

**E-Auction of Second Batch of Private FM
Radio Phase-III Channels**

Notice Inviting Applications
No. N-38014/31/2016-FM

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MINISTRY OF INFORMATION & BROADCASTING

GOVERNMENT OF INDIA

SHASTRI BHAWAN

NEW DELHI

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I INTRODUCTION

1.1 Introduction

- 1.1.1 The Government of India (the “Government”), through the Ministry of Information and Broadcasting (“MIB”), has decided to open up Phase-III of FM Radio Broadcasting to private participation with the objectives of attracting private agencies to supplement and complement the efforts of All India Radio by operationalizing radio stations that provide programmes with local content and relevance, improve the quality of fidelity in reception and generation, encouraging local talent and generating employment, by means of ascending e-auction for second batch of FM Phase-III Radio Channels. The second batch of FM Phase-III consists of 266 channels in 92 cities which includes 227 channels in 69 fresh cities and 39 channels in 23 existing cities.
- 1.1.2 The Simultaneous Multiple Round Ascending e-auction process will be carried out for allotting the FM channels (the "Auction").
- 1.1.3 On behalf of the President of India, applications are invited from prospective bidders who meet the eligibility criteria to submit applications for participating in the Auction (the “Applications”).
- 1.1.4 Based on the Applications, the Government shall pre-qualify Applicants who meet the eligibility criteria for participation in the Auction.
- 1.1.5 The Government reserves the right to summarily disqualify any pre-qualified Bidder, at any stage of the Auction or after the Auction is completed on grounds of noncompliance with eligibility conditions, misrepresentation, non-compliance with the Auction Rules, non-compliance with any other pre-condition prescribed for participating in the Auction or for getting the FM channel, or any matter that may, in the opinion of the Government, be contrary to general public interest.
- 1.1.6 Interested parties may obtain a copy of this document and any subsequent amendments to it (together, the “Notice”) from the MIB website, www.mib.nic.in
- 1.1.7 Ministry has placed a copy of the FM Phase-III Policy Guidelines dated 25.07.2011 along with its amended paragraph 31 dated 21.01.2015 (together the “Policy”) on the MIB website. The permission holders under Phase-III shall be

governed by the Policy, as amended from time to time.

- 1.1.8 The provisions set out in this Notice (or any other applicable laws, regulations or other statutory provisions) are definitive and take precedence.

1.2 Objectives of the Auction

- 1.2.1 The Government has set itself the following objectives for the Auction:

- Obtain a market determined price of FM Radio channels through a transparent, fair & impartial process;
- Stimulate competition in the sector;
- Promote rollout of FM broadcast services to increase FM broadcast coverage.

- 1.2.2 The Government reserves the right to cancel or postpone the Auction, in part or in full at any stage, without assigning any reasons, in order to safeguard the above objectives.

- 1.2.3 The Government has the sole discretion to determine the relative priority of the objectives and whether the objectives are adequately safeguarded by the Auction.

- 1.2.4 The Government further reserves the right to abandon the Auction at any time prior to the allotment of channels as it may deem fit without giving any reason whatsoever.

1.3 Associated Licenses

- 1.3.1 Before operating the FM service a separate specific license i.e. Wireless Operating License shall be obtained by the company from the WPC (Wireless Planning & Co-ordination) Wing of Ministry of Communications & IT, permitting utilization of appropriate frequencies/band for the establishment and operation of concerned wireless component of FM radio Service under usual terms and conditions of such license. The Grant of such License shall be governed by the rules, procedures and guidelines and shall be subject to compliance with all requirements of the WPC wing.

1.4 The Auction

- 1.4.1 The Auction shall be a Simultaneous Multiple Round Ascending (SMRA) e-auction, conducted over the Internet. Bidders will be able to access the Electronic Auction System (“EAS”) to be used for participation in the Auctions using web browsing software: Internet Explorer 11.x, or Mozilla 34.x. The EAS is a designated computer resource for the receiving of electronic records under the provisions of Section 13(2) of the Information Technology Act 2000, as amended from time to time.
- 1.4.2 Prior to the Auction, Bidders will have to procure Class-III Digital Signature Certificate(s) (DSC) for signing and encryption issued by any valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the Electronic Auction System (EAS). The details of the licensed Certifying Authorities (CAs) are available on www.cca.gov.in. It would be the respective bidder’s responsibility to acquire such DSC(s) in the name of their authorized signatory for participation in the e-auction. The bidders also need to ensure that they acquire the DSC(s) before the mock auction which will be conducted at the time specified by the Government.
- 1.4.3 Bidders shall also be provided with a detailed manual electronically, (EAS manual) explaining how to use the Electronic Auction System (the “EAS Manual”). This documentation shall be provided to Bidders in advance of conducting a mock auction. Though the system requirements for Bidders are outlined in **Annexure 10.13**, the EAS Manual should be taken as definitive in this regard.
- 1.4.4 Winning Bidders of FM channel(s) in each city shall be determined in the first stage, a Channel Allocation Stage, which will allocate FM channel(s) simultaneously for all the cities. A second stage, a Frequency Allocation Stage, will identify specific frequencies for the Winning Bidders. More specifically, the two stages shall operate as follows:
- 1.4.4.1 **Channel Allocation Stage:** This stage will allocate number (count) of FM Channels in each of the Cities to the winning bidders. In this stage, in each City Bidders will bid for number of Channels only without linkage to any specific Radio frequency. This stage will consist of a number of Clock Rounds. These rounds will stop once:

- (i) The Auction Activity Requirement is **100% and**
- (ii) For all Cities in all the channels, there is no bid submitted by any of the bidders i.e. bidding activity is **NIL**.

This will establish a common Winning Price for all channels within a City, and the Winning Bidders for channel(s) in each city.

Winning Bidders will pay the sum of the auction determined Winning Prices arrived in this Stage for the cities in which they were assigned Channel(s). All Winning Bidders in a city will pay equal Winning Price.

1.4.4.2 Frequency Allocation Stage:

It will follow the Channel Allocation Stage and will allocate specific frequencies to the Winning Bidders in a city. During this stage, the winning bidders will be allowed to only select the FM Frequency for the winning channel(s) amongst the frequencies available in the respective city which have been identified by WPC. Frequency selection preference would be based upon the rank of the bidder in a particular city i.e. Rank 1 bidder in a city will have the first right to choose the frequency followed by Rank 2 Bidder of that city and so on.

1.4.5 The Auction Rules are detailed in **Section VI**.

1.4.6 Mock Auction

1.4.6.1 For the benefit of Bidders, a Mock Auction shall be conducted to familiarize the Bidders with the Auction Rules and bidding methodology to be applied and followed during the e-auction. The dates for the Mock Auction are provided in the Auction timetable in the following section. Any change in the dates of the Mock Auction shall be notified through the Auctions website, Ministry's website and through e-mail, at least 48 hours prior to the start of the Mock Auction as far as possible.

1.5 Time Table

- 1.5.1 The table below sets out the current timeline for e-auction. The Government reserves the right to determine the overall timeline of the Auction or to amend it from time to time.

Tentative Timeline for Second Batch of Auction in Phase-III

Sr. No.	Activity	Date / Number of Days
1	Issue of Notice Inviting Applications (NIA)	20th June, 2016
2	Pre Bid conference	11 th July, 2016, at 2:30 PM
3	Last date for seeking clarifications on NIA	14 th July, 2016, by 12:00 noon
4	Clarifications to NIA	21 th July, 2016
5	Last Date for submission of Applications	01st August, 2016, by 5:00 PM
6	Publication of ownership details of Applicants	16 th August, 2016
7	Bidder Ownership Compliance Certificate	22 nd August, 2016
8	Pre-Qualification of Bidders	01 st September, 2016 or Completion of requisite formalities whichever is later
9	Mock Auction	4-5 days after s.no. 8
10	Start of the Auction	4 days after s.no. 9
11	Payment of the Successful Bid Amount	First 25% payment within 5 calendar days, and remaining within 15 calendar days of the close of the Auction and notification of successful bidders by the Government.

1.6 Advisers to the Government

- 1.6.1 M/s C1 India Private Limited (referred to as the “Auctioneer”) is advising the Government on the Auction. Administration of the e-auction shall also be the responsibility of M/s C1 India Private Limited (the “Auction Administrator”).

1.7 Website

The Government of India has also put this Notice on its website www.mib.nic.in

and will use this website as the principal means of giving general clarifications, if any, or intimation about the changes, if any, in the Notice or auction process, etc. Similarly, all relevant documents such as the draft LOI/ GOPA and Agreement with Prasar Bharati / BECIL, wherever required, various formats etc. will be posted on this website from time to time. All prospective bidders are therefore, strongly advised to visit the website as frequently as possible to remain fully apprised of the latest developments.

II CITIES, NUMBER OF FM CHANNELS AND RESTRICTIONS

2.1 FM Channels to be auctioned

2.1.1 Ministry of Information & Broadcasting has decided to award 266 FM Radio channels in 92 cities under Broadcasting Services through Private Agencies (Phase-III) during the second batch. List of these channels along with their cities is given in **Annexure 10.1**.

2.2 Restrictions on Multiple Permissions in a City and Other Conditions

2.2.1 Every applicant shall be allowed to run not more than 40% of the total channels in a city subject to a minimum of three different operators in the city and further subject to the provisions contained in **Clause 2.3**. However in case the 40% figure is a decimal, it will be rounded off to the nearest lowest whole number i.e., by applying Round Down logic.

2.3 Total Number of Frequencies that an Entity may hold

2.3.1 No entity shall hold permission for more than 15% of all channels allotted in the country excluding channels located in Jammu and Kashmir, North Eastern States and island territories. Only city wise limits as mentioned in **Clause 2.2** will apply to channels located in Jammu and Kashmir, North Eastern States and island territories.

Note (1): The channels allotted to the following categories of companies would be reckoned together for the purpose of calculating the total channels allocated to an entity:

- (a) Subsidiary company of any applicant/ allottee;
- (b) Holding company of any applicant / allottee;
- (c)) Companies with the Same Management as that of applicant/ allottee;
- (d) More than one Inter-Connected Undertaking with regard to the applicant/ allottee.

Note (2) : In respect of existing license/permission/LOI holders, the

license(s)/permission(s)/LOI(s) already held by them shall also be taken into consideration for calculating the 15% limit.

Note (3): In case the 15% figure is a decimal, it will be rounded off to the nearest lowest whole number i.e. by applying Round down logic.

III Eligibility Criteria

3.1 Eligibility

- 3.1.1 Only Companies registered in India under the Companies Act, *2013 or under the previous Companies Act*, 1956 shall be eligible for bidding and obtaining permission for FM Radio channels as per the provisions mentioned hereunder.

3.2 Disqualifications

- 3.2.1 The following types of companies shall not be eligible to apply:-

- a) Companies not incorporated in India.
- b) Any company controlled by a person convicted of an offence involving moral turpitude or money laundering/drug trafficking, terrorist activities or declared as insolvent or applied for being declared insolvent;
- c) A company which is an associate of or controlled by a Trust, Society or Non-Profit Organization;
- d) A company controlled by or associated with a religious body;
- e) A company controlled by or associated with a political body;
- f) Any company which is functioning as an advertising agency or is an associate of an advertising agency or is controlled by an advertising agency or person associated with an advertising agency;
- g) Subsidiary company of any applicant in the same City;
- h) Holding company of any applicant in the same City;
- i) Companies with the Same Management as that of an applicant in the same City;
- j) More than one Inter-Connected Undertaking in the same City;
- k) A company that has been debarred from taking part in the bidding process or its holding company or subsidiary or a company with the same management or an interconnected undertaking;

l) The defaulters of conditions under Phase-I & Phase-II, who have contested the revocation of their Letters of Intent/License Agreements/ Bank Guarantees, and thereby continue to be debarred from participating in any future bidding process.

Note 1: For the purpose of sub clause (d) above a religious body shall be:

- i. A body whose objectives are wholly or mainly of a religious nature;
- ii. A body, which is controlled by a religious body or an associate of religious body

Note 2: For the purpose of sub clause (e) above a political body shall be:

- i. A body whose objects are wholly or mainly of a political nature;
- ii. A body affiliated to a political body;
- iii. A body corporate, which is an associate of a body corporate controlled, held by, operating in association or controlling a body of political nature as referred above

Note 3: For the purposes of clause (f) an “Advertising Agency” shall mean an individual or a body corporate who carries on business as an advertising agent (whether alone or in partnership) or has control over any body corporate which carries on business as an advertising agent and any reference to an advertising agency includes a reference to an individual who-

- i. Is a director or officer of any body corporate which carries on such a business, or
- ii. Is employed by any person who carries on such a business.

Note 4: The terms “Same Management”, ‘Subsidiary Company’ and ‘Holding Company’ shall have the same meaning as assigned to them under Section 4 of the Companies Act, 1956 and Section 2 of the Companies Act, 2013.

Note 5: The terms “Inter Connected Undertakings” shall have the same meaning as assigned to it as per the prevalent laws in India.

Note 6: If the applicant and the subsidiary company/holding company/company with the same management/Inter-Connected Undertaking submit more than one bid for the same City, all such bids shall be rejected.

Note 7: For the purpose of sub clause (l) above, the defaulter of phase-I who had

accepted revocation of their LOI and exercised the option to participate in Phase-II bidding, and who were subsequently permitted to participate in Phase-II bidding, shall be permitted to participate in Phase-III bidding also.

3.3 Foreign Investment

The applicant company will have to conform to foreign investment and other related stipulations as prescribed below

- 3.3.1 The total direct and indirect foreign investment including portfolio and foreign direct investments into the company shall not exceed 26% at the time of application and during the currency of license. The methodology of calculation of the direct and indirect foreign investments would be as per the extant policy of the Government. The company will be required to disclose the status of such foreign holding and certify that the foreign investment is within the ceiling of 26% on an yearly basis. Approval of Foreign Investment Promotion Board (FIPB) shall be required for any existing or proposed foreign investment in the company.
- 3.3.2 If during the currency of the permission period, government policy on FDI/FII is modified, the permission holders shall be obliged to conform to the revised guidelines within a period of six months from the date of such notification, failing which it shall be treated as noncompliant of Grant of Permission Agreement, and liable for punitive action.
- 3.3.3 The company shall make full disclosure, at the time of application, of Shareholders Agreements, Loan Agreements and such other Agreements that are finalized or are proposed to be entered into. Any subsequent changes in these would be disclosed to the Ministry of Information and Broadcasting, within 15 days of any changes, having a bearing on the foregoing Agreements.
- 3.3.4 (a) No permission holder, whether with or without foreign investment, shall be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any new shareholders without the written permission of the Ministry of Information & Broadcasting. The term majority shareholders/promoters shall be construed to mean the persons constituting the 'largest Indian shareholder' referred to in **Clause 3.6** hereunder.
- (b) The company holding permission may, with prior approval of the Ministry of Information and Broadcasting, be allowed to change the composition of the

‘largest Indian shareholder’ subject to the condition that the shareholding of the ‘largest Indian shareholder’ does not reduce below 51% till a period of three years from the date on which all the channels allotted to the company holding permission stand operationalised .

