

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

Notice Inviting Applications

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Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Contents

1	INTRODUCTION	6
1.1	Introduction	6
1.2	Objectives of the Auction.....	6
1.3	The Auction	7
1.3.1	The Mock Auction	8
1.4	Timetable	8
1.5	Advisors to the Government.....	9
2	Spectrum.....	9
2.1	Spectrum to be auctioned	9
2.2	Backhaul Spectrum	20
2.3	Technology.....	20
3	Eligibility and Conditions.....	21
3.1	Eligibility criteria to participate in the Auctions.....	21
3.2	Associated Eligibility Conditions.....	22
3.3	Unified License – Key Features.....	24
3.4	Associated Licensees	24
3.5	Prospective New Entrants.....	25
3.6	Roll-out obligations	25
3.6.1	Roll-Out Obligations for Spectrum in 1800 MHz, 900 MHz and 800 MHz Band in Service Areas other than Metro Service Areas.	26
3.6.2	Roll-Out Obligations for 1800 MHz and 800 MHz bands in Metro Service Areas.....	31
3.7	Spectrum usage charges	31
3.8	Duration	31
3.8.1	Changeover of Frequency Spots	32
3.9	Liberalisation of existing spectrum holding in 800 MHz band:.....	32
3.10	Payment for making contiguous spectrum in 800 MHz band acquired in the auction held in March 2013	32
3.11	Breach, revocation and surrender	33
4	Auction Details	33

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

4.1	General Conditions	33
4.1.1	Confidentiality.....	33
4.1.2	Directors, employees and advisers	33
4.1.3	Anti- competitive activity	34
4.2	Application Requirements	34
4.2.1	Application format and procedure for submission	34
4.2.2	Ownership compliance certification	38
4.2.3	Pre-qualification Conditions	38
4.2.4	Earnest Money Deposit	39
4.2.5	Application Processing Fee	40
4.2.6	Procedure following application	40
4.3	Announcement of pre-qualified Bidders	40
4.4	Bid Validity	41
4.5	Payment Terms	41
4.6	Facilitation of Funding of Telecom Projects.....	44
4.7	Allotment of Spectrums.....	44
	<i>Existing Licensees</i>	44
4.8	Mergers & Acquisitions.....	45
4.9	Spectrum Audit.....	45
4.10	Spectrum Sharing	45
4.11	Spectrum Trading	45
5	Spectrum in 1800 MHz, 900 MHz and 800 MHz bands – Auction Rules.....	46
5.1	Conduct of the Auction.....	46
5.2	Overview of the Auction Stages	47
5.3	Spectrum Holding Capping Rule.....	57
5.3.1	Overall Cap.....	57
5.3.2	Cap in 1800MHz band	59
5.3.3	Cap in 900 MHz band	60
5.3.4	Cap in 800 MHz band	62
5.4	The Clock Stage	63
5.4.1	Overview.....	63
5.4.2	Consequences of Rules for Provisional Winning Bidders	64

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

5.4.3	Bidding during Clock Rounds	65
5.4.4	Eligibility Points and Deposits	67
5.4.5	Activity Rules.....	68
5.4.6	Ranking of Bidders and Provisional Winning Bidders.....	70
5.4.7	Prices and Price Increments.....	73
5.4.8	Winning Bids and Winning Prices.....	76
5.4.9	Length of Clock Rounds and Extension Periods	76
5.5	Frequency Identification Stage	79
5.6	Information Policy	84
5.7	Collusion and other Prohibited Activities	85
6	Application Instructions	92
7	Contact and Further Information.....	93
7.1	Contacts for further enquiries.....	93
7.2	Further information.....	93
7.3	Disclosure of further information.....	94
8	Annexes	95
8.1	Detailed definition of Service Areas	95
8.2	Individual responsibilities of the Advisers	97
8.3	Application Checklist	98
8.3.1	Application Format for the 1800 MHz, 900 MHz and 800 MHz band Auction	100
8.3.2	Format for Earnest Money Deposit.....	111
8.3.3	Format for an Undertaking in respect of Service Area(s) where neither the Applicant nor any of its Associated Licensees has an existing UASL/ CMTSL/ UL(AS)/Unified licence with authorisation for access service	115
8.3.4	Format for an Undertaking to nominate a Group Bidding Entity for the 1800 MHz, 900MHz and 800 MHz band Auction	117
8.3.5	Format for Ownership Compliance Certificate for the Spectrum Auction in 1800 MHz , 900 MHz and 800 MHz bands.....	119
8.4	System Requirements for accessing the EAS	121
8.4.1	Operating System and Software	121
8.4.2	Java.....	121
8.4.3	Tool bar/ Add Ons/ Pop up blocker.....	122
8.4.4	Power Management Settings.....	122

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.4.5 Access of Other Software / Website during Auction	123
8.4.6 Internet Connection	123
8.4.7 Display	123
8.5 Backup Procedures.....	123
8.5.1 Auction backup facilities.....	123
8.5.2 Bidder Technical Problems	124
8.6 Definitions and Glossary of Terms.....	125

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 2100 MHz, 1800 MHz, 900 MHz and 800 MHz bands by means of auction in various telecom Service Areas. The details regarding, 1800, 900 and 800 MHz bands are as attached in **Annexure 2-A, 2-B and 2-C** respectively. The details regarding 2100 MHz band will be issued later.

A single auction process will be carried out for allotting Spectrum blocks in various bands viz. 2100 MHz, 1800 MHz, 900 MHz and 800 MHz bands and is referred to in this document as the “Auction”.

However, it may be noted that the Government reserves the right to use any other means to 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 Auction.

Based on the Applications, the Government shall pre-qualify Applicants who meet the eligibility criteria for participation in the Auction.

The Government reserves the right to summarily disqualify any pre-qualified Bidder, at any stage of the Auctions or after the Auctions are completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with the relevant Auction Rules, non-compliance with any other pre-condition prescribed for participating in the 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 download a copy of this document and any subsequent amendments to it (together, the “Notice”) from the DoT website.

1.2 Objectives of the Auction

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

- Obtain a market determined price of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

safeguarded by the Auction. It further reserves the right to abandon the Auction at any time prior to the award of spectrum as it may deem fit without giving any reason whatsoever.

1.3 The Auction

The Auction shall be a Simultaneous Multiple Rounds Ascending (SMRA) e-auction, conducted over the Internet. Bidders will be able to access the Electronic Auction System (“EAS”) to be used for participation in the Auctions using web browsing software: IE 11.x, or Mozilla 34.x or Google Chrome 37.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, as amended from time to time.

Prior to the 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. 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 electronically, (EAS manual) explaining how to use the Electronic Auction System (the “EAS Manual”). This documentation shall be provided to Bidders in advance of conducting a mock auction. The system requirements for Bidders are outlined in **Section 8.5**, though the EAS Manual should be taken as definitive in this regard.

Winning Bidders of the spectrum block(s) in each Service Area in the Auction shall be determined in the first stage, a Clock Stage, which will allocate spectrum blocks simultaneously for the service area(s). In the auction, since the maximum number of blocks a bidder can bid is restricted on the basis of the applicable bidding caps in 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 200 kHz Paired in 1800 MHz & 900 MHz bands and 1.25 MHz Paired in 800 MHz Band (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 an “Existing Licensee”. The status as a “New Entrant” or as an “Existing Licensee” would be separate in 900/1800* MHz band and 800 MHz band and this status may be different for different Service Areas depending on the holding of spectrum in such band and in such Service Area.

* For this purpose, 900 MHz and 1800 MHz bands would be treated as one.

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

- (i) The Activity Requirement is 100% (Details as mentioned in **Section 5** hereunder); and

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

(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 in each band, and the Winning Bidders in each service area in each band.

- **Frequency Identification Stage:** The Clock Stage will be followed by a Frequency Identification Stage to identify specific frequency Blocks for the Winning Bidders. The frequencies identified will be announced simultaneous with the outcome of the Clock Stage. The Frequency Identification Stage will be performed automatically by the Electronic Auction System as per procedure prescribed in **Section 5.5**.

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 or acquired through auction conducted in 2010, 2012, 2013, 2014 and onwards. No charges will be levied for rearrangement of frequency spots.

The Auction Rules are detailed in **Section 5**.

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 electronic means, 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Table 1-A: Auctions timetable	
Issue of Notice Inviting Applications (NIA)	9 th January, 2015
Pre-bid Conference	13 th January, 2015
Last date for seeking clarifications on NIA	19 th January, 2015
Clarifications to NIA	27 th January, 2015
Last date for submission of Applications	6 th February, 2015
Publication of Ownership details of Applicants	9 th February, 2015
Bidder Ownership Compliance Certificate	11 th February, 2015
Pre-qualification of Bidders	16 th February, 2015
Last date of withdrawal of applications	18 th February, 2015
Final List of bidders	20 th February, 2015
Mock Auction	23 rd – 24 th February, 2015
Start of the Auction	25 th February, 2015
Payment of the Successful Bid Amount**	Within 10 calendar days of the close of auction

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

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 Advisors to the Government

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

blocks) for a period of 20 years from the 'Effective Date' (as defined in **Section 3.8**) are being offered in this Auction.

a) Details of 1800 MHz band

- I. Block size shall be of 200 kHz (Paired) in 1800 MHz Band.
- II. The existing licensees would be required to bid a minimum of 0.6 MHz spectrum (paired).
- III. In the LSAs, where total of 5 MHz (paired) or more spectrum is not available or where 5MHz (paired) or more spectrum is available but contiguous chunk of 5 MHz (paired) is not available in 1800 MHz band, the new entrants as well those licensees whose licenses are expiring in 2015-16 would be required to bid for a minimum of 0.6 MHz (paired).
- IV. In those LSAs where at least one chunk of contiguous 5 MHz (paired) is available in the 1800 MHz band
 - a. The new entrants would be required to bid for a minimum of 5 MHz (paired).
 - b. Those licensees whose licenses are expiring in 2015-16 and do not hold any Spectrum in 1800 MHz band won through Auctions in November 2012 and February 2014 would be required to bid for a minimum of 5 MHz.
 - c. Those licensees whose licenses are expiring in 2015-16 and hold Spectrum in 1800 MHz band won through Auctions in November 2012 and February 2014 would be required to bid for a minimum of 0.6 MHz (paired).

The details of the Spectrum put to auction in the respective Service Areas are as given below:

Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 200 kHz (Paired)), for e-auction of Spectrum in 1800 MHz Band.			
Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks
Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana.	3.8	19
Bihar	Entire area falling within the re-organized State of Bihar and newly created State of Jharkhand pursuant to the Bihar	2.0	10

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	Reorganization Act, 2000 (No. 30 of 2000) dated 25 th August, 2000.		
Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	3.4	17
Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	8.0	40
Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	10.2	51
Karnataka	Entire area falling within the State of Karnataka.	1.8	9
Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	1.0	5
Kolkata	Local Areas served by Kolkata Telephones of BSNL.	7.0	35
North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	8.4	42
Odisha	Entire area falling within the State of Odisha.	16.2	81
Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town	1.6	8

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	of Haryana.		
Rajasthan	Entire area falling within the State of Rajasthan.	10.4	52
Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	19.0	95
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.	4.2	21
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.	2.2	11

b) Details of 900 MHz band

- I. Block size shall be of 200 kHz (Paired) in 900 MHz Band.
- II. New entrant / licensees whose licenses are expiring in 2015-16/ Existing licensees whose licenses are not expiring in 2015-16 & holding spectrum only in 1800 MHz band would bid for a minimum of 5 MHz (paired) of spectrum in the 900 MHz band, except in West Bengal service area.
- III. In the West Bengal service area new entrant / licensees whose licenses are expiring in 2015-16/ Existing licensees whose licenses are not expiring in 2015-

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

16 & holding spectrum only in 1800 MHz band would bid for a minimum of 4.4 MHz (paired) , which is the amount of spectrum available in this service area in the 900 MHz band.

- IV. The existing licensees whose licenses are not expiring in 2015-16 and holding spectrum in 900 MHz band in a service area may be allowed to bid for a minimum of 0.6 MHz (paired).

