

# **Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands**

## **Notice Inviting Applications**

**File No.: 1010/4/2012-WF (Auction)**

Government of India  
Ministry of Communications and Information Technology  
Department of Telecommunications

30<sup>th</sup> January, 2013

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## 1 INTRODUCTION

### 1.1 Introduction

The Government of India (the “Government”), through the Department of Telecommunications (“DoT”), proposes to allot the rights to use certain specified radio spectrum frequencies in the 1800MHz, 900MHz and 800MHz band by means of auction in various telecom Service Areas as per Table 2-A, Table 2-B and Table 2-C.

Single auction processes will be carried out for allotting Spectrum blocks in 1800MHz and 900MHz band (the “First Auction”) and a separate auction process will be carried out for allotting Spectrum blocks in 800MHz band (the “Second Auction”) respectively. Together, the 1800MHz, 900MHz and the 800MHz band Spectrum Auction is referred to in this document as the “Auctions”.

However, it may be noted that the Government reserves the right to use any other means to allot 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 Auctions. Separate Applications are required for the First Auction (Spectrum in 1800MHz and 900MHz band) and the Second Auction (Spectrum in 800MHz band).

Based on the Applications, the Government shall pre-qualify Applicants who meet the eligibility criteria for participation in the relevant 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 relevant Auctions 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 obtain a copy of this document and any subsequent amendments to it (together, the “Notice”) from the DoT website.

### 1.2 Objectives of the Auctions

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

- Obtain a market determined price of Spectrum in 1800MHz, 900MHz and 800MHz bands through a transparent process;
- 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 Auctions, 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 Auctions. It further reserves the right to abandon one or more of the Auctions at any time prior to the award of spectrum as it may deem fit without giving any reason whatsoever.

### **1.3 The Auctions**

The award of Spectrum in 1800MHz and 900MHz band shall be conducted as a single process while the award of Spectrum in 800MHz band shall be conducted as separate and distinct process. Each of these Auctions is an independent process and is not linked to any of the other Auctions in any way. A common Notice has been issued only for the sake of convenience.

Each of the Auctions 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: IE 9.x or Mozilla 13.x or Google Chrome 20.x. 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.

Prior to the relevant Auction, Bidders will have to procure Class-III Digital Signature Certificate(s) (DSC) 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 details of the licensed Certifying Authorities (CAs) are available on [www.cca.gov.in](http://www.cca.gov.in). It would be the respective bidder’s responsibility to acquire such DSC(s) in the name of their authorized signatories for participation in the e-auction. The bidders also need to ensure that they acquire the DSC(s) before the mock auction which will be conducted at the time specified by the Government.

Bidders shall also be provided with a detailed manual (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 9.4, though the EAS Manual should be taken as definitive in this regard.

Winning Bidders of the spectrum block(s) in each Service Area in each of the Auctions shall be determined in the first stage, a Clock Stage, which will allocate spectrum blocks simultaneously for the service area(s). In both the auctions, since the maximum number of blocks a bidder can bid is restricted on the basis of the applicable bidding caps in a Service Area, it is not possible for a bidder to win more than the same in that Service Area. A second stage, a Frequency Identification Stage, will identify specific frequencies for the Winning Bidders.

More specifically, the two stages shall operate as follows:

- **Clock Stage:** The Clock Stage will establish the bidders and the number of block(s) to be awarded in each of the service areas. In this stage, in each service area, bidders will bid for blocks of spectrum of 1.25MHz each (i.e. the right to use spectrum blocks not linked to any frequency) as per their respective permissible limit depending upon their categorization as a “New Entrant” or as a “Renewal Licensee” or as an “Existing Licensee”. The Clock Stage will consist of a number of rounds. These rounds will stop once:
  - (i) The Activity Requirement is 100%; and
  - (ii) There is no bid submitted by any of the bidders in any of the Service Areas in a clock round.

The Clock Stage will establish a common Winning Price for all blocks within a service area, and the Winning Bidders in each service area.

- **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 Electronic Auction System.

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

Winning Bidders will pay the sum of the relevant Winning Prices set in the Clock Stage for the Service Areas in which they have won the specified number of Block(s). All Winning Bidders in a Service Area 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 Service Area is not dependent on the award of spectrum in any other Service Area and Bidders shall not be allowed to put in any form of contingent bid linking a Bid for spectrum in any Service Area with the outcome of the Auction in any other Service Areas.

Frequency reconfiguration i.e. rearrangement of spot frequencies in the same band, from within the assignments made to the licensees, may be carried out, with the authorization of WPC Wing, among the licensees, **only** when the entire spectrum held by them is liberalized. No charges will be levied for rearrangement of frequency spots.

The Auction Rules are detailed in Section 5 and Section 6 for the “First” (1800MHz and 900MHz band) and Second (800MHz band) auction respectively.

### **1.3.1 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 the following section. The Government reserves the right to change these dates. Any change in the dates for the Mock Auction shall be notified through the Department of Telecommunications website, at least one day in advance of the start of the Mock Auction.

#### **1.4 Timetable**

The table below sets out the current timeline. The Government reserves the right to determine the overall timeline of the Auctions or to amend it from time to time.

<b>Table 1-A: Auctions timetable</b>	
Issue of Notice Inviting Applications (NIA)	30 <sup>th</sup> January, 2013
Pre-bid Conference	8 <sup>th</sup> February, 2013
Last date for seeking clarifications on NIA	11 <sup>th</sup> February, 2013
Clarifications to NIA	18 <sup>th</sup> February, 2013
Last date for submission of Applications	22 <sup>nd</sup> February, 2013
Publication of ownership details of Applicants	25 <sup>th</sup> February, 2013
Bidder Ownership Compliance Certificate	28 <sup>th</sup> February, 2013
Pre-qualification of Bidders	4 <sup>th</sup> March, 2013
Final List of bidders	6 <sup>th</sup> March, 2013
Mock Auction	8 <sup>th</sup> - 9 <sup>th</sup> March, 2013
Start of the First Auction (1800MHz/ 900MHz)	11 <sup>th</sup> March, 2013
Start of the Second Auction (800MHz)	2 days from the day of close of the First Auction
Payment of the Successful Bid Amount**	Within 10 calendar days of the close of the relevant auction

**\*\*** *Full Upfront Payment, OR in case of Deferred Payment option, upfront payment of 33% in the case of 1800MHz band, and 25% in case of 900MHz and 800MHz band; of the final bid amount.*

**Note:** Any changes in the Auction Timelines will be communicated through the DoT website. Participants are requested to monitor the DoT website actively.

#### **1.5 Advisers to the Government**

M/s. Times Internet Limited and M/s. e-Procurement Technologies Limited (together, referred to as the “Auctioneer”) are advising the Government on the Auctions.

Administration of the e-auction shall be the responsibility of M/s. e-Procurement Technologies Limited (the “Auction Administrator”).

## 2 Spectrum

### 2.1 Spectrum to be auctioned

Rights to use spectrum at specified frequencies in the following bands (subject to fulfilment of eligibility conditions, relevant licence conditions and any particular conditions pertaining to specific frequency blocks) for a period of 20 years from the ‘Effective Date’ (as defined in Section 3.8) for which the right to use the spectrum has been acquired by the licensee through this auction.

#### a) *First Auction (1800MHz and 900MHz band)*

Block size shall be of 1.25MHz (Paired).

The details of the Spectrum put up for auction in the respective Service Areas for the First Auction are as given below:

##### (i) **Delhi and Mumbai**

**1800MHz band:** Twelve (12) blocks of 1.25MHz each (15MHz) is being put to auction.

**900MHz band:** Twelve (12) blocks of 1.25MHz each (15MHz) is being put to auction.

The bidding capacity for different categories of bidders is as mentioned below:

- A bidder who is categorized as a “New Entrant” or as a “Renewal Licensee” will be required to bid for a minimum of Four (4) blocks in at least one of the bands (i.e. a minimum of 4 blocks in either 1800MHz or 900MHz band).
- A bidder who is categorized as an “Existing Licensee” can bid for a minimum of One (1) block.
- The maximum number of blocks which a bidder (irrespective of their categorization) can bid for will be subject to the Spectrum Holding Capping rule (explained in Section 5.3).

##### (ii) **Kolkata**

**900MHz band:** Ten (10) blocks of 1.25MHz each (12.50MHz) is being put to auction.

The bidding capacity for different categories of bidders is as mentioned below:

- The minimum number of blocks which a bidder, categorized as an “Existing Licensee” or as a “Renewal Licensee” can submit the bid is One (1).

- The minimum number of blocks for which a bidder, categorized as “New Entrant”, can submit the bid will be four (4) blocks.
- The maximum number of blocks which a bidder (irrespective of their categorization) can bid for will be subject to the Spectrum Holding Capping rule (explained in Section 5.3).

**(iii) Karnataka and Rajasthan**

**1800MHz band:** Eight (8) blocks of 1.25MHz each (10MHz) is being put to auction. Additionally, a provision is also made available for spectrum up to three blocks each of 1.25MHz (total 3.75 MHz) for topping up the eight blocks of spectrum put to auction i.e. a total of 11 blocks each of 1.25MHz, totalling to 13.75MHz, to meet the requirements of new entrants if such an exigency arises.

The bidding capacity for different categories of bidders is as mentioned below:

- A bidder who is categorized as a “New Entrant” will be required to bid for a minimum of Four (4) blocks.
- A bidder who is categorized as an “Existing Licensee” can bid for a minimum of One (1) block.
- The maximum number of blocks which a bidder (irrespective of their categorization) can bid for will be subject to the Spectrum Holding Capping rule (explained in Section 5.3).

*\*\* The top-up blocks will be available only to the bidders categorized as “New Entrants” so as to ensure a minimum allocation of four (4) blocks as Provisional Winning Bidder. In no case, will the top-up blocks be used to allocate more than four (4) blocks as a Provisional Winning Bidder.*

*\*\* For the purpose of the Auction, since there is no license coming up for renewal in 2014 in the Service Area of Karnataka and Rajasthan, there will be no bidders who will be categorized as “Renewal Licensee” in Karnataka and Rajasthan.*

**b) 800MHz Auction**

- Block size shall be of 1.25MHz (Paired). One block of 1.25MHz spectrum signifies actual assignment of 1.23MHz (paired) spectrum.
- Three (3) blocks each of 1.25MHz (3.75MHz) is being put to auction. In addition, a provision has been made for spectrum of one (1) block of 1.25MHz, wherever available, for topping up the 3 blocks of spectrum put to auction, to meet the requirement of new entrants, if such an exigency arises.

*In the Service Areas of Punjab and Andhra Pradesh, Two (2) blocks each of 1.25MHz (2.50MHz) is being put to auction.*

*No Spectrum is being put to auction in the Service Area of Rajasthan.*

- The existing Licensee will be allowed to bid for a minimum of One (1) block of 1.25MHz in each service area.
- A New Entrant in a particular service area will be required to bid for a minimum of Two (2) blocks each of 1.25MHz in each service area.
- The maximum number of blocks which a bidder (irrespective of their categorization) can bid for will be subject to the Spectrum Holding Capping rule (explained in Section 6.3).

**\*\*** *The top-up blocks will be available only to the bidders categorized as “New Entrants” so as to ensure a minimum allocation of two (2) blocks as Provisional Winning Bidder. In no case, will the top-up blocks be used to allocate more than two (2) blocks as a Provisional Winning Bidder.*

**Note:** *It may please be noted that the minimum and maximum number of blocks for which a bidder can bid is subject to final confirmation on approval.*

Spectrum usage rights shall be awarded separately for specific service areas.

The spectrum shall not be used for any activity other than those permitted under CMTS/ UASL or UL (Access Service)/ Unified License (UL) for which the successful bidders has / shall obtain the licence. The allotment of spectrum by itself does not confer the right to provide services. The detailed conditions that must be satisfied by potential Bidders in order to participate in the various Auctions are described in Section 3.

The details of the Spectrum put up for auction in each of the bands is mentioned below:

- (a) **1800MHz band** – Spectrum put up for auction in the Four (4) Service Areas<sup>1</sup> in 1800MHz band for the First Auction is as per details given in Table 2-A below.

<b>Table 2-A</b>		<b>Frequency Spots in 1800MHz band</b>				
<b>S. No.</b>	<b>Service Area</b>	<b>Block No.</b>	<b>Identified Carriers (1800 MHz Band)</b>			
			<b>Uplink</b>		<b>Downlink</b>	
			<b>Start</b>	<b>Stop</b>	<b>Start</b>	<b>Stop</b>
1	Delhi	1st Block	1723.20	1724.45	1818.20	1819.45
		2nd Block	1724.45	1725.70	1819.45	1820.70
		3rd Block	1725.70	1726.95	1820.70	1821.95
		4th Block	1726.95	1728.20	1821.95	1823.20
		5th Block	1758.40	1759.65	1853.40	1854.65
		6th Block	1759.65	1760.90	1854.65	1855.90
		7th Block	1760.90	1762.15	1855.90	1857.15

<sup>1</sup> Service area definition is as per the UAS / Unified licence (Access Services) conditions.

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		8th Block	1762.15	1763.40	1857.15	1858.40
		9th Block	1744.00	1745.25	1839.00	1840.25
		10th Block	1745.25	1746.50	1840.25	1841.50
		11th Block	1753.40	1754.65	1848.40	1849.65
		12th Block	1716.80	1718.05	1811.80	1813.05
2	Mumbai	1st Block	1710.20	1711.45	1805.20	1806.45
		2nd Block	1711.45	1712.70	1806.45	1807.70
		3rd Block	1712.70	1713.95	1807.70	1808.95
		4th Block	1713.95	1715.20	1808.95	1810.20
		5th Block	1749.40	1750.65	1844.40	1845.65
		6th Block	1750.65	1751.90	1845.65	1846.90
		7th Block	1751.90	1753.15	1846.90	1848.15
		8th Block	1753.15	1754.40	1848.15	1849.40
		9th Block	1728.20	1729.45	1823.20	1824.45
		10th Block	1729.45	1730.70	1824.45	1825.70
		11th Block	1762.20	1763.45	1857.20	1858.45
		12th Block	1763.45	1764.70	1858.45	1859.70
3	Karnataka	1st Block	1733.40	1734.65	1828.40	1829.65
		2nd Block	1734.65	1735.90	1829.65	1830.90
		3rd Block	1735.90	1737.15	1830.90	1832.15
		4th Block	1737.15	1738.40	1832.15	1833.40
		5th Block	1738.40	1739.65	1833.40	1834.65
		6th Block	1739.65	1740.90	1834.65	1835.90
		7th Block	1740.90	1742.15	1835.90	1837.15
		8th Block	1742.15	1743.40	1837.15	1838.40
		9th Block	1743.60	1744.85	1838.60	1839.85
		10th Block	1744.85	1746.10	1839.85	1841.10
		11th Block	1760.20	1761.45	1855.20	1856.45
4	Rajasthan *	1st Block	1739.20	1740.45	1834.20	1835.45
		2nd Block	1740.45	1741.70	1835.45	1836.70
		3rd Block	1741.70	1742.95	1836.70	1837.95
		4th Block	1742.95	1744.20	1837.95	1839.20
		5th Block	1744.20	1745.45	1839.20	1840.45
		6th Block	1745.45	1746.70	1840.45	1841.70
		7th Block	1746.70	1747.95	1841.70	1842.95
		8th Block	1747.95	1749.20	1842.95	1844.20
		9th Block	1749.40	1750.65	1844.40	1845.65
		10th Block	1750.65	1751.90	1845.65	1846.90
		11th Block	1732.80	1734.05	1827.80	1829.05

**\*\*** *In the Service Area of Rajasthan, spectrum is not available in 11 districts namely Bikaner, Barmer, Bharatpur, Dausa, Ganganagar, Hanumangarh, Jodhpur, Jaipur, Jaisalmer, Jalore & Sirohi. While 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 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 allocation made.*

*In all partial allotment cases where the successful bidders are more than one, the post auction allocation of balance spectrum will be made to all the successful bidders, district wise simultaneously..*

The Government reserves the right to change the above frequencies without assigning any reason at any point of time in the 1710-1785MHz paired with 1805-1880MHz (1800MHz band).

(b) **900MHz band** – Spectrum put up for auction in the Three (3) Service Areas in 900MHz band for the First Auction is as per details given in Table 2-B below.

<b>Table 2-B</b>		<b>Frequency Spots in 900MHz band</b>				
<b>S. No.</b>	<b>Service Area</b>	<b>Block No.</b>	<b>Identified Carriers (900 MHz Band)</b>			
			<b>Uplink</b>		<b>Downlink</b>	
			<b>Start</b>	<b>Stop</b>	<b>Start</b>	<b>Stop</b>
1	Delhi	1st Block	890.20	891.45	935.20	936.45
		2nd Block	891.45	892.70	936.45	937.70
		3rd Block	892.70	893.95	937.70	938.95
		4th Block	893.95	895.20	938.95	940.20
		5th Block	895.20	896.45	940.20	941.45
		6th Block	896.45	897.70	941.45	942.70
		7th Block	897.70	898.95	942.70	943.95
		8th Block	898.95	900.20	943.95	945.20
		9th Block	900.20	901.45	945.20	946.45
		10th Block	901.45	902.70	946.45	947.70
		11th Block	902.70	903.95	947.70	948.95
		12th Block	903.95	905.20	948.95	950.20

**Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications**

2	Mumbai	1st Block	890.20	891.45	935.20	936.45
		2nd Block	891.45	892.70	936.45	937.70
		3rd Block	892.70	893.95	937.70	938.95
		4th Block	893.95	895.20	938.95	940.20
		5th Block	895.20	896.45	940.20	941.45
		6th Block	896.45	897.70	941.45	942.70
		7th Block	897.70	898.95	942.70	943.95
		8th Block	898.95	900.20	943.95	945.20
		9th Block	900.20	901.45	945.20	946.45
		10th Block	909.60	910.85	954.60	955.85
		11th Block	910.85	912.10	955.85	957.10
		12th Block	906.60	907.85	951.60	952.85
3	Kolkata	1st Block	890.20	891.45	935.20	936.45
		2nd Block	891.45	892.70	936.45	937.70
		3rd Block	892.70	893.95	937.70	938.95
		4th Block	893.95	895.20	938.95	940.20
		5th Block	895.20	896.45	940.20	941.45
		6th Block	896.45	897.70	941.45	942.70
		7th Block	897.70	898.95	942.70	943.95
		8th Block	898.95	900.20	943.95	945.20
		9th Block	900.20	901.45	945.20	946.45
		10th Block	901.45	902.70	946.45	947.70

The Government reserves the right to change the above frequencies without assigning any reason at any point of time in the 890-915MHz paired with 935-960MHz (900MHz band).

- (c) **800MHz band** – In the case of the 800MHz Auction, the Government shall auction Three (3) blocks, each of 1.25MHz (paired) in each of the Nineteen (19) Service Areas<sup>2</sup> as per details given in Table 2-C below. In two Service Areas of Punjab and Andhra Pradesh, the Government shall auction Two (2) blocks, each of 1.25MHz (paired). No spectrum is being auctioned in the Service Area of Rajasthan.

Table 2-C		Frequency Spots in 800MHz band							
Sl. No.	Service Area	1st Block of 1.25 MHz		2nd Block of 1.25 MHz		3rd Block of 1.25 MHz		4th Block of 1.25 MHz	
		U/L	D/L	U/L	D/L	U/L	D/L	U/L	D/L
1	Delhi	841.59	886.59	842.82	887.82	829.02	874.02	NIL	
2	Mumbai	830.25	875.25	831.48	876.48	833.01	878.01	NIL	

<sup>2</sup> Service area definition is as per the UAS / Unified licence (Access Services) conditions. Chennai would be included in the Tamil Nadu service area.

## Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications

3	Kolkata	835.17	880.17	836.40	881.40	832.08	877.08	NIL	
4	Maharashtra	830.25	875.25	831.48	876.48	833.01	878.01	NIL	
5	Gujarat	827.79	872.79	829.02	874.02	836.07	881.07	838.53	883.53
6	Andhra Pradesh	841.59	886.59	842.82	887.82	NIL		NIL	
7	Karnataka	841.59	886.59	842.82	887.82	829.02	874.02	834.54	879.54
8	Tamil Nadu	841.59	886.59	842.82	887.82	829.02	874.02	834.54	879.54
9	Kerala	841.59	886.59	842.82	887.82	829.02	874.02	830.55	875.55
10	Punjab	829.02	874.02	834.24	879.24	NIL		NIL	
11	Haryana	841.59	886.59	842.82	887.82	834.54	879.54	840.06	885.06
12	Uttar Pradesh (West)	841.59	886.59	842.82	887.82	829.02	874.02	835.77	880.77
13	Uttar Pradesh (East)	841.59	886.59	842.82	887.82	829.02	874.02	834.54	879.54
14	Rajasthan	NIL		NIL		NIL		NIL	
15	Madhya Pradesh	830.55	875.55	831.78	876.78	825.03	870.03	834.24	879.24
16	West Bengal	835.77	880.77	837.00	882.00	831.78	876.78	842.82	887.82
17	Himachal Pradesh	841.59	886.59	842.82	887.82	835.77	880.77	840.06	885.06
18	Bihar	841.59	886.59	842.82	887.82	829.02	874.02	834.54	879.54
19	Orissa	841.59	886.59	842.82	887.82	834.54	879.54	840.06	885.06
20	Assam	841.59	886.59	842.82	887.82	834.24	879.24	839.76	884.76
21	North East	841.59	886.59	842.82	887.82	834.24	879.24	839.76	884.76
22	Jammu & Kashmir	841.59	886.59	842.82	887.82	829.02	874.02	840.06	885.06

The Government reserves the right to change the above frequencies without assigning any reason at any point of time in the 824-844MHz paired with 869-889MHz (800MHz band).

### 2.2 Backhaul Spectrum

Allotment of spectrum for individual point-to-point fixed links i.e. Microwave Backhaul Spectrum would be subject to separate application and the allotment of the same is not linked to the compliance of roll out obligations. The allotment 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, 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 allotment of backhaul spectrum. Separate charges as prescribed from time to time, are payable for backhaul spectrum.

### 2.3 Technology

There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through this auction. The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum blocks allotted through this auction within one month of obtaining the licence, if the technology happens to be other than GSM/ CDMA/



WCDMA. In case of change of technology, 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) allotted through this auction to deploy any technology by combining with their existing spectrum holding in the same band after converting their entire existing spectrum holding into liberalised spectrum in the same band as per the terms and conditions to be specified.

Existing CMTS/ UAS/ UL(AS) licensees can liberalise their existing spectrum holding in 1800MHz band after payment of auction determined price.

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.
- (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, LTE and WiMAX, prior clearance will be required. Introduction of any new technology should not cause harmful interference to the already operating technologies either in the same band or in the adjacent bands.

### **3 Eligibility and Conditions**

*This section describes the conditions prospective Bidders must satisfy in order to participate in the Auctions.*

#### **3.1 Eligibility criteria to participate in the Auctions**

- (i) Any licensee that holds a UAS/ CMTS/ UL(AS) licence; or
- (ii) Any licensee that fulfils the eligibility for obtaining a UL(AS)/Unified License; or
- (iii) Any entity that gives an undertaking to obtain a Unified Licence (Access Services)/ Unified License through a New Entrant Nominee as per the DoT guidelines / licence conditions before starting telecom operations

can bid for the Spectrum in 1800MHz, 900MHz and 800MHz band (subject to other provisions of the Notice)

Eligibility with regard to the number of blocks a bidder can bid depends on its categorization as an 'Existing Licensee' or as a "Renewal Licensee" or as a 'New Entrant'. Details may be seen below in Section 3.2.