- (c) The permission holder company may, with prior approval of the Ministry of Information and Broadcasting, dilute the total shareholding of the constituents of the ‘largest Indian shareholder’ of the company as it existed at the time of submission of bids to a level below 51% only after a period of three years from the date on which all the channels allotted to the company holding permission stand operationalised. This will be further subject to the condition that the revised ownership pattern has a ‘largest Indian shareholder’ with a legally binding agreement amongst its constituents in compliance of the prescribed eligibility conditions as mentioned in **Clause 3.6** hereunder
- (d) Any restructuring of the company/reorganization of FM radio permissions between different holding companies/subsidiaries/interconnected undertakings/companies with same management may be done only with prior approval of the Ministry of Information and Broadcasting. The Ministry may consider granting such a permission only once after the submission of the last bids till a period of three years from the date on which all the channels allotted to any of the company holding permission stand operationalised undergoing restructuring, provided such a provision has not been availed of earlier. The new permission holding entities will have to conform to the prescribed eligibility criteria and will also be subject to the fulfillment of the following conditions : -
- i. The new company shall sign a fresh agreement with Government on identical terms and conditions (except for transferability of shares as provided herein) for the remaining period of license of the original company.
 - ii. No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/demerger, amalgamation of FM Broadcasting companies.
 - iii. Any tax implication arising out of such mergers/demergers or amalgamation would be governed by the provisions of the Income Tax Act, 1961 as applicable from time to time.

iv. The processes/action taken by the licensee companies including for formation of new companies/subsidiaries/mergers/amalgamations and/or disinvestment of undertakings, or part thereof, of existing companies etc., need to be compliant with the Companies Act, 2013. The applicant shall not dilute such requirement through its Articles of Association or any Agreement.

3.4 Financial Competence

3.4.1 The financial eligibility of each applicant company shall be assessed on the basis of the following criteria:

Minimum Net Worth required as per City Category in each region:

Sr. No.	Categories	Net Worth
1	D category Cities and cities with population upto 1 lakh	Rs. 50 Lakhs.
2	C category Cities	Rs. 1 Crore.
3	B category Cities	Rs. 2 Crore.
4	A category Cities	Rs. 3 Crore.
5	All categories of Cities in all regions	Rs. 10 Crore.

Illustration: For two or more C category cities in the same region, Net Worth of Rs. 1 crore is required. If the two C category cities are in two different regions, Net Worth of Rs. 2 crore is required.

3.4.2 **Region** shall mean **North** or **East** or **South** or **West** region, comprising states/UTs as under:

North Region: J&K, Punjab, Himachal Pradesh, Haryana, Rajasthan, Delhi, Uttar Pradesh, Uttarakhand and Chandigarh.

East Region: Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura, West Bengal and Andaman & Nicobar Islands.

South Region: Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Puducherry and Lakshadweep.

West Region: Chhattisgarh, Goa, Gujarat, Madhya Pradesh, Maharashtra, Daman & Diu and Dadra & Nagar Haveli.

- 3.4.3 Each applicant shall indicate the category or categories of cities and the region (s) it desires to bid for at the time of bidding and its eligibility shall be determined accordingly. In case the applicant does not wish to intimate these details and wishes to have the option to take part in any or all categories in all the regions, the applicant company must have the minimum net worth of Rs.10 Crore.
- 3.4.4 The cutoff date for determination of net worth shall be as mentioned below:
- 3.4.4.1 The applicant company shall furnish annual reports and audited final accounts for the last three years, or from the date of incorporation, whichever is later, till 31st March, 2016, along with its net worth as on 30th June, 2016 or any date subsequent thereto up to the date of submission of the application, certified by the statutory auditors, to support its claim of financial competence.
- i. In case audited financials of 30th June 2016 or a later date are not available then statutory auditors certificate based on audited financials of 31st March 2016 apart from limited review for quarter ending on 30th June 2016 or a later date will be required.
- 3.4.4.2 An applicant company registered after 31st March, 2016 shall only have to demonstrate its net worth as on 30th June, 2016 or any date subsequent thereto up to the date of submission of the application through its paid up equity supported by requisite documents including a Net Worth certificate from the statutory auditor along with certified financial statements on which Net Worth Certificate is issued.
- 3.4.5 Irrespective of any other definition provided anywhere else, the networth shall be interpreted and calculated as per the proforma given at **Annexure 10.5** and should be certified by Statutory Auditors of the Company duly supported by certified accounts by the Statutory Auditors. It is further clarified that the networth of

only the applicant company will be considered to determine the eligibility and the networth of holding companies or subsidiaries or group companies or interconnected undertakings will not be taken into account.

3.4.6 The existing FM permission holders will also be required to fulfill the networth criteria.

3.4.7 It is clarified that the amount of One Time Entry Fee already paid to the Government cannot be taken as a tangible asset either in full or in part for the purposes of calculation of networth.

3.5 Managerial Competence

3.5.1 The applicant company shall be required to furnish the following information:

- (i) Names of Directors with evidence of their commercial or managerial competence.
- (ii) Directorship or other executive positions held by the Directors in other companies/organizations with details of such companies/organizations with documentary evidence to support their claim
- (iii) Names of the key executives, i.e. Chief Executive Officer, and Heads of Finance, Marketing and Creative Departments, if any in position, with evidence of their professional qualifications and managerial competence.

3.6 Largest Indian Shareholder

3.6.1 Permission will be granted only in cases where equity held by the largest Indian shareholder is at least 51% of the total equity, excluding the equity held by Scheduled Banks and Public Financial Institutions as defined in Section 2(72) of the Companies Act, 2013. The term largest Indian shareholder, used in this clause, will include any or a combination of the following:

- (1) In the case of an individual shareholder,
 - (a) The individual shareholder.
 - (b) A relative of the shareholder within the meaning of Section 2(77) of the Companies Act, 2013.

- (c) A company/ group of companies in which the individual shareholder/HUF to which he belongs has management and controlling interest.
- (2) In the case of an Indian company,
- (a) The Indian company
 - (b) A group of Indian companies under the same management and ownership control.

For the purpose of this Clause, “Indian company” shall be a company, which must have a resident Indian or a relative as defined under Section 2(77) of the Companies Act, 2013 / HUF, either singly or in combination holding at least 51% of the shares.

Provided that in case of a combination of all or any of the entities mentioned in Sub-Clause (1) and (2) above, each of the parties shall have entered into a legally binding agreement to act as a single unit in managing the matters of the applicant company.

3.7 Resident Indians

All Directors on the Board of Directors of the Company, all key executives, CEO known by any designation, Head of the channel shall be resident Indians.

3.8 Security Clearance

The company as well as all Directors on the Board shall be security cleared. Ministry shall take security clearance of the company as well its Directors from relevant Government Authorities. The information to be provided by prospective bidders for security clearance along with the Application is given at **Annexure 10.8**. The company shall take prior permission of the Government before effecting any change in the Board of Directors.

3.9 Management Control

The 'largest Indian shareholder' as defined in **Clause 3.6** exercises management control over the applicant entity.

3.10 Validity

The successful bidder shall have to comply with the eligibility criteria for the entire period of permission granted by the Government of India/ until the expiry or termination of the Grant of Permission Agreement.

IV CONDITION FOR PERMISSION FOR OPERATING FM BROADCASTING SERVICE BY PRIVATE AGENCIES IN PHASE-III

4.1 Period of Permission

- 4.1.1 The Permission shall be valid for a period of **fifteen (15)** years from the effective date as defined below. There shall be no extension and the Permission, unless cancelled or revoked earlier, shall automatically lapse and expire at the end of the aforesaid fifteen years' period and the Permission Holder shall thereafter have no rights whatsoever to continue to operate the Channel after the date of expiry of the Permission. Government at the appropriate time shall determine procedure for issue of fresh permissions.
- 4.1.2 The effective date of the Permission Period shall be reckoned from the date of operationalisation of the Channel or the expiry of the time limit for operationalisation as specified in **Clause 7.7**, whichever is earlier, unless the time limit for operationalisation has been extended by the Secretary, Ministry of Information & Broadcasting as per **Clause 7.7** in which case the effective date of the Permission Period shall be the last date so fixed.
- 4.1.3 The permission shall be for free to air broadcasts on main carrier and data on sub-carriers.

4.2 NOTEF

Permission for the channels shall be granted on the basis of Non-Refundable One-Time Entry Fees (NOTEF) i.e. Successful Bid Amount arrived at through an ascending e-auction process, on the lines followed by Department of Telecommunications in the auction of 3G and BWA spectrum. The e-auction for the 266 channels to be taken up in 92 cities will be held in Second batch of FM Phase-III.

4.3 Annual Fee

- 4.3.1 (a) Subject to the provisions contained in sub-para (b), the Permission Holder shall be

liable to pay an Annual Fee to the Government of India every year charged @ 4% of Gross Revenue of its FM radio channel for the financial year or @ 2.5% of NOTEF for the concerned city, whichever is higher.

- (b) The permission holders in the States of North East (i.e. Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura,) and Jammu & Kashmir (J&K) and island territories (i.e Andaman and Nicobar islands and Lakshadweep) will be required to pay an Annual Fee to the Government of India charged @ 2% of Gross Revenue for each year or 1.25% of NOTEF for the concerned city, whichever is higher, for an initial period of three years from the date from which the annual license fee becomes payable and the permission period of 15 years begins.

4.3.2 Gross Revenue for this purpose shall be the gross inflow of cash, receivables or other consideration arising in the course of ordinary activities of the FM Radio Broadcasting enterprise from rendering of services and from the use by others of the enterprise resources yielding rent, interest, dividend, royalties, commissions etc. Gross Revenue shall, therefore, be calculated, without deduction of taxes and agency commission, on the basis of billing rates, net of discounts to advertisers. Barter advertising contracts shall also be included in the gross revenues on the basis of relevant billing rates. In the case of a permission holder providing or receiving goods and services from other companies that are owned or controlled by the owners of the permission holder, all such transactions shall be valued at normal commercial rates and included in the profit and loss account of the permission holder to calculate its gross revenue.

4.3.3 Annual Fee shall be paid in advance on quarterly basis in four equal installments within the first fortnight of each quarter of a financial year. For this purpose, four quarters shall be tri monthly periods beginning 1st April, 1st July, 1st October and 1st January respectively.

4.3.4 The first year's fee shall become payable with effect from the date of operationalization of the channel or the expiry of the period prescribed in **Clause 7.7**, whichever is earlier. The permission holder shall be required to initially pay advance quarterly installments calculated on the basis of the minimum prescribed % of the NOTEF mentioned in **Clause 4.3.1 (a) or (b)** as applicable, till the end of the financial year and even beyond till the determination of the first year's gross revenues. After the determination of first year's gross revenue, the quarterly

installments will be determined on the basis of NOTEF or the gross revenue of the last year, for which gross revenue has been determined, whichever is higher.

- 4.3.5 Once the final fee for the financial year is determined on the basis of actual gross revenue as given in **Clause 4.3.1**, and is found to be higher than the prescribed percentage of the NOTEF the permission holder shall pay the balance in one lump sum within a period of one month from the date of such determination, and in any case not later than 30th September of the following year.
- 4.3.6 From the second year onwards, the permission holder shall pay advance annual fee on the basis of the last year for which the gross revenue has been determined, or minimum prescribed % of the NOTEF, whichever is higher, within the first fortnight of each quarter, and balance due of final annual fee, if any, by 30th September of the following financial year. Any delay on the part of the permission holder to pay the quarterly fee, or the balance due of the final annual fee, determined on the basis of the gross revenue figure, will attract simple interest @ 1% per month for the period of such delay.
- 4.3.7 Every permission holder shall furnish a performance bank guarantee as mentioned in **Clause 7.6** for an amount equal to the annual fee calculated on the basis of NOTEF formula given in **Clause 4.3.1(a) or (b)** as applicable, and maintain its validity throughout the currency of the permission. Amount of bank guarantee shall be increased so as to be equal to the annual license fee paid by the licensee for the previous year if such annual license fee exceeded the bank guarantee already furnished by the licensee. The Permission Holder shall be liable to pay the Annual Fees within the prescribed time period, failing which the Government will have the right to invoke the Bank Guarantee furnished by the Permission Holder without any prior notice. Such right shall be without prejudice to any other action that may be taken by the Government under the terms and conditions of the permission. In the event of invocation of the Performance Bank Guarantee, the Permission Holder shall furnish a fresh bank guarantee of the same amount within a period of three months from date of invocation of the Performance Bank Guarantee, in favour of the Government.
- 4.3.8 In the event of Permission Holder's failure / inability to operationalise the Channel as required within the prescribed time period, the Government shall have the right to recover the Annual Fee for the first year and all the years of such failure/inability as a lump-sum payment, and in the event of default by the

Permission Holder, by invocation of the Performance Bank Guarantee furnished by it. As aforesaid, in the event of invocation of the Performance Bank Guarantee, the Permission Holder shall furnish a fresh bank guarantee of the same amount within a period of three months from date of invocation of the Performance Bank Guarantee, in favour of the Government, for the succeeding year's Annual Fee.

4.3.9 Every Permission Holder shall maintain separate financial accounts for each Channel, which shall be audited by the Statutory Auditors. At the end of each financial year, the company shall provide the statement of gross revenue forming part of the final accounts of the Permission Holder as per the format (**Annexure 10.9**), duly certified by the Statutory Auditors and duly supported by the audited accounts for the financial year. It may be noted that the income heads specified in **Annexure 10.9** are only indicative and illustrative and the Auditor would include all the relevant heads qualifying for gross revenue whether or not specifically included in the said format. In addition, the income from the Related Parties shall have to tally with the Related Parties schedule as per Accounting Standards no. 18. Besides, the company shall disclose the following information at the end of each financial year, duly certified by the Statutory Auditor:

- (i) Total trade and other discounts.
- (ii) Total agency commission.
- (iii) Total Related Party Transactions.

4.3.10 So as to verify that the Gross Revenue is correctly disclosed to it, the Government shall have the right to get the accounts of any permission holder audited by CAG or any other professional auditors at their discretion. In case of difference between the Gross Revenue determined by the Statutory Auditor of the Company and the

Government appointed auditors, the views of the government appointed auditor subject to opportunity of hearing to the permission holder shall prevail and the expenses of such audit shall be borne by the permission holder.

In case any amount is to be deposited by the licensee as per provisions of **Clause 4.3.8** it shall be deposited within 15 days of such determination along with interest calculated as already mentioned in **Clause 4.3.5**.

4.4. Cross Media Ownership

4.4.1 If during the currency of the permission period, government policy on cross-media ownership is announced, the permission holder shall be obliged to conform to the revised guidelines within a period of six months from the date of such notification, failing which it shall be treated as non-compliant of Grant of Permission Agreement, and liable for punitive action.

