5
		900MHz	0
Bidder-4	Renewal	1800MHz	4
		900MHz	2
Bidder-5	Existing	1800MHz	3
		900MHz	1
Bidder-6	Renewal	1800MHz	4
		900MHz	4



Explanation of above Example

- Ranking will be generated for each Service Area for each band. Hence, in the above example, ranking will be generated for Delhi for 1800MHz band and 900MHz band separately.
- As per the Tie (Ranking) Rules, Renewal Licensees will be ranked on priority for the spectrum up to which the bidder is entitled for reservation.
- If a Renewal Licensee bidder has submitted a bid for more than 2 blocks in 900MHz band, wherein the Renewal Licensee is entitled to retain up to 2 blocks (2.5MHz) in 900MHz band, in which case, 2 blocks will be ranked on priority and the balance blocks would be considered for Normal ranking.



Explanation of above Example

- Provisional Winning Blocks will be ranked virtually.
- The bidders holding the Provisional Winning Blocks would be declared as the Provisional Winning Bidders.
- The Provisional Winning Bidders would be considered subject to satisfying the minimum criteria for being declared as Provisional Winning Bidders. If any of such bidder(s) does not satisfy the minimum criteria in which case, the next ranked (virtual) Provisional Winning Blocks would be considered for ranking.
- Only the Provisional Winning Bidders would be ranked.

Example – Delhi and Mumbai (Ranking Process)

Ranking Process for 900MHz band in Delhi

Bidder Name	Categorization	Band	No. of Blocks for which Bid Submitted
Bidder-1	New	900MHz	2
		Blocks – BL1, BL2	
Bidder-2	Existing	900MHz	0
Bidder-3	New	900MHz	0
Bidder-4	Renewal	900MHz	2
		Blocks – BL3, BL4	
Bidder-5	Existing	900MHz	1
		Blocks – BL5	
Bidder-6	Renewal	900MHz	4
		Blocks – BL6, BL7, BL8, BL9	



Explanation of above Example (900MHz)

- Bidder-4 & Bidder-6, being Renewal Licensees, are entitled for Priority Ranking up to 2 blocks in 900MHz.
- Hence, 2 blocks of Bidder-4 & Bidder-6 will be ranked higher as Provisional Winning Blocks.
- Balance of 2 blocks of Bidder-6 will be considered for Normal Ranking.
- The blocks submitted by other bidders will be considered for Normal Ranking.

Virtual Rank (Priority Ranking)

Blocks for Priority Ranking	Bidder Name
BL3, BL4	Bidder-4
BL6, BL7	Bidder-6

Based on the parameters of the Tie breaking rule, the above two bidders would be ranked virtually.

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-6	2	1
Bidder-4	2	2

Virtual Rank (Normal Ranking)

Blocks for Normal Ranking	Bidder Name
BL1, BL2	Bidder-1
BL5	Bidder-5
BL8, BL9	Bidder-6

Based on the parameters of the Tie breaking rule, the above three bidders would be ranked virtually below the Priority Rankers for the balance (12-4=8) blocks.

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-1	2	3
Bidder-5	1	4
Bidder-6	2	5

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-6	4	1
Bidder-4	2	2
Bidder-1	2	3
Bidder-5	1	4

- The rank of the Renewal Licensees generated and displayed in the Final Ranking will be the rank generated as a Priority Ranker only.
- It could happen that in 900MHz, such bidders can be allotted partial or No blocks from the Normal Blocks depending on the rank generated for the Provisional Winning Blocks (Normal Rank) and depending on the Excess Demand.

Example – Delhi and Mumbai (Ranking Process)

Ranking Process for 1800MHz band in Delhi

Bidder Name	Categorization	Band	No. of Blocks for which Bid Submitted
Bidder-1	New	1800MHz	4
		Blocks – BL1, BL2, BL3, BL4	
Bidder-2	Existing	1800MHz	2
		Blocks – BL5, BL6	
Bidder-3	New	1800MHz	5
		Blocks – BL7, BL8, BL9, BL10, BL11	
Bidder-4	Renewal	1800MHz	4
		Blocks – BL12, BL13, BL14, BL15	
Bidder-5	Existing	1800MHz	3
		Blocks – BL16, BL17, BL18	
Bidder-6	Renewal	1800MHz	4
		Blocks – BL19, BL20, BL21, BL22	

Explanation of above Example (1800MHz)

- Bidder-4 & Bidder-6, being Renewal Licensees, are entitled for Priority Ranking up to a maximum of 6 blocks in 1800MHz, since they have got the priority ranking of 2 blocks in 900MHz band.
- Since, both the bidders have submitted the bid for 4 blocks each, they will be entitled for priority ranking for 4 blocks each.
- Hence, 4 blocks of Bidder-4 & Bidder-6 will be ranked higher on priority basis as Provisional Winning Blocks.
- The blocks submitted by other bidders will be considered for Normal Ranking.

