

SBI to lend Rs 3k cr to telecom players for spectrum buy

State Bank of India ([SBI](#)), the country's largest bank, expects to lend up to Rs 3,000 crore to the telecom players who are bidding for [spectrum](#), for ramping up operations.

"The spectrum is to be pledged with us. This is one of the conditions in loan agreement. We are focusing only on top players and have done much thorough due diligence," a top SBI executive said.

"Compared to the spectrum bidding round in 2010, the players are in a better position (financially). While total payments (for spectrum) are expected to cross Rs 50,000 crore, the immediate payments are pegged at Rs 12-13,000 crore. The balance money is to be paid in instalments. So the pressure is less."

A senior IDBI Bank executive said with consolidation in the sector, in-house cleaning and policy clarity, banks are comfortable with lending to telecom services players. "Lenders are not overexposed to the [telecom sector](#) they way they are to the power sector. The main issue in the telecom sector was policy uncertainty. Now, that has been led to rest," the executive said.

According to Reserve Bank of India data, total advances to the telecom sector stood at Rs 85,900 crore at the end of December 2013.

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