Provided, however, in case the permission holder is not in a position to comply with cross media restrictions for bona fide reasons to the satisfaction of the Ministry of Information & Broadcasting, the Permission Holder would be given an option of furnishing one month's exit notice along with a compensation calculated on a pro rata basis of the NOTEF amount(s) for the remaining period of permission(s) held by the company.

4.5. News and Current Affairs Programs

4.5.1 The permission Holder will be permitted to carry the news bulletins of All India Radio in exactly same format (unaltered) on such terms and conditions as may be mutually agreed with Prasar Bharati, No other news and current affairs programs are permitted under the Policy (Phase-III).

4.5.2 The broadcast pertaining to the following categories will be treated as non-news and current affairs broadcast and will therefore be permissible:

- (a) Information pertaining to sporting events excluding live coverage. However live commentaries of sporting events of local nature may be permissible;
- (b) Information pertaining to Traffic and Weather;
- (c) Information pertaining to and coverage of cultural events, festivals;
- (d) Coverage of topics pertaining to examinations, results, admissions, career counseling;
- (e) Availability of employment opportunities;

- (f) Public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration;
- (g) Such other categories not permitted at present that may subsequently be specifically permitted by Ministry of Information and Broadcasting from time to time.

4.6. Programme Content

- 4.6.1 The permission holder shall follow the same Programme and Advertisement Code as followed by All India Radio as amended from time to time or any other applicable code, which the Central Government may prescribe from time to time.
- 4.6.2 The Permission Holder shall also broadcast Public Interest Announcements as may be required by the Central Government/concerned State Government for maximum of one hour per day suitable/proportional time slots interspersed during that day shall be earmarked for this purpose. In case the total demand of Central Government and the State Government exceeds one hour per day, the concerned State Government shall be eligible for announcements covering only the period remaining after meeting the demand of the Central Government.
- 4.6.3 The Permission Holder shall ensure that at least fifty percent (50%) of the programmes broadcast by it are produced in India.
- 4.6.4 In case of multiple permissions to an entity/related entities in a city the attempt should be to distinguish programming on each channel based on era of music, language of music, genre of music etc to the extent possible to ensure diversity of programming to the listener.

4.7. Prohibition of Certain Activity

- 4.7.1 Subject to the provisions contained in **Clause 3.3.4**, the Permission is non-transferable. The Permission Holder shall not be competent to grant a sub-Permission directly or indirectly.
- 4.7.2 The permission holder may resort to outsourcing of content production as well as leasing of content development equipment as long as it does not impact permission holder's right as FM broadcaster and enjoys complete control over the channel. However the permission holder will be fully responsible for any violations/omissions of the provisions w.r.t content as contained in **Clause 4.5 and 4.6** above in this regard.
- 4.7.3 Permission holders may hire or lease broadcasting equipments on long-term basis as long as it does not impact permission holder's right as FM Radio broadcaster

and enjoys complete control over the channel. However the permission holder will be fully responsible for any violations of the technical parameters as stipulated in **Clause 4.10**.

- 4.7.4 The Permission Holder shall not enter into any borrowing or lending arrangement with other Permission holders or entities except recognized financial institutions and its related entities (to say, its subsidiary or holding company, a company with the same management and an inter-connected undertaking), which may restrict its management or creative discretion to procure or broadcast content or its marketing rights.
- 4.7.5 The Permission Holder shall ensure that there is no linkage between a party from whom a programme is outsourced and an advertising agency.
- 4.7.6 The Permission Holder shall ensure that no content, messages, advertisement or communication, transmitted in its Broadcast Channel is objectionable, obscene, unauthorized or inconsistent with the laws of India .
- 4.7.7 The Permission Holder shall not either directly or indirectly assign or transfer its right in any manner whatsoever under this Agreement to any other party or enter into any Agreement for sub-Permission and/or partnership relating to any subject matter of the Permission to any third party either in whole or in part. Any violation of the terms shall be construed as breach of this Agreement.
- 4.7.8 The permission holder shall fix or modify the ‘**Channel Identity**’, which is the brand name of the FM radio channel, only after prior approval of the Ministry.

4.8. Penalty for Non Operationalisation of Awarded Licenses

- 4.8.1 Each permission holder shall operationalize the channel and ensure completion of the activities preceding thereto within the time limits prescribed in **Clause 4.12 and Clause 7.7**, failing which the permission will be revoked, and permission holder shall be debarred from allotment of another channel in the same city for a period of five years from the date of such revocation. The frequency so released may be allotted through subsequent bidding. The permission holder shall be liable to pay one year’s annual fee. The government shall be well within its right to recover the same from the Performance Bank Guarantee already submitted. No claim will be admissible against the Non-refundable OTEF paid to the Government.
- 4.8.2 The Ministry of Information & Broadcasting may also revoke the permission if the channel is closed down either continuously or intermittently for more than 180

days in any continuous period of 365 days for whatever reason.

4.9 Networking

4.9.1 An entity will be permitted to network its channels in its own network within the country. However it is also to be ensured that at least 20% of the total broadcast in a day (reckoned from 0000 Hrs to 2400 Hrs), is in the local language of that city and promotes local content. This may include the Radio Jockey speaking in local language(s)/dialect(s) or programmes focused on local culture/tradition/folk music etc. or other permissible programmes/advertisements in the local language(s)/dialect(s).

4.9.2 No two entities shall be permitted to network any of their channels in any category of cities.

Note: The permission holder companies referred to in Note-(1) below **Clause 2.3.1** shall be treated as a single entity for the purposes of this clause.

4.10 Technical Parameters And Standards

4.10.1 The Permission Holder shall comply with the following technical parameters and standards both for transmission and audio quality of the service.

4.10.2 Technical Parameters

4.10.2.1 The transmission equipment including antenna are to conform to the following technical parameters:

(a) ERP and EHAAT

Category	Basis (one or More of the Following)	Effective Radiated Power (ERP) (kW)		Antenna Height (EHAAT) Meters	
		Min	Max	Min	Max
A	Population above 20 Lakhs	10	30	75	150
B	Population above 10 Lakhs and up to 20 Lakhs	5	15	50	100
C	Population above 3 Lakhs and up to 10 Lakhs	3	10	30	75
D	Population above 1 Lakhs and up to 3 Lakhs	1	3	20	40
Others	Cities with a population up to 1 Lakhs	1	3	20	40

[Note: 1 For the purposes of this clause the terms ERP and EHAAT shall mean the following:-

- i) **“Height of Antenna above Average Terrain (HAAT)”** is the height of the center of radiation of the antenna above average elevation of the terrain between 3 and 15 Km from the antenna for each radial.
- ii) **“Effective Height of Antenna above Average Terrain (EHAAT)”** is the average of HAATs for 8 radials spaced every 45 degree of azimuth starting with true north.
- iii) **“Effective Radiated Power (ERP)”** is the product of the transmitter output power and Antenna Gain relative to half wave dipole.

Note 2: In cases where

- (i) it may not be possible to remain within the prescribed limits of EHAAT due to topographical constraints or non-availability of a suitable tower meeting the prescribed values of EHAAT or due to any security considerations that the

Government may deem appropriate to factor in, or

- (ii) The EHAAT/ERP needs to be fixed to take care of signal interference or security concerns or concerns relating to safety of flights in the vicinity,

The Permission Holder shall have to adjust the ERP of their transmitters so as to lay RF signal not exceeding that due to combination of maximum ERP and maximum EHAAT, as may be prescribed.]

Note 3: In case of interim set up, the LOI/Permission Holder shall, as far as practicable, adhere to the technical parameters for the respective cities. In case it is not possible, it should ensure that the coverage from the interim set up is not less than 60% by area of the coverage of the permanent set up.

- (b) Antenna Polarization : Circular
- (c)) Stereophonic Transmission System : Pilot-tone
- (d) Pre-emphasis in transmission system : 50 micro-sec
- (e)) Max Deviation in transmission system : +/-75 KHz
- (f)) Harmonic/spurious : Should conform to the ITU Radio regulations and relevant ITU-R Recommendations
- (g) Frequency Stability : Should conform to the ITU Radio Regulations

Note 4: In case of border cities with a population less than one lakh, Ministry of I&B may make a special dispensation in consultation with, MOD, MHA, and WPC to ensure coverage including those in shadow areas keeping in view the geographical terrain and strategic requirements.

4.10.3 Technical Standards

- (a) The Permission Holder shall comply with the audio and transmission standards for FM sound broadcasting at each Center conforming to the ITU-R (International Telecommunication Union) Recommendations viz: 450-3, 467, 646 and 644-1;
- (b) The Permission Holder shall also comply with the technical standards on data broadcasting on FM sub-carriers, whenever introduced, conforming to ITU-R

Recommendations viz. 643-1 and BS-1194-2.

4.11 Number of Frequencies

- 4.11.1 The total number of channels for allocation to private broadcasters would be kept as follows in this batch for Phase III:-

Sr. No.	City Category	No. of Channels
1.	Category A Cities	6/ 8 Channels
2.	Category B Cities	4 Channels
3.	Category C Cities	4 Channels
4.	Category D Cities	3/4 Channels

- 4.11.2 A total of 266 channels in 92 cities across the country are available for bidding in this batch of Phase-III by Indian private companies, details of which are at **Annexure 10.1**.
- 4.11.3 Auction of additional channels that may become available due to reduced channel spacing to 400 KHz could be considered after feasibility studies are completed.
- 4.11.4 The availability of minimum requirement of channels as set forth above may reduce for some of the remaining cities under FM Phase-III to be taken up in the subsequent auctions due to technical considerations.

4.12 Co-Location

- 4.12.1 It will be mandatory for all Phase-III operators to co-locate transmission facilities in all the cities, irrespective of the fact as to whether the infrastructure of Prasar Bharati is available or not.
- 4.12.2 In existing cities where it is a vacant channel and CTI has been created by BECIL, Co-location at the site already chosen and utilization of CTI already created by BECIL will be mandatory.
- 4.12.3 BECIL, the system integrator for providing the common transmission infrastructure in existing cities, will help the LOI holder/ permission holders to obtain SACFA clearance on prescribed terms and conditions. After grant of permission, each permission holder shall obtain wireless operational license as mentioned in **Clause 4.17 and 7.6**, for which WPC, DOT, M/o C&IT will be requested to grant priority clearance.

- 4.12.4 In fresh cities where Prasar Bharati Infrastructure is available, co-location shall be on such existing facilities of Prasar Bharati on terms and conditions to be prescribed separately, on the existing Prasar Bharati towers. The successful bidders will have a choice to form a consortium and set up required CTI for that city. They will mutually decide infrastructure sharing methodology, commercial revenue sharing mode, service level agreement and methodology for upkeep of such infrastructure.
- 4.12.5 If suitable infrastructure of Prasar Bharati is not available, successful bidders will have a choice to form a consortium and set up required land & tower infrastructure (LTI) and (CTI) for co-location of all transmitters identified for that city. They will mutually decide infrastructure sharing methodology, commercial revenue sharing mode, service level agreement and methodology for upkeep of such infrastructure.
- 4.12.6 In cases mentioned in paras 4.12.4 and 4.12.5 a maximum period of three months from the date of issuance of last LOI for that city will be allowed to the successful bidders to come up with an arrangement for setting up of collocation facility and CTI and furnish a copy of the agreement and payment details to the Government. If no intimation is received within the given time frame of 3 months from the successful bidders it will be presumed that the successful bidders have not been able to reach any agreement on different issues regarding Co-location and erection of tower, then all successful bidders will be mandated to have co-location with facilities to be developed by and CTI to be set up by Broadcast Engineering Consultants India Limited (BECIL). BECIL shall act as the system integrator for providing the co-location facility and common transmission infrastructure and will help the LOI holder/ permission holders to obtain SACFA clearance and frequency allocation on prescribed terms and conditions.
- 4.12.7 In cities where a suitable LTI of Prasar Bharati or any other agency is not available, LOI holders will be permitted to operationalize their channels on an interim basis pending creation of co-location facilities and CTI, on individual basis upto the time limit prescribed for operationalisation as per para 7.7, at the end of which they shall shift their operations to the co-location site. Permission to run its individual channel will be granted only after the Ministry is satisfied that all the successful bidders in that city have made necessary arrangements for setting up of the common transmission infrastructure and have entered into an agreement with BECIL/system integrator and made full payments towards its share in the common infrastructure.
- 4.12.8 The system integrator for providing the common transmission infrastructure will help the LOI holder/ permission holders to obtain SACFA clearance and frequency allocation on prescribed terms and conditions. After grant of permission, each permission holder shall obtain wireless operational licence as mentioned in para 4.17 and 7.6, for which WPC, DOT, M/o C&IT will be requested to grant priority clearance.

4.13 Mandatory Sharing of Certain Broadcast Signals with Prasar Bharati

4.13.1 The company shall ensure compliance with the provisions of Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharti) Act, 2007 and rules, guidelines and notifications issued there under.

4.14 Monitoring and Requirement to Furnish Information

4.14.1 The company at its own cost shall,

- (a) Preserve the recordings of content broadcast by the Permission Holder for a period of three months from the date of broadcast and produce the same to the Government or its authorized representative, as and when required and
- (b) Provide the necessary equipment, services and facilities at designated place(s) as may be required and shall pay such charges as may be required for continuous monitoring of the broadcast content by or under supervision of the Government or its authorized representative.
- (c) Provide the necessary equipment, services and facilities at designated place (s) for continuous measuring, recording and monitoring of prescribed technical parameters of broadcast as may be required and shall pay such charges as may be required for continuous monitoring of the broadcast service to BECIL.

4.14.2 The Permission Holder shall be liable to furnish to the Government of India or its authorized representative or TRAI or its authorized representative , such reports, accounts, estimates, returns or such other information and at such periodic intervals or at such times as may be required. An annual report shall also be required to be submitted by the Permission Holder that includes audited accounts, Profit & Loss Account, balance sheet, shareholding, Board of Directors and key executives of the company not later than 30th September of the following year.

4.14.3 The Permission Holder shall submit all such information as may be required by the Government to dispose of complaints by public with respect to its broadcast.

4.14.4 In case of non-payment of dues as per the provisions contained in **Clause 4.14.1**, the Government shall recover such dues from the PBG furnished by the permission holder.

4.15 Inspection

- 4.15.1 The Government of India, Ministry of Information & Broadcasting or its authorized representative or TRAI or its authorized representatives, shall have the right to inspect the broadcasting facilities. No prior permission/intimation shall be required to exercise the right of Government or its authorized representative to carry out the inspection. The company will, if required by the Government or its authorized representative, provide necessary facilities for continuous monitoring for any particular aspect of the company's activities and operations.
- 4.15.2 The inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.
- 4.15.3 The Ministry of I&B shall carry out periodic technical audit of the technical setup at the cost of the permission holder through a designated agency.