The details of the Spectrum put to auction in the respective Service Areas are as given below:

Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 200 kHz (Paired)), for e-auction of Spectrum in 900 MHz Band.			
Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks
Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana.	14.0	70
Assam	Entire area falling within the State of Assam.	6.2	31
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 th August, 2000.	6.2	31
Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	14.0	70
Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by	12.4	62

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	Faridabad and Gurgaon Telephone exchanges.		
Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	12.4	62
Karnataka	Entire area falling within the State of Karnataka.	14.0	70
Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	12.4	62
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 th August, 2000.	12.4	62
Maharashtra	Entire area falling within the State of Maharashtra and Goa, excluding areas covered by Mumbai Metro Service Area.	14.0	70
North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	8.8	44
Odisha	Entire area falling within the State of Odisha.	6.2	31
Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	15.6	78

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Rajasthan	Entire area falling within the State of Rajasthan.	12.4	62
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.	6.2	31
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.	6.2	31
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.	4.4	22

c) **Details of 800 MHz band**

- I. Block size shall be of 1.25 MHz (Paired) in 800 MHz Band.
- II. A new entrant is required to bid
 - a. For a minimum of 4 blocks, in those LSAs where 4 or more blocks are available.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- b. For a minimum of 3 blocks, in those LSAs where less than 4 blocks but equal to 3 blocks is available.
- c. For a minimum of 2 blocks, in those LSAs where less than 3 blocks but equal to 2 blocks is available.

III. Existing licensees holding spectrum in 800 MHz band may bid for a minimum of 1 block.

The details of the Spectrum put to auction in the respective Service Areas are as given below:

Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 1.25 MHz (Paired)), for e-auction of Spectrum in 800 MHz Band.			
Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks
Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana	6.25	5
Assam	Entire area falling within the State of Assam.	11.25	9
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 th August, 2000.	5.00	4
Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.	3.75	3
Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra &	2.50	2

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	Nagar Haveli).		
Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	7.50	6
Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	8.75	7
Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	8.75	7
Karnataka	Entire area falling within the State of Karnataka.	1.25	1
Kolkata	Local Areas served by Kolkata Telephones of BSNL.	1.25	1
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 th August, 2000.	6.25	5
Maharashtra	Entire area falling within the State of Maharashtra and Goa, excluding areas covered by Mumbai Metro Service Area.	3.75	3
Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	7.50	6

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	11.25	9
Odisha	Entire area falling within the State of Odisha.	7.50	6
Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	3.75	3
Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	1.25	1
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.	3.75	3
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.	1.25	1
West Bengal	Entire area falling within the Union	1.25	1

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	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.		
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Note:

For the Service Areas, where the spectrum is not available in some of the districts, while the bids will be sought for spectrum in entire LSA, the bid amount will be collected only for the spectrum available and the balance collected as and when spectrum is made available in each District, the amount being pro-rated to the population of that 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.

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

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

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

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

$$\text{Remaining amount to be taken} = 20000 - 14000 = 6000$$

Since remaining period of right of usage = 15 years,

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

$$\text{This pro-rated amount to be indexed over 5 years using SBI PLR} = 4500 \times (1 + 13/100)^5$$

$$= 8290.96$$

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

Scenario 2:- If the deferred payment option was chosen by the bidder, then same methodology and tables given in the NIA (for ten instalments) would apply for

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

calculating upfront payment and instalments (or values of annuities) for amount of present value 8290.96. This includes part upfront payment (33% of this amount – in case of 1800 MHz band), 2 year moratorium on payment of instalment, 10% rate of interest and 10 equal instalments (if 12 or more years are remaining in the right to usage period, otherwise lesser number of instalments would be allowed, up to the end of right of usage period of 20 years, with same rate of interest of 10%).

*The details of Frequency spots and Partial Spectrum are attached as **Annexure 2-A, 2B and 2C** and shall be a part of this NIA.*

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 license, if the technology happens to be other than GSM/WCDMA/LTE/CDMA. 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 other than GSM/WCDMA/CDMA, 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)/UL with access service authorisation licensees can liberalise their existing spectrum holding in 1800 MHz/800 MHz band for the balance validity period of spectrum assignment after payment of auction determined price prorated for the balance validity period of the Spectrum Assignment.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

In case more than one set of auction determined prices are available, the latest auction determined prices available at the time when the TSP wants to liberalise its spectrum holding, would be applied.

If the auction determined price is more than one year old then the prevailing market rates would be determined by indexing the last auction **price** at the rate of SBI PLR.

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

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

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

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

The format of undertaking for obtaining Unified License for Access services authorization is as prescribed in the Format at **Section 8.3.3**.

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

3.2 Associated Eligibility Conditions

- (i) Existing Unified Licence (Access Service)/ Existing UASL/CMTS/UL 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)/UL licensees who hold spectrum 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, FBG etc.

** For this Purpose, 1800 MHz and 900 MHz Bands are considered as same band*

- (ii) Existing UASL/CMTS/UL(AS)/UL 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, 900 MHz band, 1800 MHz band will be treated as the same band.
- (iii) Bidders whose licenses are due for expiry in 2015-16 and whose spectrum in 900 and 1800 MHz band has been put to auction will also be treated as 'New Entrants'.
- (iv) Entities (not an existing licensee) will be treated as 'New Entrants' and will have to obtain a Unified License.
- (v) Licensees covered by the note under **Clause 1.4** of UAS licence condition are allowed to bid only for the spectrum band which they currently hold. For the limited purpose of this provision, 900 MHz and 1800 MHz will be treated as same band.
- (vi) For the purpose of this auction, a cap of 25% of the 'total spectrum assigned' in 800/900/1800/2100/2300/2500 MHz bands with applicable paired band put together and 50% within a given band in each of the access 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 would be included in the 'total spectrum assigned'. This cap will be applicable as on the last date of application for participating in Auction. Total Spectrum assigned for unpaired and both uplink and downlink spectrum in case of paired spectrum is taken in to account.
- a. A Unified License can only be awarded to an Indian Company¹. Hence, any foreign applicants will need to form or acquire an Indian company, to obtain a Unified License. However, they are allowed to participate in the auctions directly and apply for a Unified License subsequently through an Indian company, where they hold equity stake, with a maximum foreign equity up to 100% as per extant guidelines. Applicants are advised to

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

also see details at http://dipp.nic.in/English/acts_rules/Press_Notes/pn6_2013.pdf and http://dipp.nic.in/English/Policies/FDI_Circular_2014.pdf

(vii) Bidders are required to show a networth of Rs.100 crores per service area (Rs.50 crores each for J&K and North East Service Areas), in which bidder wants to submit bids. The networth requirement is applicable in case of 'New Entrants'. For this purpose:-

a) Existing Unified Licence (Access Service)/ Existing UASL/CMTS/UL 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.

b) Bidders whose licenses are due for expiry in 2015-16 and whose spectrum in 900 and 1800 MHz band has been put to auction will also be treated as 'New Entrants'.

c) Entities, who are not an existing licensee, will be treated as 'New Entrants'.

d) The networth requirement is not applicable in case of Existing licensee. Existing UASL/CMTS/UL(AS)/UL licensees shall be treated as 'Existing Licensee' in those service areas for the frequency band(s)* in which they already hold spectrum.

* 900MHz/1800 MHz bands would be treated as same band for this purpose; 800 MHz and 2100 MHz would be treated as separate bands.

The definition of networth shall be as prescribed in Guidelines for grant of Unified License issued vide DoT no. 20-281/2010-AS-I (Vol VI) dated 13.11.2014. This networth requirement is to be met at the time of application for participation in the auction. The applicant shall submit a certificate to this effect signed by the Company Secretary or authorized signatory of the Company while applying for participation in Auction.

(viii) For participation in the auction for allotment of spectrum, the networth of only those promoters can be counted who have directly in their name at least 10% equity stake in the total equity of the company.

(ix) The Applicant Company shall have a minimum paid up equity capital equal to one tenth of networth 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.

(xi) The minimum paid-up equity requirements for obtaining the spectrum shall be met and maintained till the validity period of the right to use spectrum.

(xii) **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 Unified License and whose networth 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Roll-out obligations prescribed in the NIA, whichever is later. However, this is subject to revision in accordance with the Guidelines on Trading of Spectrum when issued. Further, these conditions are not applicable to existing licensees with effective date of licence as three years prior to date of allotment of spectrum as per terms and conditions of this NIA and period of license of existing operators as on date of auction shall be counted towards Lock-in period while being treated as new entrant for that service area. The Lock-in period commences from the effective date as defined in NIA.

3.3 Unified License – Key Features

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

3.4 Associated Licensees

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

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

In case a Group Bidding Entity is declared the Successful Bidder in any 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 (“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.

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

It is clarified that the definition of 'Associated Licensees' is for the limited purpose of this spectrum auction process and it does not have any connection with the use of the word 'associate' in UAS / CMTS/ UL(AS) / UL.

Companies whose licenses are expiring in 2015-16 are treated as new entrants for this auction.

3.5 Prospective New Entrants

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

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

In the auction, if the Successful Bidder is a Prospective New Entrant, the spectrum shall be assigned to a Company nominated by the Successful Bidder which acquires a Unified licence in the relevant 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, the New Entrant Nominee Unified Licensee shall be liable for the performance of the Bid obligations.

A foreign entity can operate a telecom service in India only through an Indian company up to 100% foreign shareholding (subject to the approval of the FIPB for the foreign shareholding in excess of 49%). A Unified Licence can only be awarded to an Indian Company. Hence, any foreign applicant will need to form or acquire, an Indian company, to obtain a Unified Licence. However they are allowed to participate in the Auctions directly and apply for a Unified License subsequently, through an Indian Company, where they hold equity stake, with a maximum foreign equity of 100% as per extant guidelines. Applicants are advised to also see the details at http://dipp.nic.in/English/acts_rules/Press_Notes/pn6_2013.pdf and http://dipp.nic.in/English/Policies/FDI_Circular_2014.pdf

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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

3.6.1 Roll-Out Obligations for Spectrum in 1800 MHz, 900 MHz and 800 MHz 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) (a) The 'New Entrant' will have to fulfil following rollout obligations for non- metro service areas:-
 - Phase 1: Coverage of 10% DHQs/ Towns by the end of first year from date of allotment of spectrum won in the auction process.
 - Phase 2: Coverage of 50% DHQs/ Towns by the end of three years from date of allotment of spectrum won in the auction process.
 - Phase 3: Coverage of 10% BHQs by the end of third year from date of allotment of spectrum won in the auction process.
 - Phase 4: Coverage of additional 10% BHQs (Cumulative 20% BHQs) by the end of fourth year from date of allotment of spectrum won in the auction process.
 - Phase 5: Coverage of additional 10% BHQs (Cumulative 30% BHQs) by the end of fifth year from the date of allotment of spectrum won in the auction process.
- (b) For New Entrants, the roll-out obligations for coverage in metro service areas shall be coverage of 90% of the service area within one year of the date of allotment of spectrum.

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.
- (iv) 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

be achieved at the end of 4th and 5th year respectively. The list of Block Headquarters (BHQs) and its Map(s) will have to be obtained by the successful bidder from the respective State Governments/Administrations/local bodies. The boundary of the Block Headquarters will be as per map/definition given by the State Government/Administration/Local Body concerned. In cases where District Headquarter/Town (DHQ/ town) happens to be BHQ also, that particular DHQ/town or BHQ would be considered as part of compliance of any one phase of rollout obligation only, as per the choice of licensee. However, all Unified Access Service Licensees who had won additional spectrum in November, 2012 auction and whose UASL has already been amended to include roll-out obligation as defined in Phase 3 to Phase 5 above, will not be required to undertake the additional roll-out obligation other than what has already been specified as per amendment issued in June, 2013 to their UASL in this respect.

- (b) Each milestone of the rollout obligations as mentioned in the clause (iii) and clause (iv)(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, if not prescribed earlier by way of amendment to the licence consequent to acquisition of spectrum in November 2012 / March 2013 / February 2014 auction.
- (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 (iv)(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 having spectrum in 900 MHz and 1800 MHz bands, 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, 900 MHz band and 1800 MHz band will be treated as the same band.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- (g) While the obligations under clause (iii) 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' will have the flexibility to meet the roll out obligation mentioned in clause (iv)(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'. However, the rollout obligations mentioned in clause (iii) above, which includes the rollout of the network in the Metro LSA's, as provided in the existing UAS/UL(AS)/ UL with access service authorisation license, will have to be fulfilled.
- (v) 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.
- (vi) 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.
- (vii) 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 proportionately limited to rollout of network in BHQs/DHQs where spectrum is allocated in the LSA.
- (viii) 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 equipment 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 Auction, 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.
- (ix) 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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.

