

Notice Inviting Applications

For

Auction of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands

(Incorporating Amendment No 1 dt 29th August 2016)

No: 1000/06/2016-WF (Auction)

Date: 08th August 2016

Government of India

Ministry of Communications

Department of Telecommunications

www.dot.gov.in

Contents

Section 1	8
1.1 Introduction	8
1.2 Objectives of the Auction	9
1.3 Timetable.....	10
1.4 Advisors to the Government	11
1.5 Independent External Monitor	11
Section 2	12
2.1 Spectrum to be auctioned	12
2.2 Backhaul Spectrum (MWA & MWB).....	15
2.3 Technology.....	15
2.4 Spectrum Usage Charges (SUC)	17
2.5 Duration	17
Section 3	19
3.1 Eligibility criteria to participate in the Auction	19
3.2 Associated Eligibility Conditions	20
3.3 Prospective New Entrants.....	22
Section 4	24
4.1 Application format and procedure for submission.....	24
4.1.1 Application Requirements.....	24
4.1.2 Ownership compliance certification.....	27
4.1.3 Pre-qualification Conditions	27
4.1.4 Earnest Money Deposit.....	29

Notice Inviting Applications – August 2016

4.2	Associated Licensees	31
4.2.1	Application Processing Fee	32
4.2.2	Procedure following Application	32
4.3	Announcement of Pre-qualified Bidders	33
4.4	Bid Validity	34
4.5	Submission of Application	34
4.6	Contact and Further Information	37
4.6.1	Contacts for further Enquiries	37
4.6.2	Disclosure of further information	37
4.7	Individual responsibilities of the Advisers	37
Section 5	38
5.1	Unified License (UL)	38
5.2	Spectrum Liberalisation	38
5.3	Facilitation of Funding of Telecom Projects	38
5.4	Mergers & Acquisitions	38
5.5	Spectrum Audit	38
5.6	Spectrum Sharing	39
5.6.1	Guidelines:	39
5.6.2	Sharing allowed only after one year:	39
5.7	Spectrum Trading	39
5.8	Breach, revocation and surrender	39
5.9	Changeover of Frequency Spots	40

Notice Inviting Applications – August 2016

Section 6	41
6.1 Payment Terms	41
Section 7	44
7.1 Assignment of Spectrums	44
7.1.1 Issuance of Frequency Assignment Letter	44
7.1.2 Procedure for Existing Licensee	44
7.1.3 Procedure for New Entrants	44
Section 8	46
8.1 Roll-out obligations.....	46
8.1.1 For 700 MHz, 800 MHz, 900 MHz & 1800MHz bands	46
8.1.2 For 2100 MHz band:	49
8.1.3 For 2300 MHz & 2500 MHz Bands :.....	50
8.1.4 Rollout obligation using any technology in any band.	51
8.1.5 Rural SDCA:.....	51
8.1.6 Verification of Roll Out of the Network & Coverage.....	51
8.1.7 Liquidated Damages.....	52
8.1.8 Performance Bank Guarantee	55
Section 9	57
9.1 The Auction	57
9.1.1 Clock Stage:	58
9.1.2 Frequency Identification Stage:.....	59
9.1.3 Frequency reconfiguration	59
9.2 The Mock Auction	60

Notice Inviting Applications – August 2016

9.3	General Conditions	60
9.3.1	Confidentiality	60
9.3.2	Directors, employees and advisers	61
9.3.3	Anti- competitive activity	61
9.4	Conduct of the Auction	61
9.5	Overview of the Block sizes:.....	63
9.6	Award of Spectrum in Auction.....	64
9.7	Spectrum Holding Capping Rule.....	64
9.8	The Clock Stage	66
9.8.1	Overview.....	66
9.8.2	Consequences of Rules for Provisional Winning Bidders	68
9.8.3	Bidding during Clock Rounds.....	70
9.8.4	Eligibility Points and Earnest Money Deposits (EMD).....	72
9.8.5	Activity Rules.....	73
9.8.6	Ranking of Bidders and Provisional Winning Bidders.....	77
9.8.7	Prices and Price Increments	83
9.8.8	Winning Bids and Winning Prices	87
9.8.9	Length of Clock Rounds and Extension Periods.....	87
9.8.10	Extension budget and extension of Round duration.....	90
9.9	Frequency Identification Stage	92
9.10	Collusion and other Prohibited Activities.....	103
9.11	Information Policy	104

Notice Inviting Applications – August 2016

Section 10	107
10.1 System requirements for accessing the EAS.....	107
10.1.1 Operating System and Software.....	108
10.1.2 Java	108
10.1.3 Tool bar/ Add On/ Pop up blocker	109
10.1.4 Power Management Settings	109
10.1.5 Access of Other Software / Website during Auction	110
10.1.6 Internet Connection.....	110
10.1.7 Display.....	111
10.2 Backup Procedures.....	111
10.2.1 Auction backup facilities	111
10.2.2 Bidder Technical Problems	112
Section 11	113
11.1 Definitions and Glossary of Terms	113
Section 12: Annexures	117
12.1 Annexure A: Details of Spectrum put to auction	117
12.2 Annexure B: Details of Spectrum holding caps	124
12.3 Annexure C: Details of Price Increment rule.....	125
12.4 Annexure D : Indicative Schedule for Payment.....	130
12.5 Annexure E: Earnest Money (EMD) – Eligibility Points (EP) Table	132
12.6 Annexure F: Details of Carrier Frequency put to Auction.....	132
12.7 Annexure G: Territorial Jurisdiction of LSAs.....	132
12.8 Annexure H: Application Checklist	135

Notice Inviting Applications – August 2016

12.9	Annexure I: Application Format	137
12.10	Annexure J: Format for Earnest Money Deposit	147
12.11	Annexure K: Proforma for Financial Bank Guarantee:	150
12.12	Annexure L: Format of Undertaking to obtain Unified Licence	154
12.13	Annexure M: Format of Undertaking to nominate a Group Bidding Entity.....	157
12.14	Annexure N: Format for Ownership Compliance Certificate	160
12.15	Annexure O: Format for Performance Bank Guarantee.....	162
12.16	Annexure P: Format of declaration by bidders.....	166

Section 1.

1.1 Introduction

The Government of India (the “Government”), through the Department of Telecommunications (“DoT”), proposes to assign the right to use certain specified radio spectrum frequencies in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands by means of auction in various Licensed Service Areas (LSA). Details of frequency range in the above-mentioned bands are as below:

Table 1.1: Details of Frequency bands:

Band	Type	Uplink frequency (MHz)	Downlink frequency (MHz)
700 MHz	Paired	713-748	768-803
800 MHz	Paired	824-844	869-889
900 MHz	Paired	890-915	935-960
1800 MHz	Paired	1710-1765	1805-1860
2100 MHz	Paired	1939-1979	2129-2169
2300 MHz	Unpaired	2300-2400	
2500 MHz	Unpaired	2500-2690	

Note:

- (i) The above table indicates the various frequency ranges in the respective band(s). In some bands only part of the band is used for telecom services.
- (ii) The arrangement of frequency ranges in the bands mentioned in the table may be subject to revision as decided by government.

Notice Inviting Applications – August 2016

The details of band wise quantum of spectrum offered, reserve price etc. are attached as **Annexure A** (Table A1 to A7) of Section 12.1 to this Notice Inviting Applications (NIA).

A single auction process will be carried out for assigning Spectrum blocks in various bands viz. 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands and is referred to in this document as the “Auction”. However, it may be noted that the Government reserves the right to use any other means to assign the spectrum as it may deem fit without assigning any reason whatsoever.

On behalf of the President of India, applications are invited from prospective bidders who meet the eligibility criteria for participating in the Auction. Based on the Applications, the Government shall pre-qualify Applicants who meet the eligibility criteria for participation in the Auction. The Government reserves the right to summarily disqualify any pre-qualified Bidder at any stage of the Auctions or after the Auctions are completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with the relevant Auction Rules, non-compliance with any other pre-condition prescribed for participating in the Auction or for getting the spectrum, or any matter that may, in the opinion of the Government, be contrary to general public interest.

Interested parties may download a copy of this document and any subsequent amendments to it (together, the “Notice”) from the DoT website i.e. www.dot.gov.in.

1.2 Objectives of the Auction

The Government has set itself the following objectives for the Auction:

- Obtain a market determined price of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands through a transparent process;

Notice Inviting Applications – August 2016

- Ensure efficient use of spectrum and avoid hoarding;
- Stimulate competition in the sector;
- Promote rollout of the respective services;
- Maximise revenue proceeds from the Auctions within the set parameters.

The Government reserves the right to cancel or postpone the Auction, in part or in full, without assigning any reasons, in order to safeguard the above objectives. The Government has the sole discretion to determine the relative priority of the objectives and whether the objectives are adequately safeguarded by the Auction. It further reserves the right to abandon the Auction at any time prior to the award of spectrum as it may deem fit without giving any reason whatsoever.

1.3 Timetable

The table below sets out the current timeline. The Government reserves the right to determine the overall timeline of the Auction or to amend it from time to time. However, any changes in the auction timeline will be published on the DoT website. The participants are advised to monitor the DoT website actively.

Notice Inviting Applications – August 2016

Auction timetable		
Issue of Notice Inviting Applications (NIA)	8th Aug	T=0
Pre-bid Conference	By 13th Aug	T+5
Last date for seeking clarifications on NIA	19th Aug	T+11
Clarifications to NIA	29th Aug	T+21
Last date for submission of Applications	13th Sept	T+36
Publication of Ownership details of Applicants	14th Sept	T+37
Bidder Ownership Compliance Certificate	16th Sept	T+39
Pre-qualification of Bidders	19th Sept	T+42
Last date of withdrawal of applications	22th Sept	T+45
Final List of bidders	23rd Sept	T+46
Mock Auction	26th & 27th Sept	T+49
Start of the Auction	1 st Oct	T+54
Payment of the Successful Bid Amount	Within 10 calendar days of the issue of demand note	
Venue and Date/ time of Pre Bid meeting will be notified on DoT website separately		

1.4 Advisors to the Government

M/s mjunction services limited (referred to as the “Auctioneer”) is advising the Government on this Auction. Administration of the e-auction shall also be the responsibility of M/s mjunction services limited.

1.5 Independent External Monitor

Details regarding the IEM (Independent External Monitor) can be viewed on the DoT website (www.dot.gov.in)

Section 2.

2.1 Spectrum to be auctioned

Rights to use spectrum at specified frequencies in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz bands (subject to fulfilment of eligibility conditions, relevant licence conditions and any particular conditions pertaining to specific frequency blocks) for a period of twenty (20) years from the 'Effective Date' (as defined in **Section 2.5**) are being offered in this Auction. The details of Frequency spots are attached as **Annexure F** of Section 12.6 and shall be a part of this NIA.

The details of band wise quantum of spectrum offered, reserve price etc. are attached as Annexure A (Table A1 to A7) of Section 12.1 to this Notice Inviting Applications (NIA).

The minimum quantity of spectrum to be bid for by Existing Licensee/ New Entrant, block size and additional quantity beyond minimum bid quantity of spectrum in various bands is given in the **table No 9.5**. Some spectrum block(s) may not be immediately available, and date of availability is mentioned in such cases. Where no date has been mentioned it signifies that these spectrum block(s) is/are available and may be assigned immediately.

Note:

For the LSAs (For Territorial Jurisdiction of LSAs, please see Annexure G of Section 12.7) where the spectrum is not available in some of the districts, while the bids will be sought for spectrum in entire LSA, the bid amount will be collected only for the spectrum available and the balance collected as and when spectrum is made available in each District, the amount being pro-rated to the population of that

Notice Inviting Applications – August 2016

district(s) (as of census of 2011) and the balance period (of the 20 years). Bid amount as mentioned above will be collected subject to the condition that the amount to be collected in future at the time of providing balance spectrum would be the balance prorated bid amount indexed on the SBI PLR prevalent for the period between finalisation of bid price and actual assignment made.

In all partial assignment cases where the successful bidders are more than one, the post auction assignment of balance spectrum will be made to all the successful bidders, district wise based on auction date and rank.

Illustration regarding pro-rata calculation of instalments in case of Partial spectrum:-

Suppose, in an LSA with a population of 5000, spectrum is not initially available for district(s) with population of 1500 (population figures as per 2011 census). The spectrum becomes available after 5 years. Further, suppose that “Rs. 20000” is the total price of the spectrum won by the bidder for that LSA and SBI PLR is 13%.

Scenario 1:- If the full upfront payment is the option chosen by the bidder, then

Initial payment = $20000 \times \{(5000-1500)/(5000)\} = 14000$

Remaining amount to be taken = $20000 - 14000 = 6000$

Since remaining period of right of usage = 15 years,

Hence, pro-rated amount for remaining period = $(15/20) \times 6000 = 4500$

This pro-rated amount to be indexed over 5 years using SBI PLR =

$$4500 \times (1 + 13/100)^5$$

$$= 8290.96$$

Notice Inviting Applications – August 2016

Thus upfront payment at the time of assignment of balance spectrum would be Rs.8290.96.

Scenario 2:- If the deferred payment option was chosen by the bidder, then same methodology and tables [Tables D1 or D2 of **Annexure D (Section 12.4)** as applicable] given in the NIA (for ten instalments) would apply for calculating upfront payment and instalments (or values of annuities) for amount of present value 8290.96. This includes part upfront payment (50% of this amount – in case of 1800 MHz band say), 2-year moratorium on payment of instalment, 9.3% rate of interest and 10 equal instalments (if 12 or more years are remaining in the right to usage period, otherwise lesser number of instalments would be allowed, up to the end of right of usage period of 20 years, with same rate of interest of 9.3%).

Following example illustrates Scenario 2.

Deferred Payment Option for pro-rata calculation of instalments in case of Partial Spectrum:

Full Amount Due	Rs. 8290.96
Upfront Payment	50% : Rs4145.3
Balance to be recovered	$8290.96 - (8290.96 * 50\%) = \text{Rs.}$
Number of Installments	10
Interest Rate	9.3%
Assumed Date of first	25-03-2020
Moratorium	2 Years

Schedule of Payments		
Instalment	Due Date for payment	Amount at 9.3%
Upfront payment	25-03-2020	4145.48
1 st installment	26-03-2023	781.9
2 nd installment	26-03-2024	781.9
3 rd installment	26-03-2025	781.9

Notice Inviting Applications – August 2016

4 th installment	26-03-2026	781.9
5 th installment	26-03-2027	781.9
6 th installment	26-03-2028	781.9
7 th installment	26-03-2029	781.9
8 th installment	26-03-2030	781.9
9 th installment	26-03-2031	781.9
10 th installment	26-03-2032	781.9

2.2 Backhaul Spectrum (MWA & MWB)

Assignment of spectrum for individual point-to-point fixed links i.e. Microwave Backhaul Spectrum would be subject to separate application and the assignment of the same is not linked to the compliance of roll out obligations. The assignment of backhaul spectrum is subject to the usual processes, terms and conditions, and applicable charges. The Government shall make available spectrum for these purposes under the terms and conditions specified by the WPC Wing from time to time, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, and payment of the Successful Bid Amount does not ensure assignment of backhaul spectrum. Separate charges as prescribed, from time to time, are payable for backhaul spectrum.

2.3 Technology

Spectrum blocks in the liberalised spectrum or acquired through auction(s) may be combined if required by technology and there are no restrictions on the technology to be employed for providing services within the scope of the service license, provided it is compatible with technology(ies) already deployed in the LSA. The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum block assigned through this auction within one month of obtaining the license, if the technology happens to be

Notice Inviting Applications – August 2016

GSM/WCDMA/LTE/CDMA. In case of switching over to a different technology (other than GSM/WCDMA/LTE/CDMA), while rolling out the networks for compliance of roll out obligations, information regarding the new technology should be given at least one year before any new technology Base Station site is offered for testing. The technology should be based on standards approved by ITU/TEC or any other International Standards Organization/ bodies/ Industry.

Existing Licensees will be allowed to use the additional spectrum block(s) assigned through this auction to deploy any technology other than GSM/CDMA, by combining with their existing spectrum holding in the same band after converting their entire administratively assigned spectrum into liberalised spectrum in the same band. Existing CMTS/UASL/UL(AS)/UL with access service authorisation licensees can liberalise their administratively assigned spectrum in 1800 MHz/900 MHz / 800 MHz bands for the balance validity period of spectrum assignment as per the Guidelines prescribed from time to time

In case of a change of technology, by the licensee following must be ensured:

- (i) Continuity of coverage, provisioning, delivery, quality of services in the network deployed with earlier technology. For withdrawal of service, the conditions prescribed in the respective Service License are to be followed. Further, the quality of service (QoS) is governed by the respective TRAI regulations.
- (ii) Licensee will be required to submit the test reports as per test schedule/ procedure to the licensor who may also carry out sample verification.
- (iii) For use of technology other than GSM, CDMA, WCDMA and LTE, prior clearance will be required to ensure that harmful interference is not caused to the already operating technologies either in the same band or in the adjacent bands.

2.4 Spectrum Usage Charges (SUC)

In addition to the successful bid amount Spectrum Usage Charge as a percentage of the Adjusted Gross Revenue (AGR) shall be payable by the successful bidders as per the rates notified by the Government from time to time.

2.5 Duration

The validity period of right to use of the Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands won in this auction shall be twenty (20) years from the 'Effective Date'.

'Effective Date' shall be:

- (a) The date of frequency assignment as mentioned in the Frequency Assignment Letter specifying the frequencies to the successful bidder. It is clarified that the period of twenty (20) years shall commence from 31st day of receipt of upfront payment or the date of frequency assignment as mentioned in the Frequency Assignment Letter whichever is earlier, except in cases where frequency spots will become available the next day after expiry of current license as indicated in Annexure F of Section 12.6 of this NIA.
- (b) The spectrum in 800 & 1800 MHz bands being released due to expiry of licenses as indicated in Annexure F, the next day of the date of expiry of the existing licenses in respective LSAs shall be the 'Effective Date'.

In case the UAS License/ CMTS License/ UL (Access Services) / Unified License with access service authorization is cancelled/ terminated for any reason, the right to use spectrum shall stand withdrawn and

Notice Inviting Applications – August 2016

cancelled forthwith. If the period of an existing UAS License/ CMTS License/ UL (Access Services)/ Unified License with access service authorization of an operator expires before the expiry of the right to use the Spectrum awarded by means of the current Auction, then the Licensee will have to obtain Unified License with applicable authorization for access service for operation of services using spectrum blocks, the rights to use of which is being awarded through this auction.

Section 3.

3.1 Eligibility criteria to participate in the Auction

- (i) Any licensee that holds a UASL/ CMTS/ UL(AS)/UL with authorization for Access Services for that LSA; or
- (ii) Any licensee that fulfils the eligibility for obtaining a Unified License* with authorization for Access Services; or
- (iii) Any entity that gives an undertaking to obtain a Unified License* for access service authorisation through a New Entrant Nominee as per the DoT guidelines/licence conditions

can bid for the Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands subject to other provisions of the Notice.

**A Unified License can only be awarded to an Indian Company¹. Hence, any foreign applicants will need to form or acquire an Indian company, to obtain a Unified License. However, they are allowed to participate in the auctions directly and apply for a Unified License subsequently through an Indian company, where they hold equity stake, with a maximum foreign equity up to 100% as per extant guidelines. Applicants are advised to also see details at http://dipp.nic.in/English/Policies/FDI_Circular_2016.pdf.*

The format of undertaking for obtaining Unified License for Access services authorization is as prescribed in the Format at **Annexure L (Section -12.12)**. Eligibility with regard to the number of blocks a bidder can bid depends on its categorization as an 'Existing Licensee' or as a 'New Entrant' in a particular LSA in a particular band. Details may be seen below in **Section 3.2**.

¹ "Indian Company" refers to a Company registered under the Companies Act, 2013 or any previous Company Law.

3.2 Associated Eligibility Conditions

- (i) Existing CMTS/UASL/UL(AS)/UL with access service authorisation licensees shall be treated as 'New Entrant' in those LSA(s) for the frequency bands in which they do not hold spectrum at present. In other words, CMTS/UASL/UL(AS)/UL with access service authorisation licensees who hold spectrum only in a particular LSA are also allowed to participate in the auction as 'New Entrant' in that LSA for the frequency band in which they do not hold spectrum at present. Their eligibility to bid for spectrum blocks in that particular LSA will be that of a new entrant. They will also need to comply with conditions for spectrum assignment and other prescribed conditions such as rollout obligations, FBG etc. For this Purpose, 900 MHz and 1800 MHz Bands are considered as same band.
- (ii) Existing CMTS/UASL/UL(AS)/UL with access service authorisation licensees shall be treated as 'Existing Licensee' in those LSAs for the frequency band(s) in which they already hold spectrum. Their eligibility to bid for spectrum blocks will be that of an existing operator. For the limited purpose of this provision, 900 MHz band, 1800 MHz band will be treated as the same band.
- (iii) The bidder whose license is due for expiry in 2017-18 and whose spectrum in 800 / 1800 MHz bands has been put to auction, (and does not hold spectrum bought through previous auctions in that LSA and band [800 / 1800 MHz]) will also be treated as 'New Entrants'.

Note: The bidders will have to submit a declaration regarding LSA wise, band wise as per format at Annexure P

Notice Inviting Applications – August 2016

- (iv) Entities who are not existing licensee will be treated as 'New Entrants' and will have to obtain a Unified License.
- (v) Licensees covered by the note under **Clause 1.4** of UAS licence condition are allowed to bid only for the spectrum band which they currently hold in that LSA. For the limited purpose of this provision, 900 MHz and 1800 MHz will be treated as same band. This would not be applicable for those licensees, whose any of the UASL/CMTS license is expiring in 2017-18 for that LSA.
- (vi) The spectrum caps have been mentioned in **Section 9.7**, and shall be applicable for all the bidders.
- (vii) **Net Worth requirements:** Bidders are required to show a net worth of Rs.100 crores per LSA (Rs.50 crores each for J&K and North East LSAs), in which bidder wants to submit bids. The net worth requirement is applicable in case of 'New Entrants' and the same is not applicable in case of existing licensees.

Note :

- a) *The requirement of net worth (100 crores/ 50 crores) to be shown is per LSA (and not band) for such LSAs in such bands, where that bidder is a new entrant. Therefore, a bidder, who is a new entrant in all or any of the bands (700, 800, 1800/900, 2100, 2300, 2500 MHz) will need to show a net worth of 100 crores (or 50 crores in case of NE, J&K) only for bidding in all/any of the bands.*
- b) *Further, an existing licensee with negative net worth and holding spectrum in say 1800 or 900 MHz band, can bid in 900/1800 band. But, such a bidder will not be eligible to bid in 700 MHz, 800 MHz, 2100 MHz 2300 MHz, or 2500 MHz bands.*
- c) *The definition of net worth shall be as defined in the Companies Act 2013 and as amended from time to time. However, for participation in the auction for assignment of spectrum, the net worth of only those promoters shall be counted who have directly in their name(s) at least 10% equity stake in the total equity of the company. This net worth requirement is to be met at the time of application for participation in the auction. The applicant shall submit*

Notice Inviting Applications – August 2016

a certificate to this effect signed by the Company Secretary or authorized signatory of the Company while applying for participation in Auction.

- (viii) The Applicant Company shall have a minimum paid up equity capital equal to one tenth of net worth prescribed above and shall submit a certificate to this effect (provided by the Company Secretary/ Statutory Auditors of the applicant company and countersigned by duly authorized Director of the Company) while applying for participation in the auction of spectrum. This paid up equity requirement would be in addition to the prescribed paid up equity for obtaining UL.
- (ix) The minimum paid-up equity requirements for obtaining the spectrum shall be met and maintained till the validity period of the right to use spectrum.
- (x) **Lock-in Conditions:** There shall be a Lock-in period for equity of a person whose share capital is 10% or more in the bidding company/Group Bidding Entity/Associated Licensee/Nominee Company on the date of submission of application for participating in this auction and whose net worth has been taken into consideration for determining the eligibility for bidding for spectrum, till completion of one (1) year from the effective date as defined in this NIA.