4.16 National Security and Other Conditions

- 4.16.1 The Government of India, Ministry of Information & Broadcasting shall have the right to temporarily suspend the permission of the permission holder in public interest or for national security for such period or periods as it may direct. The company shall immediately comply with any directives issued in this regard failing which the permission issued shall be revoked and the company disqualified to hold any such permission in future for a period of five years.
- 4.16.2 The company shall not use any equipment, which are identified as unlawful and/or render network security vulnerable.
- 4.16.3 The permission holder shall be required to obtain security clearance of all foreign personnel likely to be deployed for more than 60 days in a year by way of appointment, contract, and consultancy or in any other capacity for installation, maintenance, operation or any other services prior to their deployment.
- 4.16.4 The permission shall be subject to permission holder remaining security cleared throughout the currency of permission. In case the security clearance is withdrawn the permission granted is liable to be terminated forthwith.
- 4.16.5 In the event of security clearance of any of the persons associated with the permission holder or foreign personnel is denied or withdrawn for any reasons whatsoever, the permission holder will ensure that the concerned person resigns or his services terminated forthwith after receiving such directives from the

Government failing which the permission granted shall be revoked and the company shall be disqualified to hold any such permission in future for a period of five years.

4.17 WPC Wing's License

- 4.17.1 Frequency allocation will be done for the winning bidders through the Electronic Auction System (EAS) itself as specified under Auction Rules in **Section VI below**. Successful bidder will apply for frequency assignment and SACFA clearance to WPC Wing DOT. In addition to this, they have to pay admissible royalty and license fees to obtain Wireless Operating License for establishment maintenance and operation of wireless station for FM channel. The Grant of License shall be governed by the rules, procedures and guidelines and shall be subject to compliance with all requirements of the WPC wing.
- 4.17.2 For this purpose, an application shall be made to the “Wireless Advisor to the Government of India, WPC Wing, Department of Telecommunications, and Ministry of Communications &IT” in the prescribed application form.
- 4.17.3 Spectrum Charges (License fee & royalty) as prescribed by WPC which may be revised from time to time, shall have to be paid by the company towards grant of License for usage of radio frequency.
- 4.17.4 The company shall not cause harmful interference to other wireless station. WPC Wing will have the sole discretion to take practicable and necessary steps for elimination of harmful interference, if any, to other licensed users.
- 4.17.5 The Wireless Planning and Coordination Wing, Ministry of Communications & IT shall have the right to inspect from time to time the installation from technical angles to check conformity with Wireless Operational License conditions.

4.18 Penalties

- 4.18.1 In case there is any violation of conditions cited in **Clause 4.5.1, 4.5.2 and 4.6.1**, Government may suo motto or on basis of complaints take cognizance and place the matter before the **Interministerial Committees on Programme and Advertising Codes** for recommending appropriate penalties. On the recommendation of the Committee a decision to impose penalties shall be taken. However, before the imposition of a penalty the Permission Holder shall be given an opportunity to represent its case. The Ministry shall however be at liberty to specify any other mechanism to take action for such violations.

- 4.18.2 Except wherever provided otherwise, in the event of a permission holder violating any of the terms and conditions of permission, or any other provisions of the FM Radio policy, the Ministry of Information and Broadcasting shall have the right to impose the following penalties.
- 4.18.2.1 In the event of first violation, suspension of the permission and prohibition of broadcast up to a period of 30 days.
- 4.18.2.2 In the event of second violation, suspension of the permission and prohibition of broadcast up to a period of 90 days.
- 4.18.2.3 In the event of third violation, revocation of the permission and prohibition of broadcast up to the remaining period of the permission.
- 4.18.2.4 In the event of any violation as mentioned in **Clause 4.18.2**, the Ministry of Information and Broadcasting shall be well within its right to award a lesser penalty which may include issuance of an advisory or a warning or a direction to run an apology on the channel or in any other manner depending on the gravity of the violation.
- 4.18.2.5 In the event of the failure of the permission holder to comply with the penalties imposed within the prescribed time, revocation of permission and prohibition to broadcast for the remaining period of the permission and disqualification to hold any fresh permission in future for a period of five years.
- 4.18.3 In the event of suspension of permission the permission holder will continue to discharge its obligations under the terms and conditions of permission including the payment of fee.
- 4.18.4 In the event of revocation of permission, the Government shall not be responsible for any investment towards the operationalisation of the channel, not limited to capital and operating expenditure, in case of imposition of any penalty referred above.
- 4.18.5 The Performance Bank Guarantee deposited by the permission holder for the channel may also be forfeited for failure to comply with any of the terms and conditions of GOPA.
- 4.18.6 All the penalties mentioned above shall be imposed only after giving a written notice to the permission holder to fully rectify the violation within a period of 15 days, failing which he shall be liable for the proposed penalty.

4.19 Force Majeure during the Permission period

- 4.19.1 If at any time, during the period of permission, the performance of any obligation either in whole or in part by any party is prevented or delayed, by reason of war, hostility, acts of enemy, civil commotion, sabotage, fire, flood, act of state or center, explosion, epidemic, quarantine restriction, strikes materially affecting the performance of any obligations of affected party, or act of God (all or any of these hereinafter referred to as Force Majeure Event), neither party shall, by reason of such Force Majeure Event be entitled to terminate this permission, nor shall either party have any claim for damages against the other, in respect of such non-performance or delay in performance provided notice of such happenings of any such Force Majeure Event is given within 21 days from the date of occurrence thereof. Provided further that services under this permission shall be resumed as soon as practicable, after such Force Majeure event comes to an end or ceases to exist. The decision of the Government of India as to whether the services may be so resumed or not, shall be final and conclusive.
- 4.19.2 If the broadcast of the Permission Holder remains discontinued due to such Force Majeure event for more than two months, the parties shall meet together and discuss the future course of action.
- 4.19.3 The Government of India shall not be obliged to grant any rebate in Annual Fee on account of Force Majeure event referred to above, where the Permission Holder decides to continue the broadcast. Provided, however, the Government of India may at its discretion allow rebate in appropriate case in case the broadcast cannot be continued, even after two months of the occurrence of the event.

4.20 Surrender of Permission

- 4.20.1 The Permission Holder may surrender the Permission by giving an advance notice of one month to the Government as well as to all concerned/affected parties including the listeners of the service to this effect. No claim will be admissible against the Non-refundable OTEF paid to the Government. The Permission Holder shall however, continue to observe all obligations, terms and conditions of permission including the criteria for the quality of broadcast during the notice period and any failure to do so shall be regarded as breach of Permission conditions.
- 4.20.2 In case of surrender of Permission, the Government may (at its own discretion), in order to ensure the continuity of the Broadcast, take over the FM Radio Broadcast Channel of the Permission Holder or issue Permission to another eligible company for running the service. The Permission Holder shall be obligated to facilitate the

transfer of Permission to the new Permission Holder or the Government, and of all assets as are essential and necessary for continuity of the service on payment of such compensation as may be mutually agreed.

4.21 Disputes with other Parties

4.21.1 In the event of any dispute between the company and any party other than the Government (including in relation to the permission and/or Broadcasting services, etc) due to any reason whatsoever, it shall be the sole liability of the company to resolve such dispute amicably or otherwise with the other party and the Government shall have no liability whatsoever in this regard. Further, the company shall undertake to fully indemnify and keep the Government harmless in respect of any action, claim, suit, proceeding, damage or notice to/against the Government for any act of omission or commission on the part of the company, its agents, employees, representatives or servants. Provided that if any such third party dispute arises on account of non-observance or breach of any rules or regulations or any other terms and conditions of license by the company as provided, the Government shall also have the right to take any action against the company as per the terms and conditions of permission.

4.22 Dispute Resolution and Jurisdiction

4.22.1 Dispute resolution shall be as per the provisions of Telecom Regulatory Authority of India Act, 1997 as amended from time to time or such other laws applicable to resolution of such dispute.

4.22.2 Subject to **Clause 4.22.1**, the High Court of Delhi at New Delhi shall alone have the jurisdiction over all disputes arising out of or in respect of the Notice Inviting Applications, e-auctions and its terms and conditions for award of FM Radio Licenses under Phase-III.

4.23 Provisions relating to data broadcasting services in FM sub-carriers

4.23.1 The services provided will be free-to-air services and no charges will be required to be paid by listeners to the FM broadcaster for such services.

4.23.2 None of the data services will carry any audio/video/text/data falling within the purview of news and current affairs.

4.23.3 Any broadcasts as part of data services will also be required to adhere to monitoring and storage requirements as provided herein.

- 4.23.4 Any service specific to an individual listener/subscriber like radio paging will not be permissible as such services require a separate permission/license from DOT
- 4.23.5 Emergency Warning Services (EWS) if provided should only be used with the specific approval and guidance of the local District administration.
- 4.23.6 Revenues, if any, earned by provisioning of such services shall form part of the overall Gross Revenue of the permission holder for the purposes of determination of annual fee.

4.24 Miscellaneous

- 4.24.1 The 'Integrity Pact' shall be signed and enclosed with their applications by all the applicants participating in the e- auctions for award of FM Radio Licenses under Phase-III. Format of the Integrity Pact is placed at **Annexure 10.11**.
- 4.24.2 The grant of Permission shall be subject to the condition that the permission holder shall comply with any regulations, orders and directions issued by TRAI from time to time under the TRAI Act 1997.
- 4.24.3 The Permission shall be governed by the laws of India including the provisions of the Telecom Regulatory Authority of India Act, 1997, Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as amended from time to time and any other law as applicable to broadcasting which has or may come into force.
- 4.24.4 The Government shall have the right to modify at any time the provisions of the Policy and/or the terms and conditions of permission, if in the opinion of the Government it is necessary or expedient to do so in public interest or in the interest of the security of the State. The decision of the Government shall be final and binding in this regard.
- 4.24.5 Prasar Bharati infrastructure should be made available at half the lease rentals for similar category cities in the cities of J&K, North Eastern States and island territories.

V AUCTION DETAILS

5.1 General conditions

5.1.1 Confidentiality

Confidential Information means any information which, if known to other Bidders, would be likely to affect the price that other Bidders would be prepared to bid in the Auctions or the bidding strategy that other Bidders would adopt. Such Information shall include (but not necessarily be limited to) the Bidder's business case, auction strategy and the highest price it is willing to bid for FM Channel(s) in any city. Any party to whom Confidential Information in relation to a Bidder is disclosed is deemed to be an "Insider" in relation to that Bidder. Bidders and Insiders must not convey Confidential Information to any other person, including any other Bidder or its Insiders.

Bidders shall also not be permitted to disclose the status of their participation, including whether they continue to bid in any or all cities, in any of the Auctions, until the completion of the relevant Auction.

5.1.2 Directors, employees and advisers

No person, whether individual or corporate, can act for or on behalf of or advise more than one Bidder that is participating in the Auction. The applicant company has to ensure this, and an affidavit in this regard is required to be furnished by it at application stage.

5.1.3 Anti-competitive activity

Bidders must not enter into any arrangements with suppliers of equipment or software that would restrict the supplier's ability to supply such equipment or software to other Bidders for the purposes of planning, building or operating a FM channel to be auctioned. Bidders are also not permitted to agree with suppliers of equipment or software any form of restriction as to the prices charged or other terms and conditions that such suppliers may agree with any other Bidder.

5.2 Application Requirements

5.2.1 Application format and procedures for submission

- 5.2.1.1 In order to pre-qualify for the Auctions, prospective Bidders must submit an Application on or before the last date for submission of applications, as per the requirements described in **Section VIII**.
- 5.2.1.2 The Government reserves the right not to pre-qualify any Applicant without assigning any reason whatsoever.
- 5.2.1.3 The Government reserves the right to disqualify any pre-qualified Bidder at any stage of the Auctions or after the Auctions are completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with Auction Rules, non-compliance with any other pre-condition prescribed for participating in the Auctions or for getting the FM Channel or any matter that may, in the opinion of the Government, be contrary to general public interest. For such breaches, the bidder may forfeit some or all of its Earnest Money Deposit. Seriousness of the breach and the appropriate penalties shall be determined by the Government at its sole discretion.
- 5.2.1.4 Format for various certificates and undertakings are provided in **Annexure 10.6**.

5.2.2 Ownership Compliance Certification

- 5.2.2.1 After the last date of submission of Applications, the Government shall publish the ownership details submitted by the Applicants, who have not otherwise been disqualified till then, on the Ministry's website. Not only would the announcement of the Applicants' identities provide important information for other Applicants to submit the Ownership Compliance Certificate, it would also help prevent market speculation.
- 5.2.2.2 After this, an Applicant, who has not otherwise been disqualified till then, will be required to submit an Ownership Compliance Certificate (**Annexure 10.10**), before the deadline indicated in the Auction timetable, confirming that it complies with the ownership restrictions in light of the ownership details of the other Applicants. The Government reserves the right to modify this deadline by giving Applicants notice through the Ministry's website.

5.2.3 **Pre-Qualification tests**

In order to pre-qualify, the Applicant must satisfy the following tests:

5.2.3.1 **Application requirements**

The Applicant must comply with the requirements for payment of application fee, provision of information, the required certification & undertakings and payment of the Earnest Money Deposit. Failure to provide any of these documents or failure to make the payment within the time specified may result in the Applicant not qualifying for the Auction.

5.2.3.2 **General power of exclusion**

The Government will retain a general power to exclude any Applicant, without providing any reason for such action, if in its opinion the holding of a FM License by that Prospective bidder would be prejudicial to the interests of national security;

5.2.4 **Earnest Money Deposit**

5.2.4.1 Prospective bidders for a channel shall be required to deposit Earnest Money, along with the application for pre-qualification, in the form of a Bank Guarantee from a Scheduled Bank which shall be 25% of the reserve price of that city per channel.

5.2.4.2 Given that flexibility has been provided in the Auction Rules (**Section-VI**) for Bidders to be able to bid across cities, Applicants should deposit earnest money based on the number of channels in A, B, C, and D cities that they would like to participate in the Auctions. Bidders should note that at no stage in the Auctions will they be allowed to bid for more cities than the Initial Eligibility Points corresponding to the Earnest Money Deposit (“EMD”) will permit.

5.2.4.3 A consolidated EMD for all the interested cities/channels needs to be submitted along with the Application. The total amount may be broken down into up to 5 different EMD letters.

5.2.4.4 The earnest money (in the form of a Bank Guarantee from a Scheduled Bank) for

the requisite amount needs to be submitted along with the Application for prequalification.

The Bank Guarantee shall be from a Scheduled Bank, and valid for **six months** (and extendable for a further period of six months at the request of MIB) in the prescribed format as given in **Annexure 10.7**.

- 5.2.4.5 The EMD will be returned following failure to pre-qualify, or following the end of the Auctions and after meeting all the necessary obligations under the Auction Rules, as applicable.
- 5.2.4.6 Without prejudice to any other remedy that may be available to it, the Government reserves the right to encash the EMD, in the case that:
- a. The Applicant misrepresents facts in its application;
 - b. The Bidder violates any of the Auction Rules or otherwise disrupts the Auctions process;
 - c. The Bidder does not bid for even one city in the first Clock Round of the this Auction;
 - d. The Bidder defaults on its bid or any other relevant condition mentioned in the Notice.

