

3-21/2012-Fin/Auction
Ministry of Communications and IT
Department of Telecom

12th October, 2012

Subject: Amendments to the NIA

The following amendments are made in the Notice Inviting Applications (NIA) for Auction of Spectrum in 1800MHz and 800MHz bands dated 28.9.2012:

i) In Section 3.5 **Prospective New Entrants**

Para 3 may be read as below:

“In the 1800MHz and 800MHz band, 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.”

ii) In Section 3.5.1 **New Entrants - Foreign Entities**

The 2nd para may be read as below:

“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 Licence (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 details at http://dipp.nic.in/English/Policies/FDI_Circular_01_2012.pdf.”

iii) Section 9.3.1 **Application Format for the 1800MHz/ 800MHz Auction**

A new sl. no. 14 is added after sl. no. 13 in the Application format as follows:

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).)

iv) Section 4.5 **Payment Terms**

The following sentence is added in Section 4.5 b) (iii) after the words “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.”

v) **Section 4.5 Payment Terms**

The Schedule of Payments table in Section 4.5 b) (iv) is replaced with the one given below:

Instalment	Due Date of payment	Amount (Rs. Crore)
Upfront payment	25-12-2012	330.00
1 st instalment	25-12-2015	129.93
2 nd instalment	25-12-2016	129.93
3 rd instalment	25-12-2017	129.93
4 th instalment	25-12-2018	129.93
5 th instalment	25-12-2019	129.93
6 th instalment	25-12-2020	129.93
7 th instalment	25-12-2021	129.93
8 th instalment	25-12-2022	129.93
9 th instalment	25-12-2023	129.93
10 th instalment	25-12-2024	129.93

vi) **Section 9.6 Definitions and Glossary of Terms** (Page 144)

Definition of Net Worth is inserted in the blank box as follows:

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 the application. (Note: Operating losses will be considered while calculating the net-worth of the company).

vii) **Section 3.4 Associated Licensees**

The following paragraph is added at the end of Section 3.4:

"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 licenses or proposed Unified License (Access Services)

viii) **Section 9.3.1 Application Format for the 1800MHz/ 800MHz Auction**

In the note below the Application format, the following is inserted as sl. no. ix:

"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. Please also provide data as on date of application certified by the Company Secretary."

ix) **Section 3.6.1 Roll-out obligations for spectrum in 1800MHz and 800MHz band**

In Section 3.6.1 (xiv) a) the words "per Service Area" is inserted after the words "Existing Licensee" and before the word "valid".

x) **Section 9.3.1 Application Format for the 1800MHz/ 800MHz Auction**

a) In Section 9.3.1, in the note below sl. no. 1, after the words "Company Secretary", the words "or authorised signatory" are deleted.

b) In Section 9.3.1, the note below sl. no. 6 a), "Copy to be certified by the Company Secretary or authorised signatory" is deleted.

- c) In Section 9.3.1, in the third note below sl. no. 8, after “Company Secretary”, the words “or authorised signatory” are deleted.
- d) In Section 9.3.1, at sl. no. 10, after “Company Secretary” the words “or authorised signatory” are deleted.
- e) In Section 9.3.1, in the note below sl. no. 11, after “Company Secretary” the words “or authorised signatory” are deleted.

xi) **Section 3.7 Spectrum Usage Charges**

The following is added to the first bullet below the tables on Spectrum Charges, after the words “...relevant service license;”

“for the purpose of levying spectrum usage charges based on revenue share, revenue from wire line subscribers shall not be taken into account.”

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Rajeev Prakash
Director(WF)