Note:

Lock-in condition for promoters' equity will be applicable as per the NIA, if the existing licensee uses promoters' net worth for gaining eligibility to bid in a band, where it does not hold spectrum. This is applicable to holders of expiring licenses as well. Lock in will apply to the entire holding of promoter in the company.

3.3 Prospective New Entrants

Prospective Bidders who do not have a UAS / CMTS/ UL(AS) / UL with access service authorization, shall be permitted to participate in this Auction subject to the provisions of **Section 3.1 and 3.2.**

Notice Inviting Applications – August 2016

Prospective New Entrants are advised to ensure that they satisfy the conditions for the award of a Unified Licence with access service authorization, as applicable including other mandatory clearances/approval required for grant of license. This includes the relevant provisions for making an FDI into the telecom services sector in India. It must be noted by prospective bidders that FIPB approval is contingent on security clearances and, under certain circumstances, could take considerable time. Accordingly, such Bidders are advised to initiate the process of getting approvals from the FIPB at the earliest. As such approvals are available for entities with an intent to invest as well as those that have already made such investments.

In the auction, if the Successful Bidder is a Prospective New Entrant, the spectrum shall be assigned to a Company nominated by the Successful Bidder which acquires a Unified licence in the relevant LSA(s) and in which the Successful Bidder has a minimum holding of at least 26% (“New Entrant Nominee Unified Licensee”). In such a case, the New Entrant Nominee Unified Licensee shall be liable for the performance of the Bid obligations.

A foreign entity can operate a telecom service in India only through an Indian company up to 100% foreign shareholding (subject to the approval of the FIPB for the foreign shareholding in excess of 49%). A Unified Licence can only be awarded to an Indian Company. Hence, any foreign applicant will need to form or acquire, an Indian company, to obtain a Unified Licence subject to fulfilment of prescribed procedure. However, they are allowed to participate in the auction directly and apply for a Unified License subsequently, through an Indian Company, where they hold equity stake, with a maximum foreign equity of 100% as per extant guidelines. Applicants are advised to also see the details as regards FDI policy at http://dipp.nic.in/English/Policies/FDI_Circular_2016.pdf.

Section 4.

4.1 Application format and procedure for submission

In order to pre-qualify for the Auction, prospective bidders must submit an application before the last date for submission of such applications, as per the following requirements. Format for Application and various undertakings, Bank Guarantees etc. are detailed in **Table 4.5.1 in Section 4.5**. Applicants should inform the DoT promptly in case of any change in the information submitted by them as part of their Application.

The Government reserves the right to summarily disqualify any pre-qualified bidder at any stage of the auction or after the auction is completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with Auction Rules, non-compliance with any other pre-condition prescribed for participating in the Auction or being awarded the spectrum or any matter that may, in the opinion of the Government, be contrary to general public interest. For such breaches, a bidder's Earnest Money Deposit shall be forfeited and the Government may undertake other penal action as well against such a bidder. Seriousness of the breach shall be determined by the Government at its sole discretion.

4.1.1 Application Requirements

Prospective bidders are required to submit:

- A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist;
- Prescribed application processing fee;

Notice Inviting Applications – August 2016

- Earnest money, in the form of a Bank Guarantee (as per format provided in Annexure E, Section 12.5 from a Scheduled Bank), of an amount equal to the sum of earnest money amounts of the LSAs that the Bidder wishes to be eligible to bid for as per the **Tables A1 to A7 of Annexure A** (section 12.1) to this NIA:

Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across LSAs in any of the bands, applicants should deposit sufficient earnest money so as to enable them to switch among LSAs during the course of the auction. The Earnest Money Deposit will determine the eligibility of Bidders to make bids during the Clock Stage of the Auction, as described subsequently in **Section 4.1.4**;

- Bidders are **required** to nominate an authorised person, who is empowered to take all decisions connected with this auction on the Bidder's behalf and correspond on behalf of the Applicant with the Government and the Auctioneer, along with a Power of Attorney empowering her/him for the same. Applicants may authorise one more person, who could act as the alternate authorised person in case of unavailability of the primary authorised person. In case of any duplication of submissions made by the bidder, the submission from the primary authorised person shall be considered as final and binding;
- In case of Associated Licensees, the following are additionally required to be submitted along with the application:
 - A completed Nomination Form nominating the Group Bidding Entity. Separate Nomination Forms need to be completed by each of the Associated Licensees corresponding to the Group Bidding Entity that intend to participate in the Auction of Spectrum;

Notice Inviting Applications – August 2016

- Details of ownership structures of the Associated Licensees establishing the qualification of the Group Bidding Entity to bid on behalf of the Associated Licensees;
- For LSAs where neither the Group Bidding Entity, nor any of its Associated Licensees are existing UASL/ CMTS/ UL(AS)/UL Licensees with access service authorization , an undertaking confirming that, if the applicant is successful in winning spectrum in any such LSA, it shall acquire a Unified Licence either directly or through one of its Associated Licensees or through a wholly-owned subsidiary of the applicant (“Nominated Unified License Applicant”) or a company nominated by the applicant where the applicant has a minimum of at least 26% (“New Entrant Nominated Unified License Applicant”); in advance of starting commercial operations. The applicant shall be solely responsible for ensuring compliance with all eligibility criteria for the award of a Unified Licence including, but not limited to, the criteria required for FIPB approvals and security clearances.

Prospective Bidders that are not existing UASL/CMTS/UL(AS)/UL licensees with access service authorization are additionally required to submit:

- An undertaking confirming that, if the applicant is successful in winning spectrum in any LSA, it shall acquire a Unified Licence with access service authorization, through an Indian company registered under the Companies Act 2013, in advance of assignment of spectrum. The Applicant shall be solely responsible for ensuring compliance with all eligibility criteria for the award of a Unified Licence with access service

Notice Inviting Applications – August 2016

authorization, including, but not limited to, the criteria required for FIPB approvals and security clearances.

The Government reserves the right not to pre-qualify any Applicant without assigning any reason whatsoever.

4.1.2 Ownership compliance certification

After the last date of submission of applications, the Government shall publish the ownership details submitted by the applicants, who have not otherwise been disqualified before then, on the DoT website.

After this, an applicant, who has not otherwise been disqualified before then, shall be required to submit an undertaking confirming that it complies with the ownership restrictions (the “Ownership Compliance Certificate” **at Annexure N – Section 12.14**) before the deadline indicated in the Auction Timetable. The Government reserves the right to modify this deadline by giving applicants notice through the DoT website.

Formats for application and various undertakings are provided in **Section 12.8 -12.14 (Annex H to N)**.

4.1.3 Pre-qualification Conditions

In order to pre-qualify, the applicant must satisfy the following conditions:

a) Application requirements

The applicant must comply with the requirements for payment of application fee, provision of information, the required certification & undertakings and payment of the Earnest Money Deposit. Failure to provide any of these documents or to make the payment within the time specified may result in the applicant not qualifying for the relevant auctions.

b) Ownership restrictions

Ownership restrictions shall be as prescribed in the respective licenses of existing Licensees. In respect of New Entrants, the conditions prescribed in UL shall be applicable.

c) General power of exclusion

The Government shall retain a general power to exclude any applicant, without providing any reason for such action. Further, the Government may exclude any applicant, if in its opinion:

- i) the holding of a Unified Licence by that applicant would be prejudicial to the interests of national security; or
- ii) the applicant would not be a fit and proper person to hold a Unified Licence.

During the pre-qualification stage, the Government may ask applicants to provide additional information or documentation relating to their applications. The Government reserves the right to withdraw the pre-qualification of any bidder at any stage even after the initial pre-qualification.

Pre-qualification for the auction or declaration as successful bidder does not guarantee a bidder that the Unified Licence application of this bidder (if applicable) shall be approved. Prospective Bidder licence-holders must satisfy themselves that they meet the criteria for award of a Unified Licence.

d) Net worth and Paid Up Equity Capital

- Net worth requirement would be as per the provision in **Section 3.2(vii)**.

Notice Inviting Applications – August 2016

- For participation in the auction for assignment of spectrum, net worth of those promoters having at least 10% paid up equity holding in the applicant company can also be taken into consideration
- The applicant company shall have a minimum paid up equity capital equal to one tenth of net worth prescribed above and shall submit a certificate to this effect (signed by the Company Secretary or authorized signatory of the company) while applying for participation in the auction of spectrum.
- Additional net worth requirement for obtaining UL will have to be met at the time of submitting application for UL.

4.1.4 Earnest Money Deposit

The earnest money (in the form of a Bank Guarantee from a Scheduled Bank) of the requisite amount needs to be submitted along with the Application for prequalification. The Bank Guarantee shall be valid up to 30th April 2017 and extendable for a further period of six months at the request of DoT, in the prescribed format as given in **Annexure J of Section 12.10**.

Given that flexibility has been provided in the Auction Rules for bidders to be able to bid across LSAs, applicants should deposit earnest money based on the number of LSAs that they would like to participate in the auction. Each type of LSAs has a specific deposit requirement. To make a Bid in the Clock Stage for a combination of LSAs, a Bidder must have already submitted an Earnest Money Deposit (“EMD”) for not less than the total earnest money requirements of those LSAs. For this Auction, a separate consolidated EMD for all the LSAs need to be submitted. The total amount may be broken down into up to 5 different EMD letters.

Notice Inviting Applications – August 2016

In addition, the EMD will determine the initial eligibility of bidders in the auction. The detailed method by which initial eligibility is determined is given subsequently for the auction. At no stage in the auction shall they be allowed to bid for more LSAs than the initial eligibility points corresponding to the EMD will permit.

The EMD will be returned following failure to pre-qualify, or following the end of the auction and after meeting all the necessary obligations under the Auction Rules, as applicable.

Without prejudice to any other remedy that may be available to it, the Government reserves the right to forfeit the EMD in the case that:

- (i) If the Proposer having been notified of the acceptance of its proposal by the DoT, during the period of the proposal's validity:
 - (a) Fails or refuses to execute the contract form, if required; or
 - (b) Fails to deposit the Successful Bid Amount in the stipulated timeframe as per the Notice;
- (ii) The Proposer misrepresents facts in its application;
- (iii) The Proposer violates any of the Auction Rules or otherwise disrupts the Auction process;
- (iv) The Proposer does not bid for even 1 LSA in the first Clock Round of the relevant Auctions;
- (v) The Proposer defaults on its bid;
- (vi) The Proposer withdraws its proposal during the period of its validity specified in the Notice.

4.2 Associated Licensees

For the purpose of this Auction, Associated Licensees are defined as existing UASL/ CMTS/ UL(AS)/UL licensees that are controlled by a single entity(the “Common Parent”), which also has at least 26% shareholding, directly or indirectly, in the company. In the case of licensees that are listed on recognised stock exchanges², a company of the Promoter group would also qualify as a Common Parent regardless of the level of shareholding.

For the purpose of this auction, Associated Licensees corresponding to a single Common Parent shall be required to nominate a single entity (either one of the Associated Licensees or the Common Parent), which shall be authorised to bid on their behalf (the “Group Bidding Entity”).

In case a Group Bidding Entity is declared the Successful Bidder in any LSA and there is an Associated Licensee corresponding to the Group Bidding Entity in that LSA, then the Government shall assign the spectrum to that Associated Licensee. In such a case, the Group Bidding Entity and the Associated Licensee shall both be jointly and severally liable for the performance of the bid obligations. It is not permitted to have more than one Associated Licensee in any LSA. In case a Group Bidding Entity is declared the Successful Bidder in any LSA and there is no Associated Licensee corresponding to the Group Bidding Entity in that LSA, then the Government shall assign the spectrum to the Group Bidding Entity or one of its Associated Licensees of any other LSA that acquires a Unified licence (“Nominee Licensee”) in that LSA. In case the Nominee Licensee is different from the Group Bidding Entity, the Group Bidding Entity and the Nominee Licensee shall both be jointly and

²“Recognised stock exchanges” refers to stock exchanges recognised by the Securities and Exchange Board of India (SEBI).

Notice Inviting Applications – August 2016

severally liable for the performance of the bid obligations.

More than one Associated Licensee having the same Common Parent shall **not be allowed to bid in the Auction**, even if they intend to bid for different non overlapping combination of LSAs. It is clarified that the definition of ‘Associated Licensees’ is for the limited purpose of this spectrum auction process and it does not have any connection with the use of the word ‘associate’ in UAS / CMTS/ UL(AS) / UL.

Companies whose licenses are expiring in 2017-18 are treated as new entrants for this auction.

Common parent company can bid on behalf of associate company (ies). However, for grant of unified licence, the applicant company has to fulfil the requirements as prescribed in the guidelines for grant of unified licence.

4.2.1 Application Processing Fee

The Applicant shall pay a non-refundable application processing fee of Rs. 100,000/- (Rupees one lakh only) payable to **Pay and Accounts Officer (HQ), DoT, New Delhi**, through a demand draft drawn on a Scheduled Bank payable at Delhi.

4.2.2 Procedure following Application

Soon after the submission of its application, the authorised person nominated by each applicant in its application needs to ensure that they obtain **2 (TWO)** Class-III Digital Signature Certificate(s) **for each of the authorized persons** for signing and encryption issued by any valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the Electronic Auction System (EAS). The pre-qualified bidders will be provided with a list of phone passwords (to be used for reporting technical problems only).

Notice Inviting Applications – August 2016

Note, however, that the EAS will not be accessible until applicants have been prequalified for participation in the relevant auction and have received further materials from the Auction Administrator.

4.3 Announcement of Pre-qualified Bidders

The Government shall put up a list of pre-qualified Bidders on the DoT website. At the same time, each pre-qualified Bidder shall be issued a notice (the “Bidder Participation Notice”), which shall include:

- Details of all Bidders’ total Earnest Money Deposits and corresponding Initial Eligibility points; and
- The EAS Manual, which includes detailed instructions on how to access the EAS.

Following this pre-qualification of bidders by the DoT, the authorised person nominated by each pre-qualified bidder will be sent the following details via the various contact channels provided for this person included in the Pre-qualified Bidder’s application:

- URL of the Auction;
- Login ID and Password;
- An email address and phone number for the reporting of technical problems.

Upon receipt of all of the listed materials, Pre-qualified Bidders will be expected to obtain the Digital Signature Certificates and to attempt to log in to the EAS using the URL and password provided. Problems encountered in accessing the EAS successfully should be reported to the Auction Administrator immediately.

4.4 Bid Validity

The Bids made in the Auction shall be valid up to 30th April 2017.

4.5 Submission of Application

Applications must be submitted in hard copy, to be received between 10:00am (Indian Standard Time) on 9th Sept, 2016 and 5:00pm (Indian Standard Time) on 13th Sept, 2016 , during office hours, at the following address:

Deputy Director General (WPF)
Department of Telecommunications
Room No. 705, 7th Floor, Sanchar Bhawan,
20 Ashoka Road, New Delhi – 110 001.

Applications received after the prescribed timeline shall summarily be rejected and returned unopened.

Six sets of the Application need to be submitted in separate sealed covers. The first set shall be marked as “ORIGINAL” and shall be duly signed in ink on each page by the applicant. The other five photo copies of the original set shall be marked as “COPY No. __”. Each page of the Application is to be numbered. In case of discrepancies between the copies and the Original, the Original shall prevail. However, the Government also reserves the right to summarily reject applications in case of discrepancies between the copies and the original. Name and address of the Bidder shall be displayed on each of the sealed covers. The Applicants should also submit scanned soft copy of the Original set on CD-ROM/ DVD / **USB Drive/ External Hard Drive** in a single “pdf” document with pages in the same order as in the original application.

Applicants should note that, at its sole discretion, the Government may designate another time and/ or place at which applications should

Notice Inviting Applications – August 2016

be submitted. However, this power will only be used in exceptional circumstances. The alternative location will be publicised on the **DoT** website.

Applications should be marked:

“Application for Pre-Qualification – Auction of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands”

Applications should contain:

- A completed Application Form and all supporting information including the necessary undertakings;
- A non-refundable application fee of Rs. 100,000/- (Rupees one lakh only) payable to Pay and Accounts Officer (HQ), DoT, New Delhi, through a demand draft drawn on a Scheduled Bank payable at Delhi;
- Earnest Money Deposit (in the form of Bank Guarantee);
- Nomination of the authorised person(s) for future correspondence with the bidder, along with a Power of Attorney (PoA) empowering her/ him to take all decisions connected with the auction on the bidder’s behalf.

If at any later date, it is found that averments/ facts submitted by the applicant in the application based on which it has been considered eligible for the auction is incorrect or false, the Government reserves the right to disqualify the bidder as well as take other penal action against such bidder, including but not limited to, forfeiting its EMD as well as withdrawing any frequency assignment that may have been made to such a bidder in the auction.

Withdrawal of Applications shall be allowed by means of a written request to the “Department of Telecommunications” up to the designated

Notice Inviting Applications – August 2016

date as per the Timetable specified in **this** NIA (as Amended from time to time).

Table 4.5.1: Application Formats/ documents

Sl	Section	Annexure	Name/ Description
1	12.8	H	Application Checklist
2	12.9	I	Application Format for the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands Auction
3	12.10	J	Format for Earnest Money Deposit
4	12.11	K	PROFORMA FOR FINANCIAL BANK GUARANTEE:
5	12.12	L	Format for an Undertaking in respect of LSA(s) where neither the Applicant nor any of its Associated Licensees has an existing UASL/ CMTSL/ UL(AS)/Unified licence with authorisation for access service
6	12.13	M	Format for an Undertaking to nominate a Group Bidding Entity for the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands Auction
7	12.14	N	Format for Ownership Compliance Certificate for the Spectrum Auction in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands
8	12.15	O	Format for Performance Bank Guarantee
9	12.16	P	Format of declaration by bidders (LSA-wise information where the Applicant is an Existing Licensee / New Entrant)

4.6 Contact and Further Information

4.6.1 Contacts for further Enquiries

Enquiries, if any, may be directed to the following e-mail address: **“spectrumauction-dot@nic.in”**. The Government may or may not respond to any query, in part or full, at its sole discretion. In case it responds to any query, the response shall be made public. However, the identity of the person making the query will not be disclosed, to the extent possible.

Further contact details for support during the e-auction will be separately provided to the eligible applicants.

4.6.2 Disclosure of further information

Following issue of this Notice, the Government has the discretion to publish further information and to amend the Notice from time to time either on its own or in response to any clarification requested. All such amendments will constitute a part of the Notice and shall be binding for compliance on the bidders. The amendments, if any, will be notified on the DoT website. The queries and responses to NIA shall be the part of this NIA document.

4.7 Individual responsibilities of the Advisers

The Auctioneer M/s Mjunction services limited is responsible for executing the auction, all confidential information contained within the Electronic Auction System will be accessible only to staff at M/s. Mjunction services limited for the purposes of ensuring the smooth running of the auction and providing technical support to bidders.

Section 5.

5.1 Unified License (UL)

The Key details of the Unified License (UL) are available on the website of DoT. Bidders are requested to visit the link www.dot.gov.in

5.2 Spectrum Liberalisation

Liberalisation in 800, 900, 1800 MHz frequency bands shall be governed by the liberalisation guidelines No. J-14025/212/2015-CDMA of DoT dated 5th November 2015 as amended from time to time (available at DoT website).

5.3 Facilitation of Funding of Telecom Projects

The format of Tripartite Agreement (TPA) shall be provided by the licensor after its finalisation to the interested licensees and if such TPA is signed, the same will become part of agreement.

For latest ECB guidelines, bidders may visit RBI website.

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10314&Mode=0>

5.4 Mergers & Acquisitions

Mergers and Acquisitions shall be as per guidelines No 20-281/2010-AS-I (Volume VII), dated 20th February 2014 as amended from time to time (available on DoT website).

5.5 Spectrum Audit

For the efficient management of available spectrum, DoT may undertake regular spectrum audit.

5.6 Spectrum Sharing

5.6.1 Guidelines:

Spectrum sharing is permitted vide guidelines Nos. L-14006/04/2015 – NTG dated 24th September 2015 as amended, from time to time (available on DoT website).

5.6.2 Sharing allowed only after one year:

Further, TSP will be allowed to share spectrum in a particular band only after one year from the date of 'Frequency Assignment' in that band acquired through this auction. Other terms and conditions of sharing guidelines shall also remain applicable. In case no spectrum is acquired in that band through this auction, then this condition will not be applicable.

5.7 Spectrum Trading

Spectrum trading is permitted vide guidelines No. L-14006/05/2015 – NTG dated 12th October 2015, as amended time to time (available on DoT website).

5.8 Breach, revocation and surrender

The spectrum allotment/assignment may be revoked, withdrawn, varied or surrendered in accordance with applicable licence conditions or any other applicable laws, rules, regulations or other statutory provisions.

The spectrum allotment/assignment may also be curtailed/revoked if the Government determines the user of the spectrum to be in serious breach of any of the conditions of the assignment of the spectrum (including adherence to the Auction Rules) and the consequent obligations. In case of less serious breaches, the Government may impose penalties at its discretion. Seriousness of the breach shall be determined by the Government at its sole discretion.

In case neither the Successful Bidder nor any of its Associated Licensees has the relevant service license for an LSA where it has been

Notice Inviting Applications – August 2016

declared a successful bidder, it must apply for, or otherwise acquire the relevant service license in the LSA in accordance with the terms of the Notice (NIA), failing which the Government shall have the right to revoke the spectrum or curtail the period of validity of the spectrum assignment.

If at any stage, the spectrum assignment is revoked, withdrawn, varied, surrendered or curtailed no refund will be made. The Bank Guarantees may also be invoked to recover any payable dues.

5.9 Changeover of Frequency Spots

It is possible that frequency spots assigned to one operator at present may be assigned to another operator consequent to auction. The Government reserves the right to take necessary steps for smooth changeover, which inter alia may include temporary change of assigned spots, within quantum won, and its use for certain period depending upon specific situation for proper conduct of telegraphs.

Section 6.

6.1 Payment Terms

Successful Bidders shall make the payment (in Indian Rupees) in any of the following two options:

- (a) Full upfront payment within 10 days of declaration of final price or pre-payment of one or more annual instalments; or
- (b) Deferred payment, subject to the following conditions:
 - (i) An upfront payment of 50% in the case of 1800 MHz, 2100 MHz, 2300 MHz, & 2500 MHz bands, and 25% in case of 700 MHz, 800 MHz and 900 MHz bands of the final bid amount shall be made within ten (10) calendar days of issue of Demand Notice by WPF Wing of DoT.
 - (ii) There shall be a moratorium of 2 years for payment of balance amount of one time charges for the spectrum, which shall be recovered in 10 equal annual instalments.
 - (iii) The 1st instalment of the balance amount shall become due on the third anniversary of the scheduled date of the first payment. Subsequent instalment shall become due on the same date of each following year. Prepayment of one or more instalments will be allowed on each annual anniversary date of the first upfront payment, based upon the principle that the Net Present Value (NPV) of the payment is protected.

Illustration regarding maintaining Net Present Value (NPV) of pre-payments made:-

Suppose 1000 = value of each instalment,

Notice Inviting Applications – August 2016

2= number of years by which a particular instalment is being pre-paid,

Since the interest rate being applied is 9.3%

So the amount to be pre-paid in respect of that instalment = $1000/(1+9.3/100)^2 = 837.07$

- (iv) If there are more than one instalments to be pre-paid, the total amount to be pre-paid would be sum total of each of such calculated amounts for each of the instalments, in accordance with the number of years by which each of these instalments are being pre-paid.
- (v) An indicative schedule of payments is given in Tables D1 and D2 respectively of **Annexure D of Section 12.4** to this NIA:
- (vi) The successful bidder shall securitize the annual instalment for the deferred payment through a Financial Bank Guarantee (FBG) of an amount of one annual instalment. On payment of 1st instalment and each instalment thereafter, the FBG shall be renewed for a further period of one year and submitted at least one month prior to the date of expiry of validity of the FBG submitted earlier. In case of non-renewal, the FBG will be encashed and the amount kept as non-interest bearing deposit with the DoT till such bank guarantee is renewed and instalment due is paid. Payment of due instalment and renewal of FBG shall be done by the successful bidder as per the schedule without the necessity for the DoT to raise any Demand Notice for the same.
- (vii) Along with the upfront payment, the successful bidder will have to submit an FBG equal to the annual instalment

Notice Inviting Applications – August 2016

which shall be valid for three (3) years to the WPF Wing of DoT. The format for the FBG is at **Annexure K of Section 12.11.**

- (viii) In case of overdue payments, penal interest shall be charged on the delayed amount from the due date at the **Prime Lending Rate(PLR)** of the State Bank of India (SBI), applicable on the due date, plus 2% (compounded monthly); and a part of the month shall be reckoned as a full month for the purpose of calculation of interest.
- (ix) If due payments are not received within the due date plus a grace period of ten (10) days, the sum shall be recovered by encashing the FBG.
- (x) In the event of default in payment of instalments, in addition to the action as provided in the paras above, DOT may terminate the license and spectrum allotment/assignment, in which case, the allotted/assigned spectrum will revert back to DoT. The FBGs/PBGs in such cases will be encashed. This would be without prejudice to any other remedy DOT may decide to resort to.