### 3.2 Associated Eligibility Conditions

- (i) The companies/ licensees whose licenses are slated to be quashed as per the direction of Supreme Court will be treated as ‘New Entrants’ and will be required to fulfil the conditions stipulated both for bidding and for obtaining a Unified Licence (Access Service)/ Unified License as per the DoT guidelines.
- (ii) Existing UASL/CMTS/ UL(AS) licensees shall be treated as ‘New Entrant’ in those service area(s) for the frequency bands in which they do not hold spectrum at present. In other words, UAS/CMTS/ UL(AS) licensees who hold either spectrum in 1800MHz/900MHz<sup>3</sup> only or 800 MHz band only in a particular Service Area are also allowed to participate in the auction as ‘New Entrant’ in that service area for the frequency band in which they do not hold spectrum at present. Their eligibility to bid for spectrum blocks in that particular service area will be that of a new entrant. They will also need to comply with conditions for spectrum allotment and other prescribed conditions such as rollout obligations, PBG, FBG etc. Such Licensee, on becoming a Winning Bidder in the auction, will be eligible to migrate to final UL regime as and when it is announced, subject to such conditions as prescribed for such migration.
- (iii) Existing UASL/CMTS/ UL(AS) licensees shall be treated as ‘Existing Licensee’ in those service areas 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, 900MHz band and 1800MHz band will be treated as the same band.
- (iv) Licensees who do not hold UAS/ CMTS/ UL(AS) License may participate in the auction process as a ‘New Entrant’. Such licensees, will need to obtain a UL (Access Services) / Unified License for those service area(s) in which it is a Winning Bidder, in addition any licence(s) held by them currently.
- (v) Companies (not an existing licensee) will be treated as ‘New Entrants’ and will have to obtain a Unified License (Access Services)/ Unified License.
- (vi) Licensees, whose licenses are due for renewal in 2014, will be categorized as “Renewal Licensee” for the respective Service Areas in the 1800MHz and 900MHz band.
- (vii) 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. For the limited purpose of this provision, 900 MHz and 1800 MHz will be treated as same band.
- (viii) For the purpose of this auction, a cap of 25% of the ‘total spectrum assigned’ in all bands put together and 50% within a given band in each service area shall apply for total spectrum holding by each operator. For the purpose of calculation of the cap in this auction, the spectrum put to auction, excluding top up spectrum, would be

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<sup>3</sup> For this purpose 900MHz band and 1800MHz band would be treated as same band

included in the 'total spectrum assigned'. This cap will be applicable as on the last date of application for participating in Auction.

- (ix) A Unified Licence (Access Services)/ Unified License can only be awarded to an Indian Company<sup>4</sup>. Hence, any foreign applicants will need to form or acquire an Indian company, to obtain a Unified Licence (Access Services)/ Unified License. However, they are allowed to participate in the auctions directly and apply for a Unified Licence (Access Service)/ Unified License subsequently through an Indian company, where they hold at least 26% equity stake, with a maximum foreign equity of 74% as per extant guidelines. Applicants are advised to also see details at [http://dipp.nic.in/English/Policies/FDI\\_Circular\\_01\\_2012.pdf](http://dipp.nic.in/English/Policies/FDI_Circular_01_2012.pdf).
- (x) For participating in auctions, the net worth requirement would be Rs. 100 Crore for each service area except for J&K and NE Service Areas, where it will be Rs. 50 Crore for each service area. This net worth requirement is applicable in case of 'New Entrants'. This net worth requirement is to be met at the time of application for participation in the auction.
- (xi) For participation in the auction for allotment of spectrum, net worth of those promoters having at least 10% paid up equity holding in the applicant company shall also be taken into consideration.
- (xi) 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 (Access Services).
- (xii) The minimum paid-up equity and networth requirements for obtaining UL (Access Services) including the additional paid up equity and networth requirements prescribed for obtaining the spectrum shall be met and maintained till the validity period of the licence.
- (xiii) **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 effective date of UL (Access Services)/ Unified License and whose net worth has been taken into consideration for determining the eligibility for bidding for spectrum, till completion of 3 years from the date of allotment of spectrum or till fulfilment of all the Roll-out obligations prescribed in the NIA, whichever is later.

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<sup>4</sup> "Indian Company" refers to a Company registered under the Companies Act, 1956.

### 3.3 Unified License (Access Services) – Key Features

1. The license shall be governed by the provisions of the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933 and the Telecom Regulatory Authority of India Act 1997 as modified or replaced from time to time.
2. Subject to fulfilment of relevant eligibility conditions, License shall be issued on non-exclusive basis.
3. The applicant must be an Indian Company, registered under the Indian Companies Act, 1956.
4. The Applicant Company shall have to be in compliance with the relevant provisions of FDI policy of the Government and such modifications to the policy as may be issued from time to time. The relevant provisions may be seen at [http://dipp.nic.in/English/Policies/FDI\\_Circular\\_01\\_2012.pdf](http://dipp.nic.in/English/Policies/FDI_Circular_01_2012.pdf)
5. FDI shall be subject to laws of India and not the laws of the foreign country/countries.
6. The Applicant Company shall have a minimum net worth as well as paid up equity capital of Rs 2.5 Crore for each service area on the date of application for obtaining UL (Access Services) 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) along with the application. The net worth of promoters shall not be counted for determining the net worth of the company. In case of acquiring Unified License (Access Services) in any other licensed area, the Licensee shall maintain additional net-worth and paid up equity as prescribed above for that service area. The net worth requirement for UL (Access Services) is summarised below:
7. Net worth and Paid up equity requirement: Rs. 2.5 crore for each service area.
8. Total minimum net worth and Paid up equity required for more than one licensed area:
9. Rs 2.5 crore x number of service areas for which LOI/License have been issued and applied for in the name of the applicant.
10. License will be given based on the information /certificates submitted by the applicant with the condition that at a later date if the information is found wrong the license shall be liable to be terminated.
11. Entry fee (Non-refundable): Rs. 1 (One) Crore for each Service Area Level UL (Access Services) except for Jammu & Kashmir (J&K) and North East (NE) Service Areas where Entry Fee shall be Rs. 50 (Fifty) lakhs each.
12. In addition to the one time non-refundable Entry Fee, Annual License Fee as a percentage of AGR will be payable as per the rates specified by DoT.
13. On being successful bidder in the auction as new entrant, Unified License (Access Services) will enable the Licensee to deliver all services which are being provided by the current UAS Licensees under the scope of the licence. Such licensees will be eligible

- to migrate to final UL regime as and when it is announced, subject to such conditions as prescribed for such migration.
14. For the purposes of final UL regime, to which the existing licensees as well as UL (Access Service) licensees will have the option to migrate, the bidders may see the provisions of NTP-2012, which inter alia includes the provision: “To move towards Unified Licence regime in order to exploit the attendant benefits of convergence, spectrum liberalization and facilitate delinking of the licensing of Networks from the delivery of Services to the end users...”
  15. Upper limit of penalty for violation of licence conditions will be Rs 50 Crore per service area in each case.
  16. Application fee (non-refundable) for licence will be Rs 50000/- per service area.
  17. Application procedure shall be prescribed separately.
  18. PBG for the licence shall be Rs 10 Crore per service area in addition to the PBG related to the rollout obligation.
  19. FBG for the licence shall be initially Rs 2 Crore per service area to be reviewed on six monthly basis and shall be equivalent to estimated sum payable equivalent to licence fee for 2 quarters and other dues, not otherwise securitised and any additional amount as deemed fit by the licensor.
  20. Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for installation, networking, operation and commissioning of necessary equipment and applicable systems, treatment of subscriber complaints, issue of bills to its subscribers, attending to claims and damages arising out of his operations.
  21. Sharing of active/passive infrastructure shall be as per the guidelines issued by DoT from time to time.
  22. The Licensee shall comply with the security conditions, inter alia, relating to inspection of the installation/establishments, audit of networks, security of the network, restriction on employment of foreign nationals, transfer of information outside the country, remote access, monitoring of networks, confidentiality of information relating to subscriber data and any other condition imposed by DoT from time to time. Detailed conditions will be provided in the License.
  23. Cross holding of substantial equity requirements as in UAS licence will apply.
  24. The Government reserves the right to amend the licence conditions and guidelines from time to time.

### **3.4 Associated Licensees**

For the purpose of the Auctions, Associated Licensees are defined as existing UAS/ CMTS/ UL(AS) licensees that are controlled by a single entity, which also has at least 26%

shareholding, directly or indirectly, in the company (the “Common Parent”). In the case of licensees that are listed on recognised stock exchanges<sup>5</sup>, a company of the Promoter group<sup>5</sup> would also qualify as a Common Parent, regardless of the level of shareholding.

For the purpose of any of the Auctions, 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 service area and there is an Associated Licensee corresponding to the Group Bidding Entity in that service area, 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 possible to have more than one Associated Licensee in any service area.

In case a Group Bidding Entity is declared the Successful Bidder in any service area and there is no Associated Licensee corresponding to the Group Bidding Entity in that service area, then the Government shall assign the spectrum to the Group Bidding Entity or one of its Associated Licensees of any other Service Area that acquires a Unified licence (Access Services) (“Nominee Licensee”) in that service area.

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 severally liable for the performance of the Bid obligations.

More than one Associated Licensee having the same Common Parent shall not be allowed to enter any of the Auctions, even if they intend to bid for different non overlapping combination of Service Areas.

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) licenses or proposed Unified License (Access Services).

### **3.5 Prospective New Entrants**

Prospective Bidders who do not have a UAS / CMTS/ UL(AS) licence (for the Spectrum Auction), shall be permitted to enter either of these Auctions subject to the provisions of Section 3.2. However, it is clarified that a Prospective New Entrant who is pre-qualified for the auction or is declared a Successful Bidder shall obtain a Unified Licence (Access Services)/ Unified License which is without spectrum.

Prospective New Entrants are advised to ensure that they satisfy the conditions for the award of a Unified Licence, as applicable including other mandatory clearances / approval required for grant of license. This includes the relevant provisions for making an FDI into

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<sup>5</sup> “Recognised stock exchanges” refers to stock exchanges recognised by the Securities and Exchange Board of India (SEBI).

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 auctions, 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 (Access Services) in the relevant service area(s) and in which the Successful Bidder has a minimum holding of at least 26% (“New Entrant Nominee Unified Licensee”). In such a case, both the Successful Bidder and the New Entrant Nominee Unified Licensee shall be jointly and severally liable for the performance of the Bid obligations.

### **3.5.1 New Entrants – Foreign Entities**

Foreign entities are permitted to participate in the Auctions, subject to the provisions of Section 3.2. However, the Unified Licence (Access service) conditions and the FDI provisions imply that such a foreign entity can operate a telecom service in India only through an Indian company with not more than 74% foreign shareholding (subject to the approval of the FIPB for the foreign shareholding in excess of 49%).

A Unified Licence (Access Services) 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 (Access Services). However they are allowed to participate in the Auctions directly and apply for a Unified License (Access Service) subsequently, through an Indian Company, where they hold at least 26% equity stake, with a maximum foreign equity of 74% as per extant guidelines. Applicants are advised to also see the details at [http://dipp.nic.in/English/Policies/FDI\\_Circular\\_01\\_20g12.pdf](http://dipp.nic.in/English/Policies/FDI_Circular_01_20g12.pdf).

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 opportunity, as such approvals are also available for entities with intent to invest.

### **3.6 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 the need both to ensure the efficient use of spectrum and provide a reasonable level of service to a wide cross-section of customers.

**3.6.1 Roll-Out Obligations for Spectrum in 1800MHz and 800MHz Band in Service Areas other than Metro Service Areas**

- (i) 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.
- (ii) 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.
- (iii) The Successful Bidder shall make arrangements for interconnection with other networks in that LSA for carrying inter-network local and long distance traffic, billing of SERVICE and treatment of SUBSCRIBER complaints as part of the rollout of network.
- (iv) The 'New Entrant' will have to fulfil rollout obligations as provided in the existing UAS license with the option of sharing of passive infrastructure as presently permissible. All existing Access Service licensees shall be treated as 'New Entrant' for the bidding in those frequency bands in which they do not hold spectrum at present in that particular service area. The companies/licensees whose licenses are slated to be quashed as per the direction of Supreme Court will need to re-offer the network to the TERM cells for testing of the compliance of rollout obligations in case the network already been established.
- (v) Over and above the roll out obligation mentioned in clause (iv) above, the 'New Entrant' and the 'Existing Licensee' acquiring spectrum in the auction will have following roll out obligations:
  - a) At least 10% of the Block Headquarters (BHQs) of the Licensed Service Area (LSA) shall be covered by the end of three years from the effective date of Licences or date of allotment of spectrum won in the auction process, whichever is later. Additional 10% of the Block Headquarters of the LSA shall be covered in each of two subsequent years i.e. at least 20% and 30% coverage of the block headquarters of the LSA has to be achieved at the end of 4<sup>th</sup> and 5<sup>th</sup> year respectively. The list of Block Headquarters (BHQs) and its 'to the scale' 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.

- b) Each milestone of the rollout obligations as mentioned in the clause (iv) and clause (v) (a) above, would be considered as separate phase of rollout obligations. Thus for a 'New Entrant', there will be five phases of rollout obligations and for the 'Existing Licensee' acquiring spectrum in this auction process, there will be three additional phases of rollout obligations.
- c) Coverage of Block Headquarters would mean that at least 90% of the area bounded by the local body limits should get the required street level coverage by mandatorily setting up of Base station(s) (for example a BTS / node B/ e-node B) in the Block Headquarters.
- d) 'Existing Licensee' may offer coverage of Block Headquarters already achieved in accordance with stipulation in clause (v)(c) above as a part of compliance towards roll out obligation. However, testing of the coverage already achieved will be carried out by DoT as per prescribed test schedule/ procedure. The coverage of the BHQs as per the above mentioned rollout obligations will be over and above the DHQs/ towns covered as part of the existing rollout obligations mentioned in the UASL.
- e) 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.
- f) In case of Existing Licensees/ Renewal Licensees having spectrum in both the bands (i.e. 900/ 1800MHz Band and 800MHz Band), the roll out obligation shall be applicable in respect to the network deployed using the spectrum acquired through auction. Accordingly, the roll out already achieved shall be counted in the same spectrum band. The roll out obligation relates to frequency band in which the spectrum is acquired through auction. For this purpose, 900MHz band and 1800MHz band will be treated as the same band.
- g) While the obligations under clause (iv) above will have to be met by setting up owned infrastructure with sharing of passive infrastructure as presently permissible i.e. on the date of issue of this NIA, the 'New Entrants' and the 'Existing/ Renewal Licensee' will have the flexibility to meet the roll out obligation mentioned in clause (v) (a) & (c) through shared infrastructure to the extent permissible as per guidelines/ instructions applicable from time to time. However it may be noted that rollout obligations cannot be complied with using the Intra Service Area roaming arrangements.
- h) In the case of Metro Service Area, there will be no obligation relating to Block Headquarters for the 'New Entrant' as well as 'Existing and Renewal Licensee'.

However, the rollout obligations mentioned in clause (iv) above, which includes the rollout of the network in the Metro LSA's, as provided in the existing UAS license, will have to be fulfilled.

- (vi) 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.
- (vii) 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 it shall be ignored.
- (viii) In case of change of technology by the licensee, while rolling out network for compliance of the rollout obligations, following will be required:
  - a) Continuity of coverage, provisioning, delivery, quality and services in the network deployed with earlier technology is to be ensured.
  - b) Licensee may be required to submit the test reports as per test schedule/ procedure, in respect of Base Station sites already tested as part of compliance of rollout obligations, to the licensor who may also carry out sample verification.
  - c) Licensee may fulfil the remaining part of rollout obligations with later technology as per test schedule/ procedure for that technology.
  - d) Change in technology, if any, while rolling out network for compliance of the rollout obligations, should be informed to the licensor at least one year before any new technology Base Station site is offered for testing, so that Test Schedule Test Procedure (TSTP) for that technology can be finalized.
- (ix) In cases where allocation 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 limited to rollout of network in all BHQs/ DHQs where spectrum is allocated in the LSA.
- (x) As the allotment of spectrum for individual point-to-point fixed links i.e. Microwave Backhaul Spectrum would be subject to separate application and the allotment of the same is not linked to the compliance of rollout obligations. For compliance of the rollout obligations, the successful bidder has to make its own arrangements for transmission media required for connecting the network equipments etc. The allotment of backhaul spectrum is subject to the usual processes, term and conditions and applicable charges. The Government shall make available spectrum for these purposes under the terms and conditions specified by the WPC wing, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, and the payment of the Successful Bid Amount does not ensure the allotment of backhaul spectrum. Separate charges, as prescribed from time to time are payable for backhaul spectrum.

- (xi) The Successful Bidder shall ensure the rollout of network using the spectrum band won in this auction process as per the rollout obligations mentioned above. Rollout coverage testing will be carried out as per test schedule/ procedure (TSTP). Currently TSTP for GSM/WCDMA and CDMA technologies are available. The same would be updated as per rollout obligations mentioned here. The licensee will have to inform the choice of technology other than those mentioned above within one month of obtaining the licenses so that the test schedule can be prescribed. The licensee will have to continue its roll out of network without linking it with the availability of test schedule/ procedure.
- (xii) For the purpose of verification of the rollout of the network and coverage testing as mentioned above, Successful Bidder shall register with the respective TERM cells of DoT. While registering with the TERM cell, he will also indicate the phase number for which the Base Station site is being registered.

The phase numbers of individual phases of rollout obligations are as follows:

Phase 1: Coverage of 10% DHQs/ Towns.

Phase 2: Coverage of 50% DHQs/ Towns.

Phase 3: Coverage of 10% BHQs.

Phase 4: Coverage of additional 10% BHQs (Cumulative 20% BHQs).

Phase 5: Coverage of additional 10% BHQs (Cumulative 30% BHQs).

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 (xiii) mentioned below. If the verification of the rollout of the network and coverage testing fails as per TSTP, then the Successful Bidder 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.

(xiii) **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 due date then the Licensor shall accept the rollout of network without levy of LD charges.

- b) At present, minimum 60 calendar days duration is prescribed for grant of SACFA clearance. While examining the compliance of rollout obligations, the average delay in grant of the SACFA clearance beyond the above mentioned prescribed duration shall be excluded from the duration set for each phase of rollout obligations in the clauses (iv) and (v)(a) 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.
- c) After working out the delay in grant of SACFA clearance as per above mentioned procedure for each Base Station site offered for coverage testing, an average of all these delays would be taken for calculating the 'average SACFA delay' on the part of licensor. For the purpose of 'average SACFA delay' calculations, delay in grant of SACFA clearance of only those Base Station sites would be considered which are registered with TERM cell for coverage testing of that particular phase of rollout obligations.
- d) In case the Successful bidder fails to rollout the network or any part thereof, 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.

**(xiv) Performance Bank Guarantee**

- a) Performance Bank Guarantee (PBG) in prescribed format shall be submitted for amount equal to Rs. 35.00 Crores by the ‘New Entrant’ and Rs. 21.00 Crores by ‘Existing Licensee’ and ‘Renewal Licensee’ per Service Area valid for a minimum period of six years before signing the Licence 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 expiry of the earlier PBG.
- 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 the last phase of rollout obligations.

**3.6.2 Roll-Out Obligations for 1800MHz, 900MHz and 800MHz bands in Metro Service Areas**

- (i) There will be no additional roll-out obligations in respect of Metro Service Areas for Licensees whose Licenses are due to expire in 2014. However, for other New Entrants, the roll-out obligations for coverage shall be same as prescribed in Unified Access Service License (UASL) for Metro Service Areas.
- (ii) Subject to the above and except for 3.6.1 (ix), all the terms and conditions given in Section 3.6.1 above shall apply. However, in the case of Metro Service Area, there will be no obligation relating to Block Headquarters for the ‘New Entrant’ as well as ‘Existing and Renewal Licensee’.

**3.7 Spectrum usage charges**

A spectrum usage charge in addition to the spectrum auction price as a percentage of the Adjusted Gross Revenue (AGR) shall be payable by the successful bidder as per the rates notified by the Government from time to time. Spectrum usage charges shall be payable as per the slabs/ rates notified by the Government from time to time.

The present spectrum usage charges are mentioned below:

<b>Schedule A: Charges for GSM operators (Applicable for 1800MHz/ 900MHz band)</b>	
<b>Spectrum Slab</b>	<b>% of AGR</b>
Up to 4.4 MHz	<b>3%</b>
Up to 6.2 MHz	<b>4%</b>
Up to 8.2 MHz	<b>5%</b>
Up to 10.2 MHz	<b>6%</b>
Up to 12.2 MHz	<b>7%</b>
Up to 15.2 MHz	<b>8%</b>

<b>Schedule B: Charges for CDMA operators (Applicable for 800MHz band)</b>	
<b>Spectrum Slab</b>	<b>% of AGR</b>
Up to 5 MHz	<b>3%</b>
Up to 6.25 MHz	<b>4%</b>
Up to 7.5 MHz	<b>5%</b>
Up to 10 MHz	<b>6%</b>
Up to 12.5 MHz	<b>7%</b>
Up to 15 MHz	<b>8%</b>

The following shall be considered while computing the annual spectrum charges:

- Applicable (Adjusted Gross Revenue) AGR shall be computed in accordance with the provisions of the relevant service licence; for the purpose of levying spectrum usage charges based on revenue share, revenue from wire line subscribers shall not be taken into account;
- Annual spectrum charges shall be applicable from the date of award of right to use allotted spectrum.
- For the purpose of calculation of spectrum usage charge, there shall be a minimum AGR which shall be not less than 5% of the bid amount. The calculation of spectrum usage charges shall be on the basis of minimum AGR or the actual AGR whichever is higher.
- Spectrum being allocated via this auction will be added for determining the slab for Spectrum Usage Charges.
- Spectrum in 1800 MHz and 900 MHz will be added for determining the slab for Spectrum Usage Charges.

### **3.8 Duration**

The validity period of the Spectrum in 1800MHz, 900MHz and 800MHz band won in these auctions shall be 20 years from the 'Effective Date'.

'Effective Date' shall be:

- (a) In case of 800MHz band, date of Letter of Intent (LoI).
- (b) In case of 1800MHz band for "Renewal Licenses", preferred date of allotment indicated by the successful bidders, in no case later than date of expiry of existing licenses in the respective Service Area.
- (c) In case of other successful bidders in 1800MHz band, date of LoI.
- (d) In case of 900MHz band, date of expiry of existing licenses in 2014 in the respective Service Areas.

In case the UAS License/ CMTS License/ UL (Access Services)/ Unified License is cancelled/ terminated for any reason, the spectrum usage rights shall stand withdrawn forthwith. If the period of an existing UAS License/ CMTS License/ UL (Access Services) / Unified License 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 UL (Access Services) / Unified License as may be applicable.

### **3.9 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 allotment 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 a service area where it has been declared a Successful Bidder, it must apply for, or otherwise acquire the relevant service license in the service area 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 allotment.

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

## **4 Auction Details**

### **4.1 General Conditions**

#### **4.1.1 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 Auctions or the bidding strategy that other Bidders would adopt. Such Confidential Information shall 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 service area. 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 service areas, in any of the Auctions, until the completion of the relevant Auction.

#### **4.1.2 Directors, employees and advisers**

No person, whether individual or corporate, can act for, or on behalf of, or advise more than one Bidder that is participating in any of Auctions (the Auction for 1800MHz band or for 800MHz band) in respect of the Auctions.

