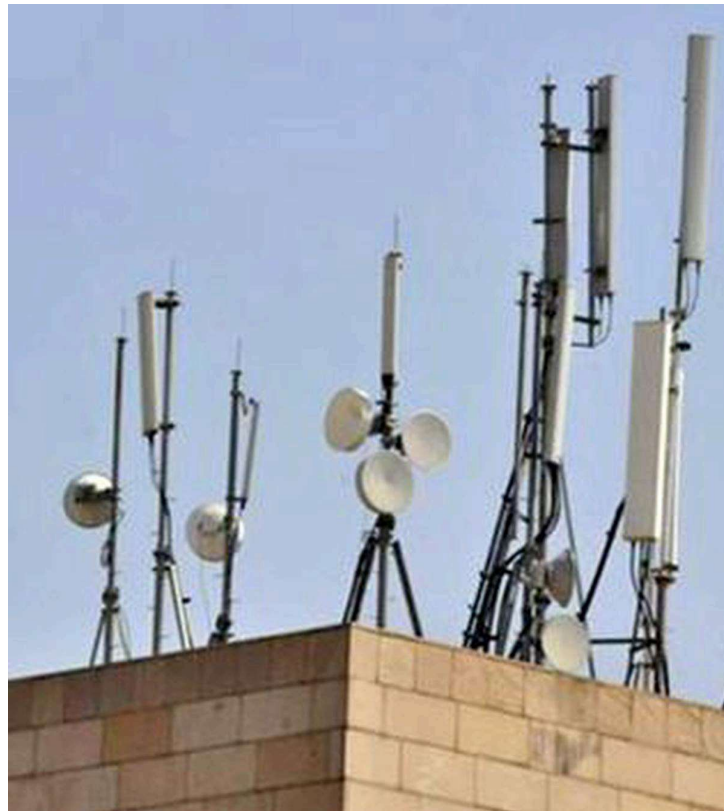


Tenth spectrum auction for radiowaves worth ₹96,238 cr begins

The last spectrum auction was held in August 2022, which, for the first time, included radio waves for 5G services.

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According to a statement from the Department of Telecommunications, total quantum of spectrum being auctioned is 10,522.35 MHz in various bands valuing ₹96,238.45 crores at reserve prices. Representational image. | Photo Credit: The Hindu

Auction for ₹96,238 crore worth spectrum began on Tuesday, June 25, 2024, that is expected to see firms like Airtel and Reliance Jio bidding to acquire airwaves that will help augment their 5G services.

This is the 10th spectrum auction since the process for sale of radiowaves started through an online bidding process in 2010.

"The government begins the auction of Spectrum for Telecom Services today at 10:00 AM," an official statement said on Tuesday.

The last spectrum auction was held in August 2022, which, for the first time, included radio waves for 5G services.

"To augment existing telecom services and maintain continuity of services, the government will hold the spectrum auction on Tuesday, 25 June 2024. This is in line with the government's commitment to facilitate affordable, state-of-art high quality telecom services to all the citizens," the statement said.

The Department of Telecommunications (DoT) has initiated the spectrum Auction and notice inviting applications (NIA) was issued on March 8.

"The Ministry of Communications announced that the following spectrum bands will go up for bidding in the upcoming auction - 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz. Total quantum of spectrum being auctioned is 10,522.35 MHz in various bands valuing ₹96,238.45 crores at reserve prices," the statement said.

The 3300 Mhz band and 26 Mhz band are seen as suitable bands for 5G services.

Reliance Jio has deposited the highest earnest money of ₹3,000 crore for the spectrum auction, which provides the company with the potential to bid for maximum radio waves.

According to pre-qualified bidder details released by the Department of Telecommunications, Bharti Airtel has submitted the earnest money deposit (EMD) of Rs 1,050 crore and Vodafone Idea (VIL) of Rs 300 crore.

Telecom industry body Cellular Operators Association of India Director General SP Kochhar said the 5G auctions will catalyze the rapid rollout of 5G services across the country, leading to enhanced coverage and vastly improved connectivity.

According to telecom expert Parag Kar, Reliance Jio can bid for 37.36 per cent of the total spectrum value based on EMD, Bharti 13.07 per cent and Vodafone Idea 3.73 per cent.

As per Kar's analysis, Jio may be keen on bidding for 800 Mhz band only, which may lead to an estimated cash flow of Rs 18,000 crore.

"Bharti's targeted approach in the upcoming auction is aimed at consolidating and enhancing its spectrum efficiency. The total outflow for Bharti will be ₹11,512 crore at the Reserve Price," Mr. Kar said in his blog.

Debt-ridden Vodafone Idea (VIL) is likely to focus on strategic acquisitions, particularly in the 26 GHz band, to bring down its spectrum usage charge.