- (x) 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 (xi) 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.

Date of registration with TERM Cell is taken as date of completion if tested successfully

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

(xi) **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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- (b) At present, minimum 60 calendar days duration is prescribed for grant of SACFA clearance. While examining the compliance of rollout obligations, the maximum delay in grant of the SACFA clearance beyond the above mentioned prescribed duration shall be excluded from the duration set for 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. The maximum delay is to be taken as per TDSAT judgement in Petition No.1 of 2011 titled as M/s Unitech and Oths. Vs. Union of India and is subject to the outcome of the appeal No.25442 of 2012 filed by the Union of India in Hon'ble Supreme Court on the above mentioned subject.
- (c) 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. This shall be applicable only subject to the outcome of the appeal No.25442 of 2012 filed by the Union of India in Hon'ble Supreme Court on the subject.
- (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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

week for the purposes of recovery of liquidated damages. SCN will be issued before imposition of LD as per present practice.

(xii) Performance Bank Guarantee

- (a) Performance Bank Guarantee (PBG) in prescribed format shall be submitted for the amount equal to Rs. 35.00 Crores by the 'New Entrant' and Rs. 21.00 Crores by 'Existing Licensee' per Service Area valid for a minimum period of Six years before signing the License Agreement. The validity period of PBG can be further extended by the licensor depending upon the requirement for a period not exceeding two years from the due date of expiry of the earlier PBG. The PBG is to be submitted only once either as existing licensees for an amount equal to Rs.21 crores per service area or as new entrant for an amount equal to Rs.35 crores per service area. If the PBG has already been submitted as per terms and conditions of NIAs for auction of spectrum in November 2012/March 2013/ February 2014, no additional PBG is required.
- (b) The PBG may be released only after the complete testing/verification of the compliance of the rollout obligations by the licensor and the recovery of the LD, if any, up to last phase of rollout obligations.

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

- (i) Subject to the above and except for **Section 3.6.1 (vii)**, 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 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.

The present rates of SUC are as prescribed in letter nos. [P-11014/18/2008-PP dated Feb 25th 2010](#) & [P-14010/01/2014-NTG dated 31st October 2014](#).

3.8 Duration

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

'Effective Date' shall be:

- (a) In case of bidders whose licenses are about to expire in 2015-16, preferred date of allotment

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

of spectrum in 1800 MHz band indicated by the successful bidders, in no case later than date of expiry of existing licenses in the respective Service Area.

- (b) In case of other successful bidders in 1800 MHz Band, date of issue of Lol.
- (c) In case of 900 MHz band, date of Expiry of Existing Licenses in 2015-16 in respective Service Areas
- (d) In case of 800 MHz band, date of issue of Lol except for the carrier slots to be vacated by BSNL/MTNL, is indicated in **Annexure 2C**

In case the UAS License/ CMTS License/ UL (Access Services) / Unified License with access service authorisation is cancelled/ terminated for any reason, the spectrum usage rights shall stand withdrawn and cancelled forthwith. If the period of an existing UAS License/ CMTS License/ UL (Access Services)/ Unified License with access service authorisation of an operator expires before the expiry of the right to use the Spectrum awarded by means of the current Auction, then the Licensee will have to obtain Unified License as may be applicable.

3.8.1 Changeover of Frequency Spots

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

3.9 Liberalisation of existing spectrum holding in 800 MHz band:

For making existing spectrum liberalised in 800 MHz band, the following criteria is applicable:

- (a) TSPs would be allowed to convert their existing spectrum holding in 800 MHz into liberalised spectrum only for the balance validity period of the spectrum assignment on payment of the auction determined amount. The auction determined amount will be prorated for the balance validity period of spectrum assignment.
- (b) In case more than one set of market determined prices are available, the latest market determined prices available at the time when the TSP wants to liberalise its spectrum holding, would be applied.
- (c) If the market determined prices are more than one year old, the prevailing market rates proposed to be applied by indexing the last auction prices at the rate of SBI PLR.

3.10 Payment for making contiguous spectrum in 800 MHz band acquired in the auction held in March 2013

Regarding rate of charging for making spectrum contiguous, acquired in the auction held in March 2013, the licensee in such cases would be charged differential of the latest auction price and the March 2013 auction price on pro-rata basis on the balance period of right to use the spectrum.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

3.11 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 Auction 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 the Auction, until the completion of the Auction.

4.1.2 Directors, employees and advisers

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 Auction, prospective Bidders must submit an Application before the last date for submission of such applications, as per the following requirements.

Format for Application and various undertakings is provided in **Section 8 (Annexes)**.

Applicants should inform the DoT promptly in case of any change in the information submitted by them as part of their Application.

The Government reserves the right to summarily disqualify any pre-qualified Bidder at any stage of the Auction or after the Auction is completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with Auction Rules, non-compliance with any other pre-condition prescribed for participating in the Auction or being awarded the spectrum or any matter that may, in the opinion of the Government, be contrary to general public interest.

For such breaches, a Bidder’s Earnest Money Deposit shall be forfeited and the Government may undertake other penal action as well against such a Bidder. Seriousness of the breach shall be determined by the Government at its sole discretion.

4.2.1.1 Auction of Spectrum in 1800 MHz, 900 MHz and 800 MHz 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 8.3.2** (Annexure) 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:

Table 4-A	Earnest Money for Service Areas in 1800 MHz band
Service Area	Earnest Money Amount

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

	per block (Rs. Crore)
Andhra Pradesh	10.50
Bihar	5.00
Gujarat	10.50
Haryana	2.25
Himachal Pradesh	1.00
Karnataka	10.50
Kerala	5.00
Kolkata	5.00
North East	1.00
Odisha	2.25
Punjab	5.00
Rajasthan	5.00
Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	10.50
Uttar Pradesh (East)	10.50
Uttar Pradesh (West)	10.50

Table 4-B	Earnest Money for Service Areas in 900 MHz band
Service Area	Earnest Money Amount per block (Rs. Crore)
Andhra Pradesh	24.25
Assam	5.00
Bihar	10.50
Gujarat	24.25
Haryana	5.00
Himachal Pradesh	2.25
Karnataka	24.25

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Kerala	10.50
Madhya Pradesh	10.50
Maharashtra	24.25
North East	2.25
Odisha	5.00
Punjab	10.50
Rajasthan	10.50
Uttar Pradesh (East)	10.50
Uttar Pradesh (West)	10.50
West Bengal	10.50

Table 4-C	Earnest Money for Service Areas in 800 MHz band
Service Area	Earnest Money Amount per block (Rs. Crore)
Andhra Pradesh	56.75
Assam	10.50
Bihar	24.25
Delhi	66.00
Gujarat	56.75
Haryana	10.50
Himachal Pradesh	10.50
Jammu & Kashmir	10.50
Karnataka	56.75
Kolkata	35.25
Madhya Pradesh	24.25
Maharashtra	56.75
Mumbai	66.00
North East	5.00
Odisha	10.50

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Punjab	24.25
Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	56.75
Uttar Pradesh (East)	35.25
Uttar Pradesh (West)	24.25
West Bengal	24.25

Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across Service Areas in any of the bands, 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**;

- Bidders are to nominate an authorised person, who is empowered to take all decisions connected with the Auction of Spectrum 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 Auction of Spectrum in 1800 MHz, 900 MHz and 800 MHz 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)/UL Licensees with access service authorization, an undertaking confirming that, if the Applicant is successful in winning spectrum in any such service area, it shall acquire a Unified Licence in advance of starting commercial operations. The Applicant shall be solely responsible for ensuring compliance with all eligibility criteria for the award of a Unified Licence including, but not limited to, the criteria required for FIPB approvals and security clearances.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

- An undertaking confirming that, if the applicant is successful in winning spectrum in any service area, it shall acquire a Unified Licence with access service authorization, through an Indian company registered under the Companies Act 2013, in advance of assignment of spectrum. The Applicant shall be solely responsible for ensuring compliance with all eligibility criteria for the award of a Unified Licence with access service authorization, including, but not limited to, the criteria required for FIPB approvals and security clearances.

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

4.2.2 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 Auction 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 DoT website.

Formats for Application and various undertakings are provided in **Section 8 (Annexes)**.

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 payment of application fee, provision of information, the required certification & undertakings and payment of the Earnest Money Deposit. Failure to provide any of these documents or to make the payment within the time specified may result in the Applicant not qualifying for the relevant Auctions.

b) Ownership restrictions

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

c) General power of exclusion

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

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

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

d) Networth and Paid Up Equity Capital

- Networth requirement would be as per the provision in **Section 3.2(vii)** .
- For participation in the auction for allotment of spectrum, networth of those promoters having at least 10% paid up equity holding in the applicant company can also be taken into consideration
- The Applicant Company shall have a minimum paid up equity capital equal to one tenth of networth prescribed above and shall submit a certificate to this effect (signed by the Company Secretary or authorized signatory of the Company) while applying for participation in the auction of spectrum.
- Additional networth requirement for obtaining UL will have to be met at the time of making application for UL.

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 30th September 2015 and extendable for a further period of six months at the request of DoT, in the prescribed format as given in **Section 8.3.2 (Annexure)**.

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 Auction 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 Auction. The detailed method by which Initial Eligibility is determined is given subsequently for the Auction. At no stage in the Auction

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

shall they be allowed to bid for more service areas than the Initial Eligibility points corresponding to the EMD will permit.

For the Auction, 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 Auction and after meeting all the necessary obligations under the Auction Rules, as applicable.

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

- (a) The Applicant misrepresents facts in its Application;
- (b) The Applicant violates any of the Auction Rules or otherwise disrupts the Auction process;
- (c) The Bidder does not bid for even one service area in the first Clock Round of the 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 **2 (TWO)** Class-III Digital Signature Certificate(s) **for each of the Authorized Persons** for signing and encryption issued by any valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the Electronic Auction System (EAS). The pre-qualified bidders will be provided with a list of phone passwords (to be used for reporting technical problems only).

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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 the Digital Signature Certificates and to attempt to log in to the EAS using the URL and password provided. Problems encountered in accessing the EAS successfully should be reported to the Auction Administrator immediately.

4.4 Bid Validity

The Bids made in the Auction shall be valid up to 30th September 2015.

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 1800 MHz band, and 25% in case of 900 MHz and 800 MHz bands 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 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. 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.

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

Suppose 1000 = value of each instalment,

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

Since the interest rate being applied is 10%

So the amount to be pre-paid in respect of that instalment = $1000/(1+10/100)^2$
= 826.45

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- (iv) If there are more than one instalments to be pre-paid, the total amount to be pre-paid would be sum total of each of such calculated amounts for each of the instalments, in accordance with the number of years by which each of these instalments are being pre-paid.
- (v) An indicative schedule of payments is given below:

Indicative Schedule for Payment in 1800 MHz Band

Full Amount Due	Rs. 1000
Upfront Payment	33%
Balance to be recovered	1000- (1000*33%)= Rs. 670
Number of Instalments	10
Interest Rate	10%
Assumed Date of first payment	25-03-2015
Moratorium	2 Years

Schedule of Payments		
Instalment	Due Date for payment	Amount (Rs. Crore)
Upfront payment	25-03-2015	330.00
1 st instalment	26-03-2018	131.94
2 nd instalment	26-03-2019	131.94
3 rd instalment	26-03-2020	131.94
4 th instalment	26-03-2021	131.94
5 th instalment	26-03-2022	131.94
6 th instalment	26-03-2023	131.94
7 th instalment	26-03-2024	131.94
8 th instalment	26-03-2025	131.94
9 th instalment	26-03-2026	131.94
10 th instalment	26-03-2027	131.94

Indicative Schedule for Payment in 900 MHz and 800 MHz Bands

Full Amount Due	Rs. 1000
Upfront Payment	25%
Balance to be recovered	1000- (1000*25%)= Rs. 750
Number of Instalments	10

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Interest Rate	10%
Assumed Date of first payment	25-03-2015
Moratorium	2 Years

Schedule of Payments		
Instalment	Due Date for payment	Amount (Rs. Crore)
Upfront payment	25-03-2015	250.00
1 st instalment	26-03-2018	147.69
2 nd instalment	26-03-2019	147.69
3 rd instalment	26-03-2020	147.69
4 th instalment	26-03-2021	147.69
5 th instalment	26-03-2022	147.69
6 th instalment	26-03-2023	147.69
7 th instalment	26-03-2024	147.69
8 th instalment	26-03-2025	147.69
9 th instalment	26-03-2026	147.69
10 th instalment	26-03-2027	147.69

- (vi) The successful bidder shall securitize the annual instalment for the deferred payment through a financial bank guarantee (FBG) of an amount of one annual instalment. On payment of 1st instalment and each instalment thereafter, the 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.
- (vii) 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. The format for the FBG is at **Annexure 8.3.2.1**.
- (viii) 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- (ix) 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.
- (x) In the event of default in payment of instalments, in addition to the action as provided in the paras above, DOT may terminate the license and spectrum allotment/assignment, in which case, the allotted/assigned spectrum will revert back to DOT. The FBGs 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. In case of the date of payment being Saturday, Sunday or a public holiday, the effective date of payment to be considered as next working day.