Successful Bidders shall deposit the Successful Bid Amount i.e. full amount or upfront payment amount in case of deferred payment option within ten (10) calendar days of the issue of Demand Notice by DoT, failing which the EMD shall stand forfeited. In case of the date of payment being Saturday, Sunday or a public holiday, the effective date for payment to be considered as next working day.

All payments will need to be made by the successful bidders through Real Time Gross Settlement (RTGS) into the designated account that shall be specified by DoT in its website.

Section 7.

7.1 Assignment of Spectrums

7.1.1 Issuance of Frequency Assignment Letter

- The WPC Wing of DoT shall issue a Frequency Assignment Letter specifying the frequencies to the successful bidder within thirty (30) calendar days from the date of receipt of upfront payment in case of deferred payment option and the date of receipt of full payment in case of full upfront payment option.

7.1.2 Procedure for Existing Licensee

Procedure for Existing Licensee for getting amendment to the license and Frequency Assignment Letter:

- After declaration as successful bidder, the existing CMTS/UASL/UL(AS)/ UL licenses held by them shall be amended by way of inclusion of an addendum comprising of this NIA.
- The Frequency Assignment Letter shall be issued in response to an application made within three working days of the upfront payment on prescribed format available on DoT website.
- Successful bidders shall obtain (SACFA) clearance and Wireless Operating Licence (WOL) from the WPC Wing of DoT, as per prescribed procedure.

7.1.3 Procedure for New Entrants

Procedure for New Entrants for getting amendment to the license and Frequency Assignment Letter:

- After declaration as successful bidder the applicant company can apply to AS Wing of DoT for issue of a Letter of Intent (LoI) for Unified License for applicable LSA. The date of validity of LoI to be issued on completion

Notice Inviting Applications – August 2016

of the application for grant of Unified License shall be twenty (20) days from the date of issue of Demand Notice by the WPF Wing to the successful bidder.

- The successful bidder shall complete the formalities for grant of Unified License within the validity period of the LoI issued by AS Wing of DoT.
- The Frequency Assignment Letter shall be issued in response to an application made within three working days of the upfront payment on prescribed format available on DoT website.
- Successful Bidders shall obtain SACFA clearance and a separate Wireless Operating Licence (WOL) from the WPC wing of DoT as per as per the format available in DoT website.

Section 8.

8.1 Roll-out obligations

The licensee to whom the spectrum is assigned shall have a network rollout obligation as detailed in this section. The obligation reflects both the need to ensure the efficient use of spectrum and provide a reasonable level of service to a wide cross-section of customers. The Successful Bidder shall make its own arrangements for all infrastructures involved in rolling out of the network and shall be solely responsible for installation, networking and operation of necessary equipment and systems.

The Successful Bidder shall make its own arrangements for Right of Way (RoW) and other necessary permissions/clearances required as per relevant laws/regulations/directions of the respective agencies for rolling out the network. The Central Government has already issued necessary notification conferring the requisite powers upon the licensees for the purposes of placing telegraph lines under Part III of the Indian Telegraph Act, 1885. Non-availability of the RoW or delay in getting permission/clearance from any agency shall not be construed or taken as a reason for non-fulfilment or delay in compliance of the Roll-out obligations and shall not be taken a valid excuse for not carrying any obligations imposed by the terms of this NIA.

8.1.1 For 700 MHz, 800 MHz, 900 MHz & 1800MHz bands

(a) In LSAs other than Metro LSAs.

The following rollout obligations for non- metro LSAs have to be fulfilled by the bidders acquiring spectrum through this auction: -

Phase 1: Coverage of 10% District Headquarters (DHQ)s/ Towns by the end of first (1) year from effective date of license or date

Notice Inviting Applications – August 2016

of assignment of spectrum won in this auction process whichever is later.

Phase 2: Coverage of 50% DHQs/ Towns by the end of three (3) years from effective date of license or date of assignment of spectrum won in this auction process whichever is later.

Phase 3: Coverage of 10% Block Headquarters (BHQ)s by the end of third (3) year from effective date of license or date of assignment of spectrum won in this auction process whichever is later.

Phase 4: Coverage of additional 10% BHQs (Cumulative 20% BHQs) by the end of fourth (4) year from effective date of license or date of assignment of spectrum won in this auction process whichever is later.

Phase 5: Coverage of additional 10% BHQs (Cumulative 30% BHQs) by the end of fifth (5) year from effective date of license or date of assignment of spectrum won in this auction process whichever is later.

For this purpose, 900 & 1800MHz bands will be treated as the same band.

Note:

Equivalent nomenclature of DHQ/BHQ shall also be applicable in LSAs where DHQ/BHQ are known by other nomenclature.

(b) **In Metro LSAs:** The roll-out obligations for coverage in metro LSAs shall be coverage of 90% of the LSA within one (1) year from the effective date of license or the date of assignment of spectrum won in this auction process, whichever is later. For this purpose, 900 & 1800MHz bands

Notice Inviting Applications – August 2016

will be treated as the same band. In the case of Metro LSAs, there will be no obligation relating to Block Headquarters.

(c) The list of DHQ / Block Headquarters (BHQs) and its Map(s) will have to be obtained by the successful bidder from the respective State Governments/Administrations/local bodies. The boundary of the Block Headquarters will be as per map/definition given by the State Government/Administration/Local Body concerned. In cases where District Headquarter/Town (DHQ/ town) happens to be BHQ also, that particular DHQ/town or BHQ would be considered as part of compliance of any one phase of rollout obligation only, as per the choice of licensee. All serious efforts should be made to arrange authenticated maps from the respective State Govt. / Administration / Local Bodies. In case, where authenticated maps are not made available even after efforts by TSPs a letter from concerned State Govt. / Administration / Local Bodies indicating non availability of maps may be taken. In such cases TSP can submit self-certified maps of licensed area offered showing important landmarks, road, rail network, railway stations, bus stand, other important establishment, public places and boundaries etc. along with the above said letter from concerned authority.

(d) Each milestone of the rollout obligations as mentioned above, would be considered as separate phase of rollout obligations.

(e) Coverage of DHQ/Block Headquarters would mean that at least 90% of the area bounded by the local body limits should get the required street level coverage as per prescribed test schedule by mandatorily setting up of Base station(s) (for example a BTS/node B/e-node B) in the District/ Block Headquarters.

(f) Coverage of Block Headquarters already achieved in accordance with stipulation in clause **8.1.4** below will be treated as a part of compliance towards roll out obligation.

Notice Inviting Applications – August 2016

(g) The choice of Block Headquarters to be covered and further expansion beyond 30% Block Headquarters shall lie with the Licensee depending on their business decision.

(h) The obligations under clause (a) above will have to be met by setting up owned infrastructure with or without sharing of permissible active and passive infrastructure. However, it may be noted that rollout obligations cannot be complied with using the Intra LSA roaming arrangements.

(i) The number of Block Headquarters will be taken as existing on the date of issue of the Notice Inviting Applications (NIA) for auction of spectrum.

(j) For calculation of number of BHQs to be covered, the fraction which comes to 0.5 or above shall be rounded off to the next whole number and if the fraction is less than 0.5 then it shall be ignored.

(k) In cases where assignment of spectrum based on this auction is in less number of BHQs/DHQs (i.e. less than prescribed percentage of the BHQs or DHQs for any phase) in a particular LSA, rollout obligation shall get proportionately limited to rollout of network in BHQs/DHQs where spectrum is assigned in the LSA.

8.1.2 For 2100 MHz band:

The licensee to whom spectrum has been assigned in 2100 MHz band through this auction shall have rollout obligation as follows:

(a) Other than Metro LSAs

The Licensee shall be required to provide street level coverage as prescribed in the Test Schedule as detailed below

Notice Inviting Applications – August 2016

Phase 1: 50% of DHQs in the LSA out of which 15% of DHQs should be in rural SDCA within three (3) years from the effective date of license or date of assignment of spectrum won in this auction process whichever is later.

Phase 2: Additional 10% of DHQs in the LSA within four (4) years from the effective date of license or date of assignment of spectrum won in this auction process whichever is later.

Phase 3: Additional 10% of DHQs in the LSA within five (5) years from the effective date of license or date of assignment of spectrum won in this auction process whichever is later.

(b) Metro LSAs

The licensee to whom the spectrum is assigned through this auction process shall be required to provide required street level coverage using the spectrum in 2100 MHz in at least 90% of the LSA within five (5) years from the effective date of license or date of assignment of spectrum won in this auction process whichever is later.

8.1.3 For 2300 MHz & 2500 MHz Bands :

The roll-out obligation for spectrum in 2300 MHz & 2500 MHz Bands won in this auction process shall be as follows:

(a) Other than Metro LSAs

The licensee to whom the spectrum in 2300 MHz / 2500 MHz band is assigned shall ensure that at least 50% of the rural SDCAs are covered within five (5) years of the Effective Date using 2300/ 2500 MHz band of license or date of assignment of spectrum won in this auction process whichever is later. Coverage of a rural SDCA would mean that at least 90% of the area bounded by the municipal/ local body limits should get the

required street level coverage.

(b) Metro LSAs

The licensee to whom the spectrum in 2300 MHz / 2500 MHz is assigned shall be required to provide street level coverage as prescribed in the test schedule in at least 90% of the LSA within five (5) years of the Effective Date of license or date of assignment of spectrum won in this auction process whichever is later.

8.1.4 Rollout obligation using any technology in any band.

The requirement of rollout obligation shall be treated as fulfilled once the required number of district headquarters or block headquarters are covered by use of any technology in any band by a licensee.

8.1.5 Rural SDCA:

The rural SDCA shall be as notified by the Department of Telecom.

8.1.6 Verification of Roll Out of the Network & Coverage

(a) For the purpose of verification of the rollout of the network and coverage testing as mentioned above, licensee shall register with the respective TERM cells of DoT. While registering with the TERM cell, the phase number for which the Base Station site is being registered shall also be indicated.

(b) Date of registration by concerned TERM cell is to be treated as date of meeting the roll-out obligation in case of successful verification of the rollout of the network and coverage testing as per TSTP for the purpose of compliance of rollout obligations and for calculating liquidated damages, if applicable, in terms of Condition No **8.1.7** mentioned below. If the verification of the rollout of the network and

Notice Inviting Applications – August 2016

coverage testing fails as per TSTP, then the Licensee shall re-register with the respective TERM cells of DoT and in that case, Date of re-registration by concerned TERM cell is to be treated as date of meeting the roll-out obligation subject to successful verification as per TSTP.

(c) Date of registration with TERM Cell is taken as date of completion if tested successfully.

(d) Submission of complete and correct application for SACFA clearance is indicated by WPC acceptance number.

(e) While registering with the TERM cell, the licensee has to submit a self-certificate for fulfilment of roll out obligations by coverage of required numbers of district HQ/ Block HQ in an LSA along with self-conducted test results as per prescribed Test Schedule. The details along with proof of DHQ/BHQ covered by use of any technology in any band by a licensee shall also be provided while registering with TERM Cell and the TERM cell will carry out sample testing of 10% of such self-certified DHQs / BHQs

8.1.7 Liquidated Damages

(a) The time period for roll out of network as per the rollout obligations mentioned above using the spectrum band won in this auction process, shall be deemed as the essence of the contract and the network must be rolled out not later than such specified time period(s). No extension in prescribed due date will be granted. If the network, for a particular phase, is rolled out after the expiry of the due date and is registered by the licensor for the purpose of testing, such delay in rollout of network will entail recovery of Liquidated Damages (LD) under this Condition. Provided further that if the rollout of the network, for a particular phase, is effected within 15 calendar days of the expiry of the

Notice Inviting Applications – August 2016

due date then the Licensor shall accept the rollout of network without levy of LD charges.

(b) At present, minimum sixty (60) calendar days duration is prescribed for grant of SACFA clearance. While examining the compliance of rollout obligations, the maximum delay in grant of the SACFA clearance beyond the above mentioned prescribed duration shall be excluded from the duration set for rollout obligations in the clauses **8.1.1 to 8.1.3** above. For the purpose of calculating the delay in grant of SACFA clearance of individual Base Station site, the date of 'WPC acceptance number' for SACFA clearance application would be treated as the 'start date' and the date on which the SACFA clearance is granted in the online system of WPC would be considered as the 'end date'. The difference between the 'start date' and 'end date' after excluding the above mentioned prescribed period would be considered as the delay in grant of SACFA clearance for that Base Station site for the limited purpose of calculating the delay in compliance of rollout obligations. If the SACFA clearance for a particular Base Station site has been granted within prescribed duration, then for that particular site, delay would be considered as 'zero' days. The maximum delay is to be taken as per TDSAT judgement in Petition No.1 of 2011 titled as M/s Unitech and Oths. Vs. Union of India and is subject to the outcome of the appeal No.25442 of 2012 filed by the Union of India in Hon'ble Supreme Court on the above mentioned subject.

(c) Subject to provisions in clause 8.1.4 above if the Licensee fails to rollout the network or any part thereof in 700 MHz, 800 MHz, 900 MHz & 1800 MHz bands won in this auction for a particular phase, within the period prescribed for the same, the Licensor shall be entitled to recover LD charges for that phase separately @ Rs. 5 Lakhs (Rupees: Five Lakhs) per week for first 13 weeks; @ Rs. 10 Lakhs for the next 13 weeks and thereafter @ Rs. 20 Lakhs for 26 weeks subject to a

Notice Inviting Applications – August 2016

maximum amount of Rs. 7.00 Crores for each phase. For delay of more than 52 weeks in any phase, in addition to imposition of maximum amount of LD as mentioned above, the spectrum assigned based on this auction process may be withdrawn. The PBG shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. For the purpose of calculation of delay in compliance of rollout obligations, the week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purposes of recovery of liquidated damages. SCN will be issued before imposition of LD as per present practice.

(d) In case the Licensee Successful bidder fails to rollout the network or any part thereof in 2100 MHz band won in this auction & subject to provision of clause 8.1.4 above for a particular phase, within the period prescribed for the same, the Licensor shall be entitled to recover LD charges for that phase separately @ Rs. 5 Lakhs (Rupees: Five Lakhs) per week for first 13 weeks; @ Rs. 10 Lakhs for the next 13 weeks and thereafter @ Rs. 20 Lakhs for 26 weeks subject to a maximum amount of Rs. 7.00 Crores for each phase. For delay of more than 52 weeks in any phase, in addition to imposition of maximum amount of LD as mentioned above, the spectrum assigned based on this auction process may be withdrawn. The PBG shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. For the purpose of calculation of delay in compliance of rollout obligations, the week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purposes of recovery of liquidated damages. SCN will be issued before imposition of LD as per present practice.

Notice Inviting Applications – August 2016

(e) Subject to provisions of **clause 8.1.4** above, if in case the Licensee Successful bidder fails to rollout the network or any part thereof in 2300 MHz 2500 MHz bands won in this auction process for a particular phase, within the period prescribed for the same, the Licensor shall be entitled to recover LD charges for that phase separately @ Rs.15 Lakhs (Rupees: Fifteen Lakhs) per week for first 13 weeks; @ Rs. 30 Lakhs for the next 13 weeks and thereafter @ Rs. 60 Lakhs for 26 weeks subject to a maximum amount of Rs. 21.00 Crores for each phase. For delay of more than 52 weeks in any phase, in addition to imposition of maximum amount of LD as mentioned above, the spectrum assigned based on this auction process may be withdrawn. The PBG shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. For the purpose of calculation of delay in compliance of rollout obligations, the week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purposes of recovery of liquidated damages. Show Cause Notice (SCN) will be issued before imposition of LD as per present practice.

8.1.8 Performance Bank Guarantee

(a) Performance Bank Guarantee (PBG) in prescribed format shall be submitted by the successful bidder of spectrum in 700 MHz, 800 MHz, 900 MHz & 1800 MHz band in this auction for the amount equal to Rs. 35.00 Crores by the 'New Entrant' and Rs. 21.00 Crores by 'Existing Licensee' per LSA. The amount of PBG by successful bidder of spectrum in 2100 MHz, 2300 / 2500 MHz shall be Rs 21.00 Crores per LSA for each of 2100 MHz or 2300 / 2500 MHz band for existing licensee as well as new entrant. The PBG shall be valid for a minimum period of Six years before signing the License Agreement. The validity period of PBG can be further extended by the licensor depending upon the requirement for a period not exceeding two years from the due date of

Notice Inviting Applications – August 2016

expiry of the earlier PBG. The PBG is to be submitted only once either as existing licensees for an amount equal to Rs.21 crores per LSA or as new entrant for an amount equal to Rs.35 crores per LSA. If the PBG has already been submitted as per terms and conditions of NIAs for auction of spectrum in November 2012/March 2013/ February 2014/ March 2015, no additional PBG is required.

(b) The PBG may be released only after the complete testing/verification of the compliance of the rollout obligations by the licensor and the recovery of the LD, if any, up to last phase of rollout obligations.

(c) Format of PBG is attached as Annexure P of Section 12.16.

Section 9.

9.1 The Auction

The Auction shall be a Simultaneous Multiple Rounds Ascending (SMRA) e-auction, conducted over the Internet. Bidders will be able to access the Electronic Auction System (EAS) to be used for participation in the auctions using web browsing software as mentioned in 10.1. The EAS is a designated computer resource for the receiving of electronic records under the provisions of Section 13(2) of the Information Technology Act, 2000, as amended from time to time.

Prior to the auction, bidders will have to obtain Class-III Digital Signature Certificate(s) (DSC) for signing and encryption as detailed in Section 10.1.

Bidders shall also be provided with a detailed manual electronically, (EAS manual) explaining how to use the Electronic Auction System (the “EAS Manual”). This documentation shall be provided to bidders in advance of conducting a mock auction. The system requirements for bidders are outlined in **Section 10.1**, though the EAS Manual should be taken as definitive in this regard.

Winning bidders of the spectrum block(s) in each LSA in the auction shall be determined in the first stage, a Clock Stage, which will allocate spectrum blocks simultaneously for the LSA(s). In the auction, since the maximum number of blocks a bidder can bid is restricted on the basis of the applicable bidding caps in an LSA, it is not possible for a bidder to win more than the same in that LSA. The second stage i.e. Frequency Identification Stage, will identify specific frequencies for the winning bidders. More specifically, the two stages shall operate as follows:

9.1.1 Clock Stage:

The Clock Stage, as elaborated in Section 9.8, will establish the bidders and the number of block(s) to be awarded in each of the LSAs. In this stage, in each LSA, bidders will bid for blocks of spectrum (i.e. the right to use spectrum blocks not linked to any frequency) – as per the band wise block size as mentioned in the **table 9.5** and as per their respective permissible limit depending upon their categorization as a “New Entrant” or as an “Existing Licensee”. The status as a “New Entrant” or as an “Existing Licensee” would be separate in 700 MHz, 800 MHz, 900/1800* MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands and this status may be different for different LSAs depending on the holding of spectrum in such band and in such LSA. For this purpose, 900 MHz and 1800 MHz bands would be treated as one.

The minimum quantity of spectrum to be bid for by Existing Licensee/ New Entrant, block size and additional quantity beyond minimum bid quantity of spectrum in various bands is as per **Table 9.5 in Section 9.5.7**.

- This is subject to overall or band cap as prescribed for spectrum holding.

The Clock Stage will consist of a number of rounds. These rounds will stop once:

- (i) The Activity Requirement is 100% (Details as mentioned in **Section 9.8.5** hereunder); and
- (ii) There is no bid submitted by any of the bidders in any of the LSAs in a clock round.

The Clock Stage will establish a common winning price for all blocks within an LSA in each band, and the winning bidders in each LSA in each band.

Notice Inviting Applications – August 2016

Winning bidders will pay the sum of the relevant winning prices set in the Clock Stage for the LSAs in which they have won the specified number of Block(s). All winning bidders in an LSA in any auction will have equal winning prices as a consequence of the Auction Rules.

For the avoidance of doubt, the award of spectrum in any LSA is not dependent on the award of spectrum in any other LSA and bidders shall not be allowed to put in any form of contingent bid linking a bid for spectrum in any LSA with the outcome of the auction in any other LSAs.

9.1.2 Frequency Identification Stage:

The Clock Stage will be followed by a Frequency Identification Stage to identify specific frequency blocks for the winning bidders. The frequencies identified will be announced simultaneous with the outcome of the Clock Stage. The Frequency Identification Stage will be performed automatically by the EAS as per procedure prescribed in **Section 9.9**.

The Government reserves the right to change the frequency assignment at any point over the duration of the relevant licences where this is required for harmonising bands and promoting spectrum efficiency.

9.1.3 Frequency reconfiguration

- i) Notwithstanding any other provisions contained in license agreement or elsewhere, frequency reconfiguration i.e. rearrangement of spot frequencies in the same band, may be carried out by the WPC wing, DoT when it is required to improve spectral efficiency/ harmonization of a band/ proper conduct of telegraphy and public interest. Frequency reconfiguration would be the sole prerogative of the government. The rearrangement of frequencies in a band may result in contiguity of spectrum of a licensee as decided by

Notice Inviting Applications – August 2016

government. No charges will be levied for such rearrangement of frequencies. However, if a licensee also holds administratively assigned spectrum which is non-contiguous to the spectrum held by him through auctions conducted in 2010, 2012,2013,2014,2015 and the present auction, contiguity of the administratively held spectrum with any of the spectrum acquired by him through auctions will not be permitted unless such licensee liberalises his entire administratively held spectrum in that band by paying the latest market price in accordance with the relevant guideline(s) issued for liberalisation of spectrum from time to time.

- ii) Notwithstanding anything contained above, for making contiguous spectrum acquired in the auction held in March 2013, the action by the Government in this regard will be subject to verdict in respect of the ongoing court case (Civil Appeal 4956-4963 of 2016) at the Hon'ble Supreme Court.

9.2 The Mock Auction

For the benefit of bidders, a Mock Auction shall be conducted to familiarise the bidders with the Auction Rules and bidding methodology to be applied and followed during the e-auction. The dates for the Mock Auction are provided in the Auctions Timetable in Section 1.3. The Government reserves the right to change these dates. Any change in the dates for the Mock Auction shall be notified through electronic means, at least one day in advance of the start of the Mock Auction.

9.3 General Conditions

9.3.1 Confidentiality

Confidential Information means any non-public information which, if known to other bidders, would be likely to affect the price that the other bidders would be prepared to bid in the auction or the bidding strategy that other bidders would adopt. Such confidential information shall

Notice Inviting Applications – August 2016

include (but not necessarily be limited to) the bidder's business case, auction strategy and the highest price it is willing to bid for spectrum in any LSA. Any party to whom confidential information in relation to a bidder is disclosed is deemed to be an insider in relation to that bidder. Bidders and insiders must not convey confidential information to any other person, including another bidder or its insiders. Bidders shall also not be permitted to disclose the status of their participation, including whether they continue to bid in any or all LSAs in the auction, until the completion of the auction.

9.3.2 Directors, employees and advisers

No person, whether individual or corporate, can act for, or on behalf of, or advice more than one Bidder that is participating in the auction.

9.3.3 Anti- competitive activity

Bidders must not enter into any arrangements with suppliers of equipment or software that would restrict the supplier's ability to supply such equipment or software to other bidders for the purposes of planning, building or operating a network utilising the frequencies to be auctioned. Bidders are also not permitted to agree with suppliers of equipment or software any form of restriction as to the prices charged or other terms and conditions that such suppliers may agree with any other bidder.