#### **4.1.3 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.

### **4.2 Application Requirements**

#### **4.2.1 Application format and procedure for submission**

In order to pre-qualify for the Auctions, prospective Bidders must submit an Application before the last date for submission of such applications, as per the following requirements.

Separate Applications are required for the First Auction (Auction of Spectrum in 1800MHz and 900MHz band) and the Second Auction (Auction of Spectrum in 800MHz band), in the prescribed formats. Formats for Application and various undertakings are provided in Section 9.3 (Annexures).

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 Auctions or after the Auctions are 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 Auctions 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.

**4.2.1.1 First Auction (Auction of Spectrum in 1800MHz and 900MHz band)**

Prospective bidders are required to submit:

- A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist;
- An application processing fee;
- Earnest money, in the form of a Bank Guarantee (as per format provided in Section 9.3.2 (Annexures)) from a Scheduled Bank, of an amount equal to the summation of earnest money amounts of the service areas that the Bidder wishes to be eligible to bid for (“Earnest Money Deposit”) as per the following Tables:

<b>Table 4-A</b>	<b>Earnest Money for Service Areas in 1800MHz band</b>	
	<b>Service Area</b>	<b>Earnest Money Amount per block (Rs. Crore)</b>
	Delhi	60.00
	Mumbai	60.00
	Karnataka	34.00
	Rajasthan	12.00

<b>Table 4-B</b>	<b>Earnest Money for Service Areas in 900MHz band</b>	
	<b>Service Area</b>	<b>Earnest Money Amount per block (Rs. Crore)</b>
	Delhi	96.00
	Mumbai	96.00
	Kolkata	34.00

Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across Service Areas in either of the bands (1800MHz or 900MHz band), Applicants should deposit sufficient earnest money so as to enable them to switch between Service Areas 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 5.4.4;

- Nomination of an authorised person, who is empowered to take all decisions connected with the First Auction (Auction of Spectrum in 1800MHz and 900MHz band) on the Bidder's behalf and correspond on behalf of the Applicant with the Government and the Auctioneer (the "Authorised Person"), 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 First Auction (Auction of Spectrum in 1800MHz and 900MHz band);
  - 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 service areas where neither the Group Bidding Entity, nor any of its Associated Licensees are existing UAS/ CMTS/ UL(AS) Licensees, an undertaking confirming that, if the Applicant is successful in winning spectrum in any such service area, it shall acquire a Unified Licence (Access Services) 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 (Access Services) including, but not limited to, the criteria required for FIPB approvals and security clearances.

Prospective Bidders that are not existing UAS/ CMTS/ UL(AS) licensees are additionally required to submit:

- An undertaking confirming that, if the applicant is successful in winning spectrum in any service area, it shall acquire a Unified Licence (Access Services), through an Indian company registered under the Companies Act 1956, 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 (Access Services) 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.

**4.2.1.2 Second Auction (Auction of Spectrum in 800MHz band)**

Prospective Bidders are required to submit:

- A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist;
- An application processing fee;
- Earnest money, in the form of a Bank Guarantee (as per format provided in Section 9.3.2 (Annexures)) from a Scheduled Bank, of an amount equal to the summation of earnest money amounts of the service areas that the Bidder wishes to be eligible to bid for as per the following Table 4-C:

<b>Table 4-C</b>	<b>Service Area wise Earnest Money for 800MHz Auction</b>	
	<b>Service Area</b>	<b>Earnest Money Amount per block (Rs. Crore)</b>
	Andhra Pradesh	28.00
	Assam	1.75
	Bihar	5.50
	Delhi	60.00
	Gujarat	28.00
	Haryana	5.50
	Himachal Pradesh	1.75
	Jammu & Kashmir	1.75
	Karnataka	28.00
	Kerala	9.00
	Kolkata	9.00
	Madhya Pradesh	9.00
	Maharashtra	28.00
	Mumbai	60.00
	North East	1.75
	Orissa	5.50

Punjab	9.00
Rajasthan*	Not Applicable
Tamil Nadu	28.00
Uttar Pradesh (East)	9.00
Uttar Pradesh (West)	9.00
West Bengal	5.50

\* *Since there is no spectrum put up for auction in the Service Area of Rajasthan, EMD will not be applicable for Rajasthan.*

Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across Service Areas, Applicants should deposit sufficient earnest money so as to enable them to switch between Service Areas during the course of the e-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 6.4.4;

- Nomination of an Authorised Person, who is empowered to take all decisions connected with the Spectrum Auction in 800MHz band 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 800MHz Auction;
  - 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 service areas where neither the Group Bidding Entity, nor any of its Associated Licensees are existing UAS/ CMTS/ UL(AS) Licensees, an undertaking confirming that, if the Applicant is successful in winning spectrum in any such service area, it shall acquire a Unified Licence (Access Services) 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

(Access Services) including, but not limited to, the criteria required for FIPB approvals and security clearances.

- Both the Chennai and Tamil Nadu (excluding Chennai) licensees would be treated as Associated Licensees and therefore would need to give consent in favor of the Group Bidding Entity for bidding in the Auctions. Such UAS/ CMTS/ UL(AS) licensees of Chennai and Tamil Nadu (excluding Chennai) service areas have to submit an undertaking and appropriate Board resolutions that in case the Group Bidding Entity is successful in the Auction for Tamil Nadu, then they have to merge their UAS/ CMTS licenses of Chennai and Tamil Nadu (excluding Chennai) service areas as per DoT letter no. 842-503/2005-VAS/5 dated 15th September, 2005 within a period of 2 years from the date of issue of Lol for spectrum won in this auction. The license fee payable for the merged service area of Tamil Nadu will be as per the prevalent instructions. A copy of the letter is available on the DoT website.
- Prospective Bidders that are not existing UAS/ CMTS/ UL(AS) licensees are additionally required to submit:
  - An undertaking confirming that, if the applicant is successful in winning spectrum in any service area, it shall acquire a Unified Licence (Access Services), through an Indian company registered under the Companies Act 1956, 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 (Access Services) 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.

#### **4.2.2 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 Auctions 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”) before the deadline indicated in the Auction timetable. The Government reserves the right to modify this deadline by giving Applicants notice through the Auctions website.

Formats for Application and various undertakings are provided in Section 9.3 (Annexures).

#### **4.2.3 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 provision of information, the required certification 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**

No two Applicants in any of the Auctions should have the same entity directly or indirectly owning more than 10% equity in them. If two Applicants having common ownership greater than 10% apply for prequalification in the same Auction, one of them must withdraw until the last date for submission of Ownership Compliance Certificate, failing which both shall not be pre-qualified.

However, common shareholding by the Government of India between any of the entities is permitted.

Similarly, for the purpose of bidding for spectrum by promoter holding 10% or more equity stake in a company whose license is slated to be quashed, common share holding shall be permitted.

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 (Access Services) 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 (Access Services).

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 any of the Auctions or declaration as Successful Bidder does not guarantee a Bidder that the Unified Licence (Access Services) application of this Bidder (if applicable) shall be approved. Prospective Bidders who are not existing UAS/ CMTS/ UL(AS) licence-holders must satisfy themselves that they meet the criteria for award of a Unified Licence (Access Services).

d) **Networth and Paid Up Equity Capital**

- For participating in auctions, the net worth requirement would be Rs. 100 Crore for each service area except for J&K and NE Service Areas, where it will be Rs. 50 Crore for each service area. This net worth requirement is applicable in case of

‘New Entrants’. This net worth requirement is to be met at the time of application for participation in the auction.

- For participation in the auction for allotment of spectrum, net worth of those promoters having at least 10% paid up equity holding in the applicant company shall 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 (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.
- Additional networth requirement for obtaining UL (Access Services) will have to be met at the time of making application for UL (Access Services).

#### **4.2.4 Earnest Money Deposit**

The earnest money (in the form of a Bank Guarantee from a Scheduled Bank) for the requisite amount needs to be submitted along with the Application for prequalification.

The Bank Guarantee shall be from a Scheduled Commercial Bank, and be valid up to 30<sup>th</sup> September, 2013 and extendable for a further period of six months at the request of DoT, in the prescribed format as given in Section 9.3.2 (Annexures).

Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across service areas, Applicants should deposit earnest money based on the number of service areas that they would like to participate in the relevant Auctions for. Each type of service areas has a specific deposit requirement. To make a Bid in the Clock Stage for a combination of service areas, a Bidder must have already submitted an Earnest Money Deposit (“EMD”) for not less than the total earnest money requirements of those Service Areas.

In addition, the EMD will determine the Initial Eligibility of Bidders in the Auctions. The detailed method by which Initial Eligibility is determined is given subsequently for each of the two Auctions. At no stage in the Auctions shall they be allowed to bid for more service areas than the Initial Eligibility points corresponding to the EMD will permit.

For each of the Auctions, a separate consolidated EMD for all Service Areas needs to be submitted. The total amount may be broken down into up to 5 different EMD letters.

The EMD will be returned following failure to pre-qualify, or following the end of the Auctions 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:

- (a) The Applicant misrepresents facts in its Application;

- (b) The Applicant violates any of the Auction Rules or otherwise disrupts the Auctions process;
- (c) The Bidder does not bid for even one service area in the first Clock Round of the relevant Auction;
- (d) The Bidder defaults on its Bid.

#### **4.2.5 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 Commercial Bank payable at Delhi.

#### **4.2.6 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 procure Class-III Digital Signature Certificate(s) 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).

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 procure



and install 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 Auctions shall be valid up to 30<sup>th</sup> September, 2013.

**4.5 Payment Terms**

Successful Bidders shall make the payment 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 33% in the case of 1800MHz band, and 25% in case of 900MHz and 800MHz band; of the final bid amount shall be made within 10 days of declaration of successful bidders and final price;
  - (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 1<sup>st</sup> instalment of the balance due 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 of the payment is protected.
  - (iv) An indicative schedule of payments is given below:

Full Amount Due	Rs. 1000
Upfront Payment	33%
Balance to be recovered	1000- (1000*33%)= Rs 670
Number of Instalments	10
Interest Rate	9.75%
Assumed Date of first payment	25-03-2013
Moratorium	2 Years

<b>Schedule of Payments</b>		
<b>Instalment</b>	<b>Due Date for payment</b>	<b>Amount (Rs. Crore)</b>

Upfront payment	25-03-2013	330.00
1 <sup>st</sup> instalment	26-03-2016	129.93
2 <sup>nd</sup> instalment	26-03-2017	129.93
3 <sup>rd</sup> instalment	26-03-2018	129.93
4 <sup>th</sup> instalment	26-03-2019	129.93
5 <sup>th</sup> instalment	26-03-2020	129.93
6 <sup>th</sup> instalment	26-03-2021	129.93
7 <sup>th</sup> instalment	26-03-2022	129.93
8 <sup>th</sup> instalment	26-03-2023	129.93
9 <sup>th</sup> instalment	26-03-2024	129.93
10 <sup>th</sup> instalment	26-03-2025	129.93

- (v) 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 1<sup>st</sup> instalment and each instalment thereafter, the financial bank guarantee 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 financial bank guarantee submitted earlier. In case of non-renewal, the Financial Bank Guarantee 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 Financial Bank Guarantee (FBG) shall be done by the successful bidder as per the schedule without the necessity for the DoT to raise any demand or notice for the same.
- (vi) The successful bidder will have to submit an FBG equal to the annual instalment along with the upfront payment which shall be valid for 3 years.
- (vii) In case of overdue payments, penal interest shall be charged on the delayed amount from the due date at the prime lending rate of the State Bank of India, 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.
- (viii) If due payments are not received within time plus a grace period of 10 days, the sum shall be recovered by encashing the Financial Bank Guarantee.
- (ix) 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 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 – full amount or upfront payment amount in case of deferred payment option – within 10 calendar days of the close of the Auction and declaration of the results, failing which the Earnest Money Deposit shall stand forfeited. If the payment due date falls on a Saturday or a Sunday or a Public Holiday,

the payment will need to be made by the working day immediately prior to the Saturday or Sunday or Public Holiday.

All payments will need to be made by the Successful Bidders through Demand Draft of the requisite amount in favour of “Pay and Accounts Officer (HQ), DoT, New Delhi” drawn on a Scheduled Commercial Bank payable at Delhi, or by any other means such as RTGS that may be subsequently specified by DoT.

- \* *A set-off is allowed against the Earnest Money and the payment due in the event of spectrum being won in this auction. The total amount of such set off shall be limited to the total entry fee paid by the entity for all its licenses which have been quashed by the Supreme Court. No interest will be due on this amount.*

#### **4.6 Facilitation of Funding of Telecom Projects**

The existing Tripartite Agreement (TPA) as in the UAS licenses may be modified appropriately to include ‘Spectrum’, to facilitate the funding of telecom projects.

#### **4.7 Allotment of Spectrum**

##### Existing Licensees

- Upon receipt of the Successful Bid Amount, the WPC Wing of DoT shall issue a Letter of Intent (LoI) earmarking the frequencies to the Successful Bidder (“earmarking of frequency”). The effective date for reckoning the period of 20 years for which the right to use the spectrum has been acquired by the licensee through this auction shall be as defined in Section 3.8;
- The successful bidder will apply to DoT for amendment of Existing License within seven calendar days of being declared successful in the auction. However, LoI issued by WPC Wing shall be submitted immediately after its receipt by the successful bidder;
- Necessary amendments to enable use of frequency earmarked by WPC Wing for provision of services under applicable license shall be made to the existing UAS/ CMTS/ UL(AS) licence of the Successful Bidder or its nominated entity, as applicable;
- Upon successful bidder obtaining amendment to the Existing License, and fulfilment of conditions as may be specified, the allotment of spectrum shall be made in response to an application, on prescribed format, for such spectrum;
- Above mentioned conditions shall also apply in the case of Existing Licensee becoming successful bidder as a New Entrant;
- In case of bidders that have existing UAS/ CMTS licenses in both Chennai and Tamil Nadu (excluding Chennai) service areas and in case the Group Bidding Entity is successful in the Auction for Tamil Nadu (including Chennai), then the bidders have to provide undertakings and appropriate Board resolutions of both the licensee

companies (as applicable) confirming that UAS/ CMTS licenses of Chennai and Tamil Nadu (excluding Chennai) service areas shall be merged as per DoT letter no. 842-503/2005-VAS/5 dated 15th September, 2005 within a period of 2 years from the date of issue of Lol for spectrum won in this auction. The license fee payable for the merged service area of Tamil Nadu will be as per the prevalent instructions. A copy of the letter is available on the DoT website.

*New Entrants and Renewal Licensees*

- Upon receipt of the Successful Bid Amount, the WPC Wing of DoT shall issue a Letter of Intent (Lol) earmarking the frequencies to the Successful Bidder (“earmarking of frequency”). The effective date for reckoning the period of 20 years for which the right to use the spectrum has been acquired by the licensee through this auction shall be as defined in Section 3.8;
- The successful bidder will apply to DoT for grant of UL (Access Services) on prescribed format within seven calendar days of being declared successful in the auction. However, Lol issued by WPC Wing shall be submitted immediately after its receipt by the successful bidder;
- Upon the Successful Bidder obtaining a Unified License (Access Services) and fulfilment of conditions as may be specified, the allotment of spectrum shall be made in response to an application, on prescribed format, for such spectrum;
- Successful Bidders shall obtain SACFA clearance and a separate wireless operating licence from the Wireless Planning and Coordination (WPC) Wing of DoT as per prescribed procedure.

#### **4.8 Mergers & Acquisitions**

A Mergers and Acquisitions shall be as per guidelines on the subject issued by Department of Telecommunications from time to time. This policy is applicable for intra-service area merger of licenses.

#### **4.9 Spectrum Audit**

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

#### **4.10 Spectrum Sharing**

Operators whose entire spectrum holding in a particular band (900MHz/ 1800MHz and 800MHz) is/ has been liberalized would be permitted to share spectrum without any additional one time spectrum charge.

Detailed guidelines regarding sharing of spectrum and one time charges for liberalising spectrum currently held would be issued in due course.

## 5 Spectrum in 1800MHz and 900MHz band – Auction Rules

### 5.1 Conduct of the Auction

The e-auction (online auction) will be conducted over the internet using the web browsing software, IE 9.x or Mozilla 13.x or Google Chrome 20.x, wherein only the pre-qualified bidders will be allowed to participate.

The bidders will be required to procure Class-III Digital Signature Certificate(s) (DSC) for signing & 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). More details about the licensed Certifying Authorities (CAs) are available on [www.cca.gov.in](http://www.cca.gov.in). It would be the respective bidder's responsibility to acquire such DSC(s) in the name of their authorized signatories (maximum of two authorised signatories) for participation in the e-auction. The bidders also need to ensure that they acquire the DSC(s) before the mock auction which will be conducted at a time specified by the Government.

Bidders will be provided with a detailed Electronic Auction System (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 pre-qualified bidders need to submit the details of the Public Static IP addresses. A soft copy of the Public Key of the Digital Signature Certificates of the authorized personnel needs to be sent to the Auction Administrator. Alternatively, if required, the Auction Administrator can request the pre-qualified bidders to email the public key to [eas@abcProcure.com](mailto:eas@abcProcure.com) to map the authorized participants in the EAS.*

*The bidders have to ensure that each of their Authorised Persons procure the DSC for signing and encryption separately. Hence, each user will have two DSCs – one for Digital Signing and second for encryption.*

The pre-qualified bidders will be issued a User ID / Login ID to access the EAS. This User ID / Login ID will be mapped with the Digital Signature Certificates of the two Authorised Persons. The access to EAS to each / either of these two Authorised 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.

It is not mandatory for the bidders to procure different DSC(s) for both the auctions (i.e. First (Auction of Spectrum in 1800MHz and 900MHz band) auction and Second (Auction of

Spectrum in 800MHz band) auction), unless the authorised person(s) for both the auctions are different. It is requested to ensure that the validity of the DSC(s) is till at least 6 months from the start of the e-auction.

**5.2 Overview of the Auction Stages**

Spectrum available for award in this process will be allocated by Simultaneous Multiple Round Ascending (SMRA) e-auction.

It is to be noted that the auction for spectrum in both the bands (1800MHz and 900MHz band) will be conducted simultaneously.

The details of the Spectrum put up for auction in each of the Service Areas in the 1800MHz band is as given below in Table 5-A.

<b>Table 5-A</b>		<b>Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks, for e-auction of Spectrum in 1800MHz Band.</b>		
<b>Sl. No.</b>	<b>Name of Telecom Circle / Metro Service Area</b>	<b>Areas Covered</b>	<b>Spectrum put to Auction</b>	<b>Number of Blocks</b>
1.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.	15MHz	12
2.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	15MHz	12
3.	Karnataka	Entire area falling within the State of Karnataka.	10MHz	8
4.	Rajasthan	Entire area falling within the State of Rajasthan.	10MHz	8

*\* In the Service Areas of Karnataka and Rajasthan, in addition to the Eight (8) blocks i.e. 10MHz put up for auction, provision is also made available for spectrum up to 3 blocks each of 1.25MHz (3.75MHz), wherever applicable, for topping up the 8 blocks of spectrum put for auction i.e. up to a total of 11 blocks each of 1.25MHz to meet the requirement of New Entrants, if such an exigency arises. The top-up blocks are available to only those bidders categorized as “New Entrants” and to make a minimum allocation of Four (4) blocks as Provisional Winning Bidder.*

**\*\*** *In the Service Area of Rajasthan, spectrum is not available in 11 districts namely Bikaner, Barmer, Bharatpur, Dausa, Ganganagar, Hanumangarh, Jodhpur, Jaipur, Jaisalmer, Jalore & Sirohi. While 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 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 allocation made.*

*In all partial allotment cases where the successful bidders are more than one, the post auction allocation of balance spectrum will be made to all the successful bidders, district wise simultaneously.*

The details of the Spectrum put up for auction in each of the Service Areas in the 900MHz band is as given below in Table 5-B.

<b>Table 5-B</b>		<b>Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks, for e-auction of Spectrum in 900MHz Band.</b>		
<b>Sl. No.</b>	<b>Name of Telecom Circle / Metro Service Area</b>	<b>Areas Covered</b>	<b>Spectrum put to Auction</b>	<b>Number of Blocks</b>
1.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.	15MHz	12
2.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	15MHz	12
3.	Kolkata	Local Areas served by Calcutta Telephones.	12.50MHz	10

Depending upon eligibility, the bidders would be categorized into three categories for each Service Area in each of the bands and their bidding regulations for each of the Service Areas in each of the band would be as given below:

- **Existing Licensee:** A bidder who is categorized as an “Existing Licensee” in a Service Area for a particular band will be able to submit bid for a minimum of One (1) block. The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).
- **New Entrant:** A bidder who is categorized as a “New Entrant” in a Service Area for a particular band can submit the bid as follows:
  - In the Service Area of Delhi and Mumbai, the bidder has to bid for a minimum of four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area. Hence, if the bidder selects a minimum of four (4) blocks in either 1800MHz or 900MHz band in the Service Area of Delhi, he can select a minimum of One (1) block in the corresponding 900MHz or 1800MHz band in Delhi. The bidder can also bid for four (4) blocks in both 1800MHz and 900MHz bands.
    - \* *If the bidder has selected a minimum of four (4) blocks in either 1800MHz or 900MHz band, in which case, he can also opt for a “No” in the corresponding 900MHz or 1800MHz band.*
    - \*\* *If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the band, then in the subsequent round at a higher Clock Round Price, even if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band.*
    - \*\*\* *It is important to note that if the bidder submits a revised bid at a higher Clock Round Price in the band for which he is already a Provisional Winning Bidder for a minimum of four (4) blocks, in which case, he will cease to remain as a Provisional Winning Bidder and hence will have to ensure that a minimum of four (4) blocks has to be selected while submission in at least one of the bands.*

The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).

- In the Service Area of Kolkata, the bidder is required to submit the bid for a minimum of Four (4) blocks. The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).
- In the Service Area of Karnataka and Rajasthan, the bidder will be required to bid for a minimum of Four (4) blocks. The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).



- **Renewal Licensee:** A bidder who is categorized as a “Renewal Licensee” in a Service Area for a particular band can submit the bid as follows:
  - In the Service Area of Delhi and Mumbai, the bidder has to bid for a minimum of four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area. Hence, if the bidder selects a minimum of four (4) blocks in either 1800MHz or 900MHz band in the Service Area of Delhi, he can select a minimum of One (1) block in the corresponding 900MHz or 1800MHz band in Delhi. The bidder can also bid for four (4) blocks in both 1800MHz and 900MHz bands.
    - \* *If the bidder has selected a minimum of four (4) blocks in either 1800MHz or 900MHz band, in which case, he can also opt for a “No” in the corresponding 900MHz or 1800MHz band.*
    - \*\* *If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the band, then in the subsequent round at a higher Clock Round Price, even if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band.*
    - \*\*\* *It is important to note that if the bidder submits a revised bid at a higher Clock Round Price in the band for which he is already a Provisional Winning Bidder for a minimum of four (4) blocks, in which case, he will cease to remain as a Provisional Winning Bidder and hence will have to ensure that a minimum of four (4) blocks has to be selected while submission in at least one of the bands.*
  - The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).
  - In the Service Area of Kolkata, the bidder can submit a bid for a minimum of One (1) block. The maximum number of blocks which a bidder can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 5.3).
  - In the Service Area of Karnataka and Rajasthan, since there is no Spectrum coming for renewal in 2014, there are no bidder’s who will be categorized as “Renewal Licensee”.
- \*\* *A bidder could be categorized as an “Existing Licensee” in a Service Area and at the same time can be categorized as a “New Entrant” or as a “Renewal Licensee” in the other Service Area. Hence, it is not mandatory for the bidders to be categorized either as a “New Entrant” or as “Renewal Licensee” or as an “Existing Licensee” for all the Service Areas. For example, it could happen that the bidder is categorized as a “Renewal Licensee” in Delhi, as an “Existing Licensee” in Mumbai, and as a “New Entrant” in*

*Karnataka.*

**Note:** *It may please be noted that the minimum and maximum number of blocks for which a bidder can bid is subject to final confirmation on approval.*

The award of Spectrum is a two-stage process:

- a) **Clock Stage:** This stage will establish the number of block(s) to be awarded and the bidders to whom these will be awarded. In this stage, in each service area for each of the bands, bidders will submit bids for blocks of spectrum of 1.25MHz each as per their respective permissible limit depending on their categorization. The Clock Stage will consist of a number of rounds. These rounds will stop once:
- (i) Auction Activity Requirement is 100%; and
  - (ii) In any Clock Round, for all Service Areas for all the bands, there is no bidding activity.