All payments will need to be made by the Successful Bidders through Real Time Gross Settlement (RTGS) into the designated account that shall be specified by DoT.

4.6 Facilitation of Funding of Telecom Projects

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

For Latest ECB guidelines, bidders are requested to visit <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7720&Mode=0>.

4.7 Allotment of Spectrums

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**;
- Upon declaration as successful bidder, the existing CMTS/UASL/UL(AS)/UL held by them shall be amended by way of inclusion of an addendum comprising of this NIA.
- Upon successful bidder obtaining the letter amending the Existing License by way of inclusion of an addendum comprising of this NIA, 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 wireless operating licence from the WPC Wing of DoT, as per prescribed procedure

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

New Entrants

- Upon declaration as successful applicant, the applicant Company can apply to AS Wing of DoT for grant of an Lol for Unified License for applicable service area for which it proposes to participate in the auction. The date of validity of Lol to be issued on completion of the application for grant of Unified License shall be 20 days after the date of declaration of successful bidder.
- The successful bidder shall complete the formalities for grant of signing of Unified License within the validity period of the Lol issued by AS Wing of DoT.
- 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**;
- Upon the Successful Bidder obtaining a Unified License and fulfilment of conditions as may be specified including an addendum comprising of this NIA, 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.

4.9 Spectrum Audit

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

4.10 Spectrum Sharing

Operators whose entire spectrum holding in a particular band is/has been liberalized will be permitted to share spectrum as per the guidelines issued from time to time without any additional one time spectrum charge.

Detailed guidelines regarding sharing of spectrum would be issued in due course.

4.11 Spectrum Trading

The Government has decided in-principle to permit Spectrum trading. However, the detailed guidelines in this regards will be issued in due course.

5 Spectrum in 1800 MHz, 900 MHz and 800 MHz bands – Auction Rules

5.1 Conduct of the Auction

The e-auction (online auction) will be conducted through internet using the web browsing software, IE 11.x or Mozilla 34.x or Google Chrome 37.x, wherein only the pre-qualified bidders will be allowed to participate.

The bidders are required to procure **2 (Two)** Class-III Digital Signature Certificate(s) (DSC) **for each of the Authorized Persons** 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. It would be the respective bidder's responsibility to acquire such DSC(s) in the name of their authorized signatories (maximum of two authorized signatories is permitted) for participation in the e-auction. The bidders also need to ensure that they acquire **both** 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 Keys** of **all** 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 keys** to eas@mjunction.in to map the authorized participants in the EAS.*

*The bidders have to ensure that each of their Authorized Persons procure **both** the DSCs for signing and encryption separately. Hence, each user will have **Four** DSCs – **Two** for Digital Signing and **Two** 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 both the Digital Signature Certificates of the two Authorized Persons. The access to EAS to each / either of these two Authorized Persons will be from a maximum of four different Public Static IP Addresses which the bidder is required to provide to the Auction Administrator before the mock auction.

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 all the bands (1800 MHz, 900 MHz and 800 MHz band) will be conducted simultaneously.

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

Table 5-A		Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 200 kHz (Paired)), for e-auction of Spectrum in <u>1800 MHz Band</u>.			
Sl. No.	Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks	Reserve Price per Block (In INR in Cr.)
1.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana	3.8	19	33.80
2.	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 th August, 2000.	2.0	10	12.40
3.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	3.4	17	47.60
4.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	8.0	40	6.40

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

5.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	10.2	51	1.80
6.	Karnataka	Entire area falling within the State of Karnataka.	1.8	9	37.00
7.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	1.0	5	15.00
8.	Kolkata	Local Areas served by Kolkata Telephones of BSNL.	7.0	35	14.60
9.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	8.4	42	2.20
10.	Odisha	Entire area falling within the State of Odisha.	16.2	81	4.60
11.	Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	1.6	8	14.20
12.	Rajasthan	Entire area falling within the State of Rajasthan.	10.4	52	12.00
13.	Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	19.0	95	45.00
14.	Uttar Pradesh (East)	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh: Shahjahanpur,	4.2	21	19.40

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Farrukhabad, Kanpur and Jalaun.			
15.	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, Manipuri 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.	2.2	11	19.00

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

Table 5-B		Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 200 kHz (Paired)), for e-auction of Spectrum in <u>900 MHz Band</u>.			
Sl. No.	Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks	Reserve Price per Block (In INR in Cr.)
1.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana	14.0	70	91.80
2.	Assam	Entire area falling within the State of Assam.	6.2	31	14.80
3.	Bihar	Entire area falling within the re-organized State of	6.2	31	29.60

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganization Act, 2000 (No. 30 of 2000) dated 25 th August, 2000.			
4.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	14.0	70	84.80
5.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	12.4	62	15.20
6.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	12.4	62	5.40
7.	Karnataka	Entire area falling within the State of Karnataka.	14.0	70	74.00
8.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	12.4	62	33.60
9.	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 th August, 2000.	12.4	62	35.00
10.	Maharashtra	Entire area falling within the State of Maharashtra and Goa, excluding areas covered by Mumbai Metro	14.0	70	105.00

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Service Area.			
11.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	8.8	44	5.80
12.	Odisha	Entire area falling within the State of Odisha.	6.2	31	13.40
13.	Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	15.6	78	30.20
14.	Rajasthan	Entire area falling within the State of Rajasthan.	12.4	62	39.40
15.	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.	6.2	31	45.60
16.	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	6.2	31	34.00

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Act, 2000 (No.29 of 2000) dated 25th August, 2000.			
17.	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.	4.4	22	22.20

The details of the Spectrum put up for auction in each of the Service Areas in the 800 MHz band is as given below in **Table 5-C**.

Table 5-C		Service Areas, Areas Covered, Spectrum put to Auction, and Number of Blocks (considering Block Size of 1.25 MHz (Paired)), for e-auction of Spectrum in 800 MHz Band.			
Sl. No.	Name of Telecom Circle / Metro Service Area	Areas Covered	Spectrum put to Auction (In MHz)	Number of Blocks	Reserve Price per Block (In INR in Cr.)
1.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana	6.25	5	292.50
2.	Assam	Entire area falling within the State of Assam.	11.25	9	35.00
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 th August, 2000.	5.00	4	106.25
4.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and	3.75	3	771.25

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Gurgaon Telephone Exchanges.			
5.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	2.50	2	343.75
6.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	7.50	6	47.50
7.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	8.75	7	23.75
8.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	8.75	7	35.00
9.	Karnataka	Entire area falling within the State of Karnataka.	1.25	1	378.75
10.	Kolkata	Local Areas served by Kolkata Telephones of BSNL.	1.25	1	183.75
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 th August, 2000.	6.25	5	113.75
12.	Maharashtra	Entire area falling within the State of Maharashtra and Goa, excluding areas	3.75	3	423.75

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		covered by Mumbai Metro Service Area.			
13.	Mumbai	Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	7.50	6	548.75
14.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	11.25	9	13.75
15.	Odisha	Entire area falling within the State of Odisha.	7.50	6	47.50
16.	Punjab	Entire area falling within the State of Punjab and Union Territory of Chandigarh and Panchkula town of Haryana.	3.75	3	106.25
17.	Tamil Nadu	Entire area falling within the State of Tamil Nadu and Union Territory of Pondicherry (Excluding Yanam)	1.25	1	450.00
18.	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.	3.75	3	167.50
19.	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.	1.25	1	118.75

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		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.			
20.	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.	1.25	1	71.25

Depending upon eligibility, the bidders would be categorized into two categories for each Service Area in each of the bands. Licensees, whose licenses are due to expire in 2015-16 would be treated as “New Entrants” for the purpose of this Auction. The bidding regulations for each of the Service Areas in each of the band would be as given below:

i) 1800 MHz band (Block Size of 200kHz(Paired)) —

- a. Block size shall be of 200 kHz (Paired) in 1800 MHz Band .
- b. The existing licensees would be required to bid a minimum of 0.6 MHz spectrum (paired).
- c. In the LSAs, where total of 5 MHz or more spectrum is not available or where 5 MHz or more spectrum is available but contiguous chunk of 5 MHz is not available, in 1800 MHz band, the new entrants as well those licensees whose licenses are expiring in 2015-16 would be required to bid for a minimum of 0.6 MHz (paired).
- d. In those LSAs where at least one chunk of contiguous 5 MHz is available in the 1800 MHz band
 - i. The new entrants would be required to bid for a minimum of 5 MHz.
 - ii. Those licensees whose licenses are expiring in 2015-16 and do not hold any Spectrum in 1800 MHz band won through Auctions in November 2012 and February 2014 would be required to bid for a minimum of 5 MHz.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- iii. Those licensees whose licenses are expiring in 2015-16 and hold Spectrum in 1800 MHz band won through Auctions in November 2012 and February 2014 would be required to bid for a minimum of 0.6 MHz (paired).
 - e. Maximum number of blocks which a bidder can submit the bid for will be the number of blocks put up for auction subject to the restrictions applicable as per the Spectrum Holding Capping rules.
- **** *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 any other Service Area in 1800 MHz band. For example, it could happen that the bidder is categorized as an “Existing Licensee” in Mumbai, and as a “New Entrant” in Karnataka in 1800 MHz band.*

ii) 900 MHz band (Block Size of 200kHz (Paired))

- a. New entrant / licensees whose licenses are expiring in 2015-16/ Existing licensees whose licenses are not expiring in 2015-16 and holding spectrum only in 1800 MHz band would bid for a minimum of 5 MHz (25 blocks) of spectrum in the 900 MHz band,
- b. In the West Bengal service area new entrant / licensees whose licenses are expiring in 2015-16/ Existing licensees whose licenses are not expiring in 2015-16 and holding spectrum only in 1800 MHz band would bid for a minimum of 4.4 MHz, which is the amount of spectrum available in this service area in the 900 MHz band.
- c. The existing licensees whose licenses are not expiring in 2015-16 and holding spectrum in 900 MHz band may be allowed to bid for a minimum of 0.6 MHz (paired).
- d. Maximum number of blocks which a bidder can submit the bid for will be the number of blocks put up for auction subject to the restrictions applicable as per the Spectrum Holding Capping rules.

iii) 800 MHz band (Block Size of 1.25 MHz (Paired))

- a. A new entrant is required to bid
 - I. For a minimum of 4 blocks, in the LSAs where 4 or more blocks are available.
 - II. For a minimum of 3 blocks, In the LSAs where less than 4 blocks but equal to 3 blocks is available.
 - III. For a minimum of 2 blocks, in the LSAs where less than 3 blocks but equal to 2 blocks is available.
- b. Existing licensees holding spectrum in 800MHz band may bid for a minimum of 1 block.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- c. Maximum number of blocks which a bidder can submit the bid for will be the number of blocks put up for auction subject to the restrictions applicable as per the Spectrum Holding Capping rules.