9.4 Conduct of the Auction

The e-auction (online auction) will be conducted through internet using the web browsing software, Internet Explorer version 11 or Mozilla Firefox version 46 or Mozilla Firefox version 47 (32-bit) or Google Chrome version 39 or Google Chrome version 40 only, wherein only the pre-qualified bidders will be allowed to participate. The bidders are required to obtain at least 1 (one) Class-III Digital Signature Certificate (DSC) for each of the Authorized Persons for signing and encryption issued by any

Notice Inviting Applications – August 2016

valid Certifying Authority approved by Controller of Certifying Authority in India which is mandatory for accessing the Electronic Auction System (EAS). More details about the licensed Certifying Authorities (CAs) are available on www.cca.gov.in. It would be the respective bidder's responsibility to acquire such DSC in the name of their authorized signatories (maximum of two authorized signatories is permitted) for participation in the e-auction. The bidders also need to ensure that they acquire the DSC before the Mock Auction which will be conducted at a time specified by the DoT. Bidders will be provided with a detailed EAS manual explaining how to use the Electronic Auction System.

It would be the responsibility of the respective bidders to take reasonable steps to ensure that they have a reliable means of accessing the EAS and appropriate backup facilities. The Auction Rules provide contingency measures to deal with failure of the EAS, Internet connectivity problems and power failures.

Note:

Each pre-qualified bidder can access the EAS from a maximum of four (4) different Public Static IP addresses. The two (2) authorized persons representing a bidder can access the EAS when logged in from any of the four (4) different Public Static IP addresses. The pre-qualified bidders need to submit the details of the Public Static IP Addresses to the Auction Administrator before the mock auction. The Auction Administrator can request the pre-qualified bidders to email the public keys to eas@mjunction.in to map the authorized participants in the EAS. The bidders have to ensure that each of their Authorized Persons obtain the DSC for signing and Encryption.

The pre-qualified bidders will be issued a Login id to access the EAS. This Login id will be mapped with both the DSC of the two authorized persons. The access to EAS to each of these two authorized persons will be from a maximum of four different public static IP addresses which the bidder is required to provide to the Auction Administrator before the mock Auction.

Notice Inviting Applications – August 2016

It is requested to ensure that the validity of all the DSC(s) is till at least 6 months from the start of the MOCK e-auction.

9.5 Overview of the Block sizes:

Spectrum available for award in this process will be assigned by SMRA e-auction. It is to be noted that the auction for spectrum in all the bands (700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz) will be conducted simultaneously. The details of the Spectrum put up for auction in each of the LSAs in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz bands is given below from **Table A1 to A7 respectively in Annexure A (Section 12.1)** to this NIA.

The minimum quantity of spectrum to be bid for by Existing Licensee/ New Entrant, block size and additional quantity beyond minimum bid quantity of spectrum in various bands is summarized below:

Table 9.5: Block size and Minimum amount of spectrum for bidding

Band	Block Size (MHz)	Minimum Bid Quantity				Additional* Quantity beyond Min Bid Quantity
		Existing licensee		New Entrant		
		Quantity (MHz)	No of Blocks	Quantity (MHz)	No of Blocks	
700 MHz	5 MHz (paired)	NA	NA	5	1	One block or multiple thereof
800 MHz	1.25 MHz (paired)	1.25	1	5, 3.75 (where only 3.75 MHz is available), 2.5 (where only 2.5 is available).	4 Blocks, 3 (where only 3 are available), 2 (where only 2 are available).	One block or multiple thereof
900** MHz	0.2 MHz (paired)	0.6	3	5	25	One block or multiple thereof
1800** MHz	0.2 MHz (paired)	0.6	3	5	25	One block or multiple thereof

Notice Inviting Applications – August 2016

2100 MHz	5 MHz (paired)	5	1	5	1	One block or multiple thereof
2300 MHz	10 MHz (unpaired)	10	1	10	1	One block or multiple thereof
2500 MHz	10 MHz (unpaired)	10	1	10	1	One block or multiple thereof

*This is subject to caps as prescribed for spectrum holding as per Annexure B.

** The new entrants will have to bid for contiguous 5 MHz spectrum

Note:

A Bidder could be categorized as an “Existing Licensee” in an LSA and at the same time can be categorized as a “New Entrant” in any other LSA in 1800 MHz band. For example, it could happen that the bidder is categorized as an “Existing Licensee” in Mumbai, and as a “New Entrant” in Karnataka in 1800 MHz band

9.6 Award of Spectrum in Auction

The award of spectrum is a two-stage process, a clock stage followed by a frequency identification stage, as detailed in 9.1.1 and 9.1.2 above. Winning bidders will pay the sum of the relevant winning prices set in the Clock Stage for LSAs in which they are assigned blocks. All winning bidders in an LSA will have equal winning prices as a consequence of the Auction Rules.

9.7 Spectrum Holding Capping Rule

For the purpose of this Auction the bidding by the bidders for each of the LSAs in each of the bands will be restricted by the over-all cap and the band-wise cap as mentioned in **Annexure B of Section 12.2**.

The band-wise cap is 50 % of the total spectrum assigned in a band for an LSA and the over-all cap is 25% of the total spectrum assigned in an LSA

Notice Inviting Applications – August 2016

across all bands. This has been calculated as per the principle detailed below.

The government has decided to follow the following principles for the calculation of overall and band wise caps for an LSA.

- i) All spectrum assigned to TSPs, including quantity of spectrum whose rights to use were put to auction but remained unsold, spectrum whose rights to use were assigned but subsequently surrendered by the TSPs or taken back by the licensor and quantity of spectrum whose rights to use are being put to auction would be counted for the purpose of the spectrum cap.
- ii) The spectrum which may become available to DoT for commercial use after its refarming from other uses (such as defence) at different points of time would not be counted for determining the spectrum caps until its rights to use are put to auction.
- iii) In case a situation arises where due to any subsequent assignment of spectrum to defence/ non-commercial usage, spectrum cap is affected adversely, no TSP would be asked to surrender right to use of any spectrum which it already holds. For the sake of level playing field among Telecom Service Providers (TSPs), the same spectrum cap shall be made applicable for all the telecom service providers in that LSA.

It may be noted that, for an LSA, the total of the current holding of spectrum in all bands and the total spectrum in all the bands for which the bidder is submitting its bids should not exceed the over-all cap which is mentioned in the table at **Annexure B** of **Section 12.2** of NIA.

It may also be noted that for an LSA in a band, the total of the current holding of spectrum in that band and the total spectrum for which the bidder is submitting its bid should not exceed the band wise cap which is mentioned in the Table at **Annexure B** of **Section 12.2** to NIA.

9.8 The Clock Stage

9.8.1 Overview

- (a) In the Clock Stage, bidding proceeds in rounds (Clock Rounds). During each Clock Round, bids may be placed for some or all of the LSAs according to the detailed bidding rules described below. In each Clock Round, bidders will be told the Clock Round Price per block for each of the LSAs in all the bands, where spectrum is put to auction. Bidders will be able to bid depending upon their respective categorization as defined in **Section 3.2** and applicable spectrum caps. Therefore, in each Clock Round, a bidder's decisions will consist of Yes / No choice for each of the LSAs whether to make a bid at a price equal to the current Clock Round Price for that area. If the option of "Yes" is selected, then a choice of number of Blocks has to be selected. The number of Blocks will be a drop down option on the bidding screen, the value of which will depend on the categorization of the bidder for each of the LSAs.
- (b) By bidding on an LSA, if that bid becomes a Provisional Winning Bid, the bidder commits to buy the block(s) in that LSA at a price not greater than the Clock Round Price of the round when the bid was submitted, unless revised in the subsequent rounds with a higher Clock Round price.
- (c) A Clock Round will close at a finishing time specified by the Auction Administrator, by which time all bidders must have placed their bids. The finishing time is subject to provisions for rounds to be extended and re-scheduled, discussed in **Section 9.8.9**.
- (d) Bidders will be able to switch bids across LSAs from one round to the next subject to certain limitations (called "Activity Rules") detailed in **Section 9.8.5**. These rules require that bidders must

Notice Inviting Applications – August 2016

demonstrate sufficient bidding activity to maintain their eligibility to make bids in subsequent rounds, otherwise their ability to make bids in subsequent rounds will be curtailed. These activity requirements will be tightened in steps according to the overall amount of bidding activity in the Auction. Provisional Winning Blocks cannot be switched to other LSAs.

- (e) In the first Clock Round, the price per block in each LSA in each of the bands will be set equal to the Reserve Price. For subsequent rounds, the Clock Round Prices in each LSA in each of the bands will be set depending on excess demand (defined in **Section 9.8.7**) in the previous completed Clock Round. The excess demand will be determined by the total number of blocks for which the prices have been quoted, vis-a-vis the total number of blocks available for each LSA in each of the bands for a particular Clock Round Price (which may be the same for more than one round). The following rules would be applicable:
- If excess demand is negative, the Clock Round Price in that LSA in the particular band will be equal to the Clock Round price in the last completed Clock Round;
 - If excess demand is zero or positive, the Clock Round price in that LSA in the particular band will be equal to the Clock Round Price in the last completed Clock Round plus a strictly positive price increment determined by the amount of excess demand.
- (f) If a new Clock Round is required, further bids will be invited at the new Clock Round Price. The Clock Rounds will continue until demand can be satisfied within each and every LSA in each of the bands. The final Clock Round will be the first round in which:
- i. There is no bidding activity in any of the LSAs in any of the bands; and

Notice Inviting Applications – August 2016

ii. The Activity Requirement has been increased to the maximum level (i.e. the Activity Requirement is set to 100%, as discussed subsequently in **Section 9.8.5**).

(g) All Provisional Winning Bids at the end of the final Clock Round will become Winning Bids. The Provisional Winning Prices will become the Winning Prices, and the Provisional Winning Bidders in the last Clock Round will become the Winning Bidders who will then be awarded the number of allocated blocks (as available) in each LSA in each of the bands at the Winning Price.

9.8.2 Consequences of Rules for Provisional Winning Bidders

A consequence of these rules is that there may be Clock Rounds in which there are Provisional Winning Bidders with Bids at different prices. For example, consider the situation where in a hypothetical LSA in a particular band, in which there are N blocks put to auction:

- If in a Clock Round, R , for an LSA, there are bids received for N Blocks at the current Clock Round price and since this is equal to the total number of Blocks put to auction, all the bidders who have submitted their bid become the Provisional Winning Bidders and this Price becomes the Provisional Winning Price, which is the Clock Round Price of Round R ;
- In subsequent Clock Round, $R+1$, an increment is added to the Clock Round Price of Round R , which becomes the new Clock Round Price for Round $R+1$. At this strictly higher price, bids are received for M number of blocks, where M is strictly less than N . The Provisional Winning Bids will now consist of bids received for M blocks at the Clock Round Price of Round $R+1$ and bids received for $N-M$ blocks selected from amongst the Provisional Winning Bids made in Clock Round R according to the ranking criteria. Therefore,

Notice Inviting Applications – August 2016

the Provisional Winning Blocks which would be considered at the end of Clock Round **R+1** would be the **M** blocks received at the higher price of Clock Round **R+1** and **N-M** blocks at the lower price of Clock Round **R**. The Provisional Winning Price at the end of Clock Round **R+1** would be the Clock Round Price of Round **R**, as this is the lowest value amongst the Provisional Winning Blocks.

- If **M** is EQUAL TO or GREATER than **N**, then the Provisional Winning Price in Clock Round **R+1** would be the Clock Round Price of **R+1**.

The number of Blocks for which a bidder can submit the bid in Clock Round **R+1** would be different for the Provisional Winning Bidder of a particular LSA in a particular band according to the conditions mentioned below:

- If the Clock Round Price of Current Clock Round **R+1**, is equal to the Clock Round Price of previous Clock Round **R** (due to Excess Demand being Negative in Clock Round **R**) for a particular LSA in a particular band, the bidder can bid for the balance of the maximum permitted blocks, if available, in Clock Round **R+1**.
- If the Clock Round Price of Current Clock Round **R+1**, is greater than the Clock Round Price of previous Clock Round **R**, (due to Excess Demand being Positive or zero in Clock Round **R**) for a particular LSA in a particular band, the bidder can bid for any / all the blocks depending on their respective categorization for that particular LSA in the particular band.

In the case, where a bidder ceases to be a Provisional Winning Bidder in a particular LSA in a particular band, bids can be submitted for any / all the blocks.

9.8.3 Bidding during Clock Rounds

In each Clock Round, bidders will be presented with a bidding form on their respective bidding dashboard, where the following will be displayed:

- Total Earnest Money Deposit (EMD) submitted by the bidder
- Eligibility Points
- Auction Activity Requirement
- Bidder Activity Requirement

For each of the LSAs, the following will be displayed on the bidding form:

- Name of the LSA;
- Number of Blocks available in the LSA in each band;
- Number of Eligibility Points linked to a block in each LSA in all the bands;
- Earnest Money Deposit requirement linked to a block in each LSA in all the bands;
- The Clock Round Price in each LSA for the current Clock Round for each of the bands;
- After the first Clock Round, the price increment that has been applied to the Clock Round price in the last completed Clock Round to determine the current Clock Round in each LSA in all the bands;
- After the first Clock Round, Aggregate Demand in each LSA for all the bands at the Clock Round Price in the last completed Clock Round;

Notice Inviting Applications – August 2016

- After the first Clock Round, Excess Demand in each LSA in all the bands at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, Provisional Winning Price of each LSA in all the bands at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, if the bidder becomes a Provisional Winning Bidder, the rank of the bidder;
- Option to bid (Yes / No); and
- Option for selection of number of blocks

The bidder will have the option to select “Yes” / “No” in each LSA in each of the bands in a particular Clock Round. On selection of “Yes”, the bidder will have the option to select the number of blocks for that LSA. The overall selection of the LSAs and the number of blocks in the selected LSAs in each/ any of the bands would be restricted by the following factors:

- The total value of the EMD of the number of blocks in the selected LSAs in each of the bands should be equal to or less than the EMD deposited by the bidder;
- Availability of sufficient Eligibility Points
- Spectrum Cap as applicable based on the Overall Cap and for each of the bands respectively

If the bidder was a Provisional Winning Bidder for the maximum number of blocks permitted as per their categorization and in confirmation to capping rule for an LSA in a particular band in the last completed Clock Round, and if the Clock Round Price in the Current Clock Round is equal to that in the last completed Clock Round, in

Notice Inviting Applications – August 2016

which case the bidder will not have the option to select “Yes” / “No” for this LSA in this band. This is due to the fact that under these circumstances, it is not possible for the bidder to increase the number of Provisional Winning Blocks at the current Clock Round price.

All the Bidders will have to submit their decision into the EAS in each Clock Round, even if the Bidder does not want to submit any bids in the round. Failure to check and submit a decision by the end of a Clock Round will trigger an automatic extension of the round deadline and reduce the time allowance a bidder has for future extensions. The provisions for extensions of rounds are discussed in detail in **Section 9.8.9**.

All the bids which the bidder submits would be subject to the Activity Rules described in **Section 9.8.5**. Bidders are required to submit their bid for at least ONE LSA in one of the bands in the first Clock Round. Any Bidder who fails to do so in the first Clock Round will forfeit its EMD in its entirety.

9.8.4 Eligibility Points and Earnest Money Deposits (EMD)

For the purpose of applying Activity Rules, each of the blocks in each LSA in each of the bands has been assigned a specific number of Eligibility Points, based on the Reserve Price of spectrum in that particular LSA in the respective band. The number of eligibility points associated with a block of (paired) 5 MHz in 700 MHz band, 1.25 MHz in 800 MHz band, 0.2 MHz in 900 MHz band, 0.2MHz in 1800 MHz Band, 5MHz in 2100 MHz band and 10MHz (unpaired) in 2300 MHz band & in 2500 MHz band in each LSA is listed in **Tables A1 to A7 of Annexure A (Section 12.1)** to this NIA **respectively**. The eligibility to bid will also be defined by the EMD which the bidder will deposit and based on which the combination of LSAs in both the bands will be determined. Those bidders who have deposited the EMD within the

Notice Inviting Applications – August 2016

deadline mentioned by the DoT will only be permitted to participate in the e-auction.

The Initial Eligibility points for each bidder would be determined by the amount of EMD which they have submitted to the Government. The same will be calculated by the Auction Administrator based on the value corresponding to the total EMD submitted by the bidder as listed in **Table E1 at Annexure E (see Section 12.5) to NIA**, which shall be a part of this NIA.

Bidders who make smaller earnest money deposit, which will result in corresponding lower levels of initial eligibility. Thus it would be a combination of the EMD of the number of blocks in the selected LSAs in each of the bands and the Eligibility Points at that particular round which would decide the ability to submit the bid for the respective bidder.

The initial Eligibility Points of bidders and the identities of bidders participating in the auction will be made public once the DoT has determined which applicants are pre-qualified to bid in the auction.

9.8.5 Activity Rules

The participation of the bidders in the auction would be restricted by their net worth requirement which is to be met at the time of application for participation in the auction. The net worth requirement would be as per the provision of **Section 3.2(vii)**.

Further to the Net Worth criteria, in any Clock Round, bidders will be restricted by their EMD in the combinations of blocks for the LSAs in all the bands they may bid for. The EMD requirement associated with a Bid in a Clock Round is equal to:

Notice Inviting Applications – August 2016

- In the First Clock Round, the sum of the EMD requirements associated with the LSAs in each of the bands where the Bidder places a bid for a number of block(s);
- After the First Clock Round, the sum of:
 - (i) The EMD requirements associated with the number of block(s) in those LSAs in each of the bands in which the Bidder has been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round (regardless of whether or not this bid has been submitted by the Bidder in the current Clock Round); and
 - (ii) The EMD requirements associated with those number of block(s) in each of the LSAs in each of the bands where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in which the bidder bids for a number of blocks in the current Clock Round.

Bidders may only bid for combinations of Services Areas (in either / any/ all of the bands) with an associated EMD requirement that does not exceed the total EMD deposited by the bidder. In addition to the same, in any given Clock Round, the activity of a Bidder may not exceed its eligibility in that Clock Round.

The activity of a bidder in a Clock Round is equal to:

- In the first Clock Round, the sum of the Eligibility Points associated with LSAs in each of the bands where the bidder bids for a number of block(s);
- After the first Clock Round, the sum of:

Notice Inviting Applications – August 2016

- (i) The Eligibility Points associated with the number of Block(s) in the LSAs in each of the bands in which the bidder has been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round (regardless of whether or not this bid has been submitted by the bidder in the current Clock Round); and
- (ii) The Eligibility Points associated with those number of block(s) in each of the LSAs in each of the bands where the bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in which the Bidder bids for a number of block(s) in the current Clock Round.

For each Clock Round the Auction Administrator will announce the Auction Activity Requirement (AAR) that will apply to that Clock Round. The Auction Activity Requirement is the percentage of the bidder's Eligibility Points that determines the level of activity that a bidder must meet in that Clock Round in order to maintain its eligibility in the following Clock Round. This threshold (rounded up to the nearest whole number) is referred to as the Bidder's Activity Requirement in that Clock Round.

After the First Clock Round, the eligibility of each Bidder is calculated as follows:

- If the bidder's activity in a Clock Round, **R**, is equal to or greater than its Activity Requirement, then the Bidder's eligibility in the next Clock Round **R+1** will be equal to the bidder's eligibility in the Clock Round **R**;
- If the bidder's activity in a Clock Round, **R**, is LESS than the bidder's Activity Requirement for that Clock Round, then the eligibility of the Bidder in the next Clock Round **R+1** will be equal to its activity level

Notice Inviting Applications – August 2016

in the Clock Round **R** divided by the Auction Activity Requirement, rounded down to the nearest whole number:

$$\begin{array}{l} \text{Eligibility Points of} \\ \text{Bidder in Clock} \\ \text{Round } \mathbf{R+1} \end{array} = \frac{\text{Activity Level in Clock} \\ \text{Round } \mathbf{R}}{\text{Auction Activity} \\ \text{Requirement in Round } \mathbf{R}}$$

For example, suppose that in a Clock Round **R**, bidder **X** has an eligibility of 70 points. If the Auction Activity Requirement, as defined by the Auction Administrator for particular Clock Round **R**, is 80%, the bidder's Activity Requirement is 56 points (70 x 80%, which in case of decimal values will be rounded up to the nearest whole number). Suppose that Bidder **X** submits a bid with an associated activity of 60 points, then, the eligibility of Bidder **X** in the next Clock Round **R+1**, would be equal to 70 points since 60 is greater than 56. However, suppose that Bidder **X** submits a bid with an associated activity of 50 points which is less than 56; then the eligibility of Bidder **X** in the Clock Round **R+1**, would be reduced to 62 points (50/80% rounded down to the nearest whole number).

Bidders can view their respective eligibility and the associated Activity Requirement in each Clock Round on their respective bidding dashboard at the start of the Clock Round. In the first Clock Round, the Auction Activity Requirement will be set at 80%. Subsequently, the Auction Activity Requirement will be increased in two steps as the Auction progresses, from 80% to 90% and then to 100%.

The timing of these steps in the Activity Requirement will be determined by the Auction Administrator depending on the extent of overall bidding activity in the auction process. The Auction

Notice Inviting Applications – August 2016

Administrator would typically expect to give notice before a round of a forthcoming increase in the Auction Activity Requirement but the same would not be binding on the Auction Administrator and the Auction Activity Requirement can be increased based on the activity in a particular round.

The clock rounds will end only when the Auction Activity Requirement is 100%.

9.8.6 Ranking of Bidders and Provisional Winning Bidders

For the purpose of determining the Provisional Winning Bidders in each LSA in all of the bands, the bids of the bidders for the number of blocks in an LSA in each band will be considered at the end of each Clock Round. This ranking process is undertaken separately for each LSA in each of the bands. For determining the Provisional Winning Bidders, the first process would be to identify the Provisional Winning Blocks at the end of each Clock Round. The Provisional Winning Bidders would be ranked at the end of each Clock Round using the following criteria:

- In descending order according to the Clock Round Price for that LSA in the respective band in the Clock Round when the bid was made.
- Where there is a tie according to the first 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 (excluding the Current Clock Round for which the rank is being generated) for the particular LSA in the particular band;

Hence, considering a situation where there are two bidders, **X** and **Y**, who are tied as per the first criteria in Round No. 20 (at Clock Round Price of Rs. 250), for a particular LSA in a

Notice Inviting Applications – August 2016

particular band. Assuming that bidder **X** had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200) in the same LSA and band. The count for the number of times at which bidder **X** has submitted his bid for Unique Clock Round Price will be **3** i.e. where the bidder has submitted at Clock Round Price of Rs. 150, Rs. 175 and Rs. 200. At the same time, assuming that bidder **Y** had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220) in the same LSA and band. The count for the number of times at which bidder **Y** has submitted the bid for Unique Clock Round Price will be **2**. In this case, when the two bidders, **X** and **Y**, are considered for ranking for Round No. 20, bidder **X** will be ranked higher than **Y**.

- Where there is a tie according to the first two 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 Clock Round for which the rank is being generated) in the particular LSA for a particular band;

Hence, considering a situation where there are two bidders, **X** and **Y**, who are tied as per the first two criteria in Round No. 20 (at Clock Round Price of Rs. 250), for a particular LSA in a particular band. Assuming that bidder **X** had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200) in the same LSA and band.. At the same time, bidder **Y** had submitted the bid in Clock Round No. 5 (@ Rs. 100), in Clock Round No. 10 (@ Rs. 150), and Round No. 19 (@ Rs. 220) in the same LSA and band. In this case, when the two bidders, **X** and **Y**, are considered for ranking for Round No. 20, bidder **Y** will be ranked

Notice Inviting Applications – August 2016

higher than **X**. This is due to the fact that considering the previous highest bid submitted by bidder **Y** in any round other than Round No. 20 was at Rs. 220, which is higher than the previous highest bid of bidder **X** which was at Rs. 200.