This will establish a common Winning Price for all blocks within a Service Area for a particular band, and the Winning Bidders in each Service Area in each band. The detailed methodology followed in the Clock Stage is explained in Section 5.4.

- b) **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 Electronic Auction System. The detailed methodology followed in the Frequency Identification Stage is explained in Section 5.5.

The Government reserves the right to change this allotment at any point during the licence period, if required, for harmonising bands and promoting spectrum efficiency.

Winning Bidders will pay the sum of the relevant Winning Prices set in the Clock Stage for Service Areas in which they are assigned a block. All Winning Bidders in a Service Area will have equal Winning Prices as a consequence of the Auction Rules.

### **5.3 Spectrum Holding Capping Rule**

The bidding by the bidders for each of the Service Areas in each of the bands will be restricted by a Cap which would depend on the Spectrum assigned in the respective band (1800MHz/ 900MHz) and also on the Total Spectrum assigned in all the bands.

#### **5.3.1 Overall Cap**

The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands (including the Spectrum put for these auctions).

Overall Cap for each Operator on the Maximum Spectrum for each of the Service Area is as given in Table 5-C below:

<b>Table 5-C</b>	<b>Overall Cap on Bidding for each Operator for each Service Area.</b>	
	<b>Service Area</b>	<b>Overall Cap for each Operator</b>
	Delhi	39.18MHz
	Mumbai	41.36MHz
	Kolkata	48.14MHz
	Karnataka	38.41MHz
	Rajasthan	37.80MHz

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in all bands (excluding the Spectrum which is coming for renewal and have been put for auction) and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed the cap which is mentioned in the Table 5-C above.

### **5.3.2 Cap in 1800MHz band**

The Spectrum Cap for each operator in each of the Service Areas in 1800MHz band is calculated as 50% of the Total Spectrum assigned for Telecom services in 1800MHz band. Spectrum Cap for each Operator in 1800MHz band on the Maximum Spectrum for each of the Service Area is as given in Table 5-D below:

<b>Table 5-D</b>	<b>Cap on Bidding for each Operator for each Service Area in 1800MHz band.</b>	
	<b>Service Area</b>	<b>Maximum Cap for each Operator</b>
	Delhi	19.00MHz
	Mumbai	24.00MHz
	Karnataka	18.60MHz
	Rajasthan	18.80MHz

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in 1800MHz band (excluding the Spectrum which is coming for renewal and have been put for auction) and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed the cap which is mentioned in the Table 5-D above.

### 5.3.3 Cap in 900MHz band

The Spectrum Cap for each operator in each of the Service Areas in 900MHz band is calculated as 50% of the Total Spectrum assigned for Telecom services in 900MHz band. Spectrum Cap for each Operator in 900MHz band on the Maximum Spectrum for each of the Service Area is as given in Table 5-E below:

<b>Table 5-E</b>		<b>Cap on Bidding for each Operator for each Service Area in 900MHz band.</b>	
<b>Service Area</b>		<b>Maximum Cap for each Operator</b>	
Delhi		10.60MHz	
Mumbai		10.60MHz	
Kolkata		9.35MHz	

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in 900MHz band (excluding the Spectrum which is coming for renewal and have been put for auction) and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed the cap which is mentioned in the Table 5-E above.

## 5.4 The Clock Stage

### 5.4.1 Overview

In the Clock Stage, there is simultaneous bidding for blocks across all the four (4) Service Areas in 1800MHz band and three (3) Service Areas in 900MHz band. Bidding proceeds in rounds (Clock Rounds). During each Clock Round, bids may be placed for some or all of the Service Areas in either or both the bands according to the detailed bidding rules described below.

In each Clock Round, the Clock Round Price per Block for each of the service areas in each of the bands will be displayed on the bidding screen of the respective bidders. Bidders will be able to bid for the number of blocks depending upon their respective categorization as a “New Entrant” or as a “Renewal Licensee” or as an “Existing Licensee” subject to the capping rule. Therefore, in each Clock Round, a Bidder’s decisions will consist of “Yes” / “No” choice for each of the service areas at a price equal to the current Clock Round price for that area. If the option “Yes” is selected, then a choice of number of Blocks has to be selected. The number of Blocks for which the bidder can submit his bid will be a drop down option on the bidding screen depending on the categorization of the bidder for that service area in each of the bands.

By bidding in a Service Area for a number of blocks at a Clock Round Price, if the Price becomes the Winning Price and the Block(s) becomes the Winning Block(s), the Bidder commits to buy the block(s) (i.e. the Provisional Winning Blocks allocated as Provisional

Winning Bidders) in that service area at a price not greater than the Clock Round price of the round when the bid was submitted.

A Clock Round will close at a finishing time specified by the Auction Administrator, by which time all Bidders must have placed their bids for all Service Areas for both the bands. The finishing time is subject to provisions for rounds to be extended and re-scheduled, discussed in Section 5.4.9.

Bidders will be able to switch Bids across Service Areas in either of the bands from one round to the next subject to certain limitations (called “Activity Rules”) detailed in Section 5.4.4. These rules require that Bidders must 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 service areas.

In the first Clock Round, the Clock Round Price per Block in each Service Area for each of the bands will be set equal to the Reserve Price. For subsequent rounds, the Clock Round prices in each Service Area will be set depending on Excess Demand (defined in Section 5.4.6) in the previous completed Clock Round. The excess demand will be determined by the total number of blocks for which the bids have been submitted, with respect to the total blocks put up in the auction in each service area in each of the band at a Clock Round Price (which may be the same for more than one round). Top-up blocks will not be considered while calculating the excess demand.

*\*\* The Clock Round Price can be the same for more than one round depending on the Total Demand at a Round Price.*

The following rules will determine the Clock Round Price other than the first round:

- If Excess Demand is Negative, the Clock Round price in that Service Area for 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 Service Area for 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 (as given in Table 5-F).

*\*\* The excess demand will be determined by the total number of blocks for which the bids have been submitted, with respect to the total blocks put up in the auction in each service area in each of the band at a Clock Round Price.*

If a new Clock Round is required, further bids will be invited in the new Clock Round. The final Clock Round will be the first round in which the following two conditions are met: (i) Auction Activity Requirement is 100%; and (ii) For all Service Areas in both the bands, there

is no bidding activity. At the end of the final Clock Round, 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 in each Service Area for each of the bands at the Winning Price (as explained in Section 5.4.7).

#### **5.4.2 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 Service Areas, the following will be displayed on the bidding form:

- Name of the Service Area;
- Number of Blocks available in the Service Area in each band;
- Number of Eligibility Points linked to a block in each Service Area in both the bands;
- Earnest Money Deposit requirement linked to a block in each Service Area in both the bands;
- The Clock Round Price in each Service Area 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 Service Area in both the bands;
- After the first Clock Round, Aggregate Demand in each Service Area for both the bands at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, Excess Demand in each Service Area in both the bands at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, Provisional Winning Price of each Service Area in both 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 Service Area 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 Service Area. The overall selection of the Service Areas and the Number of blocks in the selected Service Areas in each/ either of the bands would be restricted by the following factors:

- The total value of the EMD of the number of blocks in the selected Service Areas 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 (as explained in Section 5.3)

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 a Service Area 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 which case the bidder will not have the option to select “Yes” / “No” for this Service Area 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 5.4.9.

All the bids which the bidder submits would be subject to the Activity Rules described in Section 5.4.4.

Bidders are required to submit their bid for at least ONE Service Area in the first Clock Round. Any Bidder who fails to do so in the first Clock Round will forfeit its deposit in its entirety.

### **5.4.3 Eligibility Points and Deposits**

For the purpose of applying Activity Rules, each of the blocks (1.25MHz each) in each Service Area in each of the bands has been assigned a specific number of Eligibility Points, based on the Reserve Price of Spectrum in that particular Service Area in the respective band. The number of points associated with a block of 1.25MHz in each Service Area in each bands is listed in Table 5-G.

The eligibility to bid will also be defined by the EMD which the bidder will deposit and based on which the combination of Service Areas will be determined. Those bidders who have deposited the EMD within the deadline mentioned by the Government of India 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 EMD made by the Bidder. Specifically, the Initial Eligibility of a Bidder will equal the highest eligibility amongst those combinations of Blocks per Service Areas that could be obtained with the EMD applied for by the Bidder. The Initial Eligibility Point will be the value corresponding to the Total EMD submitted by the bidder as listed in Table 5-H.

Bidders may 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 Service Areas and the Eligibility Points at that particular Round which would decide the ability to submit the bid for the respective bidder.

The Initial Eligibility of Bidders and the identities of Bidders participating in the Auction will be made public once the Government has determined which Applicants are pre-qualified to bid in the Auction.

#### **5.4.4 Activity Rule**

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 Rs. 100 Crore for each Service Areas. This net worth requirement is applicable in case of bidders categorized as “New Entrants” only.

Further to the Net Worth criteria, in any Clock Round, Bidders will be restricted by their Earnest Money Deposit (EMD) in the combinations of Blocks for the Service Areas in either/ both the bands they may bid for. The Earnest Money Deposit requirement associated with a Bid in a Clock Round is equal to:

- In the First Clock Round, the sum of the Earnest Money Deposit requirements associated with the Service Areas 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 Earnest Money Deposit requirements associated with the Number of Block(s) in those Service Areas 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 Earnest Money Deposit requirements associated with the Number of Block(s) in those Service Areas 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.

*Note: For the point (i) mentioned above, where the EMD of a Provisional Winning*



*Bidder from the last Completed Clock Round is considered will be based on the following parameters:*

- \* If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is NOT submitting the bid for the same Service Area in the same band, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is to be taken into consideration in (i) above.*
- \* If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is submitting the bid for the same Service Area in the same band (which can be only possible for higher number of blocks), in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the EMD associated with the number of Blocks submitted in the Current Clock Round is to be taken into consideration.*
- \* If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is NOT submitting the bid for the same Service Area in the same band, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is to be taken into consideration in (i) above.*
- \* If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is submitting the bid for the same Service Area in the same band, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the EMD associated with the number of Blocks submitted in the Current Clock Round is to be taken into consideration.*

Bidders may only bid for combinations of services areas (in either / both the bands) with an associated Earnest Money Deposit requirement that does not exceed the total EMD made 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 Eligibility Points associated with Service Areas in each of the bands where the Bidder bids for a number of block(s);
- After the first Clock Round, the sum of:
  - (i) The Eligibility Points associated with the number of Block(s) in the Service Areas 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 the number of Block(s) in the Service Areas 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.

*Note: For the point (i) mentioned above, where the Eligibility Points of a Provisional Winning Bidder from the last Completed Clock Round is considered will be based on the following parameters:*

- \* *If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is NOT submitting the bid for the same Service Area in the same band, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is to be taken into consideration in (i) above.*
- \* *If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is submitting the bid for the same Service Area in the same band (which can be only possible for higher number of blocks), in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the Eligibility Points associated with the number of Blocks submitted in the Current Clock*

*Round is to be taken into consideration.*

- \* *If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is NOT submitting the bid for the same Service Area in the same band, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is to be taken into consideration in (i) above.*
- \* *If the Clock Round Price of a Service Area in a particular band in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same Service Area in the same band, and if the bidder is submitting the bid for the same Service Area in the same band, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area in this particular band from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the Eligibility Points associated with the number of Blocks submitted in the Current Clock Round is to be taken into consideration.*

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

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

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 ( $70 \times 80\%$ , which in case of decimal values will be rounded down 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 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 can end only when the Auction Activity Requirement is 100%.

#### **5.4.5 Ranking of Bidders and Provisional Winning Bidders**

For the purpose of determining the Provisional Winning Bidders in each Service Area in both the bands, the bids of the bidders for the number of blocks in a Service Area in each band will be considered at the end of each Clock Round. This ranking process is undertaken separately for each Service Area 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:

- A bidder, who is categorized as a "Renewal Licensee", will be ranked on priority for the spectrum up to which the bidder is entitled for retaining;
  - \* *A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum or Current Holding (Prescribed Limit), whichever is less. For this purpose, 1800MHz and 900MHz band will be considered as a Single band. This entitlement has been incorporated in the ranking rule and to be exercised by Renewal Licensees in Service Areas of Delhi and Mumbai solely by participation and bidding. The priority in ranking for retention in 900MHz band is limited to 2.5MHz only. The priority in ranking for the balance spectrum up to the prescribed limit will be accorded in the 1800MHz band, if the Renewal Licensee submits the bid in this band at that price.*

Hence, if a bidder, who is categorized as a “Renewal Licensee” has submitted a bid for 4 blocks (5MHz) in 900MHz band, in which case 2 blocks (2.5MHz) for which the bidder is entitled for retaining, will be ranked on priority basis (ranked higher) as compared to the other categories of bidders who had submitted the bid at the same Clock Round Price.

- Where there is a tie according to the first criteria, ranking will be in descending order of the highest Clock Round Price when the bid was submitted in the earlier rounds (excluding the Current round for which the rank is being generated) in the respective Service Area for a particular band;

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 for a particular Service Area. 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). At the same time, bidder Y had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). In this case, when the two bidders, X and Y, are considered for ranking for Round No. 20, bidder Y will be ranked 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 two criteria, ranking will be in descending order of the count of the number of times the bid has been submitted for a Unique Clock Round Price for the particular Service Area in the particular band;

Hence, 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 a particular Service Area. 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). 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, bidder Y had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). 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 three criteria, ranking will be in descending order according to the total value of all Blocks for which bid has been submitted by the bidder for all the Service Areas across all the bands at the Current Clock Round Price;

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 Service Area. Assuming that bidder X had submitted in the current round for Service Areas of Delhi (1800MHz) for 4 blocks at Clock Round Price of Rs. 100, Delhi (900MHz) for 1 block at Clock Round Price of Rs. 200, and Karnataka (1800MHz) 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 in the current round for Service Areas of Delhi (900MHz) for 2 blocks at Clock Round Price of Rs. 200, Mumbai (900MHz) for 2 blocks at Clock Round Price of Rs. 180, and Karnataka (1800MHz) 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 20 of Bidder Y is more than Bidder X, 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, ties will be broken according to a random index assigned to the Bid in that service area 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.

- \* *It is imperative to note that if there are more than One bidders, categorized as “Renewal Licensee”, who have submitted their bid for the same Service Area, in which case, the above set of rules will be implemented to identify their respective ranking i.e. the ranking among the bidders categorized as “Renewal Licensee” to identify the higher among them.*
- \* *Any bidder(s), categorized as a “Renewal Licensee”, who has submitted a bid at a Clock Round Price will always be ranked higher than other categories (“New Entrant” or “Existing Licensee”) of bidders, for the spectrum entitled for retaining in the particular Service Area in the respective bands.*
- \* *In the Service Areas of Delhi and Mumbai, the bidders who are categorized as “New Entrants” or “Renewal Licensee” will be declared as Provisional Winning Bidder(s) after a Clock Round in a particular Service Area only if they are allocated a minimum of 4 blocks as Provisional Winning Blocks in at least one (either 1800MHz or 900MHz) of the bands.*
- \* *In the Service Areas of Karnataka and Rajasthan, the bidders who are categorized as “New Entrants” will be declared as Provisional Winning Bidder(s) after a Clock Round in a particular Service Area only if they are allocated a minimum of 4 blocks as Provisional Winning Blocks.*
- \* *It is to be noted that a “Renewal Licensee” has to participate and submit the bid at the Clock Round Price to avail the facility of Priority Ranking for that particular Clock Round Price. If the bidder has not submitted the bid at a higher price, being a Provisional Winning Bidder at a price lower than the current Clock Round Price, in which case, the bidder will not be considered for priority ranking, and only the bidders who have submitted the bid at the higher price will be considered for ranking. Only in the case, where no bidder has submitted a bid at a higher Clock Round Price, the Provisional Winning Bidders from the immediate previous round will be considered.*

- \* *Rank will be generated for each Service Area in each of the band at the end of each Clock Round.*
- \* *Only those Bidders who have submitted their bids for the Service Area(s) in a band at the Clock Round Price of the Current Clock Round will be considered for ranking for the respective Service Area(s) in the particular band at the end of this particular Clock Round.*
- \* *Only in the case where there are no bids at the Clock Round Price of the Current Clock Round, the Provisional Winning Bidders from the immediate previous Round at a lower Clock Round Price will be considered.*

During the Clock Rounds (other than the Final Round), when the result of the Rounds are declared, a bidder can be allotted any number of blocks “equal to or less than” what has been submitted at a Clock Round Price depending on the ranking. 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 Service Areas.*
- \*\* *In the Service Areas of Delhi and Mumbai, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant or as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 4 blocks in at least one of the band (1800MHz or 900Mhz band), irrespective of whether the bidder has submitted a bid for more than 4 blocks.*
- \*\* *In the Service Area of Kolkata, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” to be declared as a Provisional Winning bidder would be 4 blocks, irrespective of whether the bidder has submitted a bid for more than 4 blocks.*
- \*\* *In the Service Area of Kolkata, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 1 block, irrespective of whether the bidder has submitted a bid for more than 1 block.*
- \*\* *In the Service Area of Karnataka and Rajasthan, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” to be declared as a Provisional Winning bidder would be 4 blocks, irrespective of whether the bidder has submitted a bid for more than 4 blocks.*
- \*\* *For all the Service Areas in 1800MHz and 900MHz bands, the minimum number of Provisional Winning Blocks required for a bidder categorized as an “Existing Licensee” to be declared as a Provisional Winning Bidder is 1*

*irrespective of the number of blocks for which the bid has been submitted.*

An example to cite the same is given below:

<b>Table – A</b>			
<b>Service Area – Delhi</b>		<b>Band – 900MHz</b>	
<b>Number of Blocks put to Auction – 12</b>			
<b>Round – R</b>		<b>Clock Round Price = Rs. 200</b>	
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of blocks bid for</b>	<b>No. of blocks allotted as Provisional Winning Bidder</b>
1.	Bidder – 1 (Renewal Licensee)	4	2 + 2
2.	Bidder – 2 (Renewal Licensee)	4	2 + 2
3.	Bidder – 3 (Existing Licensee)	2	2
4.	Bidder – 4 (Existing Licensee)	3	2
	Bidder – 5 (New Entrant)	4	0

<b>Table – B</b>			
<b>Service Area – Delhi</b>		<b>Band – 1800MHz</b>	
<b>Number of Blocks put to Auction – 12</b>			
<b>Round – R</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of blocks bid for</b>	<b>No. of blocks allotted as Provisional Winning Bidder</b>
1.	Bidder – 1 (Renewal Licensee)	1	1
2.	Bidder – 3 (Existing Licensee)	2	2
3.	Bidder – 5 (New Entrant)	5	5
4.	Bidder – 6 (New Entrant)	6	4



	Entrant)		
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Since, it's mandatory for the New Entrants / Renewal Licensees to bid for at least 4 blocks in either of the bands for the Service Area of Delhi and Mumbai, in the above example (in Table-A and Table-B), Bidder-1, Bidder-2, Bidder-5 and Bidder-6 are Renewal Licensees / New Entrants and as per the rule they have submitted their bids for at least 4 blocks in either of the bands (Bidder-1, 2, and 5 in 900MHz band, and Bidder-5 and 6 in 1800MHz band).

In Table-A, Bidder-5, who is categorized as a "New Entrant", has submitted a bid for 4 blocks. But since as per the ranking rules, the other bidders are ranked higher and hence, Bidder-5 is not allotted any blocks as Provisional Winning Bidder. The last ranked bidder, Bidder-4, who is an Existing Licensee, has submitted bid for 3 blocks. But since there are only 2 blocks left to be allotted as Provisional Winning Blocks, Bidder-4 will be allotted 2 blocks as Provisional Winning Bidder.

In Table-B, Bidder-6, who is categorized as a "New Entrant", has submitted a bid for 6 blocks. But since there are only 4 blocks left to be allotted as Provisional Winning Blocks, Bidder-6 will be allotted 4 blocks as Provisional Winning Bidder. Considering a situation wherein if only 3 blocks would have been left to be allotted as Provisional Winning Blocks, in which case, Bidder-6 would not have been allotted any blocks, since the bidder has not been allocated any blocks in 900MHz band, and the ranking rules stipulates that the minimum number of blocks for a "New Entrant" bidder to be declared as a Provisional Winning Bidder is Four (4) in at least one of the bands (1800MHz or 900MHz).

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 a Service Area 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 Service Area in the particular band, in which case all the blocks 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 Service Area in the particular band.

*It is important to note that in such cases, all the Provisional Winning Bidders from an earlier round with Clock Round Price less than the Current Clock Round, R, will not remain as Provisional Winning Bidders. Hence, it can be construed that if there is a bid for at least One (1) block at a higher Clock Round Price, in which case, all the Provisional Winning Bidders from lower Clock Round Price will not be declared as Provisional Winning Bidders, unless the bidder has submitted a revised bid at this higher Clock Round Price. Hence, only the blocks for which bids have been submitted at a Clock Round Price will be considered for declaring as Provisional Winning Blocks and the bidders who have submitted the same would be applicable for consideration as Provisional Winning Bidder at the particular Clock Round Price.*

- b) If the number of blocks for which bids have been received in a Service Area for a particular band at a Clock Round Price is EQUAL to the number of blocks put up for auction in this Service Area 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 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 Service Area in the particular band.
- c) If the number of blocks for which bids have been received in a Service Area for a particular band at a Clock Round Price is MORE than the number of blocks put up for auction in this Service Area 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 Service Area 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 that order will be considered for the allotment of Provisional Winning Blocks.*

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

- d) If the number of blocks for which bids have been received in a Service Area for a particular band at a Clock Round Price is equal to Zero (i.e. there is no bidding activity at this Clock Round Price), in which case, all the Provisional Winning Bidders for this particular Service Area in the particular band from the immediate earlier round at a lower Clock Round Price will be considered.

It is clarified that the Provisional Winning Bidders from a Clock Round with a Clock Round Price lower than the current Clock Round Price will be considered only if the aggregate demand at the current Clock Round Price is Zero.

It is important to note that any bidder to be considered as a Provisional Winning Bidder will be subject to being allotted the minimum number of blocks required for declaring the respective bidder as a Provisional Winning Bidder.

Hence, the Provisional Winning Bidders are identified and ranked based on the determination of Provisional Winning Blocks only.