Virtual Rank (Priority Ranking)

Blocks for Priority Ranking	Bidder Name
BL12, BL13, BL14, BL15	Bidder-4
BL19, BL20, BL21, BL22	Bidder-6

Based on the parameters of the Tie breaking rule, the above two bidders would be ranked virtually.

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-4	4	1
Bidder-6	4	2

Virtual Rank (Normal Ranking)

Blocks for Normal Ranking	Bidder Name
BL1, BL2, BL3, BL4	Bidder-1
BL5, BL6	Bidder-2
BL7, BL8, BL9, BL10, BL11	Bidder-3
BL16, BL17, BL18	Bidder-5

Based on the parameters of the Tie breaking rule, the above Four bidders would be ranked virtually below the Priority Rankers for the balance $(12-8=4)$ blocks.

Considering the balance blocks available for ranking, different scenarios are as shown in the next slides.

Virtual Rank (Normal Ranking)

Scenario – 1

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-1	4	3
Bidder-2	0	4
Bidder-3	0	5
Bidder-5	0	6

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-4	4	1
Bidder-6	4	2
Bidder-1	4	3

Virtual Rank (Normal Ranking)

Scenario – 2

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-2	2	3
Bidder-1	0	4
Bidder-3	0	5
Bidder-5	2	6

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-4	4	1
Bidder-6	4	2
Bidder-2	2	3
Bidder-5	2	4

Virtual Rank (Normal Ranking)

Scenario – 3

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-3	4	3
Bidder-1	0	4
Bidder-5	0	5
Bidder-2	0	6

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-4	4	1
Bidder-6	4	2
Bidder-3	4	3

Example – Karnataka and Rajasthan (Ranking Process)

Ranking Process for 1800MHz band in Karnataka

Bidder Name	Categorization	Band	No. of Blocks for which Bid Submitted
Bidder-1	New	1800MHz	4
		Blocks – BL1, BL2, BL3, BL4	
Bidder-2	Existing	1800MHz	3
		Blocks – BL5, BL6, BL7	
Bidder-3	New	1800MHz	4
		Blocks – BL8, BL9, BL10, BL11	
Bidder-4	Existing	1800MHz	2
		Blocks – BL12, BL13	

Virtual Rank

Scenario – 1

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-1	4	1
Bidder-2	3	2
Bidder-3	1+3 top-up	3
Bidder-4	0	4

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-1	4	1
Bidder-2	3	2
Bidder-3	4	3

Virtual Rank

Scenario – 2

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-1	4	1
Bidder-2	3	2
Bidder-4	1	3
Bidder-3	0	4

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-1	4	1
Bidder-2	3	2
Bidder-4	1	3

Example – 800MHz band Auction (Ranking Process)

Ranking Process for 800MHz band in Karnataka

Bidder Name	Categorization	Band	No. of Blocks for which Bid Submitted
Bidder-1	New	800MHz	3
		Blocks – BL1, BL2, BL3	
Bidder-2	Existing	800MHz	2
		Blocks – BL4, BL5	
Bidder-3	New	800MHz	2
		Blocks – BL6, BL7	
Bidder-4	Existing	800MHz	3
		Blocks – BL8, BL9, BL10	

Virtual Rank

Scenario – 1

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-1	3	1
Bidder-2	0	2
Bidder-3	0	3
Bidder-4	0	4

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-1	3	1

Virtual Rank

Scenario – 2

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-2	2	1
Bidder-3	1+1 top-up	2
Bidder-1	0	3
Bidder-4	0	4

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-2	2	1
Bidder-3	2	2

Virtual Rank

Scenario – 3

Assuming the Virtual rank generated is as below:

Bidder Name	No. of Blocks allocated Provisionally	Virtual Rank
Bidder-4	3	1
Bidder-2	0	2
Bidder-3	0	3
Bidder-1	0	4