- Where there is a tie according to the first three criteria, ranking will be in descending order according to the number of Blocks for which bid has been submitted by the bidder for a particular LSA in the particular band at the Current Clock Round Price.

Hence, assuming that the ranking is being generated for the LSA of Mumbai in 900 MHz band, wherein considering a situation where there are two bidders, X and Y, who are tied as per the first three criteria in Round No. 20 for Mumbai in 900 MHz band. Assuming that bidder X had submitted a bid for Mumbai LSA (900 MHz) for 5 blocks at current Clock Round Price of Rs. 150. At the same time, bidder Y had submitted the bid for LSAs of Mumbai (900 MHz) for 6 blocks at the current Clock Round Price of Rs. 150. As a consequence of this rule, the total value for Bidder X will be considered as 5 (being the number of blocks submitted in Mumbai (900 MHz band)). Similarly, the total value for Bidder Y will be considered as 6 (being the number of blocks submitted in Mumbai (900 MHz band)). Since, as per this ranking rule, the value of Bidder Y is more than Bidder X in Clock Round No. 20, as a result of which, when this criteria is considered for ranking, Bidder Y will be ranked higher than Bidder X.

- Where there is a tie according to the first four 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 LSAs across all the bands at the Current Clock Round Price;

Notice Inviting Applications – August 2016

Hence, considering a situation where there are two bidders, **X** and **Y**, who are tied as per the first four criteria in Round No. 20 for a particular LSA in a particular band. Assuming that bidder **X** had submitted a bid in the current Clock Round for LSAs of Delhi (1800 MHz) for 4 blocks at Clock Round Price of Rs. 100, Delhi (900 MHz) for 1 block at Clock Round Price of Rs. 200, and Karnataka (1800 MHz) for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder **X** will be considered as equivalent to $((4*100)+(1*200)+(2*50) = \text{Rs. } 700)$. Similarly, if Bidder **Y** had submitted a bid in the current round for LSAs of Delhi (900 MHz) for 2 blocks at Clock Round Price of Rs. 200, Mumbai (900 MHz) for 2 blocks at Clock Round Price of Rs. 180, and Karnataka (1800 MHz) for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder **Y** will be considered as equivalent to $((2*200)+(2*180)+(2*50) = \text{Rs. } 860)$. Since the total value of the blocks for which bids have been submitted in Clock Round No. 20 of Bidder **Y** is more than Bidder **X**, as a result of which, when this criteria is considered for ranking (for a tie in Karnataka (1800 MHz) as per the first three criteria), Bidder **Y** will be ranked higher than Bidder **X**.

- Where there is a tie according to the first five criteria, ties will be broken according to a random index assigned to the Bid in that LSA when it is received by the EAS.

The Random Index assigned to a Bid will be determined in the Clock Round when a Bid is made.

Ranking will be generated for each LSA in each of the band at the end of each Clock Round. Only the Provisional Winning Bidders

Notice Inviting Applications – August 2016

in each LSAs in each of the bands will be displayed their respective rank.

** Bidders are required to submit a minimum bid in various bands as per the details given in **Section 9.1.1***

During the Clock Rounds (other than the Final Round), when the result of the Rounds are declared, a bidder can be assigned any number of blocks “equal to or less than” what has been submitted at a Clock Round Price depending on the ranking. Hence, a bidder who is ranked last as a Provisional Winning Bidder might not necessarily get all the blocks for which he might have submitted his bid.

*** 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 LSAs in each of the bands as specified in Table **in Sec 9.5**.*

In every Clock Round, the different conditions under which the Provisional Winning Blocks and corresponding bidders are determined as follows:

- a) If the number of blocks for which bids have been received in an LSA for a particular band at a Clock Round Price is less than the number of blocks put up for auction, but greater than Zero (i.e. Excess Demand is Negative for a Clock Round Price) in this LSA in the particular band, in which case all the blocks where bids have been received will be considered as Provisional Winning Blocks and the bidders who have submitted the same would be

Notice Inviting Applications – August 2016

considered as Provisional Winning Bidders for this particular LSA in the particular band.

* *It is important to note that in such cases, the Provisional Winning Bidders from an earlier round with Clock Round Price less than the Current Clock Round, R, will be considered in order of their ranking.*

- b) If the number of blocks for which bids have been received in an LSA for a particular band at a Clock Round Price is equal to the number of blocks put up for auction in this LSA for this particular band (i.e. Aggregate Demand is Equal to Supply for a Clock Round Price due to which Excess Demand will be considered as Positive), in which case, all the blocks where bids have been received will be considered as Provisional Winning Blocks and the bidders who have submitted the same would be considered as Provisional Winning Bidders for this particular LSA in the particular band.
- c) If the number of blocks for which bids have been received in an LSA for a particular band at a Clock Round Price is MORE than the number of blocks put up for auction in this LSA for this particular band (i.e. Excess Demand is Positive for a Clock Round Price), in which case, the bidders (in sequence of their ranking) holding the Provisional Winning Blocks equivalent to the number of blocks put up for auction will be considered as Provisional Winning Bidders for this particular LSA in the particular band.

** *It is important to note that if any of the bidders' does not satisfy the requirement of winning the minimum number of blocks based on their respective categorization, in which case, the next ranked bidder in*

Notice Inviting Applications – August 2016

that order will be considered for the assignment of Provisional Winning Blocks.

In any case, only the bidders who are ed the Provisional Winning Blocks will be ranked as Provisional Winning Bidders.

The Provisional Winning Price for an LSA in a particular band at the end of a Clock Round will be equal to the lowest of the Clock Round prices at which the Provisional Winning Bidders submitted their bid for the Provisional Winning Blocks. As a result of the ranking rules, the Provisional Winning Price will never be greater than the last completed Clock Round Price.

*** Provisional Winning Blocks are not linked with any particular frequency. The Provisional Winning Blocks are determined only to identify the Provisional Winning Bidders during the Clock Round and the Winning Bidder at the end of the Clock Stage. The frequency identification stage will determine specific frequencies to be assigned.*

9.8.7 Prices and Price Increments

In the first Clock Round, the Clock Round price per block in each LSA in all bands will be the Reserve Price as determined by the Government. At the end of a Clock Round, Excess Demand in an LSA in each of the bands is defined to be:

- The total number of Block(s) for which Bids received in a particular LSA in a particular band at a price equal to the Clock Round price set in the last completed Clock Round; *minus*
- The number of Blocks put up for auction in that LSA in the particular band.

Notice Inviting Applications – August 2016

Hence, Excess Demand is calculated based on the number of Block(s) for which bids have been made for a particular LSA in a particular band at the Clock Round Price of the last completed Clock Round, regardless of whether the same was made in the last completed Clock Round or some prior round(s). However, Excess Demand does not count any Bids made at a price strictly lower than the Clock Round price of the last completed round.

Clock Round Prices for the next Clock Round would be set according to the following rules:

- If Excess Demand is negative in an LSA in a particular band, the Clock Round price for blocks in this LSA in this particular band in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round;
- If Excess Demand is zero or positive in an LSA in a particular band, the Clock Round price for blocks in this LSA in this particular band in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment.

Two examples illustrating the calculation of excess demand are given below:

Example – 1:

Band – 900 MHz		LSA – Say ABC	
Total Number of Blocks put up for Auction – 16			
Round No. 10		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which	Number of blocks allocated as a Provisional Winning Bidder

Notice Inviting Applications – August 2016

		have been submitted	
1	New Entrant – 1	5	5
2	New Entrant – 2	6	6
3	New Entrant – 3	8	5
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		19	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 19.
Excess Demand at Clock Round Price of Rs. 100 is (19-16 = 3)			
Clock Round Price for Round No. 11 will be increased from Rs. 100 to a new value which will be (Rs. 100 + a strictly positive price increment).			

Example – 2:

Band – 900 MHz		LSA –Say ABC	
Total Number of Blocks put up for Auction – 16			
Round No. 10		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which Bids have been submitted	Number of blocks allocated as a Provisional Winning Bidder
1	New Entrant – 1	5	5
2	New Entrant – 2	5	5
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		10	→Will be considered as Negative as Total Demand at Clock

Notice Inviting Applications – August 2016

Excess Demand at Clock Round Price of Rs. 100 is $(10-16 = -6)$		Round Price of Rs. 100 is 10.	
Clock Round Price for Round No. 11 will be same at Rs. 100 due to Negative Demand.			
Round No. 11		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which Bids have been submitted	Number of blocks allocated as a Provisional Winning Bidder
1	New Entrant – 3	6	6
	Demand in Clock Round No. 11 at Clock Round Price of Rs. 100	6	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 16 since the demand is calculated for a Clock Round Price which might be same over multiple rounds.
Excess Demand at Clock Round Price of Rs. 100 is $(16-16 = 0)$			
Clock Round Price for Round No. 12 will be increased from Rs. 100 to a new value which will be $(Rs. 100 + \text{a strictly positive price increment})$.			

Price Increments may vary from LSA to LSA in a band/ different bands and will be related to the excess demand in the respective LSAs for a particular band. The Auction Administrator will follow the rule set out in the **Tables C1 to C7 of Annexure C (Section 12.3) to NIA**.

The number of blocks for which the bidders can submit their bid for an LSA (s) in each bands would depend on the activity rule (**Section**

Notice Inviting Applications – August 2016

9.8.5) and the permissible limits (minimum and maximum) depending on their categorization as per details provided in **Section 9.1.1** and applicable caps (**Section 9.7**).

9.8.8 Winning Bids and Winning Prices

The final clock round will be the first clock round in which:

- The Activity Requirement is 100%; and
- For all LSAs in all the bands, there is no bid submitted by any of the bidders i.e. bidding activity is nil.

The Provisional Winning Price in any particular LSA in a band at the end of the final Clock Round will become the Winning Price for the respective LSA for that particular band, and Provisional Winning Bidders will become Winning Bidders. Winning Bidders will be required to pay the Winning Price for the LSA(s) they have won in each of the bands. The Winning Price per block for all the Winning Bidder(s) will be the same. The Winning Price to be paid by a Winning Bidder will never be greater than the highest bid of a Winning Bidder for that particular LSA in a particular band.

9.8.9 Length of Clock Rounds and Extension Periods

Clock Rounds will typically be scheduled to begin between the hours of 09.00 and 19.30 (Indian Standard Time) on Monday to Saturday, except national holidays. However, the Auction Administrator reserves the right not to schedule Clock Rounds on one or more days, to extend the number of hours in the day during which rounds will be scheduled or to run rounds on any day once the auction commences at its absolute discretion in order to ensure the smooth running of the auction. Where the use of any of these facilities is to be exercised, advance notice, through the EAS, will be provided to Bidders.

Notice Inviting Applications – August 2016

Prior to the start of any Clock Round, the Auction Administrator will notify bidders of the starting and finishing time of the next Clock Round through the EAS. At least 15 minutes notice will be given of the start of the next Clock Round. Also, Bidders will be notified in advance of the starting time and date of the first Clock Round.

At the initial stage, a Clock Round will be for a duration of 90 minutes each for the first five rounds. Round duration of subsequent rounds will be of 60 minutes each.

The auctioneer can reduce the round duration to 45 minutes in case bidding is in less than 10 LSA- band combinations for 4 consecutive rounds after intimating all bidders. Round duration of next round will be restored to 60 minutes in case the bidding in subsequent round equals or exceeds 10 LSA- band combinations. The auction will go to the extension mode as per the bids which are submitted by the bidder.

During a Clock Round, a Bidder will make his bid in the EAS consisting of the following:

- A “Yes” / “No” option for each of the LSAs where the bidder is eligible to bid.
- Number of Blocks – Depending on whether the Bidder is a New Entrant or an Existing Licensee, and subject to the capping rule.

Based on the selection of LSAs in each band and the Number of Blocks for the selected LSAs, the EAS will check and display the following to the respective bidder:

- If the selection made is compatible with the EMD which the bidder has submitted for participation in the e-auction.

Notice Inviting Applications – August 2016

- Additionally, the selection has to be compatible with the requirements of the Activity Rules.
- The Bidder's eligibility for the Next Round would also be calculated by the System & displayed to the bidder's on their respective bidding dashboard. In the case where the Bidder's eligibility is reduced due to the combination of Number of Blocks opted for the selected LSAs, a warning message will be displayed on the respective bidder's screen. The bidder at this point of time will have the option to go back & modify their selection.

Only those bids which are compatible with all the rules of the e-auction will be accepted by EAS. The respective bidder's will be given an appropriate message of acceptance of their bids by the EAS.

- * *It would be the responsibility of the respective bidders to ensure that their bids are received by EAS prior to the end of the Clock Round. For the purposes of determining whether or not a Bid is received prior to the end of the Clock Round, the EAS must receive the Bid submission by the end of the Clock Round. Bidders should be aware that it takes a finite amount of time to transmit a Bid across the Internet and for the EAS to respond which could be as a result of various factors but not limiting only to the speed of the Internet bandwidth at the Bidder's terminal. Bidders submitting decisions close to the end of the Clock Round do so entirely at their own risk of failing to meet the Clock Round deadline due to network delays or delays in response by the EAS. Bids are not processed by the EAS until the Clock Round is closed and no tactical or strategic advantage is conferred by submitting Bids late within the Clock Round.*

After the end of a Clock Round, the results would be announced for each of the LSAs in each of the bands. If there is bidding activity in any LSA in any of the bands and a further Clock Round is required, this Clock Round will be scheduled and the start and finish times

Notice Inviting Applications – August 2016

announced to bidders through the EAS subject to at least 15 minutes' notice of the start of the next Clock Round.

9.8.10 Extension budget and extension of Round duration

To guard against technical problems and provide bidders with some additional flexibility in making bidding decisions, Bidders are provided with limited opportunities to extend a Clock Round and defer submission of a bid. Each Bidder is allocated an Extension Budget of 6 hours.

In the event that a Bidder fails to submit a valid bid (compatible with the rules of the e-auction) by the end of the initial finishing time of a Clock Round (and has at least 10 minutes remaining in its Extension Budget), 10 minutes will be subtracted from its Extension Budget and the finishing time of the Clock Round will be deferred by 10 minutes for that bidder. In the event that the bidder fails to submit by the revised deadline (and has at least 10 minutes remaining in its Extension Budget), a further 10 minutes will be subtracted from its Extension Budget and the finishing time deferred by a further 10 minutes for that bidder. A bidder may defer the original scheduled finishing time of any one Clock Round by at the most 60 minutes in this way.

It is mandatory for bidders to check and submit their decision, even if the bidder is a Provisional Winning Bidder. In case of a bidder failing to do so within the initial finishing Clock Round, the extension would be triggered automatically and the same would be deducted from the total Extension Budget available to the respective bidder. Further, even if the bidder happens to be in a position such that no new bids could be made/ raised, It will still be necessary for the bidder to submit the “No” decision into the EAS to avoid triggering an extension.

Notice Inviting Applications – August 2016

If the original finishing time of the Clock Round has been deferred by 60 minutes or if the bidder's Extension Budget is exhausted, no further deferral of the Clock Round finishing time will be possible. In this case, if no submission is logged by the EAS prior to the end of the Clock Round; the EAS will proceed as if the relevant Bidder has entered his bid without revising in all the LSAs in any of the bands. As a consequence, the bidder's eligibility in the following Clock Round will be calculated based on the eligibility linked to its Provisional Winning Blocks at the end of the previous Clock Round and the Auction Activity Requirement for the current round. It could also happen that the bidder is not able to participate further in subsequent Clock Rounds due to non-availability of sufficient Eligibility points as a result of non-submission of bids in the last completed Clock Round.

If one or more bidders trigger an extension period, all bidders will be informed that an extension is running by the EAS. For avoidance of doubt, one bidder triggering an extension does not remove the requirement on other bidders to submit their decision by the original deadline or to have their Extension Budget reduced if they have also failed to submit their bids within the stipulated time. In particular, if more than one bidder has failed to submit a decision by the original finishing time of a Clock Round, all such bidders will either have the number of minutes deducted from their Extension Budgets (or if they have exhausted their Extension Budget) deemed to have made no further revision to their decision in the current round. Bidders that have already checked and submitted a decision prior to the original finishing time of the Clock Round will not be able to revise or modify their decision during an extension period.

A Clock Round, which is into the extension period, may close prior to the finishing time of an extension period if the EAS has received bids from all bidders. The bidders are requested to note that this

Notice Inviting Applications – August 2016

provision does not apply within a normal Clock Round that has not been extended; Clock Rounds will not close prior to the scheduled finishing time even if the EAS has received bids from all bidders.

The minimum time between the ending of one Clock Round and the start of the Next Clock Round will be 20 minutes. The same would be announced to bidders through the EAS subject to at least 15 minutes notice before the start of the next Clock Round.

In exceptional circumstances, such as technical failure affecting multiple bidders, the Auction Administrator may:

- 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 a Clock Round in progress and re-run it;
- Grant one or more bidders additional Extension Budget.

The Auction Administrator will not grant any additional Extension Budget to one or more bidders unless there is compelling evidence of technical failures affecting multiple bidders.

9.9 Frequency Identification Stage

The Clock Stage will be followed by a Frequency Identification Stage that will identify specific frequencies for the Winning Bidders. The frequencies identified will be announced simultaneous with the outcome of the Clock Stage. The Frequency Identification Stage will be performed automatically by the EAS as follows for each of the LSAs in all the bands.

Notice Inviting Applications – August 2016
For 700 Mhz, 2100 MHz, 2300 Mhz, 2500 Mhz:

The winners to be considered rank wise for assignment of spectrum (first ranked bidder to be assigned first) in the following manner:

- (a) The system picks the first / remaining bidder from the above list and looks for a continuous frequency block equal to the bidder's winnings, starting from the block named as 'A' or '1'.
- (b) If the winner is assigned its winning quantity completely, the system moves to the next winner or else the next block chunk using the above logic is selected.
- (c) The iteration runs (from (a) above),

The loop terminates once all assignments have been made to all the winners.

For 1800 MHz and 900 MHz bands:-

The frequency identification will be performed based on the sets of 5 MHz spectrum, which the bidders might have won at the end of the Clock Stage. In 1800 MHz band and in 900 MHz band one set of 5MHz spectrum will be consisting of 25 blocks. Hence, in 1800 MHz band and in 900 MHz band, the winning bidder(s) who have won a minimum of 25 blocks in a particular LSA will be considered for the assignment of contiguous spectrum in that particular LSA. In instances where more than 1 contiguous blocks are available in 900 MHz band, the block farthest away from the 800 MHz band will be assigned first.

*** It is to be noted that Only those bidders who have won a minimum of 5 MHz will be considered for assignment of Contiguous Spectrum. Of all such bidders, the spectrum to be considered in sets of 5 MHz (or in multiples of 5 MHz) i.e. 5 MHz, 10 MHz etc.*

Notice Inviting Applications – August 2016

Assignment of Spectrum will be conducted separately for contiguous set(s) of 5 MHz and for non-contiguous blocks of spectrum. The bidders who have won a minimum of 5 MHz spectrum at the end of the clock stage will be considered for the assignment of contiguous Set(s) of 5 MHz spectrum in the order of their ranking.

(Bidders who have won more than 5 MHz may also be assigned contiguous spectrum. The frequency identification will be performed based on the sets of 5 MHz spectrum or more [provided this does not prevent the next ranked bidder(s) from acquiring contiguous spectrum of 5 MHz], which the bidders might have won at the end of the Clock Stage.)

For 800 MHz band:-

In 800 MHz band, for LSA(s) where 5MHz or more spectrum is available, for contiguous spectrum, assignment will be performed for bidders who have won a minimum of 5 MHz spectrum. In 800 MHz band one set of 5 MHz spectrum will be consisting of 4 blocks. All such Bidders will be considered for contiguous spectrum in order of their ranking, subject to availability of contiguous spectrum.

However, in 800 MHz band, in such LSAs, where only 3.75 MHz (3 blocks) or 2.50 MHz (2 blocks) spectrum is available, for contiguous spectrum, assignment will be performed for Bidders who have won a minimum of 3.75 MHz or 2.50 MHz spectrum respectively. All such Bidders will be considered for contiguous spectrum in order of their ranking, subject to availability of contiguous spectrum.

Note: The system does the frequency assignment based on a pre-defined set of rules (as mentioned below) considering Contiguous Set of 5 MHz (Full with Guard Band, Full without Guard Band, Partial) in that order followed by non-contiguous spectrum (Full, Partial) in that order.

Notice Inviting Applications – August 2016

The system will perform the frequency assignment for contiguous & non-contiguous spectrum as per the rules below:

- **Contiguous Spectrum**

Assignment will be performed for bidders who have won a minimum of 5 MHz spectrum (for 800 MHz band, this value can be 5 MHz, 3.75 MHz or 2.50 MHz, subject to availability). All such bidder(s) will be considered for contiguous spectrum in order of their ranking, subject to availability of sets of contiguous spectrum.

(Bidders who have won more than 5 MHz may also be assigned contiguous spectrum. The frequency identification will be performed based on the sets of 5 MHz spectrum or more [provided this does not prevent the next ranked bidder(s) from acquiring contiguous spectrum of 5 MHz], which the bidders might have won at the end of the Clock Stage.)

- (i) If number of set(s) of contiguous spectrum put to auction is equal to number of bidder(s), all such bidder(s) will be allocated contiguous spectrum of 5 MHz in order of their ranking.

If any such bidder has won more than 5 MHz spectrum, in which case, the frequency identification will be performed based on the sets of 5 MHz spectrum or more [provided this does not prevent the next ranked bidder(s) from acquiring contiguous spectrum of 5 MHz]. Else, the bidder will be allocated one set of contiguous spectrum of 5 MHz and the balance spectrum will be allocated from the non-contiguous set of spectrum. An example to illustrate the same is given below:

LSA	Say ABC	Band	1800 MHz
Spectrum/ Auction	Block(s) put to	20 MHz / 100 Blocks	

Notice Inviting Applications – August 2016

Number of Sets of Contiguous Spectrum available		3 Sets of 5 MHz each i.e. 15 MHz		
Spectrum/ Block(s) available in Non-Contiguous form		5MHz / 25 Blocks		
Number of Bidder(s) who have won a minimum of 5 MHz in the Clock Stage		3 Bidders		
Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage		3 Sets		
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5MHz	No. of Sets of Contiguous Spectrum assigned
Bidder – 1	1	5 MHz / 25 Blocks	1	1
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	5 MHz / 25 Blocks	1	1
Bidder – 4	4	8 MHz / 40 Blocks	1	1 (Efforts will be made to allocate a contiguous block of 8MHz if available. Else, balance of 3 MHz (15 Blocks) will be allocated on Ranking and best fit

Notice Inviting Applications – August 2016

				basis from non-contiguous spectrum)
--	--	--	--	-------------------------------------

- (ii) If the number of set(s) of contiguous spectrum put to auction is EQUAL to the number of set(s) which have been won by the bidder(s), all such set(s) will be allocated to such bidder(s).

(If any such bidder has won more than 5 MHz spectrum, in which case, the frequency identification will be performed based on the sets of 5 MHz spectrum or more [provided this does not prevent the next ranked bidder(s) from acquiring contiguous spectrum of 5 MHz] . Else, the bidder will be allocated one set of contiguous spectrum of 5 MHz and the balance spectrum will be allocated from the non-contiguous set of spectrum.) An example to illustrate the same is given below:

LSA	Say ABC			Band	1800 MHz
Spectrum/ Block(s) put to Auction				20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available				3 Sets of 5 MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form				5 MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5MHz in the Clock Stage				2 Bidders	
Total Number of Set(s) of 5MHz each considering all the bidders who have won a minimum of 5MHz in the Clock Stage				3 Sets	
Bidder	Rank	Spectrum/ Block(s) won at	Sets of 5 MHz	No. of Sets of Contiguous	

Notice Inviting Applications – August 2016

		end of Clock Stage		Spectrum assigned
Bidder – 1	1	5 MHz / 25 Blocks	1	1
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	10 MHz / 50 Blocks	2	2
Bidder – 4	4	3 MHz / 15 Blocks	0	

(iii) If number of set(s) of contiguous spectrum put to auction is GREATER than the number of bidder(s) who have won a minimum of 5MHz spectrum, and also GREATER than the number of set(s) which have been won by such bidder(s), all such bidder(s) will be allocated Contiguous Spectrum in order of their ranking.