5.2.5 Application Processing Fee

The applicant shall pay a non-refundable application processing fee of Rs. 25,000/- payable to Pay and Accounts Officer, Ministry of Information and Broadcasting, New Delhi, through a demand draft drawn on a Scheduled Bank payable at Delhi.

5.2.6 Procedure following application

- 5.2.6.1 The ascending e-auction process for granting permission for channels in this batch under Phase III shall consist of four Stages. The Stage-I shall be invitation stage wherein prospective bidders submit their applications.
- 5.2.6.2 Screening of applications, publication of ownership details and pre-qualification test will be done in Stage-II, called pre-qualification stage. Application received from the prospective bidders of FM Channel will be scrutinized (Application Review Committee may decide to seek further information / clarification from the application, if required), ownership details published, net worth of the applicant

company will be verified, security clearance will be obtained, and list of eligible prospective bidders will be prepared by Application Review Committee (ARC). The list of eligible prospective bidders will be forwarded to e-auctioneer who has been selected by the Government for e-auction of FM Channels.

- 5.2.6.3 Only applicants qualifying in accordance with prescribed eligibility criteria given in **Section III** will be invited to the auction stage (Stage-III) for bidding for specific channels in different cities.
- 5.2.6.4 The Stage-IV will be grant stage wherein payment of winning bid amount and issuance of Letter of Intent (LOI) is subject to fulfillment of relevant conditions. It is clarified that the existing permission holders will also have to satisfy the prescribed eligibility criteria to become eligible for participating in the auction.

5.3 Announcement of pre-qualified bidders

- 5.3.1 The Government shall put up a list of qualified Bidders after scrutiny of applications on the Ministry of Information & Broadcasting's website **www.mib.nic.in**. At the same time, each pre-qualified Bidder shall be issued the "Bidder Participation Notice", which shall include:
- a. Details of all Bidders' total Earnest Money Deposits and corresponding Initial Eligibility Points; and
 - b. The EAS manual providing information on how to access the Electronic Auction System (EAS).
- 5.3.2 Following this pre-qualification of Bidders by MIB, the Authorised person nominated by each pre-qualified bidder will be sent the following details via the various contact channels provided for this person in the Pre-qualified Bidder's application:
- i. URL of the Auction website;
 - ii. A login ID and password;
 - iii. An email address for the reporting of technical problems.
- 5.3.3 Upon receipt of all of the listed materials, pre-qualified Bidders will be required

to procure and install the Digital Signing Certificate (DSC) class-III having signing and encryption certificate. The Bidder will have to login to the EAS using the URL with their registered login ID & Password and will change the password after first login. Problems encountered in accessing the EAS successfully should be reported to the Auctioneer immediately.

5.4 Reserve Price

- 5.4.1 The Reserve Price for channels in cities on offer for Auction in Second Batch of Private FM Phase-III is duly indicated in **Annexure-10.1**
- 5.4.2 The auction shall be undertaken city-wise and channel wise and the reserve price for each city to be taken up in this batch has been also set out upfront. Every pre-qualified bidder may bid for channel(s) in each city within the prescribed limit on ownership of channels for that city.

5.5 Bid Validity

The bids made in the Auction shall be valid **upto 31st March, 2017**

5.6 Notification of Auction Results

After the close of the Auction, a list of successful bidders shall be notified by the Government on the Ministry website.

VI AUCTION RULES

6.1 Conduct of the Auction

- 6.1.1 The e-auction will run over the internet. Bidders will be able to access the Electronic Auction System (“EAS”) using the web browsing software, Internet Explorer version 11.x and above or Mozilla version 34.x and above, wherein only the qualified bidders will be allowed to participate.
- 6.1.2 The bidder will be required to procure Class-III Digital Signature Certificate (DSC), which includes signing & encryption certificate issued by any valid Certifying Authority (approved by Controller of Certifying Authorities) in India and it is mandatory for accessing the Electronic Auction System (EAS). More details about the licensed Certifying Authorities (CAs) are available on www.cca.gov.in. It would be the respective bidder's responsibility to acquire such DSC in the name of their Authorized Person for participation in the e-auction. The bidders also need to ensure that they acquire the DSC before the mock auction which will be conducted at a time specified by the MIB.
- 6.1.3 Bidder should ensure that their DSC is valid for atleast 6 months from the start of the e-auction.
- 6.1.4 Qualified Bidders will be provided with a detailed Electronic Auction System (EAS) manual explaining how to use the EAS. The System requirements details are outlined in **Annexure 10.13**
- 6.1.5 It would be the responsibility of the respective bidder to take reasonable steps to ensure that they have a reliable means of accessing the EAS and appropriate backup facilities.

Note: Each qualified bidder can access the EAS from a maximum of four (4) different Public Static IP addresses. The qualified bidders need to submit the details of the Public Static IP addresses and need to map the Public Key of the Digital Signature Certificate of the authorized personnel with EAS at the time of Bidder Registration Process.

- 6.1.6 Login ID will be mapped with the Digital Signature Certificates of the bidder. After mapping of DSC & Static IP's, Auctioneer will activate only qualified bidder's login account to access the EAS. The access to the EAS for Authorized Person of

the bidder will be from a maximum of four different Public Static IP Addresses which the bidder is required to provide at the time of bidder registration process.

6.2 Overview of the Auction Stages

6.2.1 FM Channels available for award in this process will be allocated by Simultaneous Multiple Round Ascending (SMRA) e-auction methodology.

Awarding of FM Channels will be done through a two-stage process:

a) **Channel Allocation Stage:** This stage will allocate number (count) of FM Channels in each of the Cities to the winning bidders. In this stage, in each City Bidders will bid for number of Channels only without linkage to any specific Radio frequency. The auctions will consist of a number of Clock Rounds. These rounds will stop once following two conditions are fulfilled:

(i) Auction Activity Requirement is 100%; **and**

(ii) For all cities in all the channels, there is no bid submitted by any of the bidders i.e. bidding activity is NIL.

This will establish a common Winning Price for all channels within a City, and the Winning Bidders for channel(s) in a particular city. The detailed methodology followed in the Channel Allocation Stage is explained in **Clause 6.6**

b) **Frequency Allocation Stage:** It will follow the Channel Allocation Stage and will allocate specific frequencies to the Winning Bidders in a city. During this stage, the winning bidders will be allowed to only select the FM Frequency for the winning channel(s) amongst the frequencies available in the respective city. Frequency selection preference would be based upon the rank of the bidder in a particular city i.e. Rank 1 bidder in a city will have the first right to choose the frequency followed by Rank 2 Bidder of that city and so on. The detailed methodology followed in the Frequency Allocation Stage is given in **Clause 6.7**.

Winning Bidders will pay the sum of the auction determined Winning Prices arrived in the Channel Allocation Stage for the cities in which they were assigned a Channel. All Winning Bidders in a city will have equal Winning Price as a consequence of the Auction Rules.

6.3 FM Channel Holding Capping Rule

The bidding by the bidders for each channel in a city will be restricted by a Cap which would depend not only on the maximum number of FM Channels which can be assigned to a bidder in that city but also on the maximum number of channels which can be assigned to a bidder Nationwide.

6.4 Nationwide Overall Cap

No entity shall hold permission for more than 15% of all channels allotted in the country excluding channels in the cities located in Jammu and Kashmir (J & K), North Eastern States and Island Territories (List of FM Channels put on Bid in the Second Batch of Phase III of Private FM Radio Broadcasting with their Reserve Price is given at **Annexure 10.1**). Only city wise Cap will apply to the channels located in Jammu and Kashmir, North Eastern States and Island Territories which is given at **Annexure 10.3**.

Note (1)*: The channels allotted to the following categories of companies would be reckoned together for the purpose of calculating the total channels allocated to an entity:

- a. Subsidiary company of any applicant/ allottee;
- b. Holding company of any applicant/ allottee;
- c. Companies with the Same Management as that of applicant/ allottee;
- d. More than one Inter-Connected Undertaking with regard to the applicant/ allottee.

*As stated above, each applicant under Note(1) shall specify its share in percentage (%) terms, of the total 15% limit on channels for its entity, which can be allocated to it, out of overall 15% nationwide cap (applicable to the entity) at the time of bid submission.

Note (2): In respect of existing license/permission/LOI holders, the license(s)/ permission(s)/LOI(s) already held by them shall also be taken into consideration for calculating the 15% limit.

The nationwide 15% cap would be applied at the time of allocation of the FM channels in each clock round. i.e. if the bidder submits the bids for more channels than this prescribed cap, then EAS would allocate channels only for the top 15% channels in terms of their highest values in descending order. However in case the 15% figure is a decimal, it will be rounded down to the nearest lowest whole number.

6.5 City wise cap

Every applicant shall be allowed to run not more than 40% of the total channels i.e. sum of its existing channels and the new channels, in a city subject to a minimum of three different operators in the city. However in case the 40% figure is a decimal, it will be rounded down to the nearest lowest whole number.

6.6 The Channel Allocation Stage

6.6.1 Overview

Channel Allocation Stage denotes simultaneous bidding for FM Channels across all categories of cities in all regions. Bidding proceeds in Clock Rounds. During each Clock Round, bids may be placed for some or all of the cities according to the detailed bidding rules described below:

- a. In each Clock Round, the Clock Round Price per FM Channel for each of the cities will be displayed on the bidding screen of the respective bidder. Bidders will be able to bid for the number of FM Channels depending upon their qualifying criteria for a category / Region and subject to the capping rule. In each Clock Round, Bidder's decisions will consist of "Yes" / "No" choice only for each of the Cities at a price equal to the current Clock Round price for that City. If the option "Yes" is selected for a particular city, bidder will see a choice for number of channels for which bidder is eligible for that particular city as per the capping rules. The number of channels for which the bidder can submit his bid will be a drop down option on the bidding screen.
- b. By bidding in a city for a number of channels at a Clock Round Price, if the Price becomes the Winning Price and the channel(s) becomes the Winning channel(s), the Bidder is considered committed to buy the channel(s) (i.e. the Provisional Winning channels allocated as Provisional Winning Bidders) in that city at a price not greater than the Clock Round price in the round when the bid was submitted.
- c. A Clock Round will close at a finishing time specified by the Auction Administrator, by which time all Bidders must have placed their bids for all cities. The finishing time is subject to provisions for rounds to be extended and re-scheduled, discussed in **Clause 6.6.9**.
- d. Bidders will be able to switch Bids across Cities from one round to the next, subject to certain limitations (called "Activity Rules") detailed in **Clause 6.6.5**. These rules require that Bidders must demonstrate sufficient bidding activity

to maintain their eligibility to make Bids in subsequent rounds, otherwise their ability to make Bids in subsequent rounds will be curtailed. These Activity Requirements will be increased in steps according to the overall amount of bidding activity in the Auction. Provisional Winning channels cannot be switched to other Cities.

- e. In the first Clock Round, the Clock Round Price for each FM Channel in a City will be set equal to the Reserve Price. For subsequent rounds, the Clock Round price in each City will be set depending on Excess Demand (defined in **Clause 6.6.7**) in the previous completed Clock Round in that city.
- f. The excess demand in a city will be determined by the total number of bids received for channels put up in auction for that city in the last completed clock round **minus** the number of channels put up for auction in that City at a Clock Round Price in the last completed clock round^a.

^a *The Clock Round Price in a city can be the same for more than one subsequent clock rounds depending on the Excess Demand in that city at a clock Round Price in the last completed round.*

- g. The following rules will determine the Clock Round Price other than the first clock round:
 - i. If Excess Demand is Negative, the Clock Round price in that city will be equal to the Clock Round price in the last completed Clock Round;
 - ii. If Excess Demand is Zero or Positive, the Clock Round price in that City will be equal to the Clock Round price in the last completed Clock Round plus a price increment linked to the amount of Excess Demand as given below.

Proportionate Price Increment rule for e-auction of FM Channels	
Excess Demand	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
0	1%
1 to 3	5%
4 to 6	8%
7 to 9	10%

10 and Above	15%
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- h. The final Clock Round will be the first such round in which:
 - i. The Auction Activity Requirement has been increased to the maximum level i.e., the Auction Activity Requirements is set to 100%; **and**
 - ii. For all cities in all the channels, there is no bid submitted by any of the bidders i.e. bidding activity is NIL.

At the end of the final Clock Round, all the Provisional Winning Prices will become the Winning Prices, and the Provisional Winning Bidders status will become winning bidders.

All these winning bidders will then be awarded the number of channels won by them at the Winning Prices (as explained in **Clause 6.6.8**).

6.6.2 Consequences for Provisional Winning Bidders

- 6.6.2.1 There may be Clock Rounds in which there are Provisional Winning bidders with Bids at different prices. For example, consider a situation that in a hypothetical City, N channels are put to auction:
 - a. If in a Clock Round R, for a City, N bids are received for N channels at the current Clock Round price. Then since the number of bids received is equal to the total number of channels put to auction, all the bidders who have submitted their bid become the Provisional Winning Bidders and this Price becomes the Provisional Winning Price, which is the Clock Round Price of Round R;
 - b. In subsequent Clock Round R+1, an increment is added to the Clock Round Price of Round R, which becomes the new Clock Round Price for Round R+1. At this higher price, say bids are received for M number of channels, where M is strictly less than N. Then the Provisional Winning Bids will now consist of bids received for M channels at the Clock Round Price of Round R+1 and the bids received for N-M channels selected from amongst the Provisional Winning Bids made in Clock Round R according

to the ranking criteria (as mentioned in Clause 6.6.6). Therefore, the Provisional Winning channels which would be considered at the end of Clock Round R+1 would be M channels received at the higher price in Clock Round R+1 and N-M channels received at a lower price in Clock Round R. The Provisional Winning Price at the end of Clock Round R+1 would be the Clock Round Price of Round R, since this is the lowest value amongst the Provisional Winning channels.

- c. If M is EQUAL TO or GREATER than N, then the Provisional Winning Price in Clock Round R+1 would be the Clock Round Price in Clock Round R+1.

6.6.2.2 The number of channels for which a bidder can submit the bid in Clock Round R+1 would be different for the Provisional Winning Bidder in a particular city according to the conditions mentioned below:

- a. If the Clock Round Price of Current Clock Round R+1, is EQUAL to the Clock Round Price of previous Clock Round R (due to Excess Demand being Negative in Clock Round R) for a particular city, the bidder can bid for the balance of the maximum permitted channels, if available, in Clock Round R+1.
- b. If the Clock Round Price of Current Clock Round R+1, is GREATER than the Clock Round Price of previous Clock Round R, (due to Excess Demand being Positive in Clock Round R) for a particular City, the bidder can bid for the channels based on the capping rules.