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, bidders will submit bids for blocks of spectrum of 200 kHz each in 1800 MHz band & 900 MHz band; and for blocks of spectrum of 1.25 MHz each in 800 MHz band, as per their respective permissible limits 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**.

Winning Bidders will pay the sum of the relevant Winning Prices set in the Clock Stage for Service Areas in which they are assigned blocks. 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

For the purpose of this Auction 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 (1800 MHz/ 900 MHz/800 MHz) and also on the Total Spectrum assigned in all the bands namely 800 MHz/ 900 MHz/ 1800 MHz/ 2.1 GHz/ 2.3 GHz/ 2.5 GHz along with respective paired frequencies.

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 above mentioned frequency bands (including the Spectrum put for these auctions).

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- ** *For the purpose of arriving at Overall Cap, the Total Spectrum Assigned in a Service Area is considered as the sum total of the current holdings of all the Telecom Service Providers across all bands in the respective Service Area PLUS the Spectrum put to auction in that particular Service Area.*
- ** *It may be noted that the Spectrum which is expiring in 2015-16 will not be considered in the Current Holdings. The same spectrum will only be considered as the Spectrum put to auction.*

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

Table 5-D	Overall Cap on Bidding for each Operator for each Service Area.
	Total Spectrum Assigned for unpaired and both sides of spectrum in case of paired spectrum is taken into account
Service Area	Overall Cap for each Operator (In MHz)**
Andhra Pradesh	64.90
Assam	56.70
Bihar	62.35
Delhi	59.23
Gujarat	59.98
Haryana	65.35
Himachal Pradesh	63.33
Jammu & Kashmir	54.03
Karnataka	62.90
Kerala	67.40
Kolkata	61.38
Madhya Pradesh	67.38
Maharashtra	59.70
Mumbai	64.43
North East	64.98

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Odisha	65.55
Punjab	67.00
Rajasthan	64.48
Tamil Nadu	70.10
Uttar Pradesh (East)	64.18
Uttar Pradesh (West)	61.13
West Bengal	61.15

*** 25% of total assigned spectrum and spectrum put for auction across all the bands (FDD: 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz and TDD: 2.3/2.5 GHz) in a service area*

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 5-D** above. Total Spectrum Assigned for unpaired and both sides of spectrum in case of paired spectrum is taken into account.

5.3.2 Cap in 1800MHz band

The Spectrum Cap for each operator in each of the Service Areas in 1800 MHz band is calculated as 50% of the Total Spectrum Assigned, both uplink and downlink, for Telecom services in 1800 MHz band.

*** For the purpose of arriving at Spectrum Cap in 1800 MHz band, the Total Spectrum Assigned in a Service Area in 1800 MHz band is considered as the sum total of the current holdings of all the telecom operators in 1800 MHz band in the respective Service Area PLUS the Spectrum put to auction in 1800 MHz band in that particular Service Area.*

It may be noted that the Spectrum which is expiring in 2015-16 will not be considered in the Current Holdings. The same spectrum will only be considered as the Spectrum put to auction.

Spectrum Cap for each Operator in 1800 MHz band on the Maximum Spectrum for each of the Service Area is as given in **Table 5-E** below:

Table 5-E	Cap on Bidding for each Operator for each Service Area in 1800 MHz band. Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account
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Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Service Area	Maximum Cap for each Operator (In MHz)*
Andhra Pradesh	54.60
Bihar	28.55
Gujarat	46.00
Haryana	47.10
Himachal Pradesh	43.05
Karnataka	50.60
Kerala	52.45
Kolkata	48.80
North East	44.30
Odisha	52.50
Punjab	43.45
Rajasthan	46.60
Tamilnadu	65.00
Uttar Pradesh (East)	47.25
Uttar Pradesh (West)	39.90

** 50% of total assigned spectrum and spectrum put for auction in the band in a service area*

It may be noted that for a Service Area in 1800 MHz band, the Total of the Current Holding of Spectrum in 1800 MHz 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 5-E** above. Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account.

5.3.3 Cap in 900 MHz band

The Spectrum Cap for each operator in each of the Service Areas in 900 MHz band is calculated as 50% of the Total Spectrum assigned, both uplink and downlink, for Telecom services in 900 MHz band.

*** For the purpose of arriving at Spectrum Cap in 900 MHz band, the Total Spectrum Assigned in a Service Area in 900 MHz band is considered as the sum total of the current holdings of all the telecom operators in 900 MHz band in the respective Service Area PLUS the Spectrum put to auction in 900 MHz band in that particular Service Area.*

*** It may be noted that the Spectrum which is expiring in 2015-16 will not be considered in*

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

the Current Holdings. The same spectrum will only be considered as the Spectrum put to auction.

Spectrum Cap for each Operator in 900 MHz band on the Maximum Spectrum for each of the Service Area is as given in **Table 5-F** below:

Table 5-F	Cap on Bidding for each Operator for each Service Area in 900 MHz band.
	Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account
Service Area	Maximum Cap for each Operator (In MHz)*
Andhra Pradesh	20.20
Assam	18.60
Bihar	18.60
Gujarat	20.20
Haryana	18.60
Himachal Pradesh	18.60
Karnataka	20.20
Kerala	18.60
Madhya Pradesh	18.60
Maharashtra	20.20
North East	19.40
Odisha	18.60
Punjab	21.80
Rajasthan	18.60
Uttar Pradesh (East)	18.60
Uttar Pradesh (West)	18.60
West Bengal	19.40

** 50% of total assigned spectrum and spectrum put for auction in the band in a service area*

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in 900MHz band and the Total Spectrum for which the bidder is submitting the bid for a Service Area should not exceed

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

the cap which is mentioned in the **Table 5-F** above. Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account.

5.3.4 Cap in 800 MHz band

The Spectrum Cap for each operator in each of the Service Areas in 800 MHz band is calculated as 50% of the Total Spectrum assigned, both uplink and downlink, for Telecom services in 800 MHz band.

*** For the purpose of arriving at Spectrum Cap in 800 MHz band, the Total Spectrum Assigned in a Service Area in 800 MHz band is considered as the sum total of the current holdings of all the telecom operators in 800 MHz band in the respective Service Area PLUS the Spectrum put to auction in 800 MHz band in that particular Service Area.*

Spectrum Cap for each Operator in 800 MHz band on the Maximum Spectrum for each of the Service Area is as given in **Table 5-G** below:

Table 5-G	Cap on Bidding for each Operator for each Service Area in 800 MHz band.
	Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account
Service Area	Maximum Cap for each Operator (In MHz)*
Andhra Pradesh	15.00
Assam	16.25
Bihar	13.75
Delhi	16.25
Gujarat	13.75
Haryana	15.00
Himachal Pradesh	15.00
Jammu & Kashmir	13.75
Karnataka	15.00
Kolkata	13.75
Madhya Pradesh	16.25
Maharashtra	13.75

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Mumbai	16.25
North East	16.25
Odisha	15.00
Punjab	13.75
Tamilnadu	15.00
Uttar Pradesh (East)	12.50
Uttar Pradesh (West)	13.75
West Bengal	13.75

** 50% of total assigned spectrum and spectrum put for auction in the band in a service area*

It may be noted that for a Service Area, the Total of the Current Holding of Spectrum in 800 MHz 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 5-G** above. Total Spectrum Assigned for both sides of spectrum in case of paired spectrum is taken into account.

5.4 The Clock Stage

5.4.1 Overview

In the Clock Stage, 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 in all the bands, where spectrum is put to auction. Bidders will be able to bid depending upon their respective categorization as defined in **Section 2.1** and applicable spectrum caps. Therefore, in each Clock Round, a Bidder's decisions will consist of Yes / No choice for each of the service areas whether to make a Bid at a price equal to the current Clock Round price for that area. If the option of "Yes" is selected, then a choice of number of Blocks has to be selected. The number of Blocks will be a drop down option on the bidding screen, the value of which will depend on the categorization of the bidder for each of the service areas.

By bidding on a service area, if that Bid becomes a Provisional Winning Bid, the Bidder commits to buy the block(s) in that service area at a price not greater than the Clock Round price of the round when the Bid was submitted, unless revised in the subsequent rounds with a higher Clock Round price.

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 5.4.5**. 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 price per Block in each Service Area in each of the bands will be set equal to the Reserve Price. For subsequent rounds, the Clock Round prices in each service area in each of the bands will be set depending on Excess Demand (defined in **Section 5.4.7**) in the previous completed Clock Round. The excess demand will be determined by the total number of blocks for which the prices have been quoted, vis-a-vis the total number of blocks available for each service area in each of the bands for a particular Clock Round Price (which may be the same for more than one round). The following rules would be applicable:

- If Excess Demand is negative, the Clock Round price in that service area in the particular band will be equal to the Clock Round price in the last completed Clock Round;
- If Excess Demand is zero or positive, the Clock Round price in that service area in the particular band will be equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment determined by the amount of Excess Demand.

If a new Clock Round is required, further Bids will be invited at the new Clock Round prices. The Clock Rounds will continue until demand can be satisfied within each and every service area in each of the bands. The final Clock Round will be the first round in which:

- i. There is no bidding activity in any of the Service Areas in any of the bands; and
- ii. The Activity Requirement has been increased to the maximum level (i.e. the Activity Requirement is set to 100%, as discussed subsequently in **Section 5.4.5**).

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

5.4.2 Consequences of Rules for Provisional Winning Bidders

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

- If in a Clock Round, **R**, for a Service Area, there are bids received for **N** Blocks at the current Clock Round price and since this is equal to the total number of Blocks put to auction, all the bidders who have submitted their bid become the Provisional Winning Bidders and this Price becomes the Provisional Winning Price, which is the Clock Round Price of Round **R**;

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- In subsequent Clock Round, ***R+1***, an increment is added to the Clock Round Price of Round ***R***, which becomes the new Clock Round Price for Round ***R+1***. At this strictly higher price, bids are received for ***M*** number of blocks, where ***M*** is strictly less than ***N***. The Provisional Winning Bids will now consist of bids received for ***M*** blocks at the Clock Round Price of Round ***R+1*** and bids received for ***N-M*** blocks selected from amongst the Provisional Winning Bids made in Clock Round ***R*** according to the ranking criteria. Therefore, the Provisional Winning Blocks which would be considered at the end of Clock Round ***R+1*** would be the ***M*** blocks received at the higher price of Clock Round ***R+1*** and ***N-M*** blocks at the lower price of Clock Round ***R***. The Provisional Winning Price at the end of Clock Round ***R+1*** would be the Clock Round Price of Round ***R***, as this is the lowest value amongst the Provisional Winning Blocks.
- If ***M*** is EQUAL TO or GREATER than ***N***, then the Provisional Winning Price in Clock Round ***R+1*** would be the Clock Round Price of ***R+1***.

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

- If the Clock Round Price of Current Clock Round ***R+1***, is EQUAL to the Clock Round Price of previous Clock Round ***R*** (due to Excess Demand being Negative in Clock Round ***R***) for a particular Service Area in a particular band, the bidder can bid for the balance of the maximum permitted blocks, if available, in Clock Round ***R+1***.
- If the Clock Round Price of Current Clock Round ***R+1***, is GREATER than the Clock Round Price of previous Clock Round ***R***, (due to Excess Demand being Positive in Clock Round ***R***) for a particular Service Area in a particular band, the bidder can bid for Any / ALL the Blocks depending on their respective categorization for that particular Service Area in the particular band.

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

5.4.3 Bidding during Clock Rounds

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

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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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 all the bands;
- Earnest Money Deposit requirement linked to a block in each Service Area in all 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 all the bands;
- After the first Clock Round, Aggregate Demand in each Service Area for all 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 all 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 all the bands at the Clock Round Price in the last completed Clock Round;
- After the first Clock Round, if the bidder becomes a Provisional Winning Bidder, the rank of the bidder;
- Option to Bid (Yes / No); and
- Option for selection of Number of Blocks

The bidder will have the option to select “Yes” / “No” in each 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/ any of the bands would be restricted by the following factors:

- The total value of the EMD of the number of blocks in the selected 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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 5.4.5**.