If any such bidder has won more than 5 MHz spectrum, in which case, the frequency identification will be performed based on the sets of 5 MHz spectrum or more [provided this does not prevent the next ranked bidder(s) from acquiring contiguous spectrum of 5 MHz] . Else, the bidder will be allocated one set of contiguous spectrum of 5 MHz and the balance spectrum will be allocated from the non-contiguous set of spectrum. An example to illustrate the same is given below:

LSA	Say ABC	Band	1800 MHz
Spectrum/ Block(s) put to Auction		20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available		3 Sets of 5 MHz each i.e. 15 MHz	

Notice Inviting Applications – August 2016

Spectrum/ Block(s) available in Non-Contiguous form			5 MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5 MHz in the Clock Stage			2 Bidders	
Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage			2 Sets	
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5 MHz	No. of Sets of Contiguous Spectrum assigned
Bidder – 1	1	8 MHz / 40 Blocks	1	1 (Efforts will be made to allocate a contiguous block of 8MHz if available. Else, balance of 3 MHz (15 Blocks) will be allocated on Ranking and best fit basis from non-contiguous spectrum)
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	7 MHz / 35 Blocks	1	1 (Efforts will be made to allocate a

Notice Inviting Applications – August 2016

				contiguous block of 7MHz if available. Else, balance of 2 MHz (10 Blocks) will be allocated on Ranking and best fit basis from non-contiguous spectrum)
Bidder – 4	4	3MHz / 15 Blocks	0	

(iv) If number of set(s) of contiguous spectrum put to auction is greater than the number of bidder(s) who have won a minimum of 5MHz spectrum, but less than the number of set(s) which have been won by such bidder(s), all such bidder(s) will be allocated a minimum of 1 set of contiguous spectrum in order of their ranking. The balance of the set(s) of contiguous spectrum will again be assigned to such bidder(s) in order of their ranking. An example to illustrate the same is given below:

LSA	Say ABC	Band	1800 MHz
Spectrum/ Block(s) put to Auction		20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available		3 Sets of 5 MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form		5MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5 MHz in the Clock Stage		2 Bidders	

Notice Inviting Applications – August 2016

Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage			4 Sets	
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5MHz	No. of Sets of Contiguous Spectrum assigned
Bidder – 1	1	10 MHz / 50 Blocks	2	1+1 = 2 Sets
Bidder – 2	2	10 MHz / 50 Blocks	2	1

(v) If number of sets of contiguous spectrum put to auction is less than the number of bidder(s) who have won a minimum of 5 MHz spectrum, all such bidder(s), in order of their ranking will be considered for contiguous spectrum. Hence, a bidder who is ranked highest among such bidder(s) will be allocated the contiguous spectrum and the subsequent bidder(s), in the order of their ranking will be allocated contiguous spectrum subject to availability of sets of contiguous spectrum. An example to illustrate the same is given below:

LSA	Say ABC	Band	1800 MHz
Spectrum/ Block(s) put to Auction		20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available		3 Sets of 5MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form		5MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5MHz in the Clock Stage		4 Bidders	
Total Number of Set(s) of 5 MHz each considering all the bidders who		4 Sets	

have won a minimum of 5 MHz in the Clock Stage				
Bidder	Rank	Spectrum/Block(s) won at end of Clock Stage	Sets of 5MHz	No. of Sets of Contiguous Spectrum assigned
Bidder – 1	1	5 MHz / 25 Blocks	1	1
Bidder – 2	2	5 MHz / 25 Blocks	1	1
Bidder – 3	3	5 MHz / 25 Blocks	1	1
Bidder – 4	4	5 MHz / 25 Blocks	1	0

- **Non-Contiguous Spectrum**

Assignment of spectrum from the non-contiguous set will be made on the basis of Ranking and best fit to the quantum of spectrum won. This is also applicable to the above examples in respect of assignment of non-contiguous spectrum. The following methodology would be adopted by the EAS for assignment of non-contiguous spectrum.

- i) The remaining winners (i.e. after assignment to winners of contiguous spectrum) are again arranged rank wise in the ascending order (first bidder to be assigned first);
- ii) The system now gives preference to the ‘Complete’ frequency chunks first; exhausting all of the same before moving to the ‘Partial’.

Notice Inviting Applications – August 2016

- iii) The system picks the first remaining bidder from the sorted list and looks for the equal or larger size spectrum chunk. In case of smaller available chunks, the system will allocate from the largest chunk.
- iv) If the winner is assigned its quota completely, the system moves to the next winner or else the next chunk using the above logic is chosen
- v) The iteration runs, first exhausting all the complete blocks before moving to the partial
- vi) The loop terminates once all assignments have been made to all the winners

9.10 Collusion and other Prohibited Activities

The Government of India reserves the right to disqualify any Bidder that:

- Colludes or attempts to collude with another bidder in determining its bids OR releases confidential information with the effect or intention of modifying the bidding behaviour of other pre-qualified bidders;
- Breaches or attempts to breach the secure measures within the EAS;
- Prevents or attempts to prevent any other Bidder (or other users of the EAS) from accessing the EAS;
- Attempts to influence the decisions of the Auctioneer in conducting the auction;
- Obstructs or attempts to obstruct the running of the auction;

Notice Inviting Applications – August 2016

- Provides wrong information in its Application to participate in the auction.

In the event of such disqualification, a bidder's EMD will be forfeited and the Government may undertake other penal action as well against such a bidder. The Government reserves the right to impose a fine equal to some or all of a bidder's deposit for less serious breaches of these rules. Such fines shall be deducted from that bidder's EMD.

9.11 Information Policy

Prior to the start of the auction, the Government will make public:

- The list of applicants.
- The list of pre-qualified bidders along with information provided in such Bidders' applications, their ownership structures; The amount of EMD provided by the bidder; and the number of initial eligibility points granted to each bidder as a result of its EMD.
- Final list of bidders after considering withdrawals if any

During the Clock Round stage, the following information will be provided to bidders after each completed Clock Round:

- The Clock Round price per block in each LSA for each of the bands in the last completed Clock Round;
- The total number of blocks for which bids have been received in each LSA for each of the bands in the last completed Clock Round;
- The Aggregate Demand in each LSA for each of the bands at the Clock Round prices in the last completed Clock Round (i.e. for

Notice Inviting Applications – August 2016

each LSA for each of the bands, the total number of blocks for which bids have been received in the LSA at a value equal to the Clock Round price in the last completed Clock Round); and

- The Excess Demand in each LSA in each of the bands at the Clock Round prices in the last completed Clock Round (i.e. for each LSA in each of the bands, Aggregate Demand less the number of blocks available in the LSA in that particular band).

If the last completed Clock Round was not the final Clock Round, the following information will also be provided to each bidder:

- The Provisional Winning Price in each LSA in each of the bands at the end of the last completed Clock Round;
- The Provisional Winning Blocks (if any) held by the respective bidder in each LSA(s) in each of the bands at the end of the last completed Clock Round;
- The price at which any such Provisional Winning Blocks were allocated to the bidder as a Provisional Winning Bidder;
- The rank of the Provisional Winning Bidder within the relevant LSA in each of the bands at the end of last completed Clock Round;
- Total number of Eligibility Points available to the particular bidder for the next Clock Round.

If the last completed Clock Round was not the final Clock Round, the following information will be provided to each bidder at the time at which the next Clock Round is scheduled on their respective bidding dashboard:

Notice Inviting Applications – August 2016

- The price increment to be applied in each LSA in each of the bands; and
- The Clock Round price per Block in each LSA in each of the bands that will apply for the next Clock Round.

At the end of the final Clock Round, the following information will be provided to all bidders:

- That the last completed Clock Round was the final Clock Round;
- The Winning Prices; and
- The identities of the Winning Bidders.

Information relating to the specific bids made by bidders (whether successful or not) in each LSA will not be provided at the end of each Clock Round (other than the information provided about the Winning Bids after the final Clock Round), but will be made public in their entirety subsequently after the Frequency Identification Stage.

Section 10.

10.1 System requirements for accessing the EAS

Prior to the Auction, documentation will be issued describing how to use the EAS (“the EAS Manual”). This Section is provided to assist bidders in preparing for the auction. In the event of any conflict between the EAS Manual and this Section Annex, the EAS Manual should be taken to be definitive.

The Auction will be run on an Electronic Auction System (EAS) over the public Internet using encryption. Bidders can access the system using the standard web browsing software: IE 11, or Mozilla Firefox 46 or Mozilla Firefox 47(32 bit only), or Google Chrome 39 or Google Chrome 40. The only additional requirements are (i) to install the digital certificates needed for authentication and data encryption and (ii) to have a recent version of Java Runtime Environment (version 1.8) installed.

The bidders will have to obtain Two (2) Class-III Digital Signature Certificate(s) (DSC) **for each of the Authorized Persons** issued by any of the valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the EAS. The details of the Licensed CCAs can be viewed on www.cca.gov.in. It would be the respective bidder’s responsibility to acquire such DSC(s) in the name of their authorized signatory for participation in the e-auction. The respective bidders also need to ensure that they acquire all the DSC(s) before the mock auction which will be conducted as per the timelines set by the Government.

10.1.1 Operating System and Software

The access to EAS is through the operating systems and Internet browsers complemented with Java. However, the digital signature certificates used for user authentication in the EAS are 2048 bit keys. These keys are longer than those in current common usage for e-commerce applications and provide a higher level of security. It is important that bidders use an up-to-date operating system and browser, and the latest version of Java (version 1.8). The EAS supports Windows 7 (Service Pack 1) and Windows 8.1 operating system. The browsers supported are IE 11, or Mozilla Firefox 46 or Mozilla Firefox 47(32 bit only) or Google Chrome 39 or Google Chrome 40. Obsolete versions of Internet Explorer may not support longer keys.

10.1.2 Java

The EAS uses the Java Application/Applet for Digital Signature generation, verification, data encryption and decryption in Mozilla Firefox and Chrome browsers. Under Windows, the browsers will usually, but not always, have Java enabled by default. However, users are advised to check their respective browsers to ensure that Java plug-in is enabled. **It is important that bidders have an up to-date version of Java Runtime Environment (JRE) installed (version 1.8) on any computer to be used for bidding in the Auctions.**

If bidders are using Windows, bidders can find out if they have Java installed on their respective computer using Sun Microsystems' Java installation verification tool which can be found at <http://www.java.com/en/download/installed.jsp>. It can also be verified online using the URL <http://javatester.org/version.html>

In these cases, bidders may need to refer to their IT department or other suitably qualified persons to ensure that their PC has a JRE

Notice Inviting Applications – August 2016

installed and enabled on their browser, and that their internet browser is correctly set up. Sun Microsystems' Java website at <http://java.com>, this site may provide helpful information on how to do this. Please note that you may need appropriate administrative rights in order to install Java and digital certificates on the client computer.

A detailed manual and troubleshooting guide will be provided to qualified bidders prior to the start of mock auction. The mock auction will also be run to allow bidders to test that they can access the EAS using the same authentication tokens as the auction itself and to resolve any technical problems.

Bidders should ensure that their bidding computer is free from viruses, especially key-logging programs. It is the responsibility of bidders to ensure that bidding computer is functioning reliably and that appropriate computer security measures are in force. Once the digital certificate that authenticates the bidder has been installed on the bidding computer, the bidder should ensure that the bidding computer is kept secure and not accessible to unauthorised personnel.

10.1.3 Tool bar/ Add On/ Pop up blocker

Bidders should ensure that there is no software installed on the computers that might interfere with the normal operation of their Internet browser. The bidders have to ensure that they do not use any pop-up blockers, such as those provided by Internet Explorer and complementary software, for example the Google tool bar. This might, depending on bidders' settings, prevent the access of the EAS application and/ or some of the EAS windows from opening.

10.1.4 Power Management Settings

To ensure that bidders do not face any delay or difficulty in smooth access during the auction, it is recommended that bidders:

Notice Inviting Applications – August 2016

- Turn off any power management features on their computer such as automatic hibernation or suspension; and
- Disable any screensavers.

If a bidder's computer hibernates or suspends automatically, it will need to go through the login procedures again when the computer is awakened. This will cause some delay in returning to the auction system.

10.1.5 Access of Other Software / Website during Auction

It is recommended that bidders do not open other web pages when they are accessing the EAS. Viewing other web pages (especially complex ones) at the same time as viewing EAS pages increases the risk of possible problems with their browser. Therefore, it is recommended that ideally bidders should dedicate one computer to running the EAS, and do not access other web pages or run other Applications on this computer while using the EAS. This will help to minimise the risk of crashes or other potential problems.

10.1.6 Internet Connection

In order to use the EAS, bidders need an Internet connection. We recommend that bidders use a reliable broadband Internet connection with a download bandwidth of 1 mbps or higher. Wireless connections may be adequate, but it is important that the latency of network connections to the EAS does not exceed 20-30 seconds to ensure reliable access. In the event of a temporary loss of contact between the bidder and the EAS, the EAS will automatically log out the bidder for security reasons, who will then need to go back through login procedures. It is recommended that bidders have a back-up computer and backup Internet connection that can be used in the case that either their primary computer or Internet connection fails.

10.1.7 Display

Bidders are recommended to use a display with a screen resolution of 1024x768 (or higher). bidders can use a lower screen resolution, but bidders may find that some tables are more difficult to view.

10.2 Backup Procedures

10.2.1 Auction backup facilities

In the event of the main auction server failing, the auction will be resumed using backup facilities. The normal process for this would be the following:

- The Auction Administrator will advise bidders directly of the need to switch to the back-up system and the time from which the back-up facility should be expected to be online and available to bidders.
- If the primary auction server is still available, bidders are to log out normally. Otherwise, bidders are advised to quit the internet browser.
- Once back-up facilities are online, bidders may restart their internet browser and enter the address of the back-up /DR server. Auction Administrator will provide this address separately to the bidders. The Auction team will contact bidders to check that all bidders have successfully switched to the back-up facility.
- In the unlikely event of data loss or corruption affecting previous Rounds or failure of the back-up facility, there may be variation of these procedures at the sole discretion of the DoT and Auction Administrator. This might include resuming the Auction from a previous Round (re-run of a clock round), if required.

10.2.2 Bidder Technical Problems

Bidders experiencing technical problems while accessing the EAS either before or during a Round should contact the Auction Administrator as soon as possible. Bidders will be provided with a telephone number and an email address to contact the Auction Administrator. In the event of problems accessing the EAS, bidders should not rely only on email to communicate with the Auction Administrator. In exceptional circumstances, such as technical failure affecting multiple bidders, the Auction Administrator may:

- 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 a Clock Round in progress and re-run it.
- Refund the extension budget used in the particular Clock Round of one or more bidders.

The Auction Administrator will not refund any used Extension Budget to any bidders unless there is compelling evidence of technical failures affecting multiple bidders.

Telephone numbers and email addresses provided by bidders as part of their application to bid in an auction may be used by the Auction Administrator to contact any bidder in the event that the Auction Administrator observes such a bidder is having difficulties in accessing the EAS. Any telephone calls between the Auction Administrator and a bidder may be subject to password verification. The Auction Administrator may ask the bidder for a password from a list of one-time passwords provided to the bidder prior to the auction. Permission to submit bids through means other than the EAS will not be granted.

Section 11.

11.1 Definitions and Glossary of Terms

2500 MHz	Radio spectrum frequencies in the 2500 Megahertz band (2500 -2690 MHz) (TDD)
2300 MHz	Radio spectrum frequencies in the 2300 Megahertz band (2300-2400 MHz) (TDD)
2100 MHz	Radio spectrum frequencies in the 2100 Megahertz band (1920-1980 MHz/2110-2170 MHz) FDD
1800 MHz	Radio spectrum frequencies in the 1800 Megahertz band (1710-1785 MHz/1805-1880 MHz) FDD
900 MHz	Radio spectrum frequencies in the 900 Megahertz band (890 -915 MHz/935 - 960 MHz) FDD
800 MHz	Radio spectrum frequencies in the 800 Megahertz band (824-844 MHz/869-889 MHz) FDD
700 MHz	Radio spectrum frequencies in the 700 Megahertz band, (703-748 MHz/ 758-803) (APT band Plan, FDD)
AAR	Auction Activity Requirement
Activity Rules	Shall have the meaning as described in Sections 9.8.5
Aggregate Demand	The total number of Bids for the Blocks in the LSA at a value equal to the Clock Round price in the last completed Clock Round.
AGR	Adjusted Gross Revenue
Applicant	Person making an Application against this NIA
Application	Application for participating in Auction, to pre-qualify.
Application Form	Format for submitting the Application as per table 4.4.1
Associated Licenses	Existing UASL/ CMTS/ UL(AS)/ UL (with access service authorisation) licensees that have a Common Parent. Ref: Section 4.2
Auctioneer	M/s. mjunction services limited in its capacity as advisers to the Government on the Auctions.
Auction Administrator	M/s. mjunction services limited, which will be responsible for the administration of the e-auction.
Auction	Auction of the Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800Hz bands
Activity Requirement	The percentage of the Bidder's Eligibility Points (rounded up to the nearest whole number) that determines the level of activity that a Bidder must meet in that Clock Round in order to maintain its eligibility in the following Clock Round. This threshold is referred to as the Bidder's Activity Requirement in that Clock Round.
Auction Rules	Rules governing the conduct of the Auctions.
Authorised Person	Nominated authorised person for future correspondence with the Applicant having a Power of Attorney from the Applicant empowering him / her to take all decisions connected with the relevant Auctions on behalf of the Applicant. Materials essential for bidding in the

Notice Inviting Applications – August 2016

	Auction(s) will be provided to the Authorised Person using contact details provided in a Bidder's Application.
Backhaul Spectrum	Includes Microwave Access (MWA) and Microwave Backbone (MWB) Spectrum
Bank Guarantee	A guarantee from a Scheduled Bank, in the prescribed format.
BAR	Bidding Activity Requirement
BHQ	Block Headquarters
Bid	Bidder's statement in each Clock Round of the Clock Stage (in the form of a "Yes / No" choice and for the Number of Blocks) offering to purchase spectrum usage rights for a block in the specified LSA at the current Clock Round price, in accordance with the terms and conditions.
Bidder	Pre-qualified Applicants that do not withdraw their Application before the withdrawal deadline.
Bidder Participation Notice	Notice issued to pre-qualified Bidders that shall include each pre-qualified Bidder's Earnest Money Deposit received, Initial Eligibility points and an EAS Manual.
CCA	Controller of Certifying Authorities. Governing body under the Department of Electronics and Information Technology, Ministry of Information Technology authorized to issue license to the Certifying Authorities for issuance of Digital Signature Certificates.
CA	Certifying Authority. Authorised by CCA for issuance of Digital Signature Certificate.
CDMA	Code Division Multiple Access
Clock Round	Individual rounds of the Clock Stage as described in the Auction Rules.
Clock Stage	The first stage of the relevant Auctions as described in the Auction Rules.
CMTS	Cellular Mobile Telephone Service
Confidential Information	Any information which, if known to other Bidders, would be likely to affect the price that the other Bidders would be prepared to bid in any of the Auctions. Such information would include (but not necessarily be limited to) the Bidder's business case, auction strategy and the highest price it is willing to bid for spectrum in any LSA.
DHQ	District Headquarters
DoT	Department of Telecommunications, Ministry of Communications, Government of India.
DSC	Digital Signature Certificate
EAS	Electronic Auction System.
EAS Manual	A manual explaining how to use the EAS that shall be provided to pre-qualified Bidders.
Effective Date	Effective Date as defined in Section 2.5.

Notice Inviting Applications – August 2016

EMD	Earnest Money Deposit. The earnest money (in the form of a Bank Guarantee from a Scheduled Bank) to be submitted along with the Application.
Eligibility Points	Number of points associated with a Block per LSA based on the Reserve Price of spectrum in that particular LSA.
Excess Demand	The total number of Blocks for which bids have been received in an LSA in a particular band at a Clock Round price equal to the Clock Round price set in the last completed Clock Round minus the number of blocks available in that LSA in that particular band.
Existing Licensee	Those Bidders defined as an “Existing Licensee” bidders in Section 3.2 .
Extension Budget	The cumulative maximum period for which each Bidder is allowed to seek extension of Clock Rounds in accordance with the Auction Rules. Reductions from the Extension Budget to be carried out for the extended duration consumed; with parts rounded up.
FBG	Financial Bank Guarantee
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
Frequency Identification Stage	The second stage of the relevant Auctions as described in the Auction Rules.
Government	Government of India.
Group Bidding Entity	A single entity nominated by Associated Licensees corresponding to a single Common Parent, which shall be authorised to bid on their behalf in the relevant Auctions.
GSM	Global System for Mobile Communications.
Initial Eligibility	Number of Eligibility Points allocated to a Bidder based on its Application and amount of Earnest Money Deposit, wherein the Eligibility Points are linked to the applicable Reserve Price for each Block of each LSA.
Insider	Any party to whom Confidential Information in relation to a Bidder is disclosed.
IT	Information Technology
LoI	Letter of Intent
LSA	Licensed Service Area
LTE	Long-Term Evolution.
M&A	Merger & Acquisition
Metro	Local LSAs of Mumbai, Delhi and Kolkata.
Mock Auction	A mock auction to familiarise the Bidders with the Auction Rules and bidding methodology.
Net worth	The definition of net worth shall be as defined in the Companies Act 2013 as amended from time to time
New Bids	Bids in LSAs where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in LSAs where the Bidder submits a bid in the current Clock Round. Also the LSAs where the Bidder was a Provisional Winning Bidder for a

Notice Inviting Applications – August 2016

	certain number of blocks and where the Bidder revises the same and submits a bid in the current clock round.
New Entrant Bidders	Those Bidders defined as "New Entrant" bidders in Section 3.2
NIA	Notice Inviting Application ⁴
Nomination Form	Joint undertaking nominating the Group Bidding Entity jointly executed by each of the Associated Licensees along with the Group Bidding Entity.
Notice	Notice Inviting Applications for participation in the Auctions together with any amendments thereof.
Ownership Compliance Certificate	An undertaking from the Applicant confirming that it complies with the ownership restrictions in view of the other Applicants.
Promoter group	SEBI definition as contained in the most recent Securities and Exchange Board of India - Disclosure and Investor Protection Guidelines, 2000 issued by SEBI and updated from time to time.
Provisional Winning Bidders	Bidders who hold the Provisional Winning Blocks.
Provisional Winning Block	The number of blocks held by the Provisional Winning Bidder.
Provisional Winning Price	The lowest round clock price at which the Provisional Winning Blocks are determined.
Recognized Stock Exchanges	Stock Exchanges recognised by the Securities and Exchange Board of India (SEBI).
Reserve Price	The minimum bid price per block in each LSA as determined by the Government and notified.
RTGS	Real Time Gross Settlement
SACFA	Standing Advisory Committee on radio Frequency Assignments
Service Area	Service area definition is as per the UL licence conditions. To clarify, Chennai would be included in the Tamil Nadu service area.
Successful Bidder(s)	The Bidder(s) who at the end of the relevant Auctions is confirmed as a Winning Bidder(s) for a particular LSA in a particular band by the Government.
TPA	Tripartite Agreement
TSTP	Test Schedule and Test Procedure
UASL	Unified Access Service License
UL	Unified License
WCDMA	Wideband Code Division Multiple Access

Section 12: Annexures

12.1 Annexure A: Details of Spectrum put to auction

LSAs, Spectrum put to Auction, Number of Blocks, Reserve Price per MHz, Reserve Price per Block, Earnest Money (EMD) per Block, Eligibility Points per Block for e-auction of Spectrum