*\*\* In the Service Areas of Delhi and Mumbai, since the allocation of blocks to Provisional Winning Bidders in each of the bands are interdependent on each other for a bidder categorized as a "New Entrant" or as a "Renewal Licensee" i.e. such a bidder need to be a Provisional Winning Bidder for a minimum of 4 blocks in at least one of the bands, in which case only can the*

*bidder be allocated any number of blocks as a Provisional Winning Bidder in the corresponding band. If the bidder does not qualify the criteria of becoming a Provisional Winning Bidder for a minimum of 4 blocks in at least one of the bands, in which case, the bidder will not be declared as Provisional Winning Bidder in the corresponding band also.*

The Provisional Winning Price for a Service Area 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 strictly 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.*

#### **5.4.6 Prices and Price Increments**

In the first Clock Round, the Clock Round price per Block in each Service Area in both the bands will be the Reserve Price as determined by the Government. The Reserve Price associated with each Service Area in both the bands is shown in Table 5-G.

At the end of a Clock Round, Excess Demand in a service area in each of the bands is defined to be:

- The total number of Blocks for which Bids received in a particular Service Area 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 Service Area in the particular band.

Hence, Excess Demand is calculated based on the number of Blocks for which bids have been made for a particular Service Area 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 a Service Area in a particular band, the Clock Round price for blocks in this Service Area 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 a Service Area in a particular band, the Clock Round price for blocks in this Service Area in this particular band in the next Clock

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Round will be set equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment as given in Table 5-F.

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

Example – 1:

<b>Band – 900MHz</b>		<b>Service Area – Delhi</b>	
<b>Total Number of Blocks put up for Auction – 12</b>			
<b>Round No. 10</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks for which Bids have been submitted</b>	<b>Number of blocks allocated as a Provisional Winning Bidder</b>
1	Renewal Licensee-1	4	2+2
2	Existing Bidder-1	2	2
3	Existing Bidder-2	2	2
4	New Bidder-2	5	4
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		13	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 13.
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (13-12 = 1)			
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:

<b>Band – 900MHz</b>		<b>Service Area – Delhi</b>	
<b>Total Number of Blocks put up for Auction – 12</b>			
<b>Round No. 10</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks for which Bids have been submitted</b>	<b>Number of blocks allocated as a Provisional Winning Bidder</b>
1	New Bidder-1	4	4
2	Existing Bidder-1	4	4
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		8	→Will be considered as Negative as Total Demand at Clock Round Price of Rs. 100 is 8.
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (8-12)			

= -4)			
Clock Round Price for Round No. 11 will be same at Rs. 100 due to Negative Demand.			
<b>Round No. 11</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks for which Bids have been submitted</b>	<b>Number of blocks allocated as a Provisional Winning Bidder</b>
1	New Bidder-2	4	4
Demand in Clock Round No. 11 at Clock Round Price of Rs. 100		4	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 12 since the demand is calculated for a Clock Round Price which might be same over multiple rounds.
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (12-12 = 0)			
Clock Round Price for Round No. 12 will be increased from Rs. 100 to a new value which will be (Rs. 100 + a strictly positive price increment).			

Price Increments may vary from Service Area to Service Area in a band/ different bands and will be related to the excess demand in the respective Service Areas for a particular band. They will be set to no more than 10% of the Clock Round price for that service area in the particular band in the last completed Clock Round. The Auction Administrator will follow the rule set out in the Table 5-F.

The number of blocks for which the bidders can submit their bid for a Service Area (s) in each bands would depend on the activity rule and the permissible limits (minimum and maximum) depending on their categorization as a “New Entrant” or as a “Renewal Licensee” or as an “Existing Licensee”.

**5.4.7 Winning Bidders and Winning Prices**

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

- The Activity Requirement is 100%; and
- For all Service Areas in both the bands, there is there are no bids submitted by any of the bidders i.e. bidding activity is NIL.

The Provisional Winning Price in any particular Service Area in a band at the end of the final Clock Round will become the Winning Price for the respective Service Area for that particular band, and Provisional Winning Bidders will become Winning Bidders. Winning Bidders will be required to pay the Winning Price for the Service Area(s) they have won. 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 Service Area in a particular band.

**5.4.8 Top-up Rules**

This rule is applicable only for the Service Areas of Karnataka and Rajasthan since top-up blocks are made available in these Service Areas in this auction.

There is a provision for top-up up to 3 blocks of 1.25MHz so as to make a minimum allocation of Four (4) Blocks for a New Entrant. The top-up rules will be applied in each Clock Round and subject to a top-up of a maximum of Three Blocks for each Service Area. In other words, if a New Entrant bidder is deemed to be a Provisional Winning Bidder for  $n$  number of Blocks (where  $n$  is GREATER than Zero but LESS than FOUR), then the Blocks allocated at the end of this particular Clock Round would be topped up with an additional  $4-n$  Blocks in the respective Service Areas. This will ensure that if a New Entrant happens to be a Provisional Winning Bidder, he will be allotted a minimum of 4 Blocks for that particular Service Area. The top-up facility will be activated only for New Entrants and in the Service Areas where a New Entrant is a Provisional Winning Bidder.

The top-up blocks available in the Service Areas will not be used to calculate the excess demand for that particular Service Area. Top-up block is used only for the allocation purpose and only to a New Entrant so as to make a minimum allocation of Four (4) blocks.

Some examples of the application of top-up are given below:

<b><u>No Top-up Used</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	2	2
2	New Bidder – 1	4	4
3	Existing Bidder – 2	2	2
	New Bidder – 2	4	0

<b><u>3 blocks used for Top-up</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	2	2
2	New Bidder – 1	4	4
3	Existing Bidder – 2	1	1

4	New Bidder – 2	4	1 + 3
	New Bidder – 3	4	0

<b><u>2 blocks used for Top-up</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	2	2
2	New Bidder – 1	4	4
3	New Bidder – 2	4	2 + 2
	New Bidder – 2	4	0

<b><u>1 block used for Top-up</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	2	2
2	New Bidder – 1	5	5
3	New Bidder – 2	4	1 + 3
	New Bidder – 2	4	0

**5.4.9 Length of Clock Rounds and Extension Periods**

Clock Rounds will typically only be scheduled to begin between the hours of 09.00 and 19.30 (Indian Standard Time) on Monday through 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.

Prior to the start of any Clock Round, the Auction Administrator will notify Bidders of the starting and finishing times 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.

A Clock Round will be for a minimum duration of 30 minutes. 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 Service Areas where the bidder is eligible to bid.
- Number of Blocks – Depending on whether the Bidder is a New Entrant or a Renewal Licensee or an Existing Licensee, and subject to the capping rule.

Based on the selection of Service Areas in each band and the Number of Blocks for the selected Service Areas, 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.
- 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 Service Areas, 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 respective bidder’s responsibility 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 Service Areas. If there is bidding activity in any service area and a further Clock Round is required, this Clock Round will be scheduled and the start and finish times announced to Bidders through the EAS subject to at least 15 minutes notice of the start of the next Clock Round.



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 4 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 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. The bidders are requested to note that it is mandatory for the respective bidders to check and submit their decision, even if the respective 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.

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 Service Areas. 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 in 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 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.

## **5.5 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 Electronic Auction System as follows for each of the Service Areas in both the bands:

- **1800MHz band**

- (i) **Delhi and Mumbai**

- Delhi** – Total Blocks available is 12 i.e. 15MHz (*Contiguous blocks available in sets of 4 (5MHz), 4 (5MHz), 2 (2.5MHz), 1 (1.25MHz), and 1(1.25MHz)*)

- Mumbai** – Total Blocks available is 12 i.e. 15MHz (*Contiguous blocks available in sets of 4 (5MHz), 4 (5MHz), 2 (2.5MHz), and 2 (2.5MHz)*)

- (a) If there are Three (3) bidders who have won 4 blocks each, the frequency assignment will be done in the order of their ranking in the last Clock Round. Hence, first two (2) bidders in order of their ranking will be assigned 4

contiguous blocks (5MHz each) and the third bidder will be assigned the frequency in the non-contiguous mode.

- (b) If Two of the bidders have won 4 or more blocks each, the frequency assignment will be done on the following basis:
- Both the bidders will be assigned 4 contiguous blocks (5MHz each) in order of their ranking in the last Clock Round.
  - The remaining blocks, if won by the same or other bidders, will be assigned (from the balance frequencies) in order of their ranking in the last Clock Round.
- (c) If One of the bidder has won 4 or more blocks, the frequency assignment will be done on the following basis:
- If such bidder has won a minimum of 8 blocks, the bidder will be assigned the 2 sets of 4 contiguous blocks (5MHz each).
  - If such bidder has won the number of blocks equivalent to any value less than 8 but greater than or equal to 4, the bidder will be assigned the first set of 4 contiguous blocks (5MHz). The remaining blocks, if any, of the bidder will be assigned from the non-contiguous set of frequencies.
  - The remaining blocks, if won by other bidders, will be assigned (from the balance frequencies) in order of their ranking in the last Clock Round.
- (d) If there are No Bidders who have won a minimum of 4 blocks, in which case, the frequency assignment will be done in order of their ranking in the last Clock Round.

(ii) **Karnataka and Rajasthan**

**Karnataka** – Total Blocks available is 8 i.e. 10MHz (*Contiguous blocks available in sets of 8 (10MHz)*). Total Blocks available for top-up is 3 i.e. 3.75MHz.

**Rajasthan** – Blocks available is 8 i.e. 10MHz (*Contiguous blocks available in sets of 8 (10MHz)*). Total Blocks available for top-up is 3 i.e. 3.75MHz.

- (a) If there are Two (2) bidders who have won a minimum of 4 blocks, the frequency assignment will be done on the following basis:
- Both the bidders will be assigned 4 contiguous blocks (5MHz each) in order of their ranking in the last Clock Round.
  - The remaining blocks, if won by the same or other bidders, will be assigned (from the balance frequencies) in order of their ranking.
- (b) If One of the bidder has won 4 or more blocks, the frequency assignment will be done on the following basis:
- If such bidder has won 8 blocks, the bidder will be assigned 8 contiguous blocks (10MHz).

- If such bidder has won the number of blocks equivalent to any value less than 8 but greater than or equal to 4, the bidder will be assigned all the blocks in contiguous mode.
  - The remaining blocks, if won by the same or other bidders, will be assigned (from the balance frequencies) in order of their ranking.
  - (c) If there are No bidders who have won a minimum of 4 blocks, the frequency assignment will be done in order of their ranking in the last Clock Round.
- **900MHz band**
    - (i) **Delhi** – Total Blocks available is 12 i.e. 15MHz (*Contiguous blocks available in a single set of 12 blocks (15MHz)*)

Since all the 12 blocks (15MHz) put up for auction are available in contiguous mode, frequencies would be assigned in contiguous mode in order of their ranking in the last Clock Round.
    - (ii) **Mumbai** – Total Blocks available is 12 i.e. 15MHz (*Contiguous blocks available in sets of 9 (11.25MHz), 2 (2.5MHz), and 1 (1.25MHz)*)
      - (a) If there are Three (3) bidders who have won 4 blocks each, in which case the frequency assignment will be done in the order of their ranking in the last Clock Round. Hence, first two (2) bidders in order of their ranking will be assigned 4 contiguous blocks (5MHz each) and the third bidder will be assigned the frequency in the non-contiguous mode
      - (b) If Two or more bidders won 4 or more blocks each, the frequency assignment will be done on the following basis:
        - If both the bidders have won 4 blocks each, in which case, both the bidders will be assigned 4 contiguous blocks (5MHz each) in order of their ranking in the last Clock Round.
        - If one of the bidder has won 5 blocks and the second bidder has won 4 blocks, in which case, the bidder who has won 5 blocks will be assigned 5 contiguous blocks (6.25MHz) and the bidder who has won 4 blocks will be assigned 4 contiguous blocks (5MHz) in the order of their ranking in the last Clock Round.
        - The remaining blocks, if won by the same or other bidders, will be assigned (from the balance frequencies) in the order of their ranking.
      - (c) If One of the bidder won 4 or more blocks, the frequency assignment will be done on the following basis:
        - If such bidder has won the number of blocks equivalent to or greater than 9, the bidder will be assigned 9 contiguous blocks (11.25MHz).

- If such bidder has won the number of blocks which is less than 9, the bidder will be assigned all the blocks in the contiguous mode.
  - The remaining blocks, if won by the same or other bidders, will be assigned (from the balance frequencies) in order of their ranking in the last Clock Round.
- (d) If there are No Bidders who have won a minimum of 4 blocks, the frequency assignment will be done in order of their ranking in the last clock round.
- (iii) Kolkata – Total Blocks available is 10 i.e. 12.5MHz (*Contiguous blocks available in a single set of 10 blocks (12.5MHz)*)
- Since all the 10 blocks (12.5MHz) put up for auction are available in contiguous mode, frequencies would be assigned in contiguous mode in order of their respective ranking in the last Clock Round.

Frequency reconfiguration i.e. rearrangement of spot frequencies in the same band, from within the assignments made to the licensees, may be carried out, with the authorization of WPC Wing, among the licensees, **only** when the entire spectrum held by them is liberalized. No charges will be levied for rearrangement of frequency spots.

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

## **5.6 Information Policy**

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

- A list of pre-qualified Bidders;
- The information provided in these Bidders' applications about 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.

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 Service Area for each of the bands in the last completed Clock Round;
- The total number of blocks for which bids have been received in each Service Area for each of the bands in the last completed Clock Round;
- The Aggregate Demand in each Service Area for each of the bands at the Clock Round prices in the last completed Clock Round (i.e. for each Service Area for each of the bands, the total number of blocks for which bids have been received in the Service Area at a value equal to the Clock Round price in the last completed Clock Round); and

- The Excess Demand in each Service Area in each of the bands at the Clock Round prices in the last completed Clock Round (i.e. for each Service Area in each of the bands, Aggregate demand less the number of blocks available in the Service Area 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 Service Area 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 Service Area(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 Service Area 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:

- The price increment to be applied in each service area in each of the bands; and
- The Clock Round price per Block in each Service Area 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 service area 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.

## **5.7 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 during the Auction;
- 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;
- Provides inaccurate 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.

**Table 5-F – Proportionate Price Increment rule for e-auction of Spectrum in 1800MHz and 900MHz Band.**

Excess Demand	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
0	1%
1	1%
2	2%
3	3%
4	4%
5	5%
6	6%
7	7%
8	8%
9	9%
10 or more	10%

**\*\* The Price Increment calculated for a Service Area in each of the bands will always be capped by the following maximum absolute price increments.**

Sl. No.	Service Area	Band	Maximum Price Increment per Block per Round (In Rs. Crore)
1.	Delhi	1800MHz	60.00
2.	Delhi	900MHz	96.00
3.	Mumbai	1800MHz	60.00
4.	Mumbai	900MHz	96.00
5.	Kolkata	900MHz	34.00
6.	Karnataka	1800MHz	34.00



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7.	Rajasthan	1800MHz	12.00
<b><i>** 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.</i></b>			

**Table 5-G – Service Areas, Reserve Price, Deposits required and Eligibility Points for e-auction of Spectrum in 1800MHz and 900MHz Band.**

<b>Sl. No.</b>	<b>Name of Telecom Circle / Metro Service Area</b>	<b>Band</b>	<b>Reserve Price per Block per Service Area (Rs. Crore)</b>	<b>Required Deposit per Block per Service Area (Rs. Crore)</b>	<b>Eligibility Points per Block</b>
1.	Delhi	1800MHz	485.15	60.00	28
2.	Delhi	900MHz	970.30	96.00	58
3.	Mumbai	1800MHz	474.92	60.00	28
4.	Mumbai	900MHz	949.84	96.00	58
5.	Kolkata	900MHz	227.44	34.00	13
6.	Karnataka	1800MHz	231.08	34.00	13
7.	Rajasthan	1800MHz	46.96	12.00	3

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<b>Table 5-H</b>		<b>Earnest money deposits and associated eligibility points for 1800MHz and 900MHz band Auction</b>							
<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>
0.00	0	442.00	251	864.00	522	1306.00	773	1740.00	1018
12.00	3	444.00	260	876.00	525	1308.00	782	1750.00	1025
24.00	6	456.00	263	888.00	528	1320.00	785	1762.00	1028
34.00	13	468.00	266	898.00	535	1332.00	788	1774.00	1031
46.00	16	478.00	273	910.00	538	1342.00	795	1776.00	1040
58.00	19	480.00	290	922.00	541	1344.00	812	1788.00	1043
60.00	28	492.00	293	924.00	550	1356.00	815	1800.00	1046
72.00	31	504.00	296	936.00	553	1368.00	818	1810.00	1053
84.00	34	514.00	303	948.00	556	1378.00	825	1822.00	1056
94.00	41	526.00	306	958.00	563	1390.00	828	1834.00	1059
96.00	58	538.00	309	960.00	580	1402.00	831	1836.00	1068
108.00	61	540.00	318	972.00	583	1404.00	840	1848.00	1071
120.00	64	552.00	321	984.00	586	1416.00	843	1860.00	1074
130.00	71	564.00	324	994.00	593	1428.00	846	1870.00	1081
142.00	74	574.00	331	1006.00	596	1438.00	853	1882.00	1084
154.00	77	576.00	348	1018.00	599	1440.00	870	1894.00	1087
156.00	86	588.00	351	1020.00	608	1452.00	873	1896.00	1096
168.00	89	600.00	354	1032.00	611	1464.00	876	1908.00	1099
180.00	92	610.00	361	1044.00	614	1474.00	883	1920.00	1102
190.00	99	622.00	364	1054.00	621	1486.00	886	1930.00	1109
192.00	116	634.00	367	1056.00	638	1498.00	889	1942.00	1112
204.00	119	636.00	376	1068.00	641	1500.00	898	1954.00	1115
216.00	122	648.00	379	1080.00	644	1512.00	901	1956.00	1124
226.00	129	660.00	382	1090.00	651	1524.00	904	1968.00	1127
238.00	132	670.00	389	1102.00	654	1534.00	911	1980.00	1130
250.00	135	672.00	406	1114.00	657	1536.00	928	1990.00	1137
252.00	144	684.00	409	1116.00	666	1548.00	931	2002.00	1140
264.00	147	696.00	412	1128.00	669	1560.00	934	2014.00	1143
276.00	150	706.00	419	1140.00	672	1570.00	941	2016.00	1152
286.00	157	718.00	422	1150.00	679	1582.00	944	2028.00	1155
288.00	174	730.00	425	1152.00	696	1594.00	947	2040.00	1158
300.00	177	732.00	434	1164.00	699	1596.00	956	2050.00	1165
312.00	180	744.00	437	1176.00	702	1608.00	959	2062.00	1168
322.00	187	756.00	440	1186.00	709	1620.00	962	2074.00	1171
334.00	190	766.00	447	1198.00	712	1630.00	969	2076.00	1180
346.00	193	768.00	464	1210.00	715	1642.00	972	2088.00	1183
348.00	202	780.00	467	1212.00	724	1654.00	975	2100.00	1186
360.00	205	792.00	470	1224.00	727	1656.00	984	2110.00	1193
372.00	208	802.00	477	1236.00	730	1668.00	987	2122.00	1196
382.00	215	814.00	480	1246.00	737	1680.00	990	2134.00	1199
384.00	232	826.00	483	1248.00	754	1690.00	997	2136.00	1208
396.00	235	828.00	492	1260.00	757	1702.00	1000	2148.00	1211
408.00	238	840.00	495	1272.00	760	1714.00	1003	2160.00	1214
418.00	245	852.00	498	1282.00	767	1716.00	1012	2170.00	1221
430.00	248	862.00	505	1294.00	770	1728.00	1015	2182.00	1224

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<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>
2194.00	1227	2640.00	1438	3102.00	1645
2196.00	1236	2650.00	1445	3112.00	1652
2208.00	1239	2662.00	1448	3124.00	1655
2220.00	1242	2674.00	1451	3136.00	1658
2230.00	1249	2676.00	1460	3146.00	1665
2242.00	1252	2688.00	1463	3158.00	1668
2254.00	1255	2700.00	1466	3170.00	1671
2256.00	1264	2710.00	1473	3180.00	1678
2268.00	1267	2722.00	1476	3192.00	1681
2280.00	1270	2734.00	1479	3204.00	1684
2290.00	1277	2736.00	1488	3214.00	1691
2302.00	1280	2748.00	1491	3226.00	1694
2314.00	1283	2760.00	1494	3238.00	1697
2316.00	1292	2770.00	1501	3248.00	1704
2328.00	1295	2782.00	1504	3260.00	1707
2340.00	1298	2794.00	1507	3272.00	1710
2350.00	1305	2796.00	1516	3282.00	1717
2362.00	1308	2808.00	1519	3294.00	1720
2374.00	1311	2820.00	1522	3306.00	1723
2376.00	1320	2830.00	1529	3316.00	1730
2388.00	1323	2842.00	1532	3328.00	1733
2400.00	1326	2854.00	1535	3340.00	1736
2410.00	1333	2856.00	1544	3350.00	1743
2422.00	1336	2868.00	1547	3362.00	1746
2434.00	1339	2880.00	1550	3374.00	1749
2436.00	1348	2890.00	1557	3384.00	1756
2448.00	1351	2902.00	1560	3396.00	1759
2460.00	1354	2914.00	1563	3408.00	1762
2470.00	1361	2916.00	1572	3418.00	1769
2482.00	1364	2928.00	1575	3430.00	1772
2494.00	1367	2940.00	1578	3442.00	1775
2496.00	1376	2950.00	1585	3452.00	1782
2508.00	1379	2962.00	1588	3464.00	1785
2520.00	1382	2974.00	1591	3476.00	1788
2530.00	1389	2976.00	1600	3486.00	1795
2542.00	1392	2988.00	1603	3498.00	1798
2554.00	1395	3000.00	1606	3510.00	1801
2556.00	1404	3010.00	1613	3522.00	1804
2568.00	1407	3022.00	1616	3534.00	1807
2580.00	1410	3034.00	1619	3546.00	1810
2590.00	1417	3044.00	1626	3558.00	1813
2602.00	1420	3056.00	1629	3570.00	1816
2614.00	1423	3068.00	1632	3582.00	1819
2616.00	1432	3078.00	1639		
2628.00	1435	3090.00	1642		

## 6 Spectrum in 800MHz band – Auction Rules

### 6.1 Conduct of the Auction

The e-auction (online auction) will be conducted over the internet using the web browsing software, IE 9.x or Mozilla 13.x or Google Chrome 20.x, wherein only the pre-qualified bidders will be allowed to participate.

The bidders will be required to procure Class-III Digital Signature Certificate (DSC) for signing & 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). More details about the licensed Certifying Authorities (CA) are available on [www.cca.gov.in](http://www.cca.gov.in). It would be the respective bidder's responsibility to acquire such DSC(s) in the name of their authorized signatories (maximum of two authorised signatories) for participation in the e-auction. The bidders also need to ensure that they acquire the DSC(s) before the mock auction which will be conducted at a time specified by the Government.

Bidders will be provided with a detailed Electronic Auction System (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 pre-qualified bidders need to submit the details of the Public Static IP addresses. A soft copy of the Public Key of the Digital Signature Certificates of the authorized personnel needs to be sent to the Auction Administrator. Alternatively, if required, the Auction Administrator can request the pre-qualified bidders to email the public key to [eas@abcProcure.com](mailto:eas@abcProcure.com) to map the authorized participants in the EAS.*

*The bidders have to ensure that each of their Authorised Persons procure the DSC for signing and encryption separately. Hence, each user will have two DSCs – one for Digital Signing and second for encryption.*

The pre-qualified bidders will be issued a User-Id / Login-Id to access the EAS. This User-Id / Login-Id will be mapped with the Digital Signature Certificates of the two Authorised Signatories. The access to EAS to each / either of these two Authorised Signatories 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.