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

5.4.4 Eligibility Points and Deposits

For the purpose of applying Activity Rules, each of the blocks** 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 eligibility points associated with a block of 200 kHz in 1800 MHz Band, with a block of 200 kHz in 900 MHz band and 1.25MHz in 800 MHz band in each Service Area is listed in **Table 5-H**.

****** *The Block Size will be 200 kHz (Paired) each in 1800 MHz band and 900 MHz band; and 1.25 MHz (Paired) each in 800 MHz band.*

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 in both the bands 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. The Initial Eligibility Point will be the value corresponding to the Total EMD submitted by the bidder as listed in **Table 5-I**, attached as a separate **Annexure 5-I** and shall be a part of this NIA.

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 in each of the bands and the Eligibility Points at that particular Round which would decide the ability to submit the bid for the respective bidder.

The Initial Eligibility 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

5.4.5 Activity Rules

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

*** The networth shall be reckoned as defined in the UL guidelines.*

Further to the NetWorth 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 all 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 those Number of Block(s) in each of 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 blocks in the current Clock Round.

Bidders may only bid for combinations of services areas (in either / any/ all of the bands) with an associated 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 sum of 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- (ii) The Eligibility Points associated with those number of Block(s) in each of 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.

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

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

- If the Bidder’s activity in a Clock Round, **R**, is EQUAL to or GREATER than its Activity Requirement, then the Bidder’s eligibility in the next Clock Round **R+1** will be equal to the Bidder’s eligibility in the Clock Round **R**;
- If the Bidder’s activity in a Clock Round, **R**, is LESS than the Bidder’s Activity Requirement for that Clock Round, then the eligibility of the Bidder in the next Clock Round **R+1** will be equal to its activity level in the Clock Round **R** divided by the Auction Activity Requirement, rounded down to the nearest whole number:

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

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

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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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%.

5.4.6 Ranking of Bidders and Provisional Winning Bidders

For the purpose of determining the Provisional Winning Bidders in each Service Area in all of 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:

- In descending order according to the Clock Round Price for that Service Area in the respective band in the Clock Round when the bid was made.
- Where there is a tie according to the first criteria, ranking will be in descending order of the count of the number of times the bid has been submitted for a Unique Clock Round Price (excluding the Current Clock Round for which the rank is being generated) for the particular 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 criteria in Round No. 20 (at Clock Round Price of Rs. 250), for a particular Service Area in a particular band. Assuming that bidder **X** had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200). The count for the number of times at which bidder **X** has submitted his bid for Unique Clock Round Price will be **3** i.e. where the bidder has submitted at Clock Round Price of Rs. 150, Rs. 175 and Rs. 200. At the same time, assuming that bidder **Y** had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). The count for the number of times at which bidder **Y** has submitted the bid for Unique Clock Round Price will be 2. In this case, when the two bidders, **X** and **Y**, are considered for ranking for Round No. 20, bidder **X** will be ranked higher than **Y**.

- Where there is a tie according to the first two criteria, ranking will be in descending order of the highest Clock Round Price when the bid was submitted in the earlier rounds (excluding the Current Clock Round for which the rank is being generated) in the 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 (at Clock Round Price of Rs. 250), for a

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

particular Service Area in a particular band. Assuming that bidder **X** had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200). At the same time, bidder **Y** had submitted the bid in Clock Round No. 5 (@ Rs. 100), in Clock Round No. 10 (@ Rs. 150), and Round No. 19 (@ Rs. 220). In 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 is a tie according to the first three criteria, ranking will be in descending order according to the number of Blocks for which bid has been submitted by the bidder for a particular Service Area in the particular band at the Current Clock Round Price.

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

- Where there is a tie according to the first four criteria, ranking will be in descending order according to the total value of all Blocks for which bid has been submitted by the bidder for all the 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 in a particular band. Assuming that bidder **X** had submitted a bid in the current Clock Round for Service Areas of Delhi (1800 MHz) for 4 blocks at Clock Round Price of Rs. 100, Delhi (900 MHz) for 1 block at Clock Round Price of Rs. 200, and Karnataka (1800 MHz) for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder **X** will be considered as equivalent to $((4*100)+(1*200)+(2*50) = \text{Rs. } 700)$. Similarly, if Bidder **Y** had submitted a bid in the current round for Service Areas of Delhi (900 MHz) for 2 blocks at Clock Round Price of Rs. 200, Mumbai (900 MHz) for 2 blocks at Clock Round Price of Rs. 180, and Karnataka (1800 MHz) for 2 blocks at Clock Round Price of Rs. 50. Hence, the total value for Bidder **Y** will be considered as equivalent to

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

$(2*200)+(2*180)+(2*50) = \text{Rs. } 860$). Since the total value of the blocks for which bids have been submitted in Clock Round No. 20 of Bidder **Y** is more than Bidder **X**, as a result of which, when this criteria is considered for ranking, Bidder **Y** will be ranked higher than Bidder **X**.

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

- * *Ranking will be generated for each Service Area in each of the band at the end of each Clock Round.*
- * *Only the Provisional Winning Bidders in each Service Areas in each of the bands will be displayed their respective rank.*
- * *Bidders are required to submit a minimum bid in various bands as per the details given in **Section 2.1***

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 each of the bands as specified in **para 2.1**.*

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, the Provisional Winning Bidders from an earlier round with Clock Round Price less than the Current Clock Round, R, will be considered in order of their ranking.*
- b) If the number of blocks for which bids have been received in 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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.

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.*

5.4.7 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.

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 Block(s) 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Hence, Excess Demand is calculated based on the number of Block(s) 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 Round will be set equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment.

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

Example – 1:

Band – 900 MHz		Service Area – Say ABC	
Total Number of Blocks put up for Auction – 16			
Round No. 10		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which Bids have been submitted	Number of blocks allocated as a Provisional Winning Bidder
1	New Entrant – 1	5	5
2	New Entrant – 2	6	6
3	New Entrant – 3	8	5
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		19	→ Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 19.
Excess Demand at Clock Round Price of Rs. 100 is (19-16 = 3)			
Clock Round Price for Round No. 11 will be increased from Rs. 100 to a new value which will be (Rs. 100 + a strictly positive price increment).			

Example – 2:

Band – 900 MHz	Service Area – Say ABC
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Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Total Number of Blocks put up for Auction – 16			
Round No. 10		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which Bids have been submitted	Number of blocks allocated as a Provisional Winning Bidder
1	New Entrant – 1	5	5
2	New Entrant – 2	5	5
Demand in Clock Round No. 10 at Clock Round Price of Rs. 100		10	→Will be considered as Negative as Total Demand at Clock Round Price of Rs. 100 is 10.
Excess Demand at Clock Round Price of Rs. 100 is (10-16 = -6)			
Clock Round Price for Round No. 11 will be same at Rs. 100 due to Negative Demand.			
Round No. 11		Clock Round Price = Rs. 100	
Rank	Name of Bidder	Number of Blocks for which Bids have been submitted	Number of blocks allocated as a Provisional Winning Bidder
1	New Entrant – 3	6	6
Demand in Clock Round No. 11 at Clock Round Price of Rs. 100		6	→Will be considered as Positive as Total Demand at Clock Round Price of Rs. 100 is 16 since the demand is calculated for a Clock Round Price which might be same over multiple rounds.
Excess Demand at Clock Round Price of Rs. 100 is (16-16 = 0)			
Clock Round Price for Round No. 12 will be increased from Rs. 100 to a new value which will be (Rs. 100 + 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 not 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-J and Table 5-K**.

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 per details provided in **Section 2.1** and applicable caps.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

5.4.8 Winning Bids and Winning Prices

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

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

The Provisional Winning Price in any particular 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 in each of the bands. The Winning Price per block for all the Winning Bidder(s) will be the same. The Winning Price to be paid by a Winning Bidder will never be greater than the highest bid of a Winning Bidder for that particular Service Area in a particular band.

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 60 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 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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 responsibility of the respective bidder's 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 in each of the bands. If there is bidding activity in any service area in any of the bands 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

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 in any of the bands. As a consequence, the Bidder’s eligibility in the following Clock Round will be calculated based on the eligibility linked to its Provisional Winning Blocks at the end of the previous Clock Round and the Auction Activity Requirement 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;

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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 all the bands.

1800 MHz and 900 MHz bands:- The frequency identification will be performed based on the sets of 5 MHz spectrum, which the bidders might have won at the end of the Clock Stage. In 1800 MHz band and in 900 MHz band one set of 5MHz spectrum will be consisting of 25 blocks. Hence, in 1800 MHz band and in 900 MHz band , the winning bidder(s) who have won a minimum of 25 blocks in a particular Service Area will be considered for the allocation of contiguous spectrum in that particular Service Area

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

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

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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

The system will perform the frequency allocation for Contiguous & Non-Contiguous spectrum as below:

• **Contiguous Spectrum**

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

- (i) If number of set(s) of contiguous spectrum put to auction is EQUAL to number of bidder(s), all such bidder(s) will be allocated Contiguous Spectrum of 5 MHz in order of their ranking. If any such bidder has won more than 5 MHz spectrum, in which case, the bidder will be allocated one set of contiguous spectrum of 5 MHz and the balance spectrum will be allocated from the non-contiguous set of spectrum.

An example to illustrate the same is given below:

Service Area		Say ABC	Band	1800 MHz
Spectrum/ Block(s) put to Auction			20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available			3 Sets of 5 MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form			5MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5 MHz in the Clock Stage			3 Bidders	
Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage			3 Sets	
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5MHz	No. of Sets of Contiguous Spectrum allotted
Bidder – 1	1	5 MHz / 25 Blocks	1	1
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	5 MHz / 25 Blocks	1	1
Bidder – 4	4	8 MHz / 40 Blocks	1	1
				(Balance of 3 MHz (15

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

An example to illustrate the same is given below:

Service Area	Say ABC		Band	1800 MHz
Spectrum/ Block(s) put to Auction			20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available			3 Sets of 5 MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form			5 MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5MHz in the Clock Stage			2 Bidders	
Total Number of Set(s) of 5MHz each considering all the bidders who have won a minimum of 5MHz in the Clock Stage			3 Sets	
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5 MHz	No. of Sets of Contiguous Spectrum allotted
Bidder – 1	1	5 MHz / 25 Blocks	1	1
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	10 MHz / 50 Blocks	2	2
Bidder – 4	4	3 MHz / 15 Blocks	0	

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

An example to illustrate the same is given below:

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Number of Sets of Contiguous Spectrum available		3 Sets of 5 MHz each i.e. 15 MHz		
Spectrum/ Block(s) available in Non-Contiguous form		5 MHz / 25 Blocks		
Number of Bidder(s) who have won a minimum of 5 MHz in the Clock Stage		2 Bidders		
Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage		2 Sets		
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5 MHz	No. of Sets of Contiguous Spectrum allotted
Bidder – 1	1	8 MHz / 40 Blocks	1	1 (Balance of 3 MHz (15 Blocks) will be allocated on random basis)
Bidder – 2	2	2 MHz / 10 Blocks	0	
Bidder – 3	3	7 MHz / 35 Blocks	1	1 (Balance of 2 MHz (10 Blocks) will be allocated on random basis)
Bidder – 4	4	3MHz / 15 Blocks	0	

(iv) If number of set(s) of contiguous spectrum put to auction is GREATER than the number of bidder(s) who have won a minimum of 5MHz spectrum, but LESS than the number of set(s) which have been won by such bidder(s), all such bidder(s) will be allocated a minimum of 1 set of Contiguous Spectrum in order of their ranking. The balance of the set(s) of contiguous spectrum will again be allotted to such bidder(s) in order of their ranking.