Table A1: 700 MHz Band.						
Block Size:5MHz (paired)						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (paired)	No of Blocks	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/ Block (Rs Cr)	Eligibility Points/ Block
Andhra Pradesh	35	7	971	4855	480	3000
Assam	35	7	158	790	60	300
Bihar	35	7	248	1240	120	600
Delhi	35	7	1595	7975	480	3000
Gujarat	35	7	952	4760	480	3000
Haryana	35	7	186	930	120	600
Himachal Pradesh	35	7	64	320	30	150
Jammu & Kashmir	35	7	52	260	30	150
Karnataka	35	7	740	3700	480	3000
Kerala	35	7	334	1670	240	1500
Kolkata	35	7	596	2980	240	1500
Madhya Pradesh	35	7	331	1655	240	1500
Maharashtra	35	7	1272	6360	480	3000
Mumbai	35	7	1192	5960	480	3000
North East	35	7	44	220	30	150
Odisha	35	7	152	760	60	300
Punjab	35	7	308	1540	240	1500
Rajasthan	35	7	364	1820	240	1500
Tamil Nadu	35	7	900	4500	480	3000
Uttar Pradesh (East)	35	7	459	2295	240	1500
Uttar Pradesh (West)	35	7	384	1920	240	1500
West Bengal	35	7	183	915	120	600

Notice Inviting Applications – August 2016

Table A2: 800 MHz Band.						
Block Size: 1.25MHz (paired)						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (paired)	No of Blocks	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EM D/Block (Rs Cr)	Eligibility Points/ Block
Andhra Pradesh	7.5	6	606	757.5	60	300
Bihar	2.5	2	136	170	15	60
Delhi	2.5	2	848	1060	120	600
Gujarat	6.25	5	285	356.25	60	300
Haryana	1.25	1	57	71.25	7.5	30
Himachal Pradesh	3.75	3	24	30	3	10
Karnataka	2.5	2	303	378.75	60	300
Kerala	2.5	2	243	303.75	30	150
Kolkata	2.5	2	160	200	30	150
Madhya Pradesh	2.5	2	408	510	60	300
Maharashtra	7.5	6	799	998.75	120	600
Mumbai	5	4	727	908.75	120	600
Odisha	3.75	3	57	71.25	7.5	30
Punjab	6.25	5	119	148.75	15	60
Rajasthan	7.5	6	204	255	30	150
Tamil Nadu	2.5	2	360	450	60	300
Uttar Pradesh (East)	3.75	3	219	273.75	30	150
Uttar Pradesh (West)	2.5	2	182	227.5	30	150
West Bengal	1.25	1	82	102.5	15	60

Notice Inviting Applications – August 2016

Table A3: 900 MHz Band						
Block Size: 0.2 MHz (paired)						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (paired)	No of Blocks	Reserve Price Per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/ Block (Rs Cr)	Eligibility Points/ Block
Bihar	4.6	23	444	88.8	15	60
Gujarat	3	15	673	134.6	15	60
Uttar Pradesh (East)	0.6	3	776	155.2	15	60
Uttar Pradesh (West)	1.2	6	739	147.8	15	60

Notice Inviting Applications – August 2016

Table A4: 1800 MHz Band						
Block Size: 0.2MHz(paired)						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (paired)	No of Blocks	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/ Block (Rs Cr)	Eligibility Points/ Block
Andhra Pradesh	4.4	22	243	48.6	7.5	24
Assam	19.8	90	40	8	1	4
Bihar	12.2	61	62	12.4	3	12
Delhi	12.8	64	399	79.8	7.5	40
Gujarat	13	65	238	47.6	7.5	24
Haryana	7.4	37	47	9.4	1	4
Himachal Pradesh	11.4	57	16	3.2	0.5	2
Jammu & Kashmir	32	160	13	2.6	0.5	1
Karnataka	4.2	21	185	37	7.5	40
Kerala	2	10	83	16.6	3	24
Kolkata	4	20	149	29.8	3	12
Madhya Pradesh	4.6	23	83	16.6	3	12
Maharashtra	13.4	67	318	63.6	7.5	40
Mumbai	4.8	24	298	59.6	7.5	40
North East	9.2	46	11	2.2	0.5	1
Odisha	1.4	7	38	7.6	1	4
Punjab	15.4	77	77	15.4	3	12
Rajasthan	11	55	91	18.2	3	12
Uttar Pradesh (East)	5.4	27	115	23	3	12
Uttar Pradesh (West)	14.6	73	96	19.2	3	12
West Bengal	18.4	92	46	9.2	1	4

Notice Inviting Applications – August 2016

Table A5: 2100 MHz Band						
Block Size: 5 MHz (paired)						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (paired)	No of Blocks	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/Block (Rs Cr)	Eligibility Points/Block
Andhra Pradesh	20	4	272	1360	120	600
Assam	15	3	46	230	30	100
Bihar	20	4	86	430	60	300
Delhi	20	4	554	2770	240	1000
Gujarat	15	3	258	1290	120	600
Haryana	15	3	55	275	30	100
Himachal Pradesh	20	4	20	100	15	50
Jammu & Kashmir	15	3	11	55	7.5	25
Karnataka	15	3	328	1640	240	1000
Kerala	15	3	177	885	120	600
Kolkata	15	3	116	580	60	300
Madhya Pradesh	15	3	123	615	60	300
Maharashtra	15	3	341	1705	240	1000
Mumbai	20	4	461	2305	240	1000
North East	15	3	12	60	7.5	25
Odisha	20	4	38	190	30	100
Punjab	15	3	91	455	60	300
Rajasthan	15	3	140	700	60	300
Tamil Nadu	15	3	344	1720	240	1500
Uttar Pradesh (East)	15	3	110	550	60	300
Uttar Pradesh (West)	15	3	111	555	60	300
West Bengal	15	3	52	260	30	100

Notice Inviting Applications – August 2016

Table A6: 2300 MHz Band.						
Block Size: 10 MHz unpaired						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (unpaired)	No of Blocks of 10MHz (unpaired)	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/ Block (Rs Cr)	Eligibility Points/ Block
Andhra Pradesh	20	2	68	680	60	300
Assam	20	2	2	20	3	10
Bihar	20	2	6	60	7.5	30
Delhi	20	2	143	1430	120	600
Gujarat	20	2	39	390	60	300
Himachal Pradesh	20	2	1	10	1	3
Karnataka	20	2	98	980	120	600
Kerala	20	2	16	160	15	60
Kolkata	20	2	33	330	30	150
Madhya Pradesh	20	2	8	80	7.5	30
Maharashtra	20	2	58	580	60	300
Mumbai	20	2	146	1460	120	600
North East	20	2	1	10	1	3
Odisha	20	2	4	40	7.5	30
Tamil Nadu	20	2	132	1320	120	600
West Bengal	20	2	5	50	7.5	30

Notice Inviting Applications – August 2016

Table A7: 2500 MHz Band.						
Block Size: 10 MHz unpaired						
Name of Telecom Circle / Metro LSA	Quantum on sale (MHz) (unpaired)	No of Blocks	Reserve Price per MHz (Rs Cr)	Reserve Price per Block (Rs Cr)	EMD/ Block (Rs Cr)	Eligibility Points/ Block
Andhra Pradesh	40	4	68	680	60	300
Assam	20	2	2	20	3	10
Bihar	20	2	6	60	7.5	30
Delhi	40	4	143	1430	120	600
Gujarat	40	4	39	390	60	300
Haryana	20	2	8	80	7.5	30
Himachal Pradesh	20	2	1	10	1	3
Jammu & Kashmir	20	2	1	10	1	3
Karnataka	40	4	98	980	120	600
Kerala	20	2	16	160	15	60
Kolkata	40	4	33	330	30	150
Madhya Pradesh	20	2	8	80	7.5	30
Maharashtra	40	4	58	580	60	300
Mumbai	40	4	146	1460	120	600
North East	20	2	1	10	1	3
Odisha	20	2	4	40	7.5	30
Punjab	20	2	21	210	30	150
Rajasthan	20	2	6	60	7.5	30
Tamil Nadu	40	4	132	1320	120	600
Uttar Pradesh (East)	20	2	9	90	15	60
Uttar Pradesh (West)	20	2	12	120	15	60
West Bengal	20	2	5	50	7.5	30

12.2 Annexure B: Details of Spectrum holding caps

TABLE B1: Band –wise spectrum holding Cap & Overall spectrum holding Cap for each LSA								
	Paired Spectrum (Total Spectrum Assigned for both sides of spectrum is taken into account)					Unpaired Spectrum		Overall Cap on Bidding for each Operator for each LSA. Total Spectrum Assigned for unpaired and both sides of spectrum in case of paired spectrum is taken into account Overall Cap for each Operator(in MHz)
	700 MHz	800 MHz	900 MHz	1800 MHz	2100 MHz	2300 MHz	2500 MHz	
Name of Telecom Circle / Metro LSA	Cap on bidding for each Operator for each LSA in respective band.							
	Band -wise Cap for each Operator (in MHz)							
Andhra Pradesh	35.00	17.50	20.20	54.80	40.00	30.00	20.00	108.75
Assam	35.00	15.00	18.60	54.80	40.00	30.00	20.00	105.45
Bihar	35.00	17.50	18.60	54.80	40.00	30.00	20.00	107.95
Delhi	35.00	17.50	22.20	54.80	40.00	30.00	20.00	109.75
Gujarat	35.00	17.50	20.20	54.80	40.00	30.00	20.00	108.75
Haryana	35.00	17.50	18.60	54.80	40.00	20.00	20.00	102.95
Himachal Pradesh	35.00	17.50	18.60	54.80	40.00	30.00	20.00	107.95
Jammu & Kashmir	35.00	12.50	18.60	54.80	40.00	20.00	20.00	100.45
Karnataka	35.00	17.50	20.20	54.80	40.00	30.00	20.00	108.75
Kerala	35.00	17.50	18.60	54.80	40.00	30.00	20.00	107.95
Kolkata	35.00	17.50	20.20	54.80	40.00	30.00	20.00	108.75
Madhya Pradesh	35.00	17.50	18.60	54.80	40.00	30.00	20.00	107.95
Maharashtra	35.00	17.50	20.20	54.80	40.00	30.00	20.00	108.75
Mumbai	35.00	17.50	22.20	54.80	40.00	30.00	20.00	109.75
North East	35.00	15.00	19.40	54.80	40.00	30.00	20.00	105.85
Orissa	35.00	17.50	18.60	54.80	40.00	30.00	20.00	107.95
Punjab	35.00	17.50	21.80	54.80	40.00	20.00	20.00	104.55
Rajasthan	35.00	17.50	18.60	54.80	40.00	20.00	20.00	102.95
Tamil Nadu	35.00	17.50	20.20	59.40	40.00	30.00	20.00	111.05
Utter Pradesh (East)	35.00	17.50	18.60	54.80	40.00	20.00	20.00	102.95
Utter Pradesh (West)	35.00	17.50	18.60	54.80	40.00	20.00	20.00	102.95
West Bengal	35.00	15.00	19.40	54.80	40.00	30.00	20.00	107.10

12.3 Annexure C: Details of Price Increment rule

Table C1: 700 MHz Band	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
ZERO	0.5%
1	1%
2	1.5%
3	2%
Greater than or equal to 4	2.5%
<p>Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A1 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.</p>	

Table C2: 800 MHz Band	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
ZERO Block	0.5%
1 Block	1%
2 Blocks	1.5%
3 Blocks	2%
4 Block	2.5%
5 Blocks and greater	3%
<p>Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A2 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.</p>	

Notice Inviting Applications – August 2016

Table C3: 900 MHz Band.	
Excess Demand (In MHz)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
From ZERO up to 5 blocks	0.5%
Greater than 5 up to 10 Blocks	1%
Greater than 10 up to 15 Blocks	1.5%
Greater than 15 up to 20 Blocks	2%
Greater than 20 up to 25 Blocks	2.5%
Greater than 25 up to 30 Blocks	3%
Greater than 30 up to 35 Blocks	3.5%
Greater than 35 up to 40 Blocks	4%
Greater than 40 up to 45 Blocks	4.5%
Greater than 45 up to 50 Blocks	5%
Greater than 50 up to 55 Blocks	5.5%
Greater than 55 up to 60 Blocks	6%
Greater than 60 Blocks	6.5%
<p>Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A3 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.</p>	

Table C4: 1800 MHz Band.	
Excess Demand (In MHz)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
From ZERO up to 5 blocks	0.5%
Greater than 5 up to 10 Blocks	1%

Notice Inviting Applications – August 2016

Greater than 10 up to 15 Blocks	1.5%
Greater than 15 up to 20 Blocks	2%
Greater than 20 up to 25 Blocks	2.5%
Greater than 25 up to 30 Blocks	3%
Greater than 30 up to 35 Blocks	3.5%
Greater than 35 up to 40 Blocks	4%
Greater than 40 up to 45 Blocks	4.5%
Greater than 45 up to 50 Blocks	5%
Greater than 50 up to 55 Blocks	5.5%
Greater than 55 up to 60 Blocks	6%
Greater than 60 Blocks	6.5%

Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A4 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.

Table C5: 2100 MHz Band.	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
ZERO	0.5%
1	1%
2	1.5%
3	2%
4	2.5%
Greater than 4	3%

Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A5 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.

Table C6: 2300 MHz Band.	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
ZERO	0.5%
1	1%
2	5%
Greater than 2	10%
<p>Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A6 of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments.</p>	

Table C7: 2500 MHz Band	
Excess Demand (In Blocks)	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
ZERO	0.5%
1	1%
2	5%
Greater than 2	10%

Notice Inviting Applications – August 2016

Note: The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A7 of Annexure A, Section 12.1 to this NIA) , which will be the maximum possible absolute price increments.

** All price increments will be in Rs. Crore, rounded down to two decimal places. Therefore, throughout the Auction all prices will be in Rs. Crore with at most two decimal places

12.4 Annexure D : Indicative Schedule for Payment

TABLE D1: Indicative Schedule for Payment in 1800 MHz, 2100 MHz , 2300 Mhz & 2500 MHz Band

Full Amount Due	Rs. 1000
Upfront Payment	50%
Balance to be recovered	1000- (1000*50%)= Rs. 500
Number of Instalments	10
Interest Rate	9.3%
Assumed Date of first payment	25-08-2016
Moratorium	2 Years

Schedule of Payments		
Instalment	Due Date for payment	Amount (Rs.) (at 9.3%)
Upfront payment	25-08-2016	500
1 st instalment	26-08-2019	94.31
2 nd instalment	26-08-2020	94.31
3 rd instalment	26-08-2021	94.31
4 th instalment	26-08-2022	94.31
5 th instalment	26-08-2023	94.31
6 th instalment	26-08-2024	94.31
7 th instalment	26-08-2025	94.31
8 th instalment	26-08-2026	94.31
9 th instalment	26-08-2027	94.31
10 th instalment	26-08-2028	94.31

Notice Inviting Applications – August 2016

TABLE D2: Indicative Schedule for Payment in 900 MHz,
800 MHz and 700 MHz Bands

Full Amount Due	Rs. 1000
Upfront Payment	25%
Balance to be recovered	1000- (1000*25%)= Rs. 750
Number of Instalments	10
Interest Rate	9.3%
Assumed Date of first payment	25-08-2016
Moratorium	2 Years

Schedule of Payments		
Instalment	Due Date for payment	Amount (Rs.) (at 9.3%)
Upfront payment	25-08-2016	250.00
1 st instalment	26-08-2019	141.46
2 nd instalment	26-08-2020	141.46
3 rd instalment	26-08-2021	141.46
4 th instalment	26-08-2022	141.46
5 th instalment	26-08-2023	141.46
6 th instalment	26-08-2024	141.46
7 th instalment	26-08-2025	141.46
8 th instalment	26-08-2026	141.46
9 th instalment	26-08-2027	141.46
10 th instalment	26-08-2028	141.46

12.5 Annexure E: Earnest Money (EMD) – Eligibility Points (EP) Table

This table indicates the quantum of Eligibility Points to be awarded based on various values of EMD, and is uploaded separately at dot website.

12.6 Annexure F: Details of Carrier Frequency put to Auction

This annexure is uploaded separately at DoT website, which includes band – wise tables indicating the LSA wise Carrier Frequency Details of Spectrum put to Auction.

12.7 Annexure G: Territorial Jurisdiction of LSAs

Sl. No.	LSA	Areas covered
01.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro LSA.
02.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana.
03.	Assam	Entire area falling within the State of Assam.
04.	Bihar	Entire area falling within the State of Bihar and State of Jharkhand.
05.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).
06.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.
07.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh
08.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.
09.	Karnataka	Entire area falling within the State of Karnataka

Notice Inviting Applications – August 2016

10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.
11.	Madhya Pradesh	Entire area falling within the State of Madhya Pradesh and the State of Chattisgarh.
12.	Maharashtra	Entire area falling within the State of Maharashtra and Goa, excluding areas covered by Mumbai Metro LSA.
13.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Odisha	Entire area falling within the State of Odisha.
15.	Punjab	Entire area falling within the State of Punjab and Union territory of Chandigarh and Panchkula town of Haryana.
16.	Rajasthan	Entire area falling within the State of Rajasthan.
17.	Tamilnadu	Entire area falling within the State of Tamilnadu and Union Territory of Puducherry
18.	Uttar Pradesh (West)	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Kasganj (Kanshiram Nagar), Etah, Mainpuri, Etawah and Auraiya. It will exclude the local telephone area of Ghaziabad and Noida. However, it includes the State of Uttarakhand.
19.	Uttar Pradesh (East)	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh :Shahjahanpur, Kannauj, Farrukhabad, Lakhimpur, Kanpur Rural and Jalaun (Orai).
20.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges
21.	Kolkata	Local Areas served by Kolkata Telephones of BSNL.
22.	Mumbai	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges

NOTE:

1. Yanam, an area of Union Territory of Puducherry is served under Andhra Pradesh LSA in East Godavari LDCA.
2. The definition of Local Areas of exchanges will be as applicable to the existing cellular operators, i.e. at the time of grant of cellular Licenses in Metro Cities in 1994-95
3. The definition of local areas with regard to the above LSA as applicable to this license is as per definition applicable to Cellular Mobile Service Licenses as in the year 1994 and 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telegraph

Notice Inviting Applications – August 2016

Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued

4. Erstwhile Chennai LSA and Tamilnadu (excluding Chennai) LSA as defined in UAS License, have been merged to make a single LSA namely Tamilnadu LSA. For Unified License, there will be Tamilnadu LSA as defined at Sl. No. 17 in the above List of LSAs.

12.8 Annexure H: Application Checklist

Sl. No	Particulars	Please Tick	Page number of Application Document
1.	Completed Application Form	<input type="checkbox"/>	
2.	Completed Declaration as per Annexure P	<input type="checkbox"/>	
3.	Certified copy of Certificate of Registration along with Articles of Association and Memorandum of Association. Company Secretary to certify the copy (in case the Applicant is not an Indian company, copies of the incorporation documents of the Company have to be certified by a Company Secretary registered in India) In case of vacancy in the post of Company Secretary, an authorised signatory's signature will suffice.	<input type="checkbox"/>	
4.	Self-certification from the Company Secretary of his/ her name and membership number	<input type="checkbox"/>	
5.	Certificate from Company Secretary certifying details of Promoters/Partners/Shareholders in the Company and breakdown of the equity of the Company	<input type="checkbox"/>	
6.	Certificate from Company Secretary certifying the paid up Capital	<input type="checkbox"/>	
7.	Certificate from Company Secretary certifying the net worth	<input type="checkbox"/>	
8.	Certified copy of approval of Government of India for terms of Foreign Collaboration or copy of application submitted to SIA/Government in this regard with proof of Submission (if applicable) <i>(Copy to be certified by the Company Secretary)</i>	<input type="checkbox"/>	

12.9 Annexure I: Application Format

APPLICATION FOR PARTICIPATING IN 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands AUCTION

General instructions:

- (a) All the pages of the form/ supporting documents must be separately signed along with the rubber stamp by the Authorised Signatory or Company Secretary, as required. The name and designation of the signatory and the stamp of the relevant company must also appear wherever documents have been signed.
- (b) In case the Applicant has to furnish no information against any of the items below, either 'Nil', 'No' or 'Not applicable', as the case may be, should be mentioned. If in the information supplied, against any item, a dash is marked or is left blank, it shall be treated as incomplete and the Application may not be considered for further processing.
- (c) All undertakings to be provided on the letterhead of the relevant Company.

1. Name of Applicant Company:

(Note: Attach certified copy of Certificate of Registration along with Articles of Association and Memorandum of Association. Company Secretary is required to certify the copy.)

2. Complete postal address with Telephone/ Fax numbers/ e-mail address
 - i) Corporate Office
 - ii) Registered Office

Notice Inviting Applications – August 2016

3. Address for correspondence with Telephone/Fax numbers/e-mail address. Please provide at least one fixed and one mobile telephone number on which the Authorized Person can be contacted during the Auction. It is the Applicant's responsibility to ensure that ALL these means of communications are working and being monitored regularly from the date of Application to the conclusion of the Auctions:
 - a) A complete Postal Address
 - b) Fixed telephone number
 - c) Mobile telephone number (Note: the mobile telephone specified should be capable of receiving SMS)
 - d) E-mail address
4. Name of the Company Secretary certifying the documents along with his/her Membership number

(Note: Attach self-certification from the Company Secretary. In case there are more than one Company Secretary certifying documents, the details or self-certification of all these Company Secretaries to be submitted.)

- (a) Names and passport numbers of the authorised signatories of the different companies that are signing the Application or any attachment to it. Where the authorised signatory does not possess a passport, other documents like PAN Card, Voter's ID card, Aadhar Card or Driving License will be acceptable.
5. Name of Authorised Person, designation, address and Telephone/Fax numbers/email address and her/his specimen signature counter-signed by the authorized signatory.

Notice Inviting Applications – August 2016

(Note: Attach Power of Attorney empowering him/ her to take all decisions connected with the Auction, on the Bidder's behalf including but not limited to, the authority to put in Bids in respect of any of the LSAs and to commit payment of the necessary amount if the Bidder is granted spectrum in any LSA.)

(Note: Applicants can authorise one more person, who would act as the Alternate Authorised Person in case of non-availability of the primary Authorised person. In case of any duplication of submissions made by the Applicant, the submission signed by the primary Authorised Person would be considered as final and binding)

6.

a) Net worth and Paid up capital of the applicant Company may be provided as detailed below:

I. Net worth (As on date/ as on the working day previous to the _____ date of application).....

NOTE:

The closing numbers and the exchange rates published by the RBI as at the previous working day to the date of application are allowed.

II. Net worth (As on last audited statement).....

III. Paid Up capital (As on date).....

IV. Paid Up capital (As on last audited statement).....

b) Details of Promoters/ Partners/ Shareholders in the Company:

Notice Inviting Applications – August 2016

S. No	Name of Promoter/ Partner/ Shareholder	India n/ Foreign	Equity Percent age	Net Worth (As on date)	Net Worth (As per last audited statement)	Paid-up capital	Whether it is to be counted for calculating the net worth towards the eligibility for bidding(Yes/No)

Note: 1. Also provide combined net worth of any promoter that holds more than 10% in the Company (actual break-up to be provided; certificate from the Company Secretary or authorised signatory of each of such promoter() to be provided).*

**In respect of Net worth and Paid Up capital details (as on date), of such promoter(s) /partner(s) /shareholder(s), whose net worth is not to be used for meeting the eligibility criteria for the Auction, certificate need not be given by the Company Secretary of such promoters /partners /shareholders. However, these details are to be provided by the applicant Company. As regards last audit statement /figures the clarification given below shall also be applicable.*

2. Complete break-up of 100% of equity must be given. Individual equity holding up to 5% of the total equity can be clubbed but Indian and Foreign equity must be separate.

3. Details of Net worth, both as on the date of application and also as on the date of last audited financial statement but not older than one year from the date of application, need to be provided. However, only the Net worth, as on date of application, would be counted for deciding the eligibility of the applicant company.

- I. the details of Net worth and Paid Up capital can be given “As on 30-06-2016” in place of “As on Date”, however, in such a case-*
- (i) A certificate to be given by the Company Secretary or Authorized Signatory of the Company that Company*

Notice Inviting Applications – August 2016

continues to meet the requirement of Net worth and Paid Up capital, as on date of application.