It is not mandatory for the bidders to procure different DSC(s) for both the auctions (i.e. First (Auction of Spectrum in 1800MHz and 900MHz band) auction and Second (Auction of Spectrum in 800MHz band) auction), unless the authorised person(s) for both the auctions

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

**6.2 Overview of the Auction Stages**

Spectrum available for award in this process will be allocated by Simultaneous Multiple Round Ascending (SMRA) e-auction.

Three (3) blocks each of 1.25MHz (paired) will be put for auction in each of the Service Areas (SAs), except Punjab and Andhra Pradesh where two (2) blocks each of 1.25MHz will be put for auction. There is no block put up for auction in the Service Area of Rajasthan. In addition, a provision is also made for Spectrum of up to 1 block of 1.25MHz, wherever available, to meet the requirements of new entrants for topping up the three blocks of spectrum put up for auction, i.e. up to a total of 4 blocks each of 1.25MHz if such an exigency arises. The details of the blocks available in each Service Area are given in Table 6-A. Rules on top-up are explained in detail in Section 6.4.8.

The details of the Spectrum put up for auction in each of the Service Areas in the 800MHz band is as given below in Table 6-A.

<b>Table 6-A</b>		<b>Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks, for e-auction of Spectrum in 800MHz Band.</b>		
<b>Sl. No.</b>	<b>Name of Telecom Circle / Metro Service Area</b>	<b>Areas Covered</b>	<b>Spectrum put to Auction</b>	<b>Number of Blocks</b>
1.	Andhra Pradesh*	Entire area falling within the State of Andhra Pradesh.	2.50MHz	2
2.	Assam	Entire area falling within the State of Assam.	3.75MHz	3
3.	Bihar	Entire area falling within the re-organized State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganization Act, 2000 (No. 30 of 2000) dated 25 <sup>th</sup> August, 2000.	3.75MHz	3
4.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.	3.75MHz	3
5.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of	3.75MHz	3

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		Daman and Diu, Silvassa (Dadra & Nagar Haveli).		
6.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	3.75MHz	3
7.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	3.75MHz	3
8.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	3.75MHz	3
9.	Karnataka	Entire area falling within the State of Karnataka.	3.75MHz	3
10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	3.75MHz	3
11.	Kolkata	Local Areas served by Calcutta Telephones.	3.75MHz	3
12.	Madhya Pradesh	Entire area falling within the re-organized State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Re-organization Act, 2000 (No. 28 of 2000) dated 25 <sup>th</sup> August, 2000.	3.75MHz	3
13.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.	3.75MHz	3
14.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	3.75MHz	3
15.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	3.75MHz	3

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16.	Orissa	Entire area falling within the State of Orissa.	3.75MHz	3
17.	Punjab*	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	2.50MHz	2
18.	Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry including local areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges.	3.75MHz	3
19.	Uttar Pradesh (East)	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh: Shahjahanpur, Farrukhabad, Kanpur and Jalaun.	3.75MHz	3
20.	Uttar Pradesh (West)	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Reorganisation Act, 2000 (No.29 of 2000) dated 25th August, 2000.	3.75MHz	3
21.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.	3.75MHz	3



- \* *In the Service Areas of Andhra Pradesh and Punjab, two (2) blocks each of 1.25 MHz i.e. total of 2.50MHz, is put up for auction.*
- \*\* *In addition to Three (3) blocks put up for auction in all Service Areas, except Andhra Pradesh and Punjab, provision is also made available for spectrum of an additional block of 1.25 MHz, wherever applicable, for topping up the 3 blocks of spectrum put up for auction.*
- \*\* *The top-up blocks are available to only those bidders categorized as “New Entrants” and to make a minimum allocation of Two (2) blocks as Provisional Winning Bidder.*
- \*\*\* *Top-up blocks are not available in the Service Areas of Andhra Pradesh, Delhi, Kolkata, Maharashtra, Mumbai and Punjab.*

Depending upon eligibility, there will be up to two categories of bidders for each Service Area:

- **Existing Licensee:** A bidder who is categorized as an “Existing Licensee” in a Service Area for a particular band will be able to submit bid for a minimum of One (1) block. The maximum number of blocks which an “Existing Licensee” can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 6.3).
- **New Entrant:** A bidder who is categorized as a “New Entrant” in a Service Area will be required to bid for a minimum of 2 blocks each of 1.25MHz. The maximum number of blocks which a “New Entrant” can submit the bid for will be any number of blocks subject to the Spectrum Holding Capping rule (explained in Section 6.3).
  - \* *A bidder could be categorized as an “Existing Licensee” in a Service Area and at the same time can be categorized as a “New Entrant” in the other Service Area. Hence, it is not mandatory for the bidders to be categorized either as a “New Entrant” or as an “Existing Licensee” for all the Service Areas. For example, it could happen that the bidder is categorized as a “New Entrant” in Delhi, and as an “Existing Licensee” in Mumbai.*
  - \*\* *In the Service Areas of Punjab and Andhra Pradesh, a New Entrant bidder can bid for 2 blocks only and no top-up blocks are available.*

**Note:** *It may please be noted that the minimum and maximum number of blocks for which a bidder can bid is subject to final confirmation on final approval.*

The award of spectrum is a two-stage process.

- a) **Clock Stage:** This stage will establish the number of block(s) to be awarded to the Bidders in each of the service areas. In this stage, in each service area, bidders will submit their bid for a number of blocks of spectrum of 1.25MHz each as per their

respective permissible limit depending on their categorization. The Clock Stage will consist of a number of rounds. These rounds will stop once:

- i) Auction Activity Requirement is 100%; and
- ii) In any Clock Round, for all Service Areas, there is no bidding activity.

This will establish a common Winning Price for all blocks within a Service Area and the Winning Bidders in each Service Area in each band. The detailed methodology followed in the Clock Stage is explained in Section 6.4.

- b) **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 Electronic Auction System. The detailed methodology followed in the Frequency Identification Stage is explained in Section 6.5.

The Government reserves the right to change this allotment at any point during the licence period, if required, for harmonising bands and promoting spectrum efficiency.

Winning Bidders will pay the sum of the relevant Winning Prices set in the Clock Stage for service areas in which they are assigned a block. All Winning Bidders in a service area will have equal Winning Prices as a consequence of the Auction Rules.

### **6.3 Spectrum Holding Capping Rule**

The bidding by the bidders for each of the Service Areas in 800MHz band will be restricted by a Cap which would depend on the Spectrum assigned in the 800MHz band and also on the Total Spectrum assigned in all the bands.

#### **6.3.1 Overall Cap**

The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands. Overall Cap for each Operator on the Maximum Spectrum for each of the Service Area is as given in Table 6-B below:

<i>Table 6-B</i>	<b>Overall Cap on Bidding for each Operator for each Service Area.</b>	
	<b>Service Area</b>	<b>Overall Cap for each Operator</b>
	Andhra Pradesh	36.85MHz
	Assam	33.56MHz
	Bihar	38.70MHz
	Delhi	39.18MHz

Gujarat	36.95MHz
Haryana	36.39MHz
Himachal Pradesh	33.44MHz
Jammu & Kashmir	33.10MHz
Karnataka	38.41MHz
Kerala	35.59MHz
Kolkata	48.14MHz
Madhya Pradesh	36.98MHz
Maharashtra	32.48MHz
Mumbai	41.36MHz
North East	55.60MHz
Orissa	33.41MHz
Punjab	35.46MHz
Tamil Nadu	17.85MHz
Uttar Pradesh (East)	38.08MHz
Uttar Pradesh (West)	38.09MHz
West Bengal	35.41MHz

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in all bands (and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed the cap which is mentioned in the Table 6-B above.

**6.3.2 Cap in 800MHz band**

The Spectrum Cap for each operator in each of the Service Areas in 800MHz band is calculated as 50% of the Total Spectrum assigned for Telecom services in 800MHz band. Spectrum Cap for each Operator in 800MHz band on the Maximum Spectrum for each of the Service Area is as given in Table 6-C below:

<b>Table 6-C</b>		<b>Cap on Bidding for each Operator for each Service Area in 800MHz band.</b>	
<b>Service Area</b>		<b>Maximum Cap for each Operator</b>	
Andhra Pradesh		7.50MHz	
Assam		6.25MHz	

Bihar	8.13MHz
Delhi	8.75MHz
Gujarat	7.50MHz
Haryana	8.13MHz
Himachal Pradesh	6.25MHz
Jammu & Kashmir	6.25MHz
Karnataka	8.13MHz
Kerala	8.75MHz
Kolkata	13.13MHz
Madhya Pradesh	7.50MHz
Maharashtra	8.13MHz
Mumbai	8.13MHz
North East	6.25MHz
Orissa	6.88MHz
Punjab	7.50MHz
Tamil Nadu	7.50MHz
Uttar Pradesh (East)	8.13MHz
Uttar Pradesh (West)	8.13MHz
West Bengal	6.88MHz

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in 800MHz band and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed the cap which is mentioned in the Table 6-C above.

## **6.4 The Clock Stage**

### **6.4.1 Overview**

In the Clock Stage, there is simultaneous bidding for blocks across all 21 Service Areas (excluding Rajasthan). Bidding proceeds in rounds (Clock Rounds). During each Clock Round, bids may be placed for some or all of the Service Areas 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 service areas. Bidders will be able to bid for the number of blocks depending upon their respective categorization as a New Entrant or an Existing Licensee. Therefore, in each Clock

Round, a Bidder's decisions will consist of "Yes" / "No" choice for each of the service areas at a price equal to the current Clock Round price for that area. If the option "Yes" is selected, then a choice of number of Blocks has to be selected. The number of Blocks for which the bidder will be permitted to submit his bid for will be a drop down option on the bidding screen depending on the categorization of the bidder for that service area.

By bidding in a Service Area for a number of blocks at a Clock Round Price, if the Price becomes the Winning Price and the Block(s) becomes the Winning Block(s), the Bidder commits to buy the block(s) (i.e. the Provisional Winning Blocks allocated as Provisional Winning Bidders) in that service area at a price not greater than the Clock Round price of the round when the bid was submitted.

A Clock Round will close at a finishing time specified by the Auction Administrator, by which time all Bidders must have placed their bids for all Service Areas. The finishing time is subject to provisions for rounds to be extended and re-scheduled, discussed in Section 6.4.9.

Bidders will be able to switch Bids across Service Areas from one round to the next subject to certain limitations (called "Activity Rules") detailed in Section 6.4.4. These rules require that Bidders must 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 service areas.

In the first Clock Round, the Clock Round Price per Block in each Service Area for each of the bands will be set equal to the Reserve Price. For subsequent rounds, the Clock Round prices in each Service Area will be set depending on Excess Demand (defined in Section 6.4.6) in the previous completed Clock Round. The excess demand will be determined by the total number of blocks for which the bids have been submitted, with respect to the total blocks put up in the auction in each service area at a Clock Round Price (which may be the same for more than one round). Top-up blocks will not be considered while calculating the excess demand.

*\*\* The Clock Round Price can be the same for more than one round depending on the Total Demand at a Round Price.*

*\*\* Excess Demand in all Service Areas (except Punjab and Andhra Pradesh) is calculated considering the base of 3 blocks only (excluding top-up blocks). For the Service Areas of Punjab and Andhra Pradesh, Excess Demand is calculated considering the base of 2 blocks.*

The following rules will determine the Clock Round Price other than the first round:

- If Excess Demand is Negative, the Clock Round price in that Service Area for 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 Service Area for 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 (as given in Table 6-E).
- \*\* The excess demand will be determined by the total number of blocks for which the bids have been submitted, with respect to the total blocks put up in the auction in each service area in each of the band at a Clock Round Price.*

If a new Clock Round is required, further bids will be invited in the new Clock Round. The final Clock Round will be the first round in which the following two conditions are met: (i) Auction Activity Requirement is 100%; and (ii) For all Service Areas in both the bands, there is no bidding activity. At the end of the final Clock Round, 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 in each Service Area at the Winning Price (as explained in **Section 6.4.7**).

#### **6.4.2 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 Service Areas, the following will be displayed on the bidding form:

- Name of the Service Area;
- Number of Blocks available in the Service Area;
- Number of Eligibility Points linked to a block in the Service Area;
- Earnest Money Deposit requirement linked to a block in the Service Area;
- The Clock Round Price in the Service Area for the current Clock Round;
- 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 that Service Area;
- After the first Clock Round, Aggregate Demand in that Service Area at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, Excess Demand in that Service Area at the Clock Round Price in the last completed Clock Round;

- After the first Clock Round, Provisional Winning Price in that Service Area 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 Service Area in a particular Clock Round. On selection of “Yes”, the bidder will have the option to select the Number of Blocks for that Service Area. The overall selection of the Service Areas and the Number of blocks in the selected Service Areas would be restricted on the following factors:

- The total value of the EMD of the number of blocks in the selected Service Areas 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 800MHz band respectively (as explained in **Section 6.3**)

If a bidder was a Provisional Winning Bidder for the maximum number of blocks permitted as per their categorization and in confirmation to capping rule for a Service Area 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 which case the bidder will not have the option to select “Yes” / “No” for this Service Area. 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 for this Service Area.

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 6.4.9**.

All the bids which the bidder submits would be subject to the Activity Rules described in **Section 6.4.4**.

Bidders are required to submit their bid for at least ONE Service Area in the first Clock Round. Any Bidder who fails to do so in the first Clock Round will forfeit its deposit in its entirety.

#### **6.4.3 Eligibility Points and Deposits**

For the purpose of applying Activity Rules, each of the blocks (1.25MHz each) in each Service Area has been assigned a specific number of Eligibility Points, based on the Reserve Price of Spectrum in that particular Service Area. The number of points associated with a block of 1.25MHz in each Service Area is listed in Table 6-D.

The eligibility to bid will also be defined by the EMD which the bidder will deposit and based on which the combination of Service Areas will be determined. Those bidders who have deposited the EMD within the deadline mentioned by the Government of India 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 EMD made by the Bidder. Specifically, the Initial Eligibility of a Bidder will equal the highest eligibility amongst those combinations of Blocks per Service Areas that could be obtained with the EMD applied for by the Bidder. The Initial Eligibility Point will be the value corresponding to the Total EMD submitted by the bidder as listed in Table 6-F.

Bidders may 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 Service Areas and the Eligibility Points at that particular Round which would decide the ability to submit the bid for the respective bidder.

The Initial Eligibility of Bidders and the identities of Bidders participating in the Auction will be made public once the Government has determined which Applicants are pre-qualified to bid in the Auction.

#### **6.4.4 Activity Rule**

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 Rs. 100 Crore for each Service Area, except for the Service Areas of Jammu & Kashmir and North East, where the net worth requirement would be Rs. 50 Crore for each Service Area. This net worth requirement is applicable in case of bidders categorized as “New Entrants” only. Hence, it can be construed that a New Entrant bidder with a net worth of Rs. 2000 Crore or above, can submit their bid for all the Service Areas.

Further to the Net Worth criteria, in any Clock Round, Bidders will be restricted by their Earnest Money Deposit (EMD) in the combinations of Blocks for the Service Areas in either/ both the bands they may bid for. The Earnest Money Deposit requirement associated with a Bid in a Clock Round is equal to:

- In the First Clock Round, the sum of the Earnest Money Deposit requirements associated with the Service Areas 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 Earnest Money Deposit requirements associated with the Number of Block(s) in those Service Areas 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 Earnest Money Deposit requirements associated with the Number of Block(s) in those Service Areas 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.

*Note: For the point (i) mentioned above, where the EMD of a Provisional Winning Bidder from the last Completed Clock Round is considered will be based on the following parameters:*

- \* If the Clock Round Price of a Service Area in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round, and if the bidder is NOT submitting the bid for the same Service Area in the Current Clock Round, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is to be taken into consideration in (i) above.*
- \* If the Clock Round Price of a Service Area in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round, and if the bidder is submitting the bid for the same Service Area in the Current Clock Round (which can be only possible for higher number of blocks), in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the EMD associated with the number of Blocks submitted in the Current Clock Round for this particular Service Area is to be taken into consideration.*
- \* If the Clock Round Price of a Service Area in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round, and if the bidder is NOT submitting the bid at the Current Clock Round Price for the same Service Area, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is to be taken into consideration in (i) above.*
- \* If the Clock Round Price of a Service Area in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round, and if the bidder is submitting the bid at the Current Clock Round Price, in which case, the EMD associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is NOT to be taken into consideration in (i)*

*above. In such cases, only the EMD associated with the number of Blocks submitted in the Current Clock Round is to be taken into consideration.*

Bidders may only bid for combinations of services areas with an associated Earnest Money Deposit requirement that does not exceed the total EMD made 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 Eligibility Points associated with service areas where the Bidder bids for a number of block(s);
- After the first Clock Round, the sum of:
  - (i) The Eligibility Points associated with the number of Block(s) in the Service Areas 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 the number of Block(s) in the Service Areas 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.

*Note: For the point (i) mentioned above, where the Eligibility Points of a Provisional Winning Bidder from the last Completed Clock Round is considered will be based on the following parameters:*

- \* *If the Clock Round Price of a Service Area in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round, and if the bidder is NOT submitting the bid for the same Service Area in the Current Clock Round, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is to be taken into consideration in (i) above.*
- \* *If the Clock Round Price of a Service Area in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round, and if the bidder is submitting the bid for the same Service Area in the Current Clock Round (which can be only possible for higher number of blocks), in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the Eligibility Points associated with the number of Blocks submitted in the Current Clock Round for this*

*particular Service Area is to be taken into consideration.*

- \* *If the Clock Round Price of a Service Area in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round, and if the bidder is NOT submitting the bid at the Current Clock Round Price for the same Service Area, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is to be taken into consideration in (i) above.*
- \* *If the Clock Round Price of a Service Area in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round, and if the bidder is submitting the bid at the Current Clock Round Price, in which case, the Eligibility Points associated with the number of Provisional Winning Blocks for this particular Service Area from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, only the Eligibility Points associated with the number of Blocks submitted in the Current Clock Round is to be taken into consideration.*

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

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

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 down 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 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 can end only when the Auction Activity Requirement is 100%.

#### **6.4.5 Ranking of Bidders and Provisional Winning Bidders**

For the purpose of determining the Provisional Winning Bidders in each Service Area, the bids of the bidders for the number of blocks in a Service Area will be considered at the end of each Clock Round. This ranking process is undertaken separately for each Service Area. 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:

- Ranking will be in descending order of the highest Clock Round Price when the bid was submitted in the earlier rounds (excluding the Current round for which the rank is being generated) in the respective Service Area;

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 for a particular Service Area. 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). At the same time, bidder  $Y$  had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). In this case, when the two bidders,  $X$  and  $Y$ , are considered for ranking for Round No. 20, bidder  $Y$  will be ranked 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 criteria, ranking will be in descending order of the count of the number of times the bid has been submitted for a Unique Clock Round Price for the particular Service Area;

Hence, 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 a particular Service Area. 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). 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, bidder Y had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). 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 according to the total value of all Blocks for which bid has been submitted by the bidder for all the Service Areas at the Current Clock Round Price;

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 Service Area. Assuming that bidder X had submitted in the current round for Service Areas of Gujarat for 2 blocks at Clock Round Price of Rs. 100, Delhi for 1 block at Clock Round Price of Rs. 200, and Karnataka for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder X will be considered as equivalent to  $((2*100)+(1*200)+(2*50) = \text{Rs. } 500)$ . Similarly, if Bidder Y had submitted in the current round for Service Areas of Haryana for 3 blocks at Clock Round Price of Rs. 40, Mumbai for 2 blocks at Clock Round Price of Rs. 180, and Karnataka for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder Y will be considered as equivalent to  $((3*40)+(2*180)+(2*50) = \text{Rs. } 580)$ . Since the total value of the blocks for which bids have been submitted in Clock Round 20 of Bidder Y is more than Bidder X, 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 three criteria, ties will be broken according to a random index assigned to the Bid in that service area 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.

- \* *Rank will be generated for each Service Area at the end of each Clock Round.*
- \* *Only those Bidders who have submitted their bids for the Service Area(s) at the Clock Round Price of the Current Clock Round will be considered for ranking for the respective Service Area(s) at the end of this particular Clock Round.*

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

During the Clock Rounds (other than the Final Round), when the result of the Rounds are declared, a bidder can be allotted any number of blocks “equal to or less than” what has been submitted at a Clock Round Price depending on the ranking. 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 Service Areas.*
- \*\* *The minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant” to be declared as a Provisional Winning bidder would be 2 blocks, irrespective of whether the bidder has submitted a bid for more than 2 blocks.*
- \*\* *The minimum number of Provisional Winning Blocks required for a bidder categorized as an “Existing Licensee” to be declared as a Provisional Winning bidder would be 1 block, irrespective of whether the bidder has submitted a bid for more than 1 block.*

An example to cite the same is given below:

<b>Table – A</b>			
<b>Service Area – Karnataka</b>		<b>Band – 800MHz</b>	
<b>Number of Blocks put to Auction – 3 + 1 (top-up)</b>			
<b>Round – R</b>		<b>Clock Round Price = Rs. 200</b>	
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of blocks bid for</b>	<b>No. of blocks allotted as Provisional Winning Bidder</b>
1.	Bidder – 1 (New Entrant)	2	2
2.	Bidder – 2 (Existing Licensee)	2	1
	Bidder – 3 (New Entrant)	3	0

Table – B			
Service Area – Karnataka		Band – 800MHz	
Number of Blocks put to Auction – 3 + 1 (top-up)			
Round – R		Clock Round Price = Rs. 200	
Rank	Bidder Name	No. of blocks bid for	No. of blocks allotted as Provisional Winning Bidder
1.	Bidder – 2 (Existing Licensee)	2	2
2.	Bidder – 3 (New Entrant)	3	2

Since, it's mandatory for the New Entrants to bid for at least 2 blocks in any Service Area, in the above example (in Table-A and Table-B), Bidder-1 and Bidder-3 are categorized as New Entrants and as per the rule they have submitted their bids for at least 2 blocks.

In Table-A, Bidder-3, who is categorized as a “New Entrant”, has submitted a bid for 3 blocks. But since as per the ranking rules, the other bidders are ranked higher and hence, Bidder-3 is not allotted any blocks as Provisional Winning Bidder. The last ranked bidder, Bidder-2, who is an Existing Licensee, has submitted bid for 2 blocks. But since there is only 1 block left to be allotted as Provisional Winning Block, Bidder-1 will be allotted 1 block as Provisional Winning Bidder.

In Table-B, Bidder-3, who is categorized as a “New Entrant”, has submitted a bid for 3 blocks. But since there is only 1 block left to be allotted as Provisional Winning Blocks, Bidder-3 will be allotted 2 blocks as Provisional Winning Bidder (due to top-up block being available which will be made available to the New Entrant bidder to allot a minimum of 2 blocks as a Provisional Winning Bidder).

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 a Service Area 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 Service Area, in which case all the blocks will be considered as Provisional Winning Blocks and the bidders who have submitted the same would be considered as Provisional Winning Bidders at this Clock Round Price for this particular Service Area.