An example to illustrate the same is given below:

Service Area	Say ABC	Band	1800 MHz
Spectrum/ Block(s) put to Auction		20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available		3 Sets of 5 MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous		5MHz / 25 Blocks	

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

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

An example to illustrate the same is given below:

Service Area	Say ABC		Band	1800MHz
Spectrum/ Block(s) put to Auction			20 MHz / 100 Blocks	
Number of Sets of Contiguous Spectrum available			3 Sets of 5MHz each i.e. 15 MHz	
Spectrum/ Block(s) available in Non-Contiguous form			5MHz / 25 Blocks	
Number of Bidder(s) who have won a minimum of 5MHz in the Clock Stage			4 Bidders	
Total Number of Set(s) of 5 MHz each considering all the bidders who have won a minimum of 5 MHz in the Clock Stage			4 Sets	
Bidder	Rank	Spectrum/ Block(s) won at end of Clock Stage	Sets of 5MHz	No. of Sets of Contiguous Spectrum allotted
Bidder – 1	1	5 MHz / 25 Blocks	1	1

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Bidder – 2	2	5 MHz / 25 Blocks	1	1
Bidder – 3	3	5 MHz / 25 Blocks	1	1
Bidder – 4	4	5 MHz / 25 Blocks	1	0

• **Non-Contiguous Spectrum**

Allocation of spectrum from the non-contiguous set will be allocated on random basis.

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 harmonizing bands and promoting spectrum efficiency.

5.6 Information Policy

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

- The list of Bidders who are not disqualified by then;
- The information provided in such Bidders’ applications, who are not disqualified by then, about their ownership structures;
- A list of pre-qualified Bidders;
- 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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:

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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-H – Service Areas, Reserve Price, Deposits required and Eligibility Points for e-auction of Spectrum in 1800 MHz, 900 MHz and 800 MHz Band.

Sl. No.	Name of Telecom Circle / Metro Service Area	Band	Reserve Price per Block (In INR in Cr.)	Required Deposit per Block (In INR in Cr.)	Eligibility Points per Block
1	Andhra Pradesh	1800 MHz	33.80	10.50	58
2	Bihar	1800 MHz	12.40	5.00	25
3	Gujarat	1800 MHz	47.60	10.50	58
4	Haryana	1800 MHz	6.40	2.25	10
5	Himachal Pradesh	1800 MHz	1.80	1.00	4
6	Karnataka	1800 MHz	37.00	10.50	58
7	Kerala	1800 MHz	15.00	5.00	25

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8	Kolkata	1800 MHz	14.60	5.00	25
9	North East	1800 MHz	2.20	1.00	4
10	Odisha	1800 MHz	4.60	2.25	10
11	Punjab	1800 MHz	14.20	5.00	25
12	Rajasthan	1800 MHz	12.00	5.00	25
13	Tamil Nadu	1800 MHz	45.00	10.50	58
14	Uttar Pradesh (East)	1800 MHz	19.40	10.50	58
15	Uttar Pradesh (West)	1800 MHz	19.00	10.50	58
16	Andhra Pradesh	900 MHz	91.80	24.25	143
17	Assam	900 MHz	14.80	5.00	25
18	Bihar	900 MHz	29.60	10.50	58
19	Gujarat	900 MHz	84.80	24.25	143
20	Haryana	900 MHz	15.20	5.00	25
21	Himachal Pradesh	900 MHz	5.40	2.25	10
22	Karnataka	900 MHz	74.00	24.25	143
23	Kerala	900 MHz	33.60	10.50	58
24	Madhya Pradesh	900 MHz	35.00	10.50	58
25	Maharashtra	900 MHz	105.00	24.25	143
26	North East	900 MHz	5.80	2.25	10
27	Odisha	900 MHz	13.40	5.00	25
28	Punjab	900 MHz	30.20	10.50	58
29	Rajasthan	900 MHz	39.40	10.50	58

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

30	Uttar Pradesh (East)	900 MHz	45.60	10.50	58
31	Uttar Pradesh (West)	900 MHz	34.00	10.50	58
32	West Bengal	900 MHz	22.20	10.50	58
33	Andhra Pradesh	800 MHz	292.50	56.75	377
34	Assam	800 MHz	35.00	10.50	58
35	Bihar	800 MHz	106.25	24.25	143
36	Delhi	800 MHz	771.25	66.00	462
37	Gujarat	800 MHz	343.75	56.75	377
38	Haryana	800MHz	47.50	10.50	58
39	Himachal Pradesh	800 MHz	23.75	10.50	58
40	Jammu &Kashmir	800 MHz	35.00	10.50	58
41	Karnataka	800 MHz	378.75	56.75	377
42	Kolkata	800 MHz	183.75	35.25	224
43	Madhya Pradesh	800 MHz	113.75	24.25	143
44	Maharashtra	800 MHz	423.75	56.75	377
45	Mumbai	800 MHz	548.75	66.00	462
46	North East	800 MHz	13.75	5.00	25
47	Odisha	800 MHz	47.50	10.50	58
48	Punjab	800 MHz	106.25	24.25	143
49	Tamil Nadu	800 MHz	450.00	56.75	377
50	Uttar Pradesh (East)	800 MHz	167.50	35.25	224
51	Uttar Pradesh (West)	800 MHz	118.75	24.25	143

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

52	West Bengal	800 MHz	71.25	24.25	143
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Note: Table 5-I is in Annexure 5-I

Table 5-J – Proportionate Price Increment rule for e-auction of Spectrum in 1800 MHz and 900 MHz Band.			
Excess Demand (In MHz)		Price Increment as a Percentage of previous Clock Round Price	
Less than ZERO (Negative)		0%	
From ZERO up to 1 MHz		1%	
Greater than 1 up to 2 MHz		2%	
Greater than 2 up to 3 MHz		3%	
Greater than 3 up to 4 MHz		4%	
Greater than 4 up to 5 MHz		5%	
Greater than 5 up to 6 MHz		6%	
Greater than 6 up to 7 MHz		7%	
Greater than 7 up to 8 MHz		8%	
Greater than 8 up to 9 MHz		9%	
More than 9 MHz		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.	Name of Telecom Circle / Metro Service Area	Band	Reserve Price per Block (In INR in Cr.)
1	Andhra Pradesh	1800MHz	33.80
2	Bihar	1800MHz	12.40
3	Gujarat	1800MHz	47.60
4	Haryana	1800MHz	6.40

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

5	Himachal Pradesh	1800MHz	1.80
6	Karnataka	1800MHz	37.00
7	Kerala	1800MHz	15.00
8	Kolkata	1800MHz	14.60
9	North East	1800MHz	2.20
10	Odisha	1800MHz	4.60
11	Punjab	1800MHz	14.20
12	Rajasthan	1800MHz	12.00
13	Tamil Nadu	1800MHz	45.00
14	Uttar Pradesh (East)	1800MHz	19.40
15	Uttar Pradesh (West)	1800MHz	19.00
16	Andhra Pradesh	900 MHz	91.80
17	Assam	900 MHz	14.80
18	Bihar	900 MHz	29.60
19	Gujarat	900 MHz	84.80
20	Haryana	900 MHz	15.20
21	Himachal Pradesh	900 MHz	5.40
22	Karnataka	900 MHz	74.00
23	Kerala	900 MHz	33.60
24	Madhya Pradesh	900 MHz	35.00
25	Maharashtra	900 MHz	105.00
26	North East	900 MHz	5.80
27	Odisha	900 MHz	13.40
28	Punjab	900MHz	30.20
29	Rajasthan	900MHz	39.40
30	Uttar Pradesh (East)	900MHz	45.60
31	Uttar Pradesh (West)	900MHz	34.00
32	West Bengal	900MHz	22.20

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

** 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

Table 5-K – Proportionate Price Increment rule for e-auction of Spectrum in 800 MHz Band.			
Excess Demand (In Blocks)		Price Increment as a Percentage of previous Clock Round Price	
Less than ZERO (Negative)		0%	
From ZERO up to 1 Block(s)		1%	
Greater than 1 up to 2 Block(s)		2%	
Greater than 2 up to 3 Block(s)		3%	
Greater than 3 up to 4 Block(s)		4%	
Greater than 4 up to 5 Block(s)		5%	
Greater than 5 up to 6 Block(s)		6%	
Greater than 6 up to 7 Block(s)		7%	
Greater than 7 up to 8 Block(s)		8%	
Greater than 8 up to 9 Block(s)		9%	
More than 9 Block(s)		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.	Name of Telecom Circle / Metro Service Area	Band	Reserve Price per Block (In INR in Cr.)
1	Andhra Pradesh	800 MHz	292.50
2	Assam	800 MHz	35.00
3	Bihar	800 MHz	106.25
4	Delhi	800 MHz	771.25
5	Gujarat	800 MHz	343.75
6	Haryana	800 MHz	47.50
7	Himachal Pradesh	800 MHz	23.75
8	Jammu & Kashmir	800 MHz	35.00

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

9	Karnataka	800 MHz	378.75
10	Kolkata	800 MHz	183.75
11	Madhya Pradesh	800 Mhz	113.75
12	Maharashtra	800 MHz	423.75
13	Mumbai	800 MHz	548.75
14	North East	800 MHz	13.75
15	Odisha	800 MHz	47.50
16	Punjab	800 MHz	106.25
17	Tamil Nadu	800 MHz	450.00
18	Uttar Pradesh (East)	800 MHz	167.50
19	Uttar Pradesh (West)	800 MHz	118.75
20	West Bengal	800 MHz	71.25

** 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

6 Application Instructions

Applications must be submitted in hard copy, to be received between 10:00am (Indian Standard Time) on 2nd Feb, 2015 and 5:00pm (Indian Standard Time) on 6th February, 2015, 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 –1800 MHz, 900 MHz and 800 MHz 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 Auction on the Bidder’s behalf.

If at any later date, it is found that averments/ facts submitted by the Applicant in the Application based on which it has been considered eligible for the Auction is incorrect or false, the Government reserves the right to disqualify the Bidder as well as take other penal action against such Bidder, including but not limited to, forfeiting its EMD as well as withdrawing any frequency 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 the designated date as per the Timetable specified in the NIA (as Amended from time to time).

7 Contact and Further Information

7.1 Contacts for further enquiries

Enquiries, if any, may be directed to the following e-mail address: “spectrumauction-dot@nic.in”.

The Government may or may not respond to any query, in part or full, at its sole discretion. In case it responds to any query, the response shall be made public. However, the identity of the person making the query will not be disclosed, to the extent possible.

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

7.2 Further information

Section 8.1 to 8.6 in the Annexures form a part of this document and contain the following:

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Sections	Descriptions
8.1	Detailed definition of service areas
8.2	Individual responsibilities of each of the Advisers
8.3	Application checklist and formats
8.4	System requirements for accessing the EAS
8.5	Backup Procedures
8.6	Definitions and glossary of terms

7.3 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8 Annexes

8.1 Detailed definition of Service Areas

Sl. No.	Service Area	Areas covered
01.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.
02.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and Telangana.
03.	Assam	Entire area falling within the State of Assam.
04.	Bihar	Entire area falling within the re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated 25 th August, 2000.
05.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).
06.	Haryana	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.
07.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh
08.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.
09.	Karnataka	Entire area falling within the State of Karnataka
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-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th August, 2000.
12.	Maharashtra	Entire area falling within the State of Maharashtra and 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.	Odisha	Entire area falling within the State of Odisha.
15.	Punjab	Entire area falling within the State of Punjab and Union territory of

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

		Chandigarh and Panchkula town of Haryana.
16.	Rajasthan	Entire area falling within the State of Rajasthan.
17.	Tamilnadu	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery.
18.	Uttar Pradesh (West)	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Kasganj (Kanshiram Nagar), Etah, Mainpuri, Etawah and Auraiya. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Re-organisation Act, 2000 (No.29 of 2000) dated 25 th 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, Kannauj, Farrukhabad, Lakhimpur, Kanpur Rural and Jalaun (Orai).
20.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges
21.	Kolkata	Local Areas served by Kolkata Telephones of BSNL.
22.	Mumbai	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges

NOTE:

1. Yanam, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.
2. The definition of Local Areas of exchanges will be as applicable to the existing cellular operators, i.e. at the time of grant of cellular Licenses in Metro Cities
3. The definition of local areas with regard to the above service area as applicable to this license is as per definition applicable to Cellular Mobile Service Licenses as in the year 1994 and 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telegraph Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued
4. Erstwhile Chennai Service Area and Tamilnadu (excluding Chennai) Service Area as defined in UAS License, have been merged to make a single Service area namely Tamilnadu Service Area. For Unified License, there will be Tamilnadu Service Area as defined at Sl. No. 17 in the above List of Service Areas.