6.6.3 Bidding during Clock Rounds

6.6.3.1 In each Clock Round, Bidders will be presented with a bidding form on their respective bidding dashboard, where the following will be displayed:

- a. Total Earnest Money Deposit (EMD) submitted by the Bidder
- b. Eligibility Points
- c. Auction Activity Requirement
- d. Bidder Activity Requirement
- e. Channels available as per Nationwide cap.
 - i. Your Existing Channels
 - ii. Your Remaining Channels

6.6.3.2 The bidding form will also display the following information for each of the

cities:

- a. Name of the City
- b. Total Number of channel(s) in the city
- c. Number of channels available in the city
- d. Number of Channels available to the respective Bidder as per 40% Cap Rule
- e. Number of Eligibility Points linked to a channel in the city
- f. Earnest Money Deposit requirement linked to a channel in the city
- g. The Clock Round Price in the city for the current Clock Round
- h. After the first Clock Round, the price increment that has been applied to the Clock Round price in the last completed Clock Round to determine the current Clock Round price in that city
- i. After the first Clock Round and in every subsequent Clock Round, Provisional Winning Price of that city established in the last completed clock round
- j. After the first Clock Round and in every subsequent Clock Round, whether the bidder is a Provisional Winning Bidder in that City and if so;
 - i. The Price at which that Provisional Winning Bid was made
 - ii. The Ranking of his Bid in that City at the end of the previous clock round
 - iii. No of Channel(s) allocated to Bidders
- k. Option to Bid (tick-box associated with the City)
- l. Option for selection of Number of channels

6.6.3.3 The bidder will have tick-box associated to each city in a particular Clock Round. On selection of the Tick-Box associated with the city, the bidder will have the option to select the Number of channels for that city. The overall selection of the Number of channels in the selected city would be restricted by the following factors:

- i. The total value of the EMD of the number of channels selected should be equal to or less than the EMD deposited by the bidder;
- ii. Availability of sufficient Eligibility Points
- iii. FM Channel Cap as applicable based on the City wise Cap (as explained in **Clause 6.5**)

NOTE

1. If the bidder was a Provisional Winning Bidder for the maximum number of channels permitted in accordance to capping rule for a City in the last completed Clock Round, and if the Clock Round Price in the Current Clock Round is equal to that in the last completed Clock Round, then bidder will not have the option to bid for that City.
2. All the Bidders will have to submit their willingness in each Clock Round, even if the Bidder does not want to submit any Bids in the Clock Round. Failure to check and submit willingness by the end of a Clock Round will trigger an automatic extension of the round deadline and reduce the time allowance a Bidder has for future extensions. The provisions for extensions of rounds are discussed in detail in **Clause 6.6.9**.
3. All the bids which the bidder submits would be subject to the Activity Rules as described in **Clause 6.6.5**.
4. Bidders are required to submit their bid for at least ONE City in the first Clock Round. Any Bidder who fails to do so in the first Clock Round will forfeit its EMD in its entirety.

6.6.4 Eligibility Points and Deposits

- 6.6.4.1 For the purpose of applying Activity Rules, each of the channels in each City has been assigned a specific number of Eligibility Points, based on the Reserve Price of FM Channel in that particular City. The Eligibility Points associated with a channel in each City is listed in the **Table-I** at **Annexure 10.12** of this Notice.
- 6.6.4.2 The eligibility to bid will also be defined by the EMD which the bidder will deposit and based on which the combination of Cities will be determined. Those bidders who have deposited the EMD within the deadline mentioned by the MIB will only be permitted to participate in the e-auction.
- 6.6.4.3 The Initial Eligibility points for each bidder would be determined by the amount of EMD which they have submitted. The bidder will be eligible to participate in those cities where the accumulated value of the eligibility points associated with the channels is less than or equal to Initial Eligibility Points of the bidder. The Initial Eligibility Points will be the value corresponding to the Total EMD submitted by the bidder as listed in **Table-II** at **Annexure 10.12** in this Notice.
- 6.6.4.4 Bidders who make smaller Earnest Money Deposits will result in corresponding

lower levels of Initial Eligibility Points. Thus it would be a combination of the EMD of the Number of Channels in the selected Cities and the Eligibility Points at that particular Round which would decide the ability to submit the bid for the respective bidder.

- 6.6.4.5 The Initial Eligibility of Bidders and the identities of Bidders participating in the Auction will be announced after determining the Applicants who qualify to bid in the Auctions.

6.6.5 Activity Rule

- 6.6.5.1 The participation of the bidders in the auction would be restricted by their net worth, which is to be complied with at the time of application for participation in the auction as specified in **Clause 3.4** of this Notice.

- 6.6.5.2 Further to the Net Worth criteria, in any Clock Round, Bidders will be restricted by their Earnest Money Deposit (EMD) in the combinations of Channels for the Cities they may bid for. The Earnest Money Deposit requirement associated with a Bid in a Clock Round is equal to:

- a. In the First Clock Round, the sum of the Earnest Money Deposit associated with the number of channels in the Cities in each of the Categories / Regions where the Bidder places a bid
- b. After the First Clock Round, the sum of:
 - i. The Earnest Money Deposit associated with the Number of Channel(s) in those Cities in which the Bidder has been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round (regardless of whether or not bid has been submitted by the Bidder in the current Clock Round); and
 - ii. The Earnest Money Deposit associated with the Number of Channel(s) in those Cities where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in which the Bidder bids for a number of channels in the current Clock Round (referred to as “New Bid”).

NOTE

For the point (i) mentioned above, where the EMD of a Provisional Winning

Bidder from the last Completed Clock Round is considered will be based on the following parameters:

1. If the Clock Round Price of a City in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is NOT submitting the bid higher than the No. of provisionally allocated channels in the previous round for the same City, in which case, the EMD associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.
2. If the Clock Round Price of a City in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid higher than the No. of provisionally allocated channels in the previous round for the same City, in which case, the EMD associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, the EMD associated with the number of Channels submitted in the Current Clock Round is to be taken into consideration in (ii) above.
3. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is NOT submitting the bid for the same City, in which case, the EMD associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.
4. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid lower or same No. of provisionally allocated channels in the previous round for the same City, in which case, the EMD associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.
5. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid higher than the No. of provisionally allocated channels in the previous round for the same City, in

which case, the EMD associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, the EMD associated with the number of Channels submitted in the Current Clock Round is to be taken into consideration in (ii) above.

6.6.5.3 Bidders may only bid for combinations of Cities (in either / All the Categories / Region) with an associated Earnest Money Deposit requirement that does not exceed the total EMD made by the Bidder.

In addition to the same, in any given Clock Round, the activity of a Bidder may not exceed its eligibility in that Clock Round.

6.6.5.4 The activity of a bidder in a Clock Round is equal to:

- a. In the first Clock Round, the Eligibility Points associated with the number of channel(s) in the Cities where the Bidder bids;
- b. After the first Clock Round, the sum of:
 - i. The Eligibility Points associated with the number of Channel(s) in the Cities in each of the Categories / Region in which the Bidder has been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round (regardless of whether or not this bid has been submitted by the Bidder in the current Clock Round); and
 - ii. The Eligibility Points associated with the number of Channel(s) in the Cities in each of the Categories / Region where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in which the Bidder bids for a number of channel(s) in the current Clock Round (referred to as “New Bids”).

NOTE

For the point (i) mentioned above, where the Eligibility Points of a Provisional Winning Bidder from the last Completed Clock Round is considered will be based on the following parameters:

1. If the Clock Round Price of a City in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is NOT submitting the bid higher than the No. of provisionally allocated

channels in the previous round for the same City, in which case, the ELIGIBILITY POINTS associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.

2. If the Clock Round Price of a City in the Current Clock Round is EQUAL to the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid higher than the No. of provisionally allocated channels in the previous round for the same City, in which case, the ELIGIBILITY POINTS associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, the ELIGIBILITY POINTS associated with the number of Channels submitted in the Current Clock Round is to be taken into consideration in (ii) above.
3. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is NOT submitting the bid for the same City, in which case, the ELIGIBILITY POINTS associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.
4. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid lower or same No. of provisionally allocated channels in the previous round for the same City, in which case, the ELIGIBILITY POINTS associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is to be taken into consideration in (i) above.
5. If the Clock Round Price of a City in the Current Clock Round is GREATER THAN the Clock Round Price in the Last Completed Clock Round of the same City, and if the bidder is submitting the bid higher than the No. of provisionally allocated channels in the previous round for the same City, in which case, the ELIGIBILITY POINTS associated with the number of Provisional Winning Channels for this particular City from the Last Completed Round is NOT to be taken into consideration in (i) above. In such cases, the ELIGIBILITY POINTS

associated with the number of Channels submitted in the Current Clock Round is to be taken into consideration in (ii) above.

6.6.5.5 For each Clock Round the Auction Administrator will announce the Auction Activity Requirement (AAR) that will apply to that Clock Round. The Auction Activity Requirement is the percentage of the Bidder's Eligibility Points that determines the level of activity that a Bidder must meet in that Clock Round in order to maintain its eligibility in the following Clock Round. This threshold (rounded down to the nearest whole number) is referred to as the Bidder's Activity Requirement in that Clock Round.

After the First Clock Round, the eligibility of each Bidder is calculated as follows:

- a. If the Bidder's activity in a Clock Round R is EQUAL to or GREATER than its Activity Requirement, then the Bidder's eligibility in the next Clock Round $R+1$ will be equal to the Bidder's eligibility in the Clock Round R ;
- b. If the Bidder's activity in a Clock Round is LESS than the Bidder's Activity Requirement for that Clock Round, then the eligibility of the Bidder in the next Clock Round $R+1$ will be equal to its activity level in the Clock Round R divided by the Auction Activity Requirement, rounded down to the nearest whole number:

$$\text{Eligibility Point of Bidder in clock round } R + 1 = \frac{\text{Activity level in clock round } R}{\text{Auction Activity Requirement in Round } R}$$

- For example, suppose that in a Clock Round R, Bidder x has an eligibility of 70 points. If the Auction Activity Requirement, as defined by the Auction Administrator for particular Clock Round R, is 80%, the Bidder's Activity Requirement is 56 points (70 x 80%, which in case of decimal values will be rounded down to the nearest whole number). Suppose that Bidder x submits a bid with an associated activity of 60 points, then, the eligibility of Bidder x in the next Clock Round R+1, would be equal to 70 points since 60 is GREATER than 56. However, suppose that Bidder x submits a bid with an associated activity of 50 points which is LESS than 56; then the eligibility of Bidder X in the Clock Round R+1, would be reduced to 62 points (50/80% rounded down to the nearest whole number).

6.6.5.6 Bidders can view their respective Eligibility and the associated Activity Requirement in each Clock Round on their respective bidding dashboard at the start of the Clock Round. In the first Clock Round, the Auction Activity Requirement will be set at 80%. Subsequently, the Auction Activity Requirement will be increased in two steps as the Auction progresses, from 80% to 90% and then to 100%.

6.6.5.7 The timing of these steps in the Activity Requirement will be determined by the Auction Administrator depending on the extent of overall bidding activity in the Auction process. The Auction Administrator would typically expect to give notice before a round of a forthcoming increase in the Auction Activity Requirement but the same would not be binding on the Auction Administrator and the Auction Activity Requirement can be increased based on the activity in a particular round.

NOTE

The clock rounds can end only when

- The Auction Activity Requirement is 100% **and**
- For all Cities in all the channels, there is no bid submitted by any of the bidders i.e. bidding activity is NIL.

6.6.6 Ranking of Bidders and Provisional Winning Bidders

6.6.6.1 For the purpose of determining the Provisional Winning Bidders in each City, the bids of the bidders for the number of channels in a City will be considered at the end of each Clock Round. This ranking process is undertaken separately for each

City. For determining the Provisional Winning Bidders, the first process would be to identify the Rank of the bidders at the end of each Clock Round. Those bidders who have been allotted channels would be declared as provisional winning bidders at end of each Clock Round.

6.6.6.2 Rank will be generated for each city at the end of each Clock Round. Only those Bidders who have submitted their bids for the city(s) at the Clock Round Price of the Current Clock Round will be considered for ranking for the respective city(s) at the end of this particular Clock Round.

Each of the Bidders would be ranked at the end of each Clock Round using the following criteria:

A. **Tie Rule I** - Ranking will be in descending order of the highest Clock Round Price when the bid was submitted in the earlier rounds (excluding the Current round for which the rank is being generated) in the respective City;

Hence, considering a situation where there are two bidders, X and Y, who are tied in Round No. 20 for a particular City (at Clock Round Price of Rs. 250).

Assuming that bidder X had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200).

At the same time, bidder Y had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220).

In this case, when the two bidders, X and Y, are considered for ranking for Round No. 20, bidder Y will be ranked higher than X. This is due to the fact that considering the previous highest bid submitted by bidder Y in any round other than Round No. 20 was at Rs. 220, which is higher than the previous highest bid of bidder X which was at Rs. 200.

B. **Tie Rule II** - Where there is a tie according to the Tie Rule I, ranking will be in descending order of the count of the number of times the bid has been submitted for a Unique Clock Round Price for the particular City;

Hence, considering a situation where there are two bidders, X and Y, who are tied in Round No. 20 for a particular City (at Clock Round Price of Rs. 250).

Assuming that bidder X had submitted the bid in Clock Round No. 10 (@ Rs. 150), Round No. 14 (@ Rs. 175), Round No. 15 (@ Rs. 175), and Round No. 18 (@ Rs. 200). The count for the number of times at which bidder X has submitted his bid for Unique Clock Round Price will be 3 i.e. where the bidder has submitted at Clock Round Price of Rs. 150, Rs. 175 and Rs. 200.

At the same time, bidder Y had submitted the bid in Clock Round No. 5 (@ Rs. 100), and Round No. 19 (@ Rs. 220). The count for the number of times at which bidder Y has submitted the bid for Unique Clock Round Price will be 2.

In this case, when the two bidders, X and Y, are considered for ranking for Round No. 20, bidder X will be ranked higher than Y.

- C. **Tie Rule III** - Where there is a tie according to the first two tie rules, ranking will be in descending order according to the total value of all Channels for which bid has been submitted by the bidder for all the Cities at the Current Clock Round Price;

Hence, considering a situation where there are two bidders, X and Y, who are tied as per the first two tie rules in Round No. 20 for a particular City. Assuming that bidder X had submitted in the current round for City 1 for 4 channels at Clock Round Price of Rs. 100, City 2 for 1 channel at Clock Round Price of Rs. 200, and City 3 for 2 channels at Clock Round Price of Rs. 50.

Hence, the total value for Bidder X will be considered as equivalent to $((4*100)+(1*200)+(2*50) = \text{Rs. } 700)$.

Similarly, if Bidder Y had submitted in the current round for City 4 for 2 channels at Clock Round Price of Rs. 200, City 5 for 2 channels at Clock Round Price of Rs. 180, and City 3 for 2 channels at Clock Round Price of Rs. 50.