*It is important to note that in such cases, all the Provisional Winning Bidders from an earlier round with Clock Round Price less than the Current Clock Round, R, will not remain as Provisional Winning Bidders. Hence, it can be construed that if there is a bid*

*for at least One (1) block at a higher Clock Round Price, in which case, all the Provisional Winning Bidder(s) from lower Clock Round Price will not be considered as Provisional Winning Bidder(s), unless the bidder has submitted a revised bid at this higher Clock Round Price. Hence, only the blocks for which bids have been submitted at a Clock Round Price will be considered for declaring as Provisional Winning Blocks and the bidders who have submitted the same would be applicable for consideration as Provisional Winning Bidder(s) at the particular Clock Round Price.*

- b) If the number of blocks for which bids have been received in a Service Area at a Clock Round Price is EQUAL to the number of blocks put up for auction in this Service Area (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 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 Service Area.
- c) If the number of blocks for which bids have been received in a Service Area at a Clock Round Price is MORE than the number of blocks put up for auction in this Service Area (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 Service Area.

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

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

- d) If the number of blocks for which bids have been received in a Service Area at a Clock Round Price is equal to Zero (i.e. there is no bidding activity at this Clock Round Price), in which case, all the Provisional Winning Bidders for this particular Service Area from the immediate earlier round at a lower Clock Round Price will be considered.

It is clarified that the Provisional Winning Bidders from a Clock Round with a Clock Round Price lower than the current Clock Round Price will be considered only if the aggregate demand at the current Clock Round Price is Zero.

It is important to note that any bidder to be considered as a Provisional Winning Bidder will be subject to being allotted the minimum number of blocks required for declaring the respective bidder as a Provisional Winning Bidder.

Hence, the Provisional Winning Bidders are identified and ranked based on the determination of Provisional Winning Blocks only.

The Provisional Winning Price for a Service Area 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 strictly 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.*

#### **6.4.6 Prices and Price Increments**

In the first Clock Round, the Clock Round price per Block in each Service will be the Reserve Price as determined by the Government. The Reserve Price associated with each Service Area is shown in Table 6-D.

At the end of a Clock Round, Excess Demand in a service area is defined to be:

- The total number of Blocks for which Bids received in a particular Service Area at a price equal to the Clock Round price set in the last completed Clock Round; **minus**
- The number of Blocks available in that Service Area, which is 3 blocks (except for Punjab and Andhra Pradesh where the number of blocks put up for auction are 2).

Hence, Excess Demand is calculated based on the number of Blocks for which bids have been made for a particular Service Area at the Clock Round price of the last completed round, regardless of whether the same was made in the last round or even prior to the last round. 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 a Service Area, the Clock Round price for blocks in this Service Area 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 a Service Area, the Clock Round price for blocks in this Service Area 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 as given in Table 6-E.

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

Example – 1:

<b>Band – 800MHz</b>		<b>Service Area – Delhi</b>	
<b>Total Number of Blocks put up for Auction – 3</b>			
<b>Round No. 10</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks</b>	<b>Number of blocks allocated</b>

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		<b>for which Bids have been submitted</b>	<b>as a Provisional Winning Bidder</b>
1	Existing Bidder-1	2	2
2	Existing Bidder-2	2	1
	New Bidder-1	3	0
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		7	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 7.
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (7-3 = 4)			
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:

<b>Band – 800MHz</b>		<b>Service Area – Delhi</b>	
<b>Total Number of Blocks put up for Auction – 12</b>			
<b>Round No. 10</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks for which Bids have been submitted</b>	<b>Number of blocks allocated as a Provisional Winning Bidder</b>
1	Existing Bidder-1	1	1
2	Existing Bidder-2	1	1
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		2	→Will be considered as Negative as Total Demand at Clock Round Price of Rs. 100 is 2.
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (2-3 = -1)			
Clock Round Price for Round No. 11 will be same at Rs. 100 due to Negative Demand.			
<b>Round No. 11</b>		<b>Clock Round Price = Rs. 100</b>	
<b>Rank</b>	<b>Name of Bidder</b>	<b>Number of Blocks for which Bids have been submitted</b>	<b>Number of blocks allocated as a Provisional Winning Bidder</b>
3	Existing Bidder-3	2	1
Demand in Clock Round No. 11 at Clock Round Price of Rs. 100		5	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 5 since the demand is
Excess Demand at Clock Round Price of <b>Rs. 100</b> is (5-3 = 2)			

	calculated for a Clock Round Price which might be same over multiple rounds.
Clock Round Price for Round No. 12 will be increased from Rs. 100 to a new value which will be (Rs. 100 + a strictly positive price increment).	

Price Increments may vary from Service Area to Service Area and will be related to the excess demand in the respective Service Areas. They will be set to no more than 10% of the Clock Round price for that service area in the particular band in the last completed Clock Round. The Auction Administrator will follow the rule set out in the Table 6-E.

The number of blocks for which the bidders can submit their bid for a Service Area (s) in each bands would depend on the activity rule and the permissible limits (minimum and maximum) depending on their categorization in the particular Service Area.

#### **6.4.7 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 Service Areas, there is there are no bids submitted by any of the bidders i.e. bidding activity is NIL.

The Provisional Winning Price in any particular Service Area at the end of the final Clock Round will become the Winning Price for the respective Service Area, and Provisional Winning Bidders will become Winning Bidders. Winning Bidders will be required to pay the Winning Price for the Service Area(s) they have won. 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 Service Area.

#### **6.4.8 Top-up Rules**

There is a provision for top-up up to 1 block of 1.25MHz so as to make a minimum allocation of Two (2) Blocks for a New Entrant. The top-up rules will be applied in each Clock Round and subject to a top-up of One Block for each Service Area (wherever available). In other words, if a New Entrant bidder is deemed to be a Provisional Winning Bidder for 1 Block, then the Blocks allocated at the end of this particular Clock Round would be topped up with one additional Block, wherever available. This will ensure that if a New Entrant happens to be a Provisional Winning Bidder, he will be allotted a minimum of 2 Blocks for that particular Service Area. The top-up facility will be activated only for New Entrants and for those Service Areas where the Bidder (New entrant) is a Provisional Winning Bidder.

The top-up block available in the Service Areas will not be used to calculate the excess demand for that particular Service Area. Top-up block is used only for the allocation purpose and only to a New Entrant so as to make a minimum allocation of Two (2) blocks.

The number of blocks available for topping in each Service Area are given in Table 2-C.

Some examples of the application of top-up are given below:

<b><u>No Top-up Used</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	1	1
2	New Bidder – 1	2	2
3	Existing Bidder – 2	1	0
4	New Bidder – 2	2	0

<b><u>1 block used for Top-up</u></b>			
<b>Rank</b>	<b>Bidder Name</b>	<b>No. of Blocks for which bid Submitted</b>	<b>No. of Blocks allotted as a Provisional winning Bidder</b>
1	Existing Bidder – 1	1	1
2	Existing Bidder – 2	1	1
3	New Bidder – 1	2	1 + 1

#### **6.4.9 Length of Clock Rounds and Extension Periods**

Clock Rounds will typically only be scheduled to begin between the hours of 09.30 and 19.00 hours (Indian Standard Time) on Monday through 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.

Prior to the start of any Clock Round, the Auction Administrator will notify Bidders of the starting and finishing times 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.

A Clock Round will be for a minimum duration of 1 hour (60 minutes). The auction will go to the extension mode as per the bids which are submitted by the bidder.

During the Clock Round, the Bidders can enter the following parameters in the EAS:

- Selection of Service Areas – “Yes” / “No”, depending on whether 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 Service Areas and the Number of Blocks for the selected Service Areas, 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.
- 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 and displayed to the bidders 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 Service Areas, 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 and 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 respective bidder’s responsibility 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 Service Areas. If there is bidding activity in any service area and a further Clock Round is required,

this Clock Round will be scheduled and the start and finish times announced to Bidders through the EAS subject to at least 15 minutes notice of the start of the next Clock Round.

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 4 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 most 60 minutes in this way.

The bidders are requested to note that it is mandatory for the respective bidders to check and submit their decision, even if the respective 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.

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 Service Areas. 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 in 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. In case of any particular 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 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.

## **6.5 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 Electronic Auction System as follows:

- (i) A New Entrant Winning Bidder will be allotted spectrum blocks as follows:
  - a) In Service Areas, except Punjab and Andhra Pradesh, where a New Entrant Winning Bidder has won 3 blocks i.e. 3.75MHz, then all 3 blocks will be assigned to the New Entrant Winning Bidder.
  - b) In Service Areas, except Punjab, where a New Entrant Winning Bidder has won 2 blocks i.e. 2.5MHz, and there is no other New Entrant Winning Bidder, then 2 contiguous blocks will be assigned to the New Entrant Winning Bidder.
  - c) In Service Areas where a New Entrant Winning Bidder has won 2 blocks i.e. 2.5MHz, and there is another New Entrant Winning Bidder (which will be possible only in those Service Areas where top-up blocks are available), then random identification of frequencies will be done for assigning 2 blocks each to both the New Entrant Winning Bidders.

- d) For the Service Area of Punjab, as there are only 2 blocks which are put for auction which are non-contiguous, random identification of frequencies will be done for the Winning Bidder(s).
- (ii) Random identification of frequencies will be done for the Winning Bidders who are Existing Licensees.

Frequency reconfiguration i.e. rearrangement of spot frequencies in the same band, from within the assignments made to the licensees, may be carried out, with the authorization of WPC Wing, among the licensees, **only** when the entire spectrum held by them is liberalized. No charges will be levied for rearrangement of frequency spots.

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

## **6.6 Information Policy**

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

- A list of pre-qualified Bidders;
- The information provided in these Bidders' applications about 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.

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 Service Area in the last completed Clock Round;
- The total number of blocks for which bids have been received in each Service Area in the last completed Clock Round;
- The Aggregate Demand in each Service Area at the Clock Round prices in the last completed Clock Round (i.e. for each Service Area, the total number of blocks for which bids have been received in the Service Area at a value equal to the Clock Round price in the last completed Clock Round); and
- The Excess Demand in each Service Area at the Clock Round prices in the last completed Clock Round (i.e. for each Service Area, Aggregate demand less the number of blocks available in the Service Area).

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 Service Area at the end of the last completed Clock Round;
- The Provisional Winning Blocks (if any) held by the respective Bidder in each Service Area(s) 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 Bidder at the end of last completed Clock Round where the Bidder has submitted a bid;
- 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:

- The price increment to be applied in each service area; and
- The Clock Round price per Block in each Service Area 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 service area 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.

## **6.7 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 during the Auction;
- 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;

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- Obstructs or attempts to obstruct the running of the Auction;
- Provides inaccurate 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.

<b>Table 6-D</b>		<b>Service Areas, Reserve Price, Deposits required and Eligibility Points for e-auction of Spectrum in 800MHz Band.</b>			
<b>Sl. No.</b>	<b>Service Area</b>	<b>Areas Covered</b>	<b>Reserve Price per Block per Service Area (Rs. Crore)</b>	<b>Required Deposit per Block per Service Area (Rs. Crore)</b>	<b>Eligibility Points per Block</b>
1.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh.	186.49	28.00	70
2.	Assam	Entire area falling within the State of Assam.	5.63	1.75	3
3.	Bihar	Entire area falling within the re-organized State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganization Act, 2000 (No. 30 of 2000) dated 25 <sup>th</sup> August, 2000.	27.63	5.50	11
4.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.	450.49	60.00	180
5.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	146.15	28.00	70

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6.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	30.24	5.50	11
7.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	5.06	1.75	3
8.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	4.11	1.75	3
9.	Karnataka	Entire area falling within the State of Karnataka.	214.58	28.00	70
10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	42.45	9.00	20
11.	Kolkata	Local Areas served by Calcutta Telephones.	73.92	9.00	20
12.	Madhya Pradesh	Entire area falling within the re-organized State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Re-organization Act, 2000 (No. 28 of 2000) dated 25 <sup>th</sup> August, 2000.	35.09	9.00	20
13.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.	170.83	28.00	70
14.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	441.00	60.00	180

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15.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	5.75	1.75	3
16.	Orissa	Entire area falling within the State of Orissa.	13.18	5.50	11
17.	Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	43.73	9.00	20
18.	Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry including local areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges.	198.96	28.00	70
19.	Uttar Pradesh (East)	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh: Shahjahanpur, Farrukhabad, Kanpur and Jalaun.	49.51	9.00	20
20.	Uttar Pradesh (West)	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh	69.82	9.00	20

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		Reorganisation Act, 2000 (No.29 of 2000) dated 25th August, 2000.			
21.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.	16.79	5.50	11

**Note:**

- Yenum, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.
- 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 Licences in Metro Cities.
- The definition of local areas with regard to the above service area as applicable to this licence is as per definition applicable to Cellular Mobile Service Licences as in the year 1994 & 1995, when those Licences 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 Rule2(w) Indian Telephones Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.

**Table 6-E – Proportionate Price Increment rule for e-auction of Spectrum in 800MHz Band**

Excess Demand	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
0	1%
1	1%
2	2%
3	3%
4	4%
5	5%
6	6%
7	7%
8	8%
9	9%
10 or more	10%

**\*\* The Price Increment calculated for a Service Area will always be capped by the following maximum absolute price increments for each Service Area.**

Sl. No.	Service Area	Maximum Price Increment per Round (In Rs. Crore)
1.	Andhra Pradesh	28.00
2.	Assam	1.75
3.	Bihar	5.50
4.	Delhi	60.00
5.	Gujarat	28.00
6.	Haryana	5.50
7.	Himachal Pradesh	1.75
8.	Jammu & Kashmir	1.75
9.	Karnataka	28.00

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10.	Kerala	9.00
11.	Kolkata	9.00
12.	Madhya Pradesh	9.00
13.	Maharashtra	28.00
14.	Mumbai	60.00
15.	North East	1.75
16.	Orissa	5.50
17.	Punjab	9.00
18.	Tamil Nadu	28.00
19.	Uttar Pradesh (East)	9.00
20.	Uttar Pradesh (West)	9.00
21.	West Bengal	5.50

***\*\* 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.***

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<b>Table 6-F</b>		<b>Earnest money deposits and associated eligibility points for 800MHz band Auction</b>							
<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>	<b>Deposit (Rs. Crore)</b>	<b>Resulting Initial Eligibility</b>
0.00	0	65.50	191	132.50	386	198.00	580	263.50	771
1.75	3	67.25	194	134.25	389	199.75	583	265.25	774
3.50	6	69.00	200	134.50	391	201.50	586	267.00	780
5.25	9	70.75	203	136.25	394	203.25	589	268.00	790
5.50	11	72.50	206	138.00	400	203.50	591	269.75	793
7.25	14	74.25	209	139.75	403	205.25	594	271.50	796
9.00	20	74.50	211	141.50	406	207.00	600	273.25	799
10.75	23	76.25	214	143.25	409	208.00	610	273.50	801
12.50	26	78.00	220	143.50	411	209.75	613	275.25	804
14.25	29	79.75	223	145.25	414	211.50	616	277.00	810
14.50	31	81.50	226	147.00	420	213.25	619	278.75	813
16.25	34	83.25	229	148.00	430	213.50	621	280.50	816
18.00	40	83.50	231	149.75	433	215.25	624	282.25	819
19.75	43	85.25	234	151.50	436	217.00	630	282.50	821
21.50	46	87.00	240	153.25	439	218.75	633	284.25	824
23.25	49	88.00	250	153.50	441	220.50	636	286.00	830
23.50	51	89.75	253	155.25	444	222.25	639	287.75	833
25.25	54	91.50	256	157.00	450	222.50	641	289.50	836
27.00	60	93.25	259	158.75	453	224.25	644	291.25	839
28.00	70	93.50	261	160.50	456	226.00	650	291.50	841
29.75	73	95.25	264	162.25	459	227.75	653	293.25	844
31.50	76	97.00	270	162.50	461	229.50	656	295.00	850
33.25	79	98.75	273	164.25	464	231.25	659	296.00	860
33.50	81	100.50	276	166.00	470	231.50	661	297.75	863
35.25	84	102.25	279	167.75	473	233.25	664	299.50	866
37.00	90	102.50	281	169.50	476	235.00	670	300.00	900
38.75	93	104.25	284	171.25	479	236.00	680	301.75	903
40.50	96	106.00	290	171.50	481	237.75	683	303.50	906
42.25	99	107.75	293	173.25	484	239.50	686	305.25	909
42.50	101	109.50	296	175.00	490	240.00	720	305.50	911
44.25	104	111.25	299	176.00	500	241.75	723	307.25	914
46.00	110	111.50	301	177.75	503	243.50	726	309.00	920
47.75	113	113.25	304	179.50	506	245.25	729	310.75	923
49.50	116	115.00	310	180.00	540	245.50	731	312.50	926
51.25	119	116.00	320	181.75	543	247.25	734	314.25	929
51.50	121	117.75	323	183.50	546	249.00	740	314.50	931
53.25	124	119.50	326	185.25	549	250.75	743	316.25	934
55.00	130	120.00	360	185.50	551	252.50	746	318.00	940
56.00	140	121.75	363	187.25	554	254.25	749	319.75	943
57.75	143	123.50	366	189.00	560	254.50	751	321.50	946
59.50	146	125.25	369	190.75	563	256.25	754	323.25	949
60.00	180	125.50	371	192.50	566	258.00	760	323.50	951
61.75	183	127.25	374	194.25	569	259.75	763	325.25	954
63.50	186	129.00	380	194.50	571	261.50	766	327.00	960
65.25	189	130.75	383	196.25	574	263.25	769	328.00	970



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Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility
329.75	973	395.25	1164	462.00	1330	528.00	1500	594.75	1663
331.50	976	397.00	1170	463.75	1333	529.75	1503	596.50	1666
333.25	979	398.75	1173	465.50	1336	531.50	1506	598.25	1669
333.50	981	400.50	1176	467.25	1339	533.25	1509	598.50	1671
335.25	984	402.25	1179	467.50	1341	533.50	1511	600.25	1674
337.00	990	402.50	1181	469.25	1344	535.25	1514	602.00	1680
338.75	993	404.25	1184	471.00	1350	537.00	1520	603.75	1683
340.50	996	406.00	1190	472.00	1360	538.75	1523	605.50	1686
342.25	999	407.75	1193	473.75	1363	540.50	1526	607.25	1689
342.50	1001	409.50	1196	475.50	1366	542.25	1529	607.50	1691
344.25	1004	411.25	1199	477.25	1369	542.50	1531	609.25	1694
346.00	1010	411.50	1201	477.50	1371	544.25	1534	611.00	1700
347.75	1013	413.25	1204	479.25	1374	546.00	1540	612.00	1710
349.50	1016	415.00	1210	481.00	1380	547.75	1543	613.75	1713
351.25	1019	416.00	1220	482.75	1383	549.50	1546	615.50	1716
351.50	1021	417.75	1223	484.50	1386	551.25	1549	617.25	1719
353.25	1024	419.50	1226	486.25	1389	551.50	1551	617.50	1721
355.00	1030	421.25	1229	486.50	1391	553.25	1554	619.25	1724
356.00	1040	421.50	1231	488.25	1394	555.00	1560	621.00	1730
357.75	1043	423.25	1234	490.00	1400	556.00	1570	622.75	1733
359.50	1046	425.00	1240	491.75	1403	557.75	1573	624.50	1736
360.00	1080	426.75	1243	493.50	1406	559.50	1576	626.25	1739
361.75	1083	428.50	1246	495.25	1409	561.25	1579	626.50	1741
363.50	1086	430.25	1249	495.50	1411	561.50	1581	628.25	1744
365.25	1089	430.50	1251	497.25	1414	563.25	1584	630.00	1750
365.50	1091	432.25	1254	499.00	1420	565.00	1590	631.75	1753
367.25	1094	434.00	1260	500.00	1430	566.75	1593	633.50	1756
369.00	1100	435.75	1263	501.75	1433	568.50	1596	635.25	1759
370.75	1103	437.50	1266	503.50	1436	570.25	1599	635.50	1761
372.50	1106	439.25	1269	505.25	1439	570.50	1601	637.25	1764
374.25	1109	439.50	1271	505.50	1441	572.25	1604	639.00	1770
374.50	1111	441.25	1274	507.25	1444	574.00	1610	640.00	1780
376.25	1114	443.00	1280	509.00	1450	575.75	1613	641.75	1783
378.00	1120	444.00	1290	510.75	1453	577.50	1616	643.50	1786
379.75	1123	445.75	1293	512.50	1456	579.25	1619	645.25	1789
381.50	1126	447.50	1296	514.25	1459	579.50	1621	645.50	1791
383.25	1129	449.25	1299	514.50	1461	581.25	1624	647.25	1794
383.50	1131	449.50	1301	516.25	1464	583.00	1630	649.00	1800
385.25	1134	451.25	1304	518.00	1470	584.00	1640	650.75	1803
387.00	1140	453.00	1310	519.75	1473	585.75	1643	652.50	1806
388.00	1150	454.75	1313	521.50	1476	587.50	1646	654.25	1809
389.75	1153	456.50	1316	523.25	1479	589.25	1649	654.50	1811
391.50	1156	458.25	1319	523.50	1481	589.50	1651	656.25	1814
393.25	1159	458.50	1321	525.25	1484	591.25	1654	658.00	1820
393.50	1161	460.25	1324	527.00	1490	593.00	1660	659.75	1823

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Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility	Deposit (Rs. Crore)	Resulting Initial Eligibility
661.50	1826	727.50	1996	793.50	2151	861.75	2303	927.00	2444
663.25	1829	729.25	1999	795.25	2154	863.50	2306	928.75	2447
663.50	1831	729.50	2001	797.00	2160	865.25	2309	930.50	2450
665.25	1834	731.25	2004	798.75	2163	865.50	2311	932.25	2453
667.00	1840	733.00	2010	800.50	2166	867.25	2314	932.50	2455
668.00	1850	734.75	2013	802.25	2169	869.00	2320	934.25	2458
669.75	1853	736.50	2016	802.50	2171	870.75	2323	936.00	2461
671.50	1856	738.25	2019	804.25	2174	872.50	2326	937.75	2464
673.25	1859	738.50	2021	806.00	2180	874.25	2329	938.00	2466
673.50	1861	740.25	2024	807.75	2183	874.50	2331	939.75	2469
675.25	1864	742.00	2030	809.50	2186	876.25	2334	941.50	2472
677.00	1870	743.75	2033	811.25	2189	878.00	2340	943.25	2475
678.75	1873	745.50	2036	811.50	2191	879.75	2343	943.50	2477
680.50	1876	747.25	2039	813.25	2194	881.50	2346	945.25	2480
682.25	1879	747.50	2041	815.00	2200	883.25	2349	947.00	2483
682.50	1881	749.25	2044	816.75	2203	883.50	2351	948.75	2486
684.25	1884	751.00	2050	818.50	2206	885.25	2354	949.00	2488
686.00	1890	752.00	2060	820.25	2209	887.00	2360	950.75	2491
687.75	1893	753.75	2063	820.50	2211	888.75	2363	952.50	2494
689.50	1896	755.50	2066	822.25	2214	890.50	2366	954.25	2497
691.25	1899	757.25	2069	824.00	2220	892.25	2369	954.50	2499
691.50	1901	757.50	2071	825.75	2223	892.50	2371	956.25	2502
693.25	1904	759.25	2074	827.50	2226	894.25	2374	958.00	2505
695.00	1910	761.00	2080	829.25	2229	896.00	2380	959.75	2508
696.00	1920	762.75	2083	829.50	2231	897.75	2383	960.00	2510
697.75	1923	764.50	2086	831.25	2234	899.50	2386	961.75	2513
699.50	1926	766.25	2089	833.00	2240	901.25	2389	963.50	2516
701.25	1929	766.50	2091	834.75	2243	901.50	2391	965.25	2519
701.50	1931	768.25	2094	836.50	2246	903.25	2394	965.50	2521
703.25	1934	770.00	2100	838.25	2249	905.00	2400	967.25	2524
705.00	1940	771.75	2103	838.50	2251	906.75	2403	969.00	2527
706.75	1943	773.50	2106	840.25	2254	908.50	2406	970.75	2530
708.50	1946	775.25	2109	842.00	2260	910.25	2409	971.00	2532
710.25	1949	775.50	2111	843.75	2263	910.50	2411	972.75	2535
710.50	1951	777.25	2114	845.50	2266	912.25	2414	974.50	2538
712.25	1954	779.00	2120	847.25	2269	914.00	2417	976.25	2541
714.00	1960	780.75	2123	847.50	2271	915.75	2420	978.00	2544
715.75	1963	782.50	2126	849.25	2274	916.00	2422	979.75	2547
717.50	1966	784.25	2129	851.00	2280	917.75	2425	981.50	2550
719.25	1969	784.50	2131	852.75	2283	919.50	2428	983.25	2553
719.50	1971	786.25	2134	854.50	2286	921.25	2431	985.00	2556
721.25	1974	788.00	2140	856.25	2289	921.50	2433	986.75	2559
723.00	1980	789.75	2143	856.50	2291	923.25	2436	988.50	2562
724.00	1990	791.50	2146	858.25	2294	925.00	2439	990.25	2565
725.75	1993	793.25	2149	860.00	2300	926.75	2442	992.00	2568

## 7 Application Instructions

Applications must be submitted in hard copy, to be received between 10:00am (Indian Standard Time) on 18<sup>th</sup> February, 2013 and 5:00pm (Indian Standard Time) on 22<sup>nd</sup> February, 2013, during office hours, at the following address:

Joint Wireless Adviser  
Department of Telecommunications  
Room no 604,  
Sanchar Bhawan,  
20 Ashoka Road,  
New Delhi – 110 001.

