

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 1606
TO BE ANSWERED ON 28th JULY, 2021**

RESERVE PRICE OF SPECTRUM

1606. SHRI SHANMUGA SUNDARAM K.:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Telecom Regulatory Authority of India (TRAI) has given any recommendation to Digital Communications Commission (DCC) regarding the reserve price of sale of 8300 MHz spectrum;
- (b) if so, the details thereof including the reserve price recommended by the TRAI and the basis on which the said price has been calculated;
- (c) whether the Government has received any objection from Telecom Service Providers regarding the fixation of reserve price and if so, the details thereof; and
- (d) whether the apex court judgment on Adjusted Gross Revenue (AGR) will impact the potential bidders and defer them from investing in telecom infrastructure and if so, the details thereof and the steps taken by the Government to ensure fair play in spectrum auctioning?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS
(SHRI DEVUSINH CHAUHAN)**

- (a) Telecom Regulatory Authority of India (TRAI) gave recommendations dated 1.8.2018 on Auction of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300-3400 MHz, 3400-3600 MHz Bands, for a total of 8301.25 MHz of spectrum.
- (b) The Reserve Prices (RP) recommended by the TRAI are annexed. TRAI has used various methodologies for valuation of spectrum, which can be broadly classified as variations of (i) Discounted Cash Flow (DCF), (ii) Cost Savings or avoidance, (iii) Multivariate Regression Analysis and (iv) Market Comparisons. The Authority has used average of various alternative valuations methods and benchmarked the average value with recent auction discovered price of the spectrum.
- (c) M/s Bharti Airtel had raised the issue of high reserve prices in case of 900 MHz band.
- (d) The Hon'ble Supreme Court judgement on Adjusted Gross Revenue (AGR) has allowed TSPs to make payment in ten yearly instalments commencing from 01.04.2021. The spectrum auctions are conducted in a fair and transparent manner by the Government. The selection of auctioneer is also through a transparent Request for Proposal (RFP) process. Mandatory Standardisation Testing and Quality Certification (STQC) for auction software is also taken prior to the auction.

Reserve Prices (RP) recommended by the TRAI

(In Crore of Rupees per MHz (Paired for 700/800/900/1800/2100 MHz and unpaired for 2300/2500 MHz/3300-3600 MHz bands))								
LSA	700 MHz band	800 MHz band	900 MHz band	1800 MHz band	2100 MHz band	2300 MHz band	2500 MHz band	3300-3600 MHz band
Delhi	915	640	585	457	635	164	164	69
Mumbai	1122	727	691	561	528	167	167	84
Kolkata	347	160	221	173	115	38	38	26
Andhra Pradesh	557	390	417	279	185	78	78	42
Gujarat	546	385	373	273	181	70	45	41
Karnataka	219	192	238	109	91	112	98	16
Maharashtra	729	510	523	365	391	72	66	55
Tamilnadu	199	174	235	100	394	151	132	15
Haryana	113	57	102	57	63	8	NA	8
Kerala	190	157	199	95	203	20	NA	14
Madhya Pradesh	190	143	195	95	68	9	NA	14
Punjab	177	157	NA	88	104	21	24	13
Rajasthan	211	266	NA	105	NA	6	NA	16
Uttar Pradesh (East)	305	251	262	153	126	9	NA	23
Uttar Pradesh (West)	230	161	211	115	76	12	NA	17
West Bengal	105	74	124	53	35	6	NA	8
Assam	92	64	83	46	30	2	NA	7
Bihar	175	136	201	88	99	7	7	13
Himachal Pradesh	37	24	37	18	12	1	1	3
Jammu & Kashmir	34	15	NA	17	13	1	1	2
North East	34	15	23	17	6	1	NA	2
Orissa	54	47	86	27	44	5	NA	4
