

F. No. 3-11/2012-Fin./Auction
Government of India
Ministry of Communications & IT
Department of Telecommunications

22nd November, 2012

Subject: Auction of 1800MHz Spectrum: Update on Payment Methodology

With reference to Section 4.5 (Payment Terms) of the Notice Inviting Applications dated 28.9.2012, all Successful Bidders in the 1800MHz Auction are hereby informed that they can make payment of the required amount through either one of the following two methods:

1. Through Demand Draft in favour of “Pay and Accounts Officer (HQ), DoT, New Delhi” drawn on a Scheduled Commercial Bank payable at Delhi. The Demand Draft/s must be accompanied by a covering letter listing the service areas and corresponding amounts in respect of which the payment is being made and handed over to the Pay and Accounts Officer (HQ), DoT, Room No. 801, Sanchar Bhavan, Ashoka Road, New Delhi during working hours from Monday to Friday;

OR

2. Through Real Time Gross Settlement (RTGS)/ Core Banking facility as per the following instructions:

(A) The Successful Bidder’s request to its Bank for transfer through RTGS, which is used for inter-bank transfers of money; or through Core Banking, if its account is with State Bank of India (SBI), should contain the following details:

- (i) Bidder’s name and Account holder’s name;
- (ii) Branch’s name: SBI New Delhi, Main Branch, IFSC Code SBIN0000691;
- (iii) Name of the A/c: Deptt. of Telecommunications, 1800MHz Spectrum Auction;
- (iv) Account No.: 32647292194

(B) Successful Bidders need to ensure that the remitting Bank puts “Bidder’s name and the number of service area/s for which the payment pertains” under the column “Sender to Receiver information” in case of RTGS, or in the “Narration Line” in case of remitting bank being SBI (core banking) while transferring the money.

(C) Successful Bidders must take the UTR Number (in case of RTGS) or Journal Number (in case remitting bank is SBI and method of transfer is core banking) of credit transaction to the Account as detailed in (A) above and mail the following information to viendratandon@yahoo.com and dirdot@gmail.com:

- a) In case of RTGS- UTR Number of credit transaction.

OR

In case of Core Banking(Remitting bank being SBI)-

- i) Journal Number of the credit transaction;
 - ii) SBI Account Number from which the amount has been transferred;
 - iii) Cheque Number (if any) used to transfer the money.
- b) Name of the Company;
 - c) Total amount transferred;
 - d) Names of the service areas and the corresponding amounts for each of the service areas (total should tally with the figure at (c) above).

Please note that the last date for payment is 1.12.2012. If the payment is not received by the last date, the EMD will be forfeited. This will be without prejudice to any other action that DoT might take. The Bidder-wise amounts payable along with instructions is attached (Annexure-I). For those who opt for deferred payment option, the FBG format to be used is attached (Annexure-II).

After making the payment, the Successful Bidder may apply separately to the WPC Wing of DoT for the Letter of Intent (LoI) for allocation of identified frequencies.

Encl.: as above (two)

-Sd-
Rajeev Prakash
Director(WF)
Ph. 23036215
9868135151

To all successful bidders in the 1800MHz auction

Copy to:

- (i) Wireless Advisor, DoT
- (ii) Sr. DDG(AS), DoT
- (iii) Director (WR)/ ADG(WR)
- (iv) Director (TA-II)/ PAO (HQ), DoT – He may book the amounts received under HoA
127500-103-01-02

Bidder-wise, Service Area-wise Amounts Payable

1. Bharti Airtel Limited

Service Area	Amount to be paid (in case of full upfront payment) (Rs. Crores)	Upfront Payment Amount in case of Deferred Payment Option (33% of Final Bid Amount) (Rs. Crores)	Instalment Amount (in case of Deferred Payment Option) (Rs. Crores)	FBG Amount (in case of Deferred Payment Option) (Rs. Crores)
Assam	8.67	2.86	1.13	1.13
Total	8.67	2.86	1.13	1.13

2. Idea Cellular Limited

Service Area	Amount to be paid (in case of full upfront payment) (Rs. Crores)	Upfront Payment Amount in case of Deferred Payment Option (33% of Final Bid Amount) (Rs. Crores)	Instalment Amount (in case of Deferred Payment Option) (Rs. Crores)	FBG Amount (in case of Deferred Payment Option) (Rs. Crores)
Assam	34.68	11.44	4.51	4.51
Bihar	46.43	15.32	6.03	6.03
Jammu & Kashmir	25.32	8.36	3.29	3.29
Kolkata	454.88	150.11	59.10	59.10
North East	35.36	11.67	4.59	4.59
Orissa	81.08	26.76	10.53	10.53
Tamil Nadu	1224.36	404.04	159.08	159.08
West Bengal	129.20	42.64	16.79	16.79
Total	2031.31	670.33	263.93	263.93