Final Ranking of Provisional Winning Bidders

Bidder Name	No. of Blocks allocated Provisionally	Rank
Bidder-4	3	1



Closing Rule

- The final clock round will be the first clock round in which:
 - The Auction Activity Requirement is 100%; and
 - There is no activity in any of the Service Areas i.e. for every Service Area, there is no bid submitted by any of the bidders



Round scheduling and Extensions

- Default timetable for clock rounds:
 - Clock Round schedules will be from Monday – Saturday, between 09.30 and 19.00 hrs.
 - Minimum round length will be for 30 minutes for the First Auction and 60 minutes for the Second Auction.
 - Minimum time between rounds will be 20 minutes.
- Given this, bidders will have the ability to extend rounds
 - Extension budget of 240 minutes (4 hrs) held by each bidder.
 - Extension budget to be reduced in 10-minute intervals.
 - Bidders can extend any clock round by a maximum of 1 hour (subject to availability of extension budget).



Contingency Measures – I

- Bids must be made through the Electronic Auction System (EAS)
- No other means of submission of bids will be accepted.
- Extensions are available to safe-guard against minor technical problems and bidders should consider carefully the implications of deliberately using the extension budget to buy time for their decisions.
- Bidders will be given opportunity to access the electronic auction system prior to the auction and check that their systems work.



Contingency Measures – II

- In the event of any widespread technical problem affecting multiple bidders, the auctioneer may exceptionally:
 - Re-schedule the start of a Clock Round whose starting time has been announced provided that the Clock Round has not yet started;
 - Re-schedule the finishing time of a Clock Round in progress;
 - Cancel and re-run a round provided no results have been released.



Information Policy

- Before the relevant auction the following information will be made public about each bidder:
 - Ownership structure
 - Amount of EMD submitted
- Limited transparency of bids during the auction.



Information Policy for the Clock Rounds – I

- At the end of each clock round information circulated to all bidders will be confined to:
 - Clock Round Price per Block in each Service Area of the last completed Clock Round;
 - Aggregate demand at the last completed Clock Round Price;
 - Excess demand in the last completed Clock Round Price;
 - Price Increment to be applied in each Service Area;
 - Clock Round Price per Block in each Service Area to be applied for the following round;



Information Policy for the Clock Rounds – II

- Eligibility Points available for following round;
- The Provisional Winning Price;
- The Number of Provisional Winning Blocks held by the respective bidder;
- Rank of the bidder in each of the Service Area, if he is a Provisional Winning Bidder.



Information Policy for the Clock Rounds – III

- At the end of the Clock Round, the Auctioneer will announce the Provisional Winning Price (Common Winning Price) for each Service Areas.
- At no stage during the Clock Rounds, will the names of the bidders submitting their bids be announced.
- At the end of the Auction, all information about the bidders and the prices will be released.



Security Measures – I

- Security of electronic auction system will be protected by SSL encryption, user-id / password and digital signature certificates.
- Qualified Bidders will be provided with a User-id (login-id) to access the EAS.
- Qualified bidders will have to procure a Digital Signature Certificate issued by any of the valid Certifying Authority approved by Controller of Certifying Authorities in India.



Security Measures – II

- Maximum of two Digital Signature Certificates can be mapped with a User-Id.
- The bidders can access the EAS using the Single User-Id which is mapped with 2 Digital Signature Certificates and from a maximum of 4 different Public Static IP Address.
- If the Authorised Signatories of both the Auction are same, the same Digital Signature Certificates would suffice.



IT Requirements – I

- The EAS supports the following Operating System:
 - Windows XP (Service Pack 3)
 - Windows Vista (Service Pack 3)
 - Windows 7 (Service Pack 1)
- Following web browsers will be supported:
 - Internet Explorer 9.0
 - Mozilla Firefox 13.x
 - Google Chrome 20.x
- Latest version of Java
- Strongly recommend a clean installation guaranteed free from viruses and trojans and that computer is not used to access other websites.



IT Requirements – II

- Recommend that any computer with digital certificates installed is kept physically secure.
- Bidders should have a reliable Internet connection.
- Essential backup systems.
- Pre-qualified bidders are strongly recommended to ensure that their respective passwords and Digital Signature Certificates are not compromised in any way.
- Full requirements will be specified in software manual for bidders



Thank you