Hence, the total value for Bidder Y will be considered as equivalent to $((2*200)+(2*180)+(2*50) = \text{Rs. } 860)$.

Since the total value of the channels for which bids have been submitted in Clock Round 20 of Bidder Y is more than Bidder X, as a result of which,

when this criteria is considered for ranking, Bidder Y will be ranked higher than Bidder X.

D. **Tie Rule IV** - Where there is a tie according to the first three tie rules, ties will be broken according to a random index assigned to the Bid in that City when it is received by the EAS.

The Random Index assigned to a Bid will be determined in the Clock Round when a Bid is made. Rank of the bidder will be assigned in descending order of the random index number.

6.6.6.3 Rank will be generated for each City at the end of each Clock Round. In the case where the excess demand at the Clock Round Price of the Current Clock Round is negative, the Provisional Winning Bidders from the immediate previous Round will be considered.

6.6.6.4 During the Clock Rounds (other than the Final Round), when the result of the Rounds are declared, a bidder can be allotted any number of channels "equal to or less than" what has been submitted at a Clock Round Price depending on the ranking. Hence, a bidder who is ranked last as a Provisional Winning Bidder might not necessarily get all the channels for which he might have submitted his bid.

6.6.6.5 In every Clock Round, the different conditions under which the Provisional Winning Channels and corresponding bidders are determined as follows:

A. If the number of channels for which bids have been received in a City at a Clock Round Price is LESS than the number of channels put up for auction, but GREATER than Zero (i.e. Excess Demand is Negative for a Clock Round Price) in this City, in which case all the channels will be considered as Provisional Winning Channels and the bidders who have submitted the same would be considered as Provisional Winning Bidders for this particular City.

B. If the number of channels for which bids have been received in a City at a Clock Round Price is EQUAL to the number of channels put up for auction in this City (i.e. Aggregate Demand is Equal to Supply for a Clock Round Price due to which Excess Demand will be considered as Positive), in which case, all the channels will be considered as Provisional Winning Channels and the bidders who have submitted the same would be considered as Provisional Winning Bidders for this particular City.

C. If the number of channels for which bids have been received in a City at a Clock Round Price is MORE than the number of channels put up for auction in this City (i.e. Excess Demand is Positive for a Clock Round Price), in which case, the bidders (in sequence of their ranking) holding the Provisional Winning Channels equivalent to the number of channels put up for auction will be considered as Provisional Winning Bidders for this particular City.

C1. It is important to note that if any of the bidders' holding of provisional winning channels exceeds the Nationwide 15% cap, in which case, the next ranked bidder in that order will be considered for the allotment of Provisional Winning Channels.

C2. In any case, only the bidders who are allotted the Provisional Winning Channels will be considered as Provisional Winning Bidders.

D. If the number of channels for which bids have been received in a City at a Clock Round Price is equal to Zero (i.e. there is no bidding activity at this Clock Round Price), in which case, all the Provisional Winning Bidders for this particular City from the immediate earlier round at a lower Clock Round Price will be considered.

Hence, the Provisional Winning Bidders are identified based on the determination of Provisional Winning Channels only.

D1. The Provisional Winning Price for a City at the end of a Clock Round will be equal to the lowest of the Clock Round prices at which the Provisional Winning Bidders submitted their bid for the Provisional Winning Channels. As a result of the ranking rules, the Provisional Winning Price will never be strictly greater than the last completed Clock Round Price.

6.6.6.6 Provisional Winning Channels are not linked with any particular frequency. The Provisional Winning Channels are determined only to identify the Provisional Winning Bidders during the Clock Round and the Winning Bidder at the end of the Clock Stage. The frequency allocation stage will determine the specific frequencies to be assigned.

6.6.7 Prices and Price Increments

6.6.7.1 In the first Clock Round, the Clock Round price per Channel in each City will be the Reserve Price as determined by the MIB. The Reserve Price associated with each channel City wise is mentioned in **Table – I, Annexure 10.12**.

6.6.7.2 In subsequent Clock Rounds, Clock Round prices will be set equal to the previous Clock Round plus an increment that will depend on the demand for channels at the end of a Clock Round, Excess Demand in a City is defined to be:

- The total number of Channels for which Bids received in a particular City at a price equal to the Clock Round price set in the last completed Clock Round; *minus*
- The number of Channels put up for auction in that City.

Hence, Excess Demand is calculated based on the number of Channels for which bids have been made for a particular City at the Clock Round price of the last completed Clock Round, regardless of whether the same was made in the previous to last completed Clock Round or some prior round(s). However, Excess Demand does not count any Bids made at a price strictly lower than the Clock Round price of the last completed round.

6.6.7.3 Clock Round Prices for the next Clock Round would be set according to the following rules:

- If Excess Demand is NEGATIVE in a City, the Clock Round price for channels in this City in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round;
- If Excess Demand is ZERO or POSITIVE in a City, the Clock Round price for channels in this City in the next Clock Round will be set equal to the Clock Round price in the last completed Clock Round plus a strictly positive price increment is as per the **Table-III in Annexure 10.12** of this Notice and also given below.

Proportionate Price Increment rule for e-auction of FM Channels	
Excess Demand	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
0	1%
1 to 3	5%
4 to 6	8%
7 to 9	10%
10 and Above	15%

6.6.7.4 Price Increments may vary from City to City and will be related to the excess demand in the respective Cities. They will be set to no more than 15% of the Clock Round price for that City in the last completed Clock Round. The Auction Administrator will follow the rule set out in the aforementioned table.

6.6.8 Winning Bidders and Winning Prices

6.6.8.1 The final clock round will be the first clock round in which:

- a. The Activity Requirement is 100%; and
- b. For all cities in all the channels, there is no bid submitted by any of the bidders i.e. bidding activity is NIL.

6.6.8.2 The Provisional Winning Price in any particular City at the end of the final Clock Round will become the Winning Price for the respective City, and Provisional Winning Bidders will become Winning Bidders. Winning Bidders will be required to pay the Winning Price for the City(s) they have won. The Winning Price per channel for all the Winning Bidder(s) in a city will be the same. The Winning Price to be paid by a Winning Bidder will never be greater than the highest bid of a Winning Bidder for that particular City.

6.6.9 Length of Clock Rounds and Extension Periods

- 6.6.9.1 Clock Rounds will typically only be scheduled to begin between the hours of **9:30** and **17:30** (Indian Standard Time) on **Monday to Friday**, except Gazetted holidays. However, the Auction Administrator reserves the right not to schedule Clock Rounds on one or more days, to extend the number of hours in the day during which rounds will be scheduled or to run rounds on any day once the Auction commences at its absolute discretion in order to ensure the smooth running of the Auction. Where the use of any of these facilities is to be exercised, advance notice, through the EAS, will be provided to Bidders.
- 6.6.9.2 Prior to the start of any Clock Round, the Auction Administrator will notify Bidders of the starting and finishing times of the next Clock Round through the EAS. At least **15 minutes'** notice will be given prior to the start of the next Clock Round. Also, Bidders will be notified in advance of the starting time and date of the first Clock Round.
- 6.6.9.3 A Clock Round will be for a minimum duration of **60 minutes**. The auction will go to the extension mode as per the bids which are submitted by the bidder.
- 6.6.9.4 During a Clock Round, a Bidder will make his bid in the EAS consisting of the following:
- a. A Tick-Box option for each of the Cities where the bidder is eligible to bid.
 - b. Number of Channels - Depending on the capping rule.
- 6.6.9.5 Based on the selection of the Number of Channels for the selected Cities, the EAS will check and display the following to the respective bidder:
- a. If the selection made is compatible with the EMD which the bidder has submitted for participation in the e-auction.
 - b. Additionally, the selection has to be compatible with the requirements of the Activity Rules.
 - c. The Bidder's eligibility for the Next Round would also be calculated by the System & displayed to the bidder's on their respective bidding dashboard. In the case where the Bidder's eligibility is reduced due to the combination of Number of Channels opted for the selected Cities, a warning message will be displayed on the respective bidder's screen. The bidder at this point of time will have the option to go back & modify their selection.

- 6.6.9.6 Only those bids which are compatible with all the rules of the e-auction will be accepted by EAS. The respective bidders will be given an appropriate message of acceptance of their bids by the EAS.
- 6.6.9.7 It would be the respective bidder's responsibility to ensure that their bids are received by EAS prior to the end of the Clock Round. For the purposes of determining whether or not a Bid is received prior to the end of the Clock Round, the EAS must receive the Bid submission by the end of the Clock Round. Bidders should be aware that it takes a finite amount of time to transmit a Bid across the Internet and for the EAS to respond which could be as a result of various factors but not limiting only to the speed of the bandwidth at the Bidder's terminal. Bidders submitting decisions close to the end of the Clock Round do so entirely at their own risk of failing to meet the Clock Round deadline due to network delays or delays in response by the EAS. Bids are not processed by the EAS until the Clock Round is closed and no tactical or strategic advantage is conferred by submitting Bids late within the Clock Round.
- 6.6.9.8 After the end of a Clock Round, the results would be announced for each of the Cities. If there is bidding activity in any City and a further Clock Round is required, next Clock Round will be scheduled and the start and finish times will be announced to Bidders through the EAS with a notice of at **least 15 minutes'** prior to the start of the next Clock Round.
- 6.6.9.9 To guard against technical problems and provide Bidders with some additional flexibility in making bidding decisions, Bidders are provided with limited opportunities to extend a Clock Round and defer submission of a Bid. Each Bidder is allocated an Extension Budget of **60 minutes**.
- 6.6.9.10 In the event that a Bidder fails to submit a valid bid (compatible with the rules of the e- auction) by the end of the initial finishing time of a Clock Round (and has at least 10 minutes remaining in its Extension Budget), 10 minutes will be subtracted from its Extension Budget and the finishing time of the Clock Round will be deferred by 10 minutes for that Bidder. In the event that the Bidder fails to submit by the revised deadline (and has at least 10 minutes remaining in its Extension Budget), a further 10 minutes will be subtracted from its Extension Budget and the finishing time deferred by a further 10 minutes for that Bidder. A Bidder may defer the original scheduled finishing time of any one Clock Round by at most 20 minutes in this way.

- 6.6.9.11 It is mandatory for bidders to check and submit their decision, even if the bidder is a Provisional Winning Bidder. In case of a bidder failing to do so within the initial finishing Clock Round, the extension would be triggered automatically and the same would be deducted from the Total Extension Budget available to the respective bidder. Further, even if the bidder happens to be in a position where no New Bids could be made/raised, it will still be necessary for the bidder to submit the "No" decision into the EAS to avoid triggering an extension.
- 6.6.9.12 If the original finishing time of the Clock Round has been deferred by 20 minutes or if the Bidder's Extension Budget is exhausted, no further deferral of the Clock Round finishing time will be possible. In this case, the EAS will proceed as if the relevant Bidder has entered his bid without revising in all the Cities. As a consequence, the Bidder's eligibility in the following Clock Round will be calculated based on the eligibility linked to its Provisional Winning Channels at the end of the previous Clock Round and the Auction Activity Requirement in the current round. It could also happen that the bidder is not able to participate further in subsequent Clock Rounds due to non-availability of sufficient Eligibility points as a result of non-submission of bids in the last completed Clock Round.
- 6.6.9.13 If one or more Bidders trigger an extension period, all Bidders will be informed that an extension is running on the EAS. For avoidance of doubt, one Bidder triggering an extension does not remove the requirement on other Bidders to submit their decision by the original deadline or to have their Extension Budget reduced if they have also failed to submit their Bids within the stipulated time. In particular, if more than one Bidder has failed to submit a decision by the original finishing time of a Clock Round, all such Bidders will either have the number of minutes deducted from their Extension Budgets or if they have exhausted their Extension Budget, they will be deemed to have made no further revision to their decision in the current round. Bidders who have already checked and submitted a decision prior to the original finishing time of the Clock Round will not be able to revise or modify their decision during an extension period.
- 6.6.9.14 A Clock Round, which is into the extension period, may close prior to the finishing time of an extension period if the EAS has received Bids from all Bidders. The bidders are requested to note that this provision does not apply within a normal Clock Round that has not been extended; Clock Rounds will not close prior to the scheduled finishing time even if the EAS has received Bids from all Bidders.
- 6.6.9.15 The minimum time between the ending of One Clock Round and the start of the

Next Clock Round will be **60 minutes**. The same would be announced to Bidders through the EAS subject to **at least 15 minutes'** notice before the start of the next Clock Round.

- 6.6.9.16 In exceptional circumstances, such as technical failure affecting multiple Bidders, the Auction Administrator may:
- a. Re-schedule the start of a Clock Round whose starting time has been announced provided that the Clock Round has not yet started;
 - b. Re-schedule the finishing time of a Clock Round in progress;
 - c. Cancel a Clock Round in progress and re-run it;
 - d. Grant one or more Bidders additional Extension Budget.
- 6.6.9.17 The Auction Administrator will not grant any additional Extension Budget to one or more Bidders unless there is compelling evidence of technical failures affecting multiple bidders.

6.6.10 Information Policy

- 6.6.10.1 Prior to the start of the Auction, MIB will make public:
- a. A list of qualified Bidders;
 - b. The information provided in their applications about their ownership;
 - c. The amount of EMD provided by them; and
 - d. Initial Eligibility points associated with their EMD deposited (in consultation with the Auctioneer).
- 6.6.10.2 During the channel allocation stage, the following information will be provided to Bidders after each completed Clock Round, through the EAS:
- a. The Clock Round price per Channel in each City in the last completed Clock Round;
 - b. The Aggregate Demand in each City at the Clock Round prices in the last completed Clock Round (i.e. for each City for each of the Category, the total number of channels for which bids have been received in the City at a value equal to the Clock Round price in the last completed Clock Round); and
 - c. The Excess Demand in each City at the Clock Round prices in the last completed Clock Round (i.e. for each City, Aggregate demand less the number of Channels available in the City).

- 6.6.10.3 If the last completed Clock Round was not the final Clock Round, the following information will also be provided to each bidder through EAS:
- a. The Provisional Winning Price in each City at the end of the last completed Clock Round;
 - b. The Provisional Winning Channels (if any) held by the respective Bidder in each city at the end of the last completed Clock Round;
 - c. The rank of the Provisional Winning Bidder within the relevant City at the end of last completed Clock Round;
 - d. Total number of Eligibility Points available to the particular Bidder for the next Clock Round.
- 6.6.10.4 If the last completed Clock Round was not the final Clock Round, the following information will be provided to each Bidder, through EAS, at the time at which the next Clock Round is scheduled on their respective bidding dashboard:
- a. The price increment to be applied in each City; and
 - b. The Clock Round price per channel in each city that will apply for the next Clock Round.
- 6.6.10.5 At the end of the final Clock Round, the following information will be provided to all Bidders through EAS:
- a. That the last completed Clock Round was the final Clock Round;
 - b. The Winning Prices; and
 - c. The identities of the Winning Bidders.
- 6.6.10.6 Information relating to the specific Bids made by Bidders (whether successful or not) in each City will not be provided at the end of each Clock Round (other than the information provided about the Winning Bids after the final Clock Round), but will be made public subsequently after completion of auction.