8.2 Individual responsibilities of the Advisers

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3 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 be 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 networth	<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/- payable to	<input type="checkbox"/>	

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.1 Application Format for the 1800 MHz, 900 MHz and 800 MHz band Auction

APPLICATION FOR PARTICIPATING IN 1800 MHz, 900 MHz and 800 MHz 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

(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) Networth and Paid up capital of the applicant Company may be provided as detailed below:

- I. Networth (As on date).....
- II. Networth (As on last audited statement).....
- III. Paid Up capital (As on date).....
- IV. Paid Up capital (As on last audited statement).....

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

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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

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

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

I. the details of Networth and Paid Up capital can be given “As on 30-09-2014” in place of “As on Date”, however, in such a case-

- (i) A certificate to be given by the Company Secretary or Authorized Signatory of the Company that Company continues to meet the requirement of Networth and Paid Up capital, as on date of application.*
- (ii) Audited certificates for “Networth” and “Paid Up capital” as on 31-12-2014, signed by Company Secretary or Authorized Certificates, would be submitted by the Company, not later than 15-02-2015.*
- (iii) Further, details of any Capital infusion/dilution, done between 30-09-2014 and Date of application, be given (certified by Company Secretary or Authorized Signatory of the Company).*

II. Further, in respect of Companies, having financial year closing at the end of Calendar year, i.e. 31st December, the last Audited Financial Statement, as on 31-12-2013 shall be acceptable, with a certificate from Company Secretary/Authorized Signatory to the effect that date of financial year closing is at the end of calendar year i.e. 31st December.

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

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

c) Equity Details

Indian	_____
Foreign	_____
Total	_____

7. List of UAS/ CMTS/ UL(AS)/UL 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.

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

(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)/UL licence, it will acquire a Unified Licence.)

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

(Note: In case of step-down subsidiaries, the shareholding details at each level have to be submitted, in the same format as in point 6(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:

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

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

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

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

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

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

(Note: Attach Bank Guarantee)

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

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

(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. Networth of the Company (certificate from Company Secretary or authorised signatory certifying the networth to be provided).

Certificates/ undertaking:

- A. I hereby certify that the Applicant has carefully read the Notice and undertakes to fully comply with the terms and conditions of the Notice.
- B. I hereby certify that the Applicant is legally capable of both bidding for and satisfying its obligations under the terms and conditions for award of the spectrum and the UASL/ CMTS/ Unified Licence (as applicable), including but without limitation to any approvals, consents, permissions and board approvals from its holding company(ies) under any laws or rules and regulations issued by any governmental or regulatory or supervisory body in any competent jurisdiction.
- C. I hereby certify that neither the Applicant nor any of its Associated Licensees are the subject of criminal or civil proceedings that could be expected to adversely affect its business or its ability to bid in the Auction.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 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 networth – please indicate on the letter head of the Company.
- vii. Directors and Authorised Representatives of the Applicant Company will also be authorized signatories with respect to the application. There should be a Power of Attorney/Board Resolution in favour of each of the authorised signatories authorizing the concerned person to sign the Application including the relevant undertakings.
- viii. Applicants are required to inform the Government promptly in case of any change in the information submitted by them as part of their Application.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.1.1 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))*

Sr. No.	Service Area	Existing Licensee	New Entrant	Details of Telecom Service Licenses held by the Applicant in the Service Area* UAS/ CMTS/ / UL(AS)/UL with access service authorisation along with effective date of licence		
				Licence no and date	Effective date of licence	Type of licence
1	Andhra Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
2	Assam	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
3	Bihar	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
4	Delhi	<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			

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

6	Haryana	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
7	Himachal Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
8	Jammu & Kashmir	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
9	Karnataka	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
10	Kerala	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
11	Kolkata	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
12	Madhya Pradesh	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
13	Maharashtra	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

14	Mumbai	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
15	North East	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
16	Odisha	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
17	Punjab	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
18	Rajasthan	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
19	Tamilnadu (excluding Yanam)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
20	Uttar Pradesh (West)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
21	Uttar Pradesh (East)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

22	West Bengal	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
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❖ *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.*

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.2 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 1800 MHz, 900 MHz and 800 MHz band in compliance to DoT NIA No. **1000/16/2014-W.F./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 September 2015, 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 31st March 2016 from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

this date i.e. 31st March 2016, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.

Dated day <month>, 2015

<Name of Bank>

Signature

Witness:

1. _____
2. _____

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.2.1 PROFORMA FOR FINANCIAL BANK GUARANTEE:

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

To
The President of India

In consideration of the President of India (hereinafter called 'THE AUTHORITY') having agreed to assign spectrum to M/s _____ (hereinafter called 'THE SUCCESSFUL BIDDER') _____ in _____ Service Area (Name of Service Area) on the terms and conditions contained in the Notice Inviting Applications(NIA) dated ___ January 2015 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 untilyear from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

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

Witness:

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

- 8.3.3 Format for an Undertaking in respect of Service Area(s) where neither the Applicant nor any of its Associated Licensees has an existing UASL/ CMTSL/ UL(AS)/Unified licence with authorisation for access service**

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

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

- (a) The Applicant desires to submit a proposal for participating in the auction for spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz band in compliance to DoT NIA No. **1000/16/2014-W.F./Auction**;
- (b) The applicant would abide by the ownership restrictions as prescribed in the respective licenses for existing Licensees. In respect of New Entrants, the conditions prescribed in UL shall be applicable.
- (c) That in case the Applicant is declared a Successful Bidder in the any of the Service Area (s) , it shall apply for a Unified Licence with authorisation for access service in that (those)Specified Service Area(s)/ authorisation for use of spectrum band, if not permitted earlier, access service in the Specified Service Area(s) either directly or through one of its Associated Licensees or through a wholly-owned subsidiary of the Applicant (“Nominated Unified License Applicant”) or a company nominated by the Applicant where the Applicant has a minimum of at least 26% (“New Entrant Nominated Unified License Applicant”);
- (d) That the Nominated Applicant/ New Entrant Nominated Unified License Applicant will satisfy all the conditions required to obtain a Unified Licence with authorisation of access service in specified service area(s)/ authorisation of access service in specified service area(s) as per the “Guidelines for grant of Unified License as amended from time to time”;
- (e) That in case the application for grant of Unified Licence with authorisation of access service in specified service area(s)/ authorisation of access service in specified service area(s) of the Nominated License Applicant/ New Entrant Nominated Unified License Applicant is rejected, the Government shall have the right to revoke the spectrum;
- (f) That in case an application for a Unified Licence with authorisation of access service in specified service area(s)/ authorisation of access service in specified service area(s) by the Nominated License Applicant /New Entrant Nominated Unified License Applicant has not been made within seven(7) days of the Applicant being declared a Successful applicant, the Government

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

shall have the right to curtail / revoke the spectrum;

(g) The Nominated License Applicant /New Entrant Nominated Unified License Applicant shall be responsible for the performance of the bid obligations and that the Applicant shall obtain an undertaking to this effect (“Adherence Undertaking”) from the Nominated License Applicant/ New Entrant Nominated Unified License Applicant before the Nominated License Applicant /New Entrant Nominated Unified License Applicant submits the Unified Licence/ authorisation of access service in specified service area(s) application along with a certified copy of the Adherence Undertaking.

Signature and Name of the Authorised Signatory

Date:

Place

Company’s Seal

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.4 Format for an Undertaking to nominate a Group Bidding Entity for the 1800 MHz, 900MHz and 800 MHz band 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 1800 MHz, 900 MHz and 800 MHz band in compliance with DoT NIA No. **1000/16/2014-W.F./Auction** on its behalf in the following service areas:
 - 1. _____
 - 2. _____
- (b) That the Nominator is a UAS/CMTS/ UL(AS)/UL with access service authorisation 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)/UL with access service authorisation (as required by the conditions specified).

Signed:

For <name of the Nominator Company >

Authorised signature
(name and position)

Authorised signature
(name and position) Company seal affixed

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Date: _____

Signed:

For <name of the Group Bidding Entity>

Authorised signature
(name and position)
Company seal affixed

Authorised signature
(name and position)

Date: _____

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.3.5 Format for Ownership Compliance Certificate for the Spectrum Auction in 1800 MHz , 900 MHz and 800 MHz bands

(for all Applicants on the letter head 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 1800 MHz, 900 MHz and 800 MHz 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 we would abide by the ownership restrictions as prescribed in the respective licenses for existing Licensees. In respect of New Entrants, the conditions prescribed in UL shall be applicable.
- (d) That the Unified License licence is subject to the condition that:

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

For the purpose of this clause:

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

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

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

Signed:

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Authorised Signatory

(Name & Position

Company Seal & Date

Authorised Signatory

(Name & Position

8.4 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 11.x, or Mozilla 34.x or Google Chrome 37.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 2 (Two) Class-III Digital Signature Certificate(s) (DSC) **for each of the Authorized Persons** issued by any of the valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the EAS. The details of the License CAs can be viewed on www.cca.gov.in. It would be the respective bidder’s responsibility to acquire such DSC(s) in the name of their authorized signatory for participation in the e-auction. The respective bidders also need to ensure that they acquire all the DSC(s) before the mock auction which will be conducted as per the timelines set by the Government.

8.4.1 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 11.x, or Mozilla 34.x or Google Chrome 37.x. Obsolete versions of Internet Explorer may not support longer keys.

8.4.2 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,

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

user needs to follow the instructions. Detailed instructions on the same can be found from the website, <https://dot.mjunction.in>

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.

8.4.3 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.

8.4.4 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.4.5 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.

8.4.6 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.

8.4.7 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.

8.5 Backup Procedures

8.5.1 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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

and Auction Administrator. This might include resuming the Auction from a previous Round (re-run of a clock round), if required.

8.5.2 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

8.6 Definitions and Glossary of Terms

2100 MHz	Radio spectrum frequencies in the 2100 Megahertz band
1800 MHz	Radio spectrum frequencies in the 1800 Megahertz band
900 MHz	Radio spectrum frequencies in the 900 Megahertz band
800 MHz	Radio spectrum frequencies in the 800 Megahertz band
AAR	Auction Activity Requirement
Activity Rules	Shall have the meaning as described in Sections 5.4.5
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 Auction, to pre-qualify.
Application Form	Format for submitting the Application
Associated Licenses	Existing UAS/ CMTS/ UL(AS)/ UL licensees that have a Common Parent.
Auctioneer	M/s. mjunction services limited in its capacity as advisers to the Government on the Auctions.
Auction Administrator	M/s. mjunction services limited, which will be responsible for the administration of the e-auction.
Auction	Auction of the Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 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.

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

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 in a particular band at a Clock Round price equal to the Clock Round price set in the last completed Clock Round minus the number of blocks available in that service area in that particular band.
Existing Licensee	Those Bidders defined as an “Existing Licensee” bidders in Section 3.2.
Extension Budget	The cumulative maximum period for which each Bidder is allowed to seek extension of Clock Rounds in accordance with the Auction Rules. Reductions from the Extension Budget to be carried out for the extended duration consumed; with parts rounded up.
FBG	Financial Bank Guarantee
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
Frequency Identification Stage	The second stage of the relevant Auctions as described in the Auction Rules.
Government	Government of India.
Group Bidding Entity	A single entity nominated by Associated Licensees corresponding to a single Common Parent, which shall be authorised to bid on their behalf in the relevant Auctions.
GSM	Global System for Mobile Communications.
Initial Eligibility	Number of Eligibility Points allocated to a Bidder based on its Application and amount of Earnest Money Deposit, wherein the Eligibility Points are linked to the applicable Reserve Price for each Block of each Service Area.
Insider	Any party to whom Confidential Information in relation to a Bidder is disclosed.
IT	Information Technology

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Lol	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.
Networth	The networth shall be as per UL guidelines.
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).
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

Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz and 800 MHz Bands – Notice Inviting Applications

Service Area	Service area definition is as per the UL licence conditions. To clarify, Chennai would be included in the Tamil Nadu service area.
Successful Bidder(s)	The Bidder(s) who at the end of the relevant Auctions is confirmed as a Winning Bidder(s) for a particular service area in a particular band by the Government.
TPA	Tripartite Agreement
UASL	Unified Access Service License
UL	Unified License