

5G - Adani bid worth Rs 212 Cr for 400 MHz spectrum

By TIOL News Service

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of India had put 72,098 MHz spectrum to auction, of which 51,236 MHz (71% of the total) has been sold with bid amounting to Rs. 1,50,173 Cr.

M/s Adani Data Networks Ltd. has obtained 400 MHz spectrum in mm wave band (26 GHz). M/s Bharti Airtel Ltd has obtained 19,867.8 MHz in 900, 1800, 2100, 3300 MHz and 26 GHz bands. M/s Reliance Jio Infocomm Ltd has obtained 24,740 MHz spectrum in 700, 800, 1800, 3300 MHz and 26 GHz. M/s Vodafone Idea Ltd has obtained 6,228 MHz spectrum in 1800, 2100, 2500, 3300 MHz and 26 GHz.

The total bid amount of Rs 1,50,173 Cr comprises the bids Rs. 212 Cr by Adani Data Networks, Rs. 43,048 Cr Bharti Airtel Ltd, Rs. 88,078 Cr by Reliance Jio Infocomm. and Rs. 18,799 Cr by Vodafone idea Ltd. The annual installment to be paid by all the participants is Rs. 13,365 Cr.

The interest rate in computing annual installments is 7.2% and some participants may make more upfront payment.

600 MHz band was put to auction for the first time. No bids were received for this band. The device ecosystem of 600 MHz band is still not developed for mobile telephony. In a few years, this band may become important.

In 700 MHz, 5G ecosystem is very well developed. It has a large cell size and infrastructure requirement is less. This band provides a large range and good coverage. M/s Reliance Jio has obtained pan India 10 MHz spectrum.

For bands between 800 to 2500, participants have primarily placed bids for spectrum for augmenting capacity and improving 4G coverage.

Mid band i.e. 3300 MHz band is crucial in providing high throughput. All three existing operators have obtained spectrum in this band. Operators are likely to augment existing 4G capacity and provide 5G services in 3300 MHz band.

In mm wave band i.e. 26 GHz has high throughput but very short range. The band is likely to be utilized for captive or non-public network. Fixed Wireless Access (FWA) is becoming popular in this band across the world. FWA can be used as an alternative to fiber in high density/congested urban areas. All the four participants have obtained spectrum in this band.

M/s Metal Scrap Trading Corporation (MSTC), a PSU of Government of India was the auctioneer.

The reforms and clear policy direction given by Prime Minister Narendra Modi has resulted in successful spectrum auction. It also shows that the telecom sector is on a growth path.

The process of allocation of spectrum shall be completed within the timeframe and 5G services are likely to be rolled out by September/October.

Spectrum is very important for telecom connectivity. With better availability of spectrum, the quality of services is expected to improve.

Bidder-wise details of quantity of spectrum acquired and amounts payable are as below.

Quantum

| Operator | 700 MHz | 800 MHz | 900 MHz | 1800 MHz | 2100 MHz | 2500 MHz | 3300 MHz | 26 GHz | Total |
|---------------------------------|---------|---------|---------|----------|----------|----------|----------|--------|----------|
| Total Spectrum put to auction | 550 | 136 | 74 | 267 | 160 | 230 | 7,260 | 62,700 | 72,098 |
| M/s Adani data Networks Limited | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 400 |
| Bharti Airtel limited | 0 | 0 | 12.8 | 25 | 30 | 0 | 2,200 | 17,600 | 19,867.8 |
| Reliance Jio Infocomm Limited | 220 | 20 | 0 | 60 | 0 | 0 | 2,440 | 22,000 | 24,740 |
| Vodafone Idea Limited | 0 | 0 | 0 | 3.4 | 5 | 20 | 850 | 5,350 | 6,228.4 |
| Total | 220 | 20 | 12.8 | 88.4 | 35 | 20 | 5490 | 45,350 | 51,236.2 |
| % Spectrum bid for | 40% | 15% | 17% | 33% | 22% | 9% | 76% | 72% | 71% |

The bid amounts payable (Rs. Cr) :

| Operator | 700 MHz | 800 MHz | 900 MHz | 1800 MHz | 2100 MHz | 2500 MHz | 3300 MHz | 26 GHz | Total |
|---------------------------------|---------|---------|---------|----------|----------|----------|----------|--------|--------|
| M/s Adani data Networks Limited | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 212 | 212 |
| Bharti Airtel limited | 0 | 0 | 349 | 2,763 | 2,680 | 0 | 31,700 | 5,592 | 43,084 |
| Reliance Jio Infocomm Limited | 39,270 | 1050 | 0 | 7,028 | 0 | 0 | 33,740 | 6,990 | 88,078 |

| | | | | | | | | | |
|-----------------------|--------|------|-----|--------|-------|-----|--------|--------|----------|
| Vodafone Idea Limited | 0 | 0 | 0 | 584 | 500 | 650 | 15,150 | 1,915 | 18,799 |
| Total | 39,270 | 1050 | 349 | 10,375 | 3,180 | 650 | 80,590 | 14,709 | 1,50,173 |