(ii) *Further, details of any Capital infusion/dilution, done between 30-06-2016 and Date of application, be given (certified by Company Secretary or Authorized Signatory of the Company).*

II. *Further, in respect of Companies, having financial year closing at the end of Calendar year, i.e. 31st December, the last Audited Financial Statement, as on 31-12-2015 shall be acceptable, with a certificate from Company Secretary/Authorized Signatory to the effect that date of financial year closing is at the end of calendar year i.e. 31st December.*

III. *Moreover, it is clarified that the company has to maintain minimum required Net worth and Paid up Capital, in accordance with the NIA for the number of LSAs where it is bidding for assigning spectrum during the auction process and for the number of LSAs where it has been declared successful bidder for assignment of spectrum till grant of Unified License/Wireless license and thereafter the Company would be governed by guidelines/conditions of UL/WL.*

4. *Certificate from Company Secretary or authorised signatory should be given in respect of above details.*

5. *Applicant Company should clearly indicate in the last column, as to whether it wants a particular promoter’s net worth to be taken into consideration towards counting the eligibility for bidding for spectrum auction.*

c) Equity Details

Indian	_____
Foreign	_____
Total	_____

7. List of UASL/ CMTS/ UL(AS)/UL licence(s) held by the Applicant and its Associated Licensees, if any. Please mention

Notice Inviting Applications – August 2016

operative licences (i.e. licences which are currently in force) only.

Type of the Licence (UASL/ UL(AS)/UL)	LSA	Name of the Company

(Note: Attach Undertaking that in case the Applicant is declared a Successful Bidder in any LSA where it (along with its Associated Licensees) does not currently hold a UASL/ CMTS/ UL(AS)/UL licence, it will acquire a Unified Licence.)

8. Ownership details of each of the Associated Licensees establishing the shareholding of the Common Parent in each of the Associated Licensees.

(Note: In case of step-down subsidiaries, the shareholding details at each level have to be submitted, in the same format as in point 6(b) (above), clearly establishing the direct/ indirect shareholding of the Common Parent in the Associated Licensees.)

(Note: In case any of the Associated Licensees is a listed Company, attach the stock exchange filing establishing the Common Parent as a promoter of the Company.)

(Note: Attach Certificates from Company Secretary of each Company whose shareholding is presented.)

9. List of telecom service licence(s) held by the Applicant and its allies/sister concerns/partners, if any, and their present status:

Notice Inviting Applications – August 2016

Type of the Licence (Basic Cellular/ UASL/UL/ Paging/ NLD/ ILD/ ISP etc.) and LSA	Name of the Company	Status whether operative/ surrendered/ Terminated

(Type of the Licence means Basic/Cellular/UASL/UL/Paging/NLD/ILD/ISP licences etc. Details of all the Licences held by Allies/sister concerns/Partners or legal entities with 10% or more common equities must be shown separately.)

10. Paid up capital of the Company (certificate from Company Secretary certifying the paid up capital to be provided.)

(Note: Paid up capital to be provided as on the date of application.)

11. Certified copy of approval of Government of India for terms of Foreign Collaboration or copy of application submitted to SIA/Government in this regard with proof of Submission (if applicable).

(Note: Copy to be certified by the Company Secretary)

12. Number of Initial Eligibility points applied for and details of corresponding Bank Guarantee for the Earnest Money Deposit.

(Note: Attach Bank Guarantee)

13. Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory.

(Note: Copy to be certified by Company Secretary and duly stamped and notarized. In case, the Applicant is not an Indian company, and does not have a Company Secretary, Power of Attorney may be certified by the legal counsel of the Company.)

Notice Inviting Applications – August 2016

(Note: Power of Attorney is also required for the authorised signatories of any other company that is required to sign any Attachment to the Application.)

14. Net worth of the Company (certificate from Company Secretary or authorised signatory certifying the net worth to be provided).

Certificates/ undertaking:

- A. I hereby certify that the Applicant has carefully read the Notice and undertakes to fully comply with the terms and conditions of the Notice.
- B. I hereby certify that the Applicant is legally capable of both bidding for and satisfying its obligations under the terms and conditions for award of the spectrum and the UASL/ CMTS/ Unified Licence (as applicable), including but without limitation to any approvals, consents, permissions and board approvals from its holding company(ies) under any laws or rules and regulations issued by any governmental or regulatory or supervisory body in any competent jurisdiction.
- C. I hereby certify that neither the Applicant nor any of its Associated Licensees are the subject of criminal or civil proceedings that could be expected to adversely affect its business or its ability to bid in the Auction.
- D. I hereby certify that the Applicant will accept the changes required to be made to the existing licences held by it or any of its Associated Licensees (if applicable) as a precondition to or as a consequence of the assignment of spectrum.
- E. I hereby certify that the Applicant understands that this Application, if found incomplete in any respect and/ or if found with conditional compliance or not accompanied with the Earnest Money Deposit, shall be summarily rejected.

Notice Inviting Applications – August 2016

- F. I hereby certify that the Applicant understands that the processing fee is non-refundable irrespective of whether or not the spectrum is granted to it.
- G. I hereby certify that the Applicant has read and understood the FIPB guidelines for investment in telecom services in India, and will comply with the same before commencing operations.
- H. I hereby certify that the Applicant will intimate the DoT promptly in case of any change in the information submitted as part of the Application.
- I. I hereby certify that the Applicant will comply, and ensure that all of its Insiders and Associated Licensees will comply, with the terms and conditions of the Notice relating to confidentiality.
- J. I hereby certify that the Applicant understands that all matters relating to the application or spectrum if granted to it will be subject to jurisdiction of courts/ Tribunal(s) in Delhi/ New Delhi only.
- K. I hereby certify that the Applicant understands that if at any time, any averments made or information furnished as part of this application is found incorrect, then its application and the spectrum if awarded on the basis of such application shall be cancelled.
- L. I certify that the information provided in this Application (including the attachments) is true, accurate and complete to the best of my knowledge.

Date:
Authorised

Signature and name of the

Signatory

Place:

(Company's Seal)

Notice Inviting Applications – August 2016

Note:

- i. There should be a Power of Attorney/Board Resolution in favour of each of the authorised signatories authorizing the concerned person to sign the Application including the relevant undertakings.
- ii. Signature of the Authorised Person should be counter-signed by any other authorised signatory, in case the Authorised Person is also an authorised signatory for the purpose of the Application.
- iii. Only a single application can be submitted by the Group Bidding Entity in respect of all the eligible companies within a Group.
- iv. Company Secretary of the relevant company should sign and certify the forms where required.
- v. There is no specific format for Power of Attorney, but it should be on stamp paper of the state in which the office is situated.
- vi. Certificate of paid-up capital and certificate of net worth – please indicate on the letter head of the Company.
- vii. Directors and Authorised Representatives of the Applicant Company will also be authorized signatories with respect to the application. There should be a Power of Attorney/Board Resolution in favour of each of the authorised signatories authorizing the concerned person to sign the Application including the relevant undertakings.
- viii. Applicants are required to inform the Government promptly in case of any change in the information submitted by them as part of their Application.
- ix. In case of vacancy in the post of company secretary, an authorised signatory's signature will suffice.

12.10 Annexure J: Format for Earnest Money Deposit

(in the form of a Bank Guarantee from a Scheduled Bank)

To
The President of India,
New Delhi.

2. Whereas **<Full name of the Applicant>** (hereinafter called “**the Proposer**”) desires to submit the proposal for participating in the Auction for spectrum in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands in compliance to DoT NIA No 1000/06 dated .

Know all men by these presents that we **<Name of the Bank>** (hereinafter called “**the Bank**”) are bound unto the President of India (hereinafter referred to as “the Authority”), in the sum of **<Amount in figures>** (**<Amount in words>**) for which payment will and truly be made to the said Authority, the Bank binds itself, its successors and assignees by these presents.

3. The conditions of this obligation are:

- (i) If the Proposer having been notified of the acceptance of its proposal by the DoT, during the period of the proposal’s validity:
 - (a) Fails or refuses to execute the contract form, if required; or
 - (b) Fails to deposit the Successful Bid Amount in the stipulated timeframe as per the Notice;
- (ii) The Proposer misrepresents facts in its application;
- (iii) The Proposer violates any of the Auction Rules or otherwise

Notice Inviting Applications – August 2016

disrupts the Auction process;

- (iv) The Proposer does not bid for even 1 LSA in the first Clock Round of the relevant Auctions;
- (v) The Proposer defaults on its bid;
- (vi) The Proposer withdraws its proposal during the period of its validity specified in the Notice.

We undertake to pay to the Authority, the above amount upon demand, without any demur and without the Authority having to substantiate its demand.

4. This guarantee will remain in force up to 30th April 2017, further extendible by another six months on your request and any demand in respect thereof should reach the Bank not later than the date up to which this Bank Guarantee is valid.
5. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to **<Amount in figures>** and our Guarantee shall remain in force until nine months from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. 31st October 2017, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.

Dated day <month>, 2016

<Name of Bank>

Signature

Witness:

1. _____
2. _____

12.11 Annexure K: Proforma for Financial Bank Guarantee:

PROFORMA FOR FINANCIAL BANK GUARANTEE

(Deferred annual payment due against the bid amount for Spectrum)

To

The President of India

In consideration of the President of India (hereinafter called 'THE AUTHORITY') having agreed to assign spectrum to M/s _____ (hereinafter called 'THE SUCCESSFUL BIDDER') _____ in _____ LSA (Name of LSA) on the terms and conditions contained in the Notice Inviting Applications(NIA) dated ___ August 2016 and amendments thereof (collectively the NIA), which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____) under provisions of NIA by way of security for payment of the said Deferred annual payment due against the bid amount for Spectrum required to be paid by the SUCCESSFUL BIDDER. We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the SUCCESSFUL BIDDER hereby irrevocably and

Notice Inviting Applications – August 2016

unconditionally guarantee to the Authority that the SUCCESSFUL BIDDER shall pay the Deferred annual payment due against the bid amount for Spectrum to the Authority.

2. We, the Bank hereby undertake to pay the Authority an amount not exceeding Rs.....(Rupees.....only) against any loss or damage caused to or suffered by or would be caused to or suffered by the Authority by reason of any failure of the SUCCESSFUL BIDDER to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the NIA, pay all the above mentioned amount or any part thereof within the periods stipulated in the NIA.
3. We, the Bank, hereby further undertake to pay as primary obligor and not merely as surety to pay such sum not exceeding Rs. _____ (Rupees _____ Only) to the Authority immediately on demand and without demur stating that the amount claimed is due by way of failure of the SUCCESSFUL BIDDER to the said Deferred annual payment due against the bid amount for Spectrum.
4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether SUCCESSFUL BIDDER has failed to pay the said Deferred annual payment due against the bid amount for Spectrum payable to the Authority by the Bank hereunder shall be final and binding on us.
5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the
 - (a) First Guarantee herein contained shall remain in full force and effect for a period of three Years which shall further be renewed annually at

Notice Inviting Applications – August 2016

least one month prior to the date of expiry of validity from the date hereof and that it shall continue to be enforceable till all the dues of the Authority in terms of NIA have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said NIA have been fully and properly carried out by the said SUCCESSFUL BIDDER and accordingly discharged this guarantee.

- (b) The Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Licence or to extend time of performance of any obligations by the said SUCCESSFUL BIDDER from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority against the said SUCCESSFUL BIDDER and to forbear or to enforce any of the terms and conditions relating to the said Licence and we shall not be relieved from our liability by reason of any variation or extension being granted to the said SUCCESSFUL BIDDER or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said SUCCESSFUL BIDDER or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.
 - (c) Any claim which we have against the SUCCESSFUL BIDDER shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.
 - (d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the SUCCESSFUL BIDDER.
6. We, the Bank, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

Notice Inviting Applications – August 2016

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force untilyear from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____
for _____

(Name of the Bank)

Witness:

1.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

2.....

12.12 Annexure L: Format of Undertaking to obtain Unified Licence

Format of Undertaking to obtain Unified Licence (in respect of LSA(s) where neither the Applicant nor any of its Associated Licensees has an existing UASL/ CMTSL/ UL(AS)/Unified licence with authorisation for access service)

UNDERTAKING TO OBTAIN UNIFIED LICENSE WITH AUTHORISATION OF ACCESS SERVICE IN SPECIFIED LSA(S)/ *AUTHORISATION OF ACCESS SERVICE IN SPECIFIED LSA(S)

We, _____ and _____, the undersigned, as Director and Authorised Signatory respectively of _____
_____ <Name of the Applicant> (“Applicant”) hereby confirm, undertake, acknowledge and certify the following:

- (a) The Applicant desires to submit a proposal for participating in the auction for spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands in compliance to DoT NIA
- (b) The applicant would abide by the ownership restrictions as prescribed in the respective licenses for existing Licensees. In respect of New Entrants, the conditions prescribed in UL shall be applicable.
- (c) That in case the Applicant is declared a Successful Bidder in the any of the LSA (s) , it shall apply for a Unified Licence with authorisation for access service in that (those)Specified LSA(s)/

Notice Inviting Applications – August 2016

authorisation for use of spectrum band, if not permitted earlier, access service in the Specified LSA(s) either directly or through one of its Associated Licensees or through a wholly-owned subsidiary of the Applicant (“Nominated Unified License Applicant”) or a company nominated by the Applicant where the Applicant has a minimum of at least 26% (“New Entrant Nominated Unified License Applicant”);

- (d) That the Nominated Applicant/ New Entrant Nominated Unified License Applicant will satisfy all the conditions required to obtain a Unified Licence with authorisation of access service in specified LSA(s)/ authorisation of access service in specified LSA(s) as per the “Guidelines for grant of Unified License as amended from time to time”;
- (e) That in case the application for grant of Unified Licence with authorisation of access service in specified LSA(s)/ authorisation of access service in specified LSA(s) of the Nominated License Applicant/ New Entrant Nominated Unified License Applicant is rejected, the Government shall have the right to revoke the spectrum;
- (f) That in case an application for a Unified Licence with authorisation of access service in specified LSA(s)/ authorisation of access service in specified LSA(s) by the Nominated License Applicant /New Entrant Nominated Unified License Applicant has not been made within seven(7) days of the Applicant being declared a Successful bidder , the Government shall have the right to curtail / revoke the spectrum;
- (g) The Nominated License Applicant /New Entrant Nominated Unified License Applicant shall be responsible for the performance of the bid obligations and that the Applicant shall obtain an undertaking to this effect (“Adherence Undertaking”) from the Nominated License Applicant/ New Entrant Nominated Unified License Applicant before

Notice Inviting Applications – August 2016

the Nominated License Applicant /New Entrant Nominated Unified License Applicant submits the Unified Licence/ authorisation of access service in specified LSA(s) application along with a certified copy of the Adherence Undertaking.

Signature and Name of the
Authorised Signatory

Date:

Place

Company's Seal

*To be applicable if holding Unified License with authorization for access services in other LSAs or for services other than access services.

12.13 Annexure M: Format of Undertaking to nominate a Group Bidding Entity

Format for an Undertaking to nominate a Group Bidding Entity for the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands Auction

JOINT UNDERTAKING TO NOMINATE GROUP BIDDING ENTITY

We, _____

_____ and _____
_____, the undersigned, as *Directors and Authorised Representatives of* _____
_____ <Name of the Associated Licensee> (“Nominator”)

and

We, _____

_____ and _____
_____, the undersigned, as *Directors and Authorised Representatives of* _____
_____ <Name of the Group Bidding Entity> (“Group Bidding Entity”)

Hereby confirm, undertake, acknowledge and certify the following:

(a) That the Nominator has authorised the Group Bidding Entity to bid for Spectrum Auction in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands in compliance with DoT on its behalf in the following LSAs:

1. _____
2. _____

Notice Inviting Applications – August 2016

- (b) That the Nominator is a UASL/CMTS/ UL(AS)/UL with access service authorisation licensee in all the LSAs mentioned in point(a) above;
- (c) That the Nominator has read and understood the Notice for the Auctions and will abide with all applicable conditions including, but not limited to, payment of bid amount, spectrum usage charges and compliance with rollout obligations;
- (d) That in case the Group Bidding Entity is declared a Successful Bidder in any of the LSAs mentioned in point(a), the Nominator shall accept the allotment / assignment to itself of spectrum won by the Group Bidding Entity in that LSA by the Government;
- (e) That the Nominator and the Group Bidding Entity shall be jointly and severally liable for the performance of the bid obligations;
- (f) That the Nominator agrees to make the necessary changes to its existing UASL/CMTS/ UL(AS)/UL with access service authorisation (as required by the conditions specified).

Signed:

For <name of the Nominator Company >

Authorised signature

(name and position)

seal affixed

Authorised signature

(name and position) Company

Date: _____

Signed:

Notice Inviting Applications – August 2016

For<name of the Group Bidding Entity>

Authorised signature

(name and position)

Company seal affixed

Authorised signature

(name and position)

Date:_____

Notice Inviting Applications – August 2016

(d) That the Unified License licence is subject to the condition that:

In the event of holding/obtaining Access spectrum, no licensee or its promoter(s) directly or indirectly shall have any beneficial interest in another licensee company holding “Access Spectrum” in the same LSA.

For the purpose of this clause:

- (a) Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the licensee company.
- (b) Beneficial interest shall mean holding of any equity directly or indirectly including through chain of companies in the licensee company.
- (c) Any arrangement contrary to above shall be made consistent with the above stipulations within a period of one year from the date of grant of UL.

Exception granted in para 1.4 of UAS licensee in respect of basic and CMTS licenses existing on 11.11.2003 shall end on the expiry of CMTS/UASL/Basic Service license held by such licensee. They shall comply with the above stipulation within a period of one year from the date of migration to UL.

(d) That the Applicant will promptly intimate the Government if any part of this undertaking were to undergo a material change.

Signed:

Authorised Signatory

(Name & Position

Company Seal & Date

Authorised Signatory

(Name & Position

12.15 Annexure O: Format for Performance Bank Guarantee

PERFORMA FOR PERFORMANCE BANK GUARANTEE FOR ROLLOUT

OBLIGATIONS

To

The President of India

In consideration of the President of India (hereinafter referred to as 'the Authority') having granted a Licence to M/s _____ of _____ (hereinafter called 'the LICENSEE') with authorisation to establish, maintain and operate Access Services (AS) inLSA (hereinafter called 'the SERVICE') as per Letter of Intent/ Licence No. _____ dated _____ (hereinafter called 'the said Licence') on the terms and conditions contained in the said Licence duly amended for the inclusion of terms and conditions of NIA No _____, dated _____, for auction of specified radio spectrum frequencies in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands, in which the licensee participated and acquired rights to use of _____ MHz of spectrum in _____ MHz band, which inter-alia provides for production of a Bank Guarantee of Rs. _____

(Value in words and in figures) for the service by way of security for the due observance and performance of the additional conditions contained in the addendum to the said Licence. We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the LICENSEE hereby irrevocably and unconditionally guarantee to the Authority that the LICENSEE shall render all necessary and efficient services which may be required to be rendered by the LICENSEE in connection with and/or for the performance of conditions contained in the addendum to the said LICENCE and further guarantees that the service which shall be provided by the LICENSEE under the said Licence, shall be actually performed in accordance with the terms & conditions as of the LICENCE to the satisfaction of the Authority.

Notice Inviting Applications – August 2016

2. We, the Bank, hereby undertake to pay the Authority an amount not exceeding Rs. _____
_____ **(Value in words and in figures)** against any loss or damage caused to or suffered or would be caused to or suffered by the Authority by reason of any breach by the said LICENSEE of NIA conditions including failure to extend the validity of this guarantee or to give a fresh guarantee in lieu of the existing one.
3. We, the Bank hereby, in pursuance of the terms of the said Licence, absolutely, irrevocably and unconditionally guarantee as primary obligor and not merely as surety the payment of an amount of Rs. _____
_____ **(Value in words and in figures)** to the Authority to secure due and faithful performance by the LICENSEE of all his/their obligations under conditions contained in the aforesaid NIA.
4. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said LICENSEE of any of the terms or conditions contained in the said Licence or by reason of the LICENSEE's failure to perform any of its obligations under the said Licence.
5. We, the Bank, hereby agree that the decision of the Authority as to whether the LICENSEE has failed to or neglected to perform or discharge his duties and obligations under the terms & conditions of the licence as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms & conditions of the said licence and as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.
6. WE, THE BANK, DO HEREBY DECLARE AND AGREE that:
 - (a) the Guarantee herein contained shall remain in full force and effect for a period of **Six** Years from the date hereof and that it shall continue to be enforceable till all the dues of the Authority and by virtue of the said condition in the addendum to the said Licence have been fully paid and its claims satisfied or discharged or till Authority satisfies that the said terms & conditions of the said Licence have been fully and properly carried out by the said LICENSEE and accordingly discharged this guarantee.
 - (b) the Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Licence or to extend time of performance of any obligations by the said LICENSEE from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority

Notice Inviting Applications – August 2016

against the said LICENSEE and to forbear or to enforce any of the terms and conditions relating to the said Licence and we shall not be relieved from our liability by reason of any variation or extension being granted to the said LICENSEE or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said LICENSEE or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

- (c) any claim which we have against the LICENSEE shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.
- (d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LICENSEE.

7. We the BANK undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.
8. We the BANK agree that this guarantee may be invoked on a number of occasions for part amounts, with the balance standing in favour of the Authority, so that the total amount payable hereunder shall not exceed Rs.....
9. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs. _____
_____ **(Value in words and in figures)** and our Guarantee shall remain in force until **six** year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.
10. In case where the Bank Guarantee issuing branch is not located at the station/city as required by the Licensor, any notice for invocation, sent by Licensor through Fax to the branch of the Bank issuing the Guarantee, with an ink signed copy to local branch in the service area of the Licensee, namely (NAME & ADDRESS OF BRANCH OF BANK) (to be designated by the bank at station/city prescribed by the

Notice Inviting Applications – August 2016

licensor) within the validity period shall be deemed to be a valid notice on the bank for invocation of this bank guarantee.

Dated _____ day _____ for _____ (Name of the Bank)

Witness:

1.....

.....

.....

.....

2.....

.....

.....

.....

12.16 Annexure P: Format of declaration by bidders

(LSA-wise information where the Applicant is an Existing Licensee / New Entrant)

*(Please refer to **Section 3.2** (Associated Eligibility))*

Sr. No.	LSA	Existing Licensee / New Entrant					Details of Telecom Service Licenses held by the Applicant in the LSA* UAS/ CMTS/ / UL(AS)/UL with access service authorisation along with effective date of licence			
		Licensee	Please Tick <input checked="" type="checkbox"/> for Yes & <input type="checkbox"/> for No					Licence No. & Date	Effective Date of License	Type of License
			800 MHz	900 MHz	1800 MHz	2100 MHz	2300 MHz			
1	Andhra Pradesh	New Entrant								
		Existing Licensee								
2	Assam	New Entrant								
		Existing Licensee								
3	Bihar	New Entrant								
		Existing Licensee								
4	Delhi	New Entrant								
		Existing Licensee								
5	Gujarat	New Entrant								
		Existing Licensee								
6	Haryana	New Entrant								
		Existing Licensee								
7	Himachal Pradesh	New Entrant								

Notice Inviting Applications – August 2016

		Existing Licensee								
8	Jammu & Kashmir	New Entrant								
		Existing Licensee								
9	Karnataka	New Entrant								
		Existing Licensee								
10	Kerala	New Entrant								
		Existing Licensee								
11	Kolkata	New Entrant								
		Existing Licensee								
12	Madhya Pradesh	New Entrant								
		Existing Licensee								
13	Maharashtra	New Entrant								
		Existing Licensee								
14	Mumbai	New Entrant								
		Existing Licensee								
15	North East	New Entrant								
		Existing Licensee								
16	Odisha	New Entrant								
		Existing Licensee								
17	Punjab	New Entrant								
		Existing Licensee								

Notice Inviting Applications – August 2016

18	Rajasthan	New Entrant								
		Existing Licensee								
19	Tamilnadu (excluding Yanam)	New Entrant								
		Existing Licensee								
20	Uttar Pradesh (West)	New Entrant								
		Existing Licensee								
21	Uttar Pradesh (East)	New Entrant								
		Existing Licensee								
22	West Bengal	New Entrant								
		Existing Licensee								

❖ *Details of all the License(s) held by Allies/Sister concern/Partners or legal entities with 10% or more common equities must be shown separately.*

I hereby certify that the above information has been prepared as per the provisions contained in the NIA document and is correct to the best of my knowledge.

(Sign : Authorised Signatory)

Company Seal