Applications received after the prescribed timeline shall be summarily 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 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 be submitted. However, this power will only be used in exceptional circumstances. The alternative location will be publicised on the Auction website.

Applications should be marked:

### **“Application for Pre-Qualification – 1800MHz and 900MHz Auction / 800MHz Auction”**

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 Commercial Bank payable at Delhi;
- Earnest Money Deposit (Bank Guarantee);
- Nomination of the Authorised Person(s) for future correspondence with the Bidder, along with a Power of Attorney empowering her/ him to take all decisions connected with the relevant Auctions on the Bidder’s behalf.

## **Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications**

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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 any of the Auctions 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 allotment 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 seven calendar days before the scheduled start of the Auctions.

## 8 Contact and Further Information

### 8.1 Contacts for further enquiries

Enquiries, if any, may be directed to the following e-mail address: “spectrumbauction-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.

### 8.2 Further information

Section 9.1 to 9.6 in the Annexures form a part of this document and contain the following:

Sections	Descriptions
9.1	Detailed definition of service areas
9.2	Individual responsibilities of each of the Advisers
9.3	Application checklist and formats
9.4	System requirements for accessing the EAS
9.5	Backup Procedures
9.6	Definitions and glossary of terms

### 8.3 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 them. The amendments, if any, will be notified on the DoT website.

## 9 Annexures

### 9.1 Detailed definition of Service Areas

<b>Delineation of Service Areas for license purpose</b>		
<b>Sl. No.</b>	<b>Service Area</b>	<b>Areas covered</b>
1.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.
2	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh.
3	Assam	Entire area falling within the State of Assam.
4	Bihar	Entire area falling within the re-organized State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganization Act, 2000 (No.3 of 2000) dated 25th August, 2000.
5	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Havelli).
6	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon telephone exchanges.
7	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.
8	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.
9.	Karnataka	Entire area falling within the State of Karnataka.
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 re-organized State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Re-organization Act, 2000 (No. 28 of 2000) dated 25 <sup>th</sup>

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		August, 2000.
12.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.
13.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Orissa	Entire area falling within the State of Orissa.
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.	Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry including local areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges.
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, Etah, Mainpuri and Etawah. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Reorganisation Act, 2000 (No.29 of 2000) dated 25 <sup>th</sup> August, 2000.
19.	Uttar Pradesh (East)	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh: Shahjahanpur, Farrukhabad, Kanpur and Jalaun.
20.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.
21.	Kolkata	Local Areas served by Calcutta Telephones.
22.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.

**Note:**

- *Yenum, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.*
- *The above service areas refer to Telecom Service Area Units and not the State geographical areas.*

## **9.2 Individual responsibilities of the Advisers**

The Auctioneer consists of M/s. Times Internet Limited and M/s. e-Procurement Technologies Limited. For the purposes of preparing this award, M/s. e-Procurement Technologies Limited is responsible.

For the purpose of executing the Auction, all confidential information contained within the Electronic Auction System will be accessible only to staff at M/s. e-Procurement Technologies Limited for the purposes of ensuring the smooth running of the Auction and providing technical support to Bidders.



### 9.3 Application Checklist

Sl. No	Particulars	Please Tick	Page number of Application Document
1.	Completed Application Form	<input type="checkbox"/>	
2.	Completed annexure to the application form	<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 certified by a Company Secretary registered in India)	<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"/>	
9.	Bank Guarantee from a Scheduled Bank (for the Earnest Money Deposit)	<input type="checkbox"/>	
10.	Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory <i>(Copy to be certified by Company Secretary and duly stamped and notarized)</i>	<input type="checkbox"/>	
11.	Non-refundable application fee of Rs. 100,000/- for each auction payable to Pay and Accounts Officer (HQ), DoT, New Delhi.	<input type="checkbox"/>	



**9.3.1 Application Format for the First (1800MHz and 900MHz band) Auction / Second (800MHz band) Auction**

*(Separate applications to be made for First Auction (1800Mhz and 900MHz band) and Second (800MHz band) Auction on the letterhead of the Applicant Company)*

APPLICATION FOR PARTICIPATING IN  
FIRST (1800MHz and 900MHz band) AUCTION / SECOND (800MHz band) 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

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.
5. Name of Authorised Person, designation, address and Telephone/ Fax numbers/ email address and her/ his specimen signature counter-signed by the authorized signatory.

*(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 service areas and to commit payment of the necessary amount if the Bidder is granted spectrum in any service area.)*

*(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) Details of Promoters/ Partners/ Shareholders in the Company:

*(Note: the Promoters are required to be separately indicated.)*

<b>S. No</b>	<b>Name of Promoter/ Partner/ Shareholder</b>	<b>Indian/ Foreign</b>	<b>Equity Percentage</b>	<b>Net Worth</b>	<b>Paid-up capital</b>

*(Note: 1. 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. 2. Details to be provided as on the date of application. 3. Certificate from Company Secretary in respect of above details.)*

- b) Equity Details
- Indian \_\_\_\_\_
- Foreign \_\_\_\_\_
- Total** \_\_\_\_\_

7. List of UAS/ CMTS/ UL(AS) licence(s) held by the Applicant and its Associated Licensees, if any. Please mention operative licences (i.e. licences which are currently in force) only.

<b>Type of the Licence (UAS/ CMTS/ UL(AS))</b>	<b>Service area</b>	<b>Name of the Company</b>

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

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(a) (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:

<b>Type of the Licence (Basic Cellular/ UASL/ Paging/ NLD/ ILD/ ISP etc) and service area</b>	<b>Name of the Company</b>	<b>Status whether operative/ surrendered/ Terminated</b>

*(Type of the Licence means Basic/ Cellular/ UASL/ 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)*

Holders of quashed licenses, who set off the entry fee paid to DoT against the EMD requirement for participating in the auction, may provide details in the following format:

(1)	(2)	(3)	(4)	(5)
Amount of Entry Fee Paid	Amount of Entry Fee to be set-off against EMD for First (1800MHz and 900MHz band) / Second (800MHz band) Auction	Amount of Earnest Money Bank Guarantee submitted (if any)	Total Amount of EMD (2) + (3)	Corresponding Eligibility Points applied for (corresponding to (4))

*(Note: Break-up of the amount in column (1) may also be provided separately, service area-wise)*

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.)*

*(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).

(a) 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 that has been considered in the calculation to be provided)

*(Note: In case of existing licensees, the Applicant’s own net worth is sufficient to meet the specified net worth criteria in the UAS guidelines, then it need not submit particulars required in 14(a).)*

**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 (Access Services) (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 allotment 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.
- 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:

Signature and name of the Authorised  
Signatory

Place:

(Company's Seal)

**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 letterhead 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. However net worth provided as on the date of last audited financial statement but not older than one year from the date of application will be accepted. The Company Secretary should certify that the company continues to meet the net worth requirement for participating in the auction as on date of application.



**9.3.1.1 Annexure to the Application (Service Area-wise information where the Applicant is an Existing Licensee / New Entrant)**

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

*(Separate annexes to be made for First (1800MHz and 900MHz band) Auction and Second (800MHz band) Auction on the letterhead of the Applicant Company)*

<b>Sr. No.</b>	<b>Service Area</b>	<b>Existing Licensee</b>	<b>New Entrant</b>	<b>Details of Telecom Service Licenses held by the Applicant in the Service Area* UAS/ CMTS/ / UL(AS)/ ISP</b>
1	Delhi	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2	Mumbai	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3	Kolkata	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4	Maharashtra	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5	Gujarat	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6	Andhra Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications**

7	Karnataka	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
8	Tamil Nadu	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
9	Kerala	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10	Punjab	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
11	Haryana	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
12	Uttar Pradesh (West)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
13	Uttar Pradesh (East)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
14	Rajasthan	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
15	Madhya Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications**

16	West Bengal	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
17	Himachal Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
18	Bihar	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
19	Orissa	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
20	Assam	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
21	North East	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
22	Jammu & Kashmir	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

\* *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.*

### 9.3.2 Format for Earnest Money Deposit

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

To

The President of India,

New Delhi.

1. Whereas **<Full name of the Applicant>** (hereinafter called “**the Proposer**”) desires to submit the proposal for participating in the Auction for spectrum in the <1800MHz and 900MHz band / 800MHz band> in compliance to DoT NIA No. 1010/4/2012-WF (Auction).

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.

2. 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 disrupts the Auction process;
  - (iv) The Proposer does not bid for even 1 service area 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.

3. This guarantee will remain in force up to 30th April, 2013, 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.
4. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to **<Amount in figures>** and our Guarantee shall remain in force

until 31<sup>st</sup> March, 2014 from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. 31<sup>st</sup> March, 2014, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.

Dated \_\_ day <month>, 2013

<Name of Bank>

Signature

Witness:

1. \_\_\_\_\_
2. \_\_\_\_\_

**9.3.3 Format for an Undertaking for existing licensees in respect of each Service Area where neither the Applicant nor any of its Associated Licensees has an existing UAS/ CMTS/ UL(AS) licence**

(Separate undertakings on the letterhead of the concerned Company required for First (1800MHz and 900MHz band) Auction and Second (800MHz band) Auction in respect of each service area where neither the Applicant nor any of its Associated Licensees has an existing UAS/ CMTS/ UL(AS) licence)

**UNDERTAKING TO OBTAIN UNIFIED LICENSE (ACCESS SERVICES)**

We, \_\_\_\_\_ and \_\_\_\_\_, the undersigned, as Directors and Authorised Representatives 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 1800MHz and 900MHz band / 800MHz band in compliance to DoT NIA No. 1010/4/2012-WF (Auction);
- (b) That neither the Applicant, nor any entity sharing more than 10% common ownership with the Applicant, is a UAS / CMTS/ UL(AS) licensee in <Name of the telecom service area> (as defined in the UAS guidelines) (“Specified Service Area”);
- (c) That in case the Applicant is declared a Successful Bidder in the Specified Service Area, it shall apply for a Unified Licence (Access Services) in the Specified Service Area either directly or through one of its Associated Licensees or through a wholly-owned subsidiary of the Applicant (“Nominated Unified License Applicant”);
- (d) That the Nominated Applicant will satisfy all the conditions required to obtain a Unified Licence (Access Services) as per the license guidelines;
- (e) That in case the Unified Licence (Access Services) application of the Nominated License Applicant is rejected, the Government shall have the right to revoke the spectrum;
- (f) That in case an application for a Unified Licence (Access Services) by the Nominated 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) That in case the Applicant and the Nominated License Applicant are different entities, the Applicant and the Nominated License Applicant shall be jointly and severally 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 before the Nominated License Applicant submits the Unified Licence (Access Services) application along with a certified copy of the Adherence Undertaking.

Date: \_\_\_\_\_ Signature and Name of the Authorised Signatory

Place \_\_\_\_\_ Company’s Seal

**9.3.4 Format for an Undertaking to obtain a Unified Licence (Access Services) for “New Entrants” in respect of each service area where neither the Applicant nor any of its Associated Licensees has a valid UAS/ CMTS/ UL(AS) licence**

(Separate undertakings on the letterhead of the concerned Company required for First (1800MHz and 900MHz band) Auction and Second (800MHz band) Auction)

**UNDERTAKING TO OBTAIN UNIFIED LICENCE (ACCESS SERVICES)**

We, \_\_\_\_\_ and \_\_\_\_\_, the undersigned, as Directors and Authorised Representatives 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 1800MHz and 900MHz band / 800MHz band in compliance to DoT NIA No. 1010/4/2012-WF (Auction).
- (b) That neither the Applicant, nor any entity sharing more than 10% common ownership with the Applicant, is a UAS/ CMTS/ UL(AS) licensee in <Name of the telecom service area> (as defined in the UAS guidelines) (“Specified Service Area”);
- (c) That in case the Applicant is declared a Successful Bidder in the Specified Service Area, it shall apply for a Unified Licence (Access Services) in the Specified Service Area either directly or through 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 New Entrant Nominated Applicant will satisfy all the conditions required to obtain a Unified Licence (Access Services) as per the license guidelines;
- (e) That in case the Unified Licence (Access Services) application of the New Entrant Nominated License Applicant is rejected, the Government shall have the right to revoke the spectrum;
- (f) That in case an application for a Unified Licence (Access Services) by the New Entrant Nominated 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) That in case the Applicant and the New Entrant Nominated License Applicant are different entities, the Applicant and the New Entrant Nominated License Applicant shall be jointly and severally 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 before the New Entrant Nominated License Applicant submits the Unified Licence (Access Services) application along with a certified copy of the Adherence Undertaking.

Date: \_\_\_\_\_ Signature and Name of the Authorised Signatory

Place \_\_\_\_\_ Company’s Seal

**9.3.5 Format for an Undertaking to nominate a Group Bidding Entity for the First (1800MHz and 900MHz band) Auction/ Second (800MHz band) Auction**

*(For Associated Licensees bidding through a Group Bidding Entity. Separate undertakings required for 1800MHz Auction and 800MHz 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 1800MHz and 900MHz band / 800MHz band in compliance with DoT NIA No. 1010/4/2012-WF (Auction) on its behalf in the following service areas:
  1. \_\_\_\_\_
  2. \_\_\_\_\_
- (b) That the Nominator is a UAS/ CMTS/ UL(AS) licensee in all the service areas 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 service areas mentioned in point (a), the Nominator shall accept the allotment / assignment to itself of spectrum won by the Group Bidding Entity in that service area 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 UAS/ CMTS/ UL(AS) licence (as required by the conditions specified).



Signed:

For <name of the Nominator Company>

Authorised signature

(name and position)  
affixed

Authorised signature

(name and position) Company seal

Date: \_\_\_\_\_

Signed:

For <name of the Group Bidding Entity>

Authorised signature

(name and position)  
affixed

Authorised signature

(name and position) Company seal

Date: \_\_\_\_\_

**9.3.6 Format for Ownership Compliance Certificate for the Spectrum Auction in 1800MHz and 900MHz band**

*(for all Applicants on the letterhead of the concerned Company)*

We, \_\_\_ and \_\_\_, the undersigned, as Directors and Authorised Representatives of \_\_\_\_\_ <Name of the Applicant> (“Applicant”) hereby confirm, undertake, acknowledge and certify the following:

- (a) That we have carefully gone through the list of Applicants (“Provisional Bidders”) for the Spectrum Auction in 1800MHz and 900MHz band and their Associated Licensees and their ownership details put up on the DoT website;
- (b) That we have made due enquires to the extent reasonably possible of any entity:
  - who holds a direct or indirect material interest in the Applicant or any of its Associated Licensees; and
  - in whom the Applicant or any of its Associated Licensees hold a direct or indirect material interest;
- (c) That no common entity holds more than 10% stake in the Applicant (or any of its Associated Licensees) and any of the other Provisional Bidders (or any of their respective Associated Licensees);
- (d) That the UAS/ CMTS/ Unified License (Access Services) licence is subject to the condition that:

*“No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee Company in the same service area for the Access Services namely; Basic Cellular and Unified Access Service. ‘Substantial equity’ herein will mean ‘an equity of 10% or more’. A promoter company/ Legal person cannot have stakes in more than one licensee company for the same service area.”*
- (e) 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

**9.3.7 Format for Ownership Compliance Certificate for the Spectrum Auction in 800MHz band**

*(for all Applicants on the letterhead of the concerned Company)*

We, and \_\_\_\_\_, the undersigned, as Directors and Authorised Representatives of \_\_\_\_\_ <Name of the Applicant> (“Applicant”) hereby confirm, undertake, acknowledge and certify the following:

- (a) That we have carefully gone through the list of Applicants (“Provisional Bidders”) for the Spectrum Auction in 800MHz band and their Associated Licensees and their ownership details put up on the DoT website;
- (b) That we have made due enquires to the extent reasonably possible of any entity:
  - who holds a direct or indirect material interest in the Applicant or any of its Associated Licensees; and
  - in whom the Applicant or any of its Associated Licensees hold a direct or indirect material interest;
- (c) That no common entity holds more than 10% stake in the Applicant (or any of its Associated Licensees) and any of the other Provisional Bidders (or any of their respective Associated Licensees);
- (d) That the UAS/ CMTS/ UL(AS) licence is subject to the condition that:

*“No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee Company in the same service area for the Access Services namely; Basic Cellular and Unified Access Service. ‘Substantial equity’ herein will mean ‘an equity of 10% or more’. A promoter company/ Legal person cannot have stakes in more than one licensee company for the same service area.”*
- (e) 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

## 9.4 System Requirements for accessing the EAS

Prior to the Auction, documentation will be issued describing how to use the EAS (“the EAS Manual”). This Annex is provided to assist bidders in preparing for the Auction. In the event of any conflict between the EAS Manual and this 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 9.x or Mozilla 13.x or Google Chrome 20.x. 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 installed.

The bidders will have to procure Class-III Digital Signature Certificate(s) (DSC) 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 License CAs can be viewed on [www.cca.gov.in](http://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 the DSC(s) before the mock auction which will be conducted as per the timelines set by the Government.

### 9.4.1 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. The EAS supports Windows XP (Service Pack 3), Windows Vista (Service Pack 3), and Windows 7 (Service Pack 1) operating system. The browsers supported are IE 9.x or Mozilla 13.x or Google Chrome 20.x. Obsolete versions of Internet Explorer may not support longer keys.

### 9.4.2 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 installed on any computer to be used for bidding in the Auctions.**

Users who want to use Firefox and Chrome browsers will have to update Java Cryptography Extension (JCE) to strengthen the security from the default key size to unlimited key size. If this is not done prior to auction start date and time, user may face problem in login and bid submission.

EAS checks and updates the JCE policy from default key size to unlimited key size but if user doesn't have administrator rights then user will have to update JCE policy by himself. To update the JCE policy, user needs to follow the instructions. Detailed instructions on the same can be found from the website, <https://dot.abcpocure.com/UpdateJCE.jsp>.

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>.

In these cases, Bidders may need to refer to their IT department or other suitably qualified persons to ensure that their PC has a Java installed and enabled on their browser, and that their Internet browser is correctly set up. Sun Microsystems' Java website at <http://java.com> 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 Auction. A 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.

### **9.4.3 Tool bar/ Add Ons/ 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.

### **9.4.4 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:

- 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.

#### **9.4.5 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.

#### **9.4.6 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 512kbit/s 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.

#### **9.4.7 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.

### **9.5 Backup Procedures**

#### **9.5.1 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, log out normally. Otherwise, quit your Internet browser.

- Once back-up facilities are online, restart your Internet browser and enter the address of the back-up /DR server. Auction Administrator will provide this address separately to you. The Auction team will contact you to check that you 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.

### **9.5.2 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 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.

## 9.6 Definitions and Glossary of Terms

1800MHz	Radio spectrum frequencies in the 1800 Megahertz band
900MHz	Radio spectrum frequencies in the 900 Megahertz band
800MHz	Radio spectrum frequencies in the 800 Megahertz band
First Auction	Auction process for allocating spectrum blocks in the 1800 Megahertz and 900 Megahertz band as per provisions of the Notice
Second Auction	Auction process for allocating spectrum blocks in the 800 Megahertz band as per provisions of the Notice
AAR	Auction Activity Requirement
Activity Rules	Shall have the meaning as described in Sections 5.3.4 and 6.3.4 for the First (1800MHz and 900MHz band) Auction and Second (800MHz band) Auction respectively
Aggregate Demand	The total number of Bids for the Blocks in the Service Area at a value equal to the Clock Round price in the last completed Clock Round.
AGR	Adjusted Gross Revenue
Applicant	Person making an Application
Application	Application for participating in First (1800MHz and 900MHz band) Auction or Second (800MHz band) Auction or both, to pre-qualify for the First Auction or Second Auction or both respectively.
Application Form	Format for submitting the Application
Associated Licenses	Existing UAS/ CMTS/ UL(AS) licensees that have a Common Parent.
Auctioneer	M/s. Times Internet Limited and M/s. e-Procurement Technologies Limited, in their capacity as advisers to the Government on the Auctions.
Auction Administrator	M/s. e-Procurement Technologies Limited, which will be responsible for the administration of the



**Auction of Spectrum in 1800MHz, 900MHz and 800MHz Bands – Notice Inviting Applications**

	e-auction.
Auctions	Auction of the Spectrum in 1800MHz, 900MHz and 800MHz 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 Auction(s) will be provided to the Authorised Person using contact details provided in a Bidder's Application.
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 service area 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 Communications & 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 service area.
DHQ	District Headquarters
DoT	Department of Telecommunications, Ministry of Communications & Information Technology, 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 3.8.
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 Service Area based on the Reserve Price of spectrum in that particular Service Area.
Excess Demand	The total number of Blocks for which bids have been received in a Service Area 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 service area.
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 Service Area.
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
M&A	Merger & Acquisition
Metro	Local Service Areas of Mumbai, Delhi and Kolkata.
Mock Auction	A mock auction to familiarise the Bidders with the Auction Rules and bidding methodology.
Net worth	<p>Net Worth shall mean the sum total, in Indian Rupees of paid up equity capital and free reserves converted at the prevalent conversion rate indicated by the Reserve Bank of India on the date of application.</p> <p><i>(Note: Operating losses will be considered while calculating the net worth of the company.)</i></p>
New Bids	Bids in Service Areas where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in service areas where the Bidder submits a bid in the current Clock Round. Also the Service Areas where the Bidder was a Provisional Winning Bidder for a 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 Applications
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).
Renewal Licensee	Those Bidders whose license is due for renewal in 2014.
Reserve Price	The minimum bid price per block in each service area as determined by the Government and notified.
RTGS	Real Time Gross Settlement
SACFA	Standing Advisory Committee on radio Frequency Allotments
Service Area	Service area definition is as per the UAS 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 service area by the Government.
TPA	Tripartite Agreement
UASL	Unified Access Service License
UL	Unified License