6.7 Frequency Allocation Stage

- 6.7.1 The Channel Allocation Stage will be followed by a Frequency Allocation Stage that will allocate specific frequencies to the Winning Bidders. The frequencies will be announced to the bidders during this stage. In this stage, the winning bidders will be allowed to select the FM Frequency for the winning channel(s) from the frequencies already identified in the respective city & indicated in **Annexure 10.2**. Frequency selection preference would be based upon the rank of

the bidders i.e. Rank 1 bidder would have the first preference to choose from the frequencies already identified.

The detailed process of frequency allocation is as mentioned below:

- a. The frequency allocation process will happen over multiple rounds. In the first round, the winning bidders with Rank 1, would be allowed to select the desired FM frequency for the winning channels.
- b. In the subsequent round, the bidders can select frequency from the balance frequencies available in the particular city. In second round, winning bidder with rank 2 would be allowed to select desired FM frequency from the balance frequencies available in a particular city and so on.
- c. This way there will be Rank wise multiple rounds in the frequency allocation stage. The duration of each of the rounds would be **30 minutes** and there will not be any time extension available to the bidder in this process.
- d. Bidder cannot select frequencies which are more or less than the number of winning channels in a particular city. If a Bidder X has two winning channels in a City then the bidder X has to select two frequencies from the list of frequencies available in a particular city based on his rank in bidding process.
- e. In any of the rounds, the bidder must select frequencies for the winning channels across cities. In case the bidder fails to select any frequency, then the EAS would randomly assign a frequency to the bidder from the balances available which have been left unselected during the previous rounds.

6.8 Collusion and other Prohibited Activities

6.8.1 MIB reserves the right to disqualify any Bidder that:

- a) Colludes or attempts to collude with another Bidder in determining its Bids during the Auction;
- b) Releases Confidential Information with the effect or intention of modifying the bidding behavior of other Bidders;
- c) Breaches or attempts to breach the secure measures within the EAS;
- d) Prevents or attempts to prevent any other Bidder (or other users of the EAS) from accessing the EAS;
- e) Attempts to influence the decisions of the Auctioneer in conducting the

Auction;

- f) Obstructs or attempts to obstruct the running of the Auction;
- g) Provides inaccurate information in its Application to participate in the Auction.

6.8.2 In the event of such disqualification, a Bidder's EMD will be forfeited and MIB may undertake other penal action as well against such a Bidder. MIB reserves the right to impose a fine equal to some or all of a Bidder's deposit for less serious breaches of these rules. Such fines shall be deducted from that Bidder's EMD.

VII GRANT OF PERMISSION

7.1 Payment Methodology

- (i) Successful Bidders, as notified by the Government, shall deposit 25% of the Successful Bid Amount i.e. NOTEF as Bid Deposit within 5 calendar days of the close of the Auction and notification of successful bidders by the Government, failing which the Earnest Money Deposit shall stand forfeited.
- (ii) Successful Bidders shall deposit the balance amount (Successful Bid Amount less Bid Deposit) within 15 calendar days of the close of the Auction and notification of successful bidders by the Government, failing which its Earnest Money Deposit and its Bid Deposit shall stand forfeited.
- (iii) All Payments will need to be made by the Successful Bidders through a demand draft drawn on a Scheduled Bank payable to Pay and Accounts Officer, Ministry of Information and Broadcasting, New Delhi.

7.2 Blacklisting and Forfeiture

Any successful bidder, who fails to deposit the bid amount for any channel within the prescribed period, as indicated in **Clause 7.1** above, shall be disqualified from taking part in subsequent biddings for a period of five years. Further the Earnest Money deposited by the bidder shall also be forfeited.

7.3 Letter of Intent

Upon receipt of the Successful Bid Amount within the stipulated time, and fulfillment of other conditions as may be specified, the successful bidder will be issued a Letter of Intent (LOI) to enable the company to obtain Frequency

Assignment & SACFA clearance from WPC Wing, achieve financial closure and appoint all key executives, enter into agreements with Prasar Bharati or any other provider of Land and Tower Infrastructure(henceforth referred as LTI), and system integrator for creation of Common Transmission Infrastructure(CTI) wherever required and deposit the requisite amounts towards land/tower lease rent, common transmission infrastructure etc. and comply with requisite conditions of eligibility for signing the “Grant of Permission Agreement” within the prescribed period as mentioned in **Clause 7.7**.

7.4 SACFA Clearance and Frequency Allocation

Successful Bidders shall obtain SACFA clearance and Frequency Allocation from the Wireless Planning and Coordination (WPC) Wing as per the prescribed procedure.

Note 1: “**Frequency Allocation**” shall mean the specific Radio Frequency (RF) carrier with associated technical parameters such as RF power, bandwidth etc to the particular FM channel as assigned by the Wireless Planning & Co-ordination wing of Department of Telecommunication, Ministry of Communications &IT, Government of India.

Note 2: “**SACFA**” shall mean the “Standing Advisory Committee on Radio Frequency Allocation” of the Wireless Planning & Co-ordination wing of Ministry of Communications & IT, Government of India.

7.5 Forfeiture of Bid Amount

In the event of the failure of any LOI holder to comply with the eligibility conditions for the Grant of Permission Agreement or failing to sign the Grant of Permission Agreement within the prescribed period as mentioned in **clause 7.7**, the full deposit of the bid amount shall be forfeited without further notice, and Letter of Intent and & the allocation of frequency, if any, shall stand cancelled.

7.6 Grant of Permission Agreement

On complying with all the requisite conditions of eligibility, and furnishing a Performance Bank Guarantee (PBG), on the format specified at **Annexure 10.14** for an amount equal to the annual fee as per **clause 4.3.1(a) or (b)** as the case may

be , for complying with all the terms and conditions contained in GOPA including the timely payment of due annual fee, the LOI holder and the Ministry of Information & Broadcasting will sign the Grant of Permission Agreement in the prescribed format. Besides the Ministry of Information & Broadcasting would issue a permission after signing the agreement to enable the permission holder to install the radio station, obtain Wireless Operating License (WOL) and operationalize the channel within the prescribed period as mentioned in **clause 7.7.**

7.7 Requirement to Adhere to Time Schedules

7.7.1 Time Schedule for Signing of GOPA

7.7.1.1 Following time limits will be required to be adhered to for existing cities where it is a vacant channel and CTI has been created:

- i. Agreement with PB and making payment for LTI lease: within 60 days of the issue of LOI.
- ii. Agreement with BECIL and making payment for CTI creation within 90 days of the issue of LOI.
- iii. Signing of GOPA with Ministry of I&B : within six months of Grant of LOI

7.7.1.2 For cities not covered in 7.7.1.1 and where PB infrastructure is available, following timelines will be required to be adhered to in such cities:

- i. Agreement with PB and making payment for LTI lease : within 90 days of the issue of LOI
- ii. Agreement with and making payment to mutually agreed upon system integrator, which could be BECIL or any other agency, by LOI holder for creation of CTI: within 90 days of the issue of LOI
- iii. Signing of GOPA with Ministry of I&B : within six months of Grant of LOI

N.B. In case no system integrator could be mutually agreed upon, agreement entered into and payment made within a period of 90 days, then all the LOI holders for the

city will be mandatorily required to sign agreement and make payment for creation of CTI within a further period of 30 days with BECIL, which automatically will take over as system integrator after 90 days of issue of LOI.

7.7.1.3 For cities not covered in 7.7.1.1 and 7.7.1.2 and where suitable PB infrastructure is not available, all the LOI holders in a city will be required to appoint an agency, enter into agreement and pay their respective share for creation of CTI to the agency within a period of 90 days of issue of LOI. This agency will be responsible for identification of suitable LTI and creation of CTI as per the following time schedules.

- i. In case the system integrator is able to locate a suitable and readily available LTI then all the LOI holders will be required to enter into an agreement with the LTI provider and make the necessary payments within a further period of 30 days, i.e. within a period of 120 days from the issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 9 months from the issue of LOI.
- ii. In case no suitable LTI is readily available, it has to be created at the cost of LOI holders. The LOI holders will be required to enter into agreement with the agency for creation of LTI and make payment of their respective share within a further period of 30 days, i.e. within a period of 150 days from the issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 10 months from the issue of LOI
- iii. In case no system integrator could be mutually agreed upon, agreement entered into and payments made within a period of 90 days of issue of LOI for identification of suitable LTI and creation of CTI as provided above, then all the LOI holders will be mandatorily required to sign agreement with BECIL and make payments for the same within 120 days of issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 11 months from the issue of LOI

7.7.2 Time Schedule for operationalisation

7.7.2.1 The permission holder shall be liable to install the radio station and take action to obtain WOL and operationalise the channel within the timeframe prescribed as follows:

- i. Where it is a vacant channel of existing city and CTI has been created : within a period of Twelve months from issue of LOI
- ii. Where *suitable LTI of PB or any other agency is readily available*: within a period of 18 months from the date of issue of LOI

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- iii. *Where suitable LTI is not readily available:* within a period of 24 months from the date of issue of LOI.

Note: A channel shall be taken as ‘operationalised’ from the date of launch of its commercial transmission (with or without advertisement) on a fixed/regular transmission schedule after the test transmission, if any, which shall not normally exceed 10 days, is over.

7.7.3 Time Schedule in Totality

The time schedules for various activities covered under **Clause 7.7.1** and **7.7.2** above are summarized as follows:

S.No.	Activity	Period of completion from issue of LOI				Remarks
		For cities where vacant channel of Ph. II or additional channel in city of Ph II, where CTI had been created (Ref. Para 7.7.1.1)	For cities (other than those covered under Para 7.7.1.1) where P.B. LTI is available (Ref. Para 7.7.1.2)	For cities other than those covered under Para 7.7.1.1 & 7.7.1.2) where suitable LTI other than P.B. is available [Ref. Para 7.7.1.3(i)]	For cities where no suitable LTI is readily available [Ref. Para 7.7.1.3 (ii)]	
1	Signing of agreement and making payment to LTI provider	60 days	90 days	120 days	150 days	
2	Appointment of mutually agreed CTI creator, signing of agreement and making payment	90 days	90 days (x) (120 days) (+)	90 days (x) (120 days) (+)	90 days (x) (120 days) (+)	(x) & (+) Please refer to N.B. below
3	Signing of GOPA with M/o I & B	6 months	6 months	9 months	10 months	
4	Creation of CTI	12 months	12 months	18 months	24 months	
5	Operationalisation of FM Channel	12 months	18 months	18 months	24 months	

(x) N.B. In case the LOI holders of a city do not mutually agree upon appointment of a CTI integrator, enter into agreement and make payment of their share of CTI to the integrator within a period of 90 days of issue of LOI, then BECIL will automatically be mandated to be their CTI integrator and periods as indicated vide (+) will be applicable for entering into agreement with BECIL and making necessary payments of the share of each LOI holder for creation of CTI to BECIL.

7.7.4 In the event of default in operationalisation of a channel being attributable to delay beyond reasonable period by BECIL/system integrator/Prasar Bharati/Wireless Planning & Coordination Wing, of Ministry of Communications & IT, the prescribed time limit for operationalisation may, at the request of the Permission Holder, be extended by such period of delay by the Secretary, Ministry of Information & Broadcasting, whose decision shall be final and binding on both the parties. Such an extension shall however not be for a period exceeding one year beyond the time limit for operationalisation prescribed in **Clause 7.7.2 and 7.7.3** above.

7.7.5 However, in exceptional cases and on a written request from the permission holder detailing the circumstances for the delay in operationalisation, the time limit can, at the discretion of the Secretary, Ministry of Information & Broadcasting, be further extended for a maximum period of one year subject to the following:-

- (i) The date from which such an extension is granted shall be reckoned as the date for the beginning of the permission period.
- (ii) The permission holder pays in one lump sum, in advance, the annual fee for such an extended period.

VIII APPLICATION INSTRUCTIONS

- 8.1 Applications should be delivered / sent by all the applicants, at the following address, so as to reach not later than 5:00 PM on 01, August, 2016.
- Deputy Secretary (FM)
Ministry of Information and Broadcasting
Room no 415A, 'B' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road,
New Delhi – 110 115
- 8.2 Applications received after the prescribed timeline shall be summarily rejected and returned unopened.
- 8.3 **Four sets** of the Application need to be submitted in separate sealed covers. The first set shall be marked as "**ORIGINAL**" and shall be duly signed in ink on each page by the Applicant. The other **three photo copies** of the original set shall be marked as "COPY No. ".
- 8.4 Each page of the Application is to be numbered and the total number of pages of the application is to be indicated on the first page. In case of discrepancies between the copies and the Original, the Original shall prevail. However, the Government also reserves the right to summarily reject Applications in case of discrepancies between the copies and the Original. Name and address of the Bidder shall be displayed on each of the sealed covers. The Applicants should also submit scanned soft copy of the Original set on CD-ROM/ DVD in a single "pdf" document with pages in the same order as in the Original Application.
- 8.5 Applicants should note that, at its sole discretion, the Government may designate another time and/ or place at which Applications should be submitted. However, this power will only be used in exceptional circumstances. The alternative location will be publicized on the Auction website.

8.6 General Instructions:

- (a) All the pages of the form/ supporting documents must be separately signed along with the rubber stamp by the Authorised Signatory. The name and designation of the signatory and the stamp of the relevant company must also appear wherever documents have been signed.
- (b) If the information supplied against any item in **Annexure 10.4, 10.5, 10.6, 10.7, 10.8, 10.10, and 10.11** or any other relevant sections is marked as dash or is left blank, it shall be treated as incomplete and the Application may not be considered for further processing.
- (c) All certificates and undertakings should be provided on the letterhead of the company.

8.7 Sealed Cover containing Application should be marked:

“Application for Pre-Qualification – 266 Private FM Radio Channels in Second Batch (Phase-III)”

8.7.1 Applications should meet the following requirements:

- a. A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist, all documents duly numbered, signed and stamped by the Authorized signatory on each page (as per **Annexure 10.4 and 10.8**)
- b. Clause-by-clause compliance in respect of all Section of this Notice must be submitted. In case clause-by-clause compliance report is not enclosed with the application, the application may not be considered. A comment against specific clause (where compliance is asked for), “Noted or Understood” is not acceptable. An affirmative reply including “We comply” against each clause is necessary. Any document annexed supporting compliance may also be indicated therein.
- c. A non-refundable application processing fee of Rs. 25,000/- payable to Pay & Accounts officer, Ministry of Information & Broadcasting, Shastri Bhawan, New Delhi, through a demand draft.
- d. Complete Eligibility details possessed by the applicant as per **section III**.
- e. Earnest Money Deposit (EMD), along with the application for pre-qualification, (which shall be 25% of the reserve price of that city per channel) in the form of a Bank Guarantee (as per **