

Why spectrum auction in March will not excite Indian telecoms?

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India's proposed spectrum auction in March 2021 is expected to fetch nearly Rs 50,000 crore for the government as against Rs 3.9 lakh crore worth of spectrum available for sale.

not selling 5G spectrum during the March 2021 auction. Most of the Indian mobile operators were against the auctioning of 5G spectrum as they are not finding a strong business case in India at present.

India government had received Rs 64,809 crore during the last spectrum auction that was conducted in October 2016. 41 percent of the total auctioned spectrum was sold in October 2016.

India government's spectrum auctions had fetched Rs 76,664 crore in 2010; Rs 9,642 crore in 2012; Rs 4,114 crore in 2013; Rs 61,162 crore in 2014; Rs 1,13,932 crore in 2015 and Rs 64,809 crore in 2016, CARE Ratings said.

The spectrum auction will allow the telcos to bid for the quantum of spectrum which is required for their network expansion and for their existence. The incumbents are likely to bid for spectrum where they need renewal or their spectrum is about to expire.

This is because the incumbents have been refarming 2G and 3G spectrums to suit the needs of 4G subscribers. Also the incumbents have seen their spectrum quantum grow with merging of the telcos that exited the industry in consolidation process, Madan Sabnavis, chief economist and Bhagyashree Bhati, deputy manager – Industry Research at CARE Ratings said.

India will be offering a total of 2,251.25 MHz units for auction which will be spread across different bands.

India aims to sell 660 spectrum units in 700 MHz; 230 units in 800 MHz; 81.4 units in 900

MHz; 212.6 units in 1800 MHz; 175 units in 2100 MHz; 560 units in 2300 MHz; and 230 units