3. Vodafone South Limited

Service Area	Amount to be paid (in case of full upfront payment) (Rs. Crores)	Upfront Payment Amount in case of Deferred Payment Option (33% of Final Bid Amount) (Rs. Crores)	Instalment Amount (in case of Deferred Payment Option) (Rs. Crores)	FBG Amount (in case of Deferred Payment Option) (Rs. Crores)
Assam	17.34	5.72	2.25	2.25
Bihar	92.86	30.64	12.07	12.07
Haryana	93.04	30.70	12.09	12.09
Himachal Pradesh	7.78	2.57	1.01	1.01
Jammu & Kashmir	12.66	4.18	1.64	1.64
Kerala	65.30	21.55	8.48	8.48
Madhya Pradesh	107.98	35.63	14.03	14.03
Maharashtra	262.81	86.73	34.15	34.15
North East	17.68	5.83	2.30	2.30
Orissa	40.54	13.38	5.27	5.27
Punjab	67.28	22.20	8.74	8.74
Uttar Pradesh (East)	76.17	25.14	9.90	9.90
Uttar Pradesh (West)	214.82	70.89	27.91	27.91
West Bengal	51.68	17.05	6.71	6.71
Total	1127.94	372.22	146.55	146.55

4. Videocon Telecommunications Limited

Service Area	Amount to be paid (in case of full upfront payment) (Rs. Crores)	Upfront Payment Amount in case of Deferred Payment Option (33% of Final Bid Amount) (Rs. Crores)	Instalment Amount (in case of Deferred Payment Option) (Rs. Crores)	FBG Amount (in case of Deferred Payment Option) (Rs. Crores)
Bihar	185.72	61.29	24.13	24.13
Gujarat	899.36	296.79	116.85	116.85
Haryana	186.08	61.41	24.18	24.18
Madhya Pradesh	215.96	71.27	28.06	28.06
Uttar Pradesh (East)	304.68	100.54	39.59	39.59
Uttar Pradesh (West)	429.64	141.78	55.82	55.82
Total	2221.44	733.08	288.63	288.63

5. Telewings Communications Services Private Limited

Service Area	Amount to be paid (in case of full upfront payment) (Rs. Crores)	Upfront Payment Amount in case of Deferred Payment Option (33% of Final Bid Amount) (Rs. Crores)	Instalment Amount (in case of Deferred Payment Option) (Rs. Crores)	FBG Amount (in case of Deferred Payment Option) (Rs. Crores)
Andhra Pradesh	1147.64	378.72	149.11	149.11
Bihar	185.72	61.29	24.13	24.13
Gujarat	899.36	296.79	116.85	116.85
Maharashtra	1051.24	346.91	136.59	136.59
Uttar Pradesh (East)	304.68	100.54	39.59	39.59
Uttar Pradesh (West)	429.64	141.78	55.82	55.82
Total	4018.28	1326.03	522.10	522.10

Instructions:

1. The 1st 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.
2. The successful bidder shall securitize the annual instalment for the deferred payment through a financial bank guarantee (FBG) of an amount of one annual instalment. On payment of 1st instalment and each instalment thereafter, the 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.
3. 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. FBG may be handed over to Sh. Rajeev Prakash, Director(WF), Room No. 1109, Sanchar Bhavan, Ashoka Road, New Delhi.
4. 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.
5. 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.
6. 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.
7. In case of set-off option, the amount to be set-off may be clearly indicated.

PROFORMA FOR FINANCIAL BANK GUARANTEE
(Deferred annual payment due against the bid amount for Spectrum)

To
The President of India

In consideration of the President of India (hereinafter called 'THE AUTHORITY') having agreed to assign spectrum to M/s _____ (hereinafter called 'THE SUCCESSFUL BIDDER') _____ in _____ Service Area (Name of Service Area) on the terms and conditions contained in the Notice Inviting Applications(NIA) dated 28th September 2012 and amendments thereof (collectively the NIA), which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____) under provisions of NIA by way of security for payment of the said Deferred annual payment due against the bid amount for Spectrum required to be paid by the SUCCESSFUL BIDDER. We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the SUCCESSFUL BIDDER hereby irrevocably and unconditionally guarantee to the Authority that the SUCCESSFUL BIDDER shall pay the Deferred annual payment due against the bid amount for Spectrum to the Authority.

2. We, the Bank, hereby undertake to pay the Authority an amount not exceeding Rs.....(Rupees.....only) against any loss or damage caused to or suffered by or would be caused to or suffered by the Authority by reason of any failure of the SUCCESSFUL BIDDER to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the NIA, pay all the above mentioned amount or any part thereof within the periods stipulated in the NIA.

3. We, the Bank, hereby further undertake to pay as primary obligor and not merely as surety to pay such sum not exceeding Rs. _____ (Rupees _____ Only) to the Authority immediately on demand and without demur stating that the amount claimed is due by way of failure of the SUCCESSFUL BIDDER to the said Deferred annual payment due against the bid amount for Spectrum.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether SUCCESSFUL BIDDER has failed to pay the said Deferred annual payment due against the bid amount for Spectrum payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) First Guarantee herein contained shall remain in full force and effect for a period of three Years which shall further be renewed annually at least one month prior to the date of expiry of validity from the date hereof and that it shall continue to be enforceable till all the dues of the Authority in terms of NIA have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said NIA have been fully and properly carried out by the said SUCCESSFUL BIDDER and accordingly discharged this guarantee.

(b) The Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Licence or to extend time of performance of any obligations by the said SUCCESSFUL BIDDER from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority against the said SUCCESSFUL BIDDER and to forbear or to enforce any of the terms and conditions relating to the said Licence and we shall not be relieved from our liability by reason of any variation

or extension being granted to the said SUCCESSFUL BIDDER or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said SUCCESSFUL BIDDER or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

(c) Any claim which we have against the SUCCESSFUL BIDDER shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.

(d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the SUCCESSFUL BIDDER.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

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

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

Witness:

1.....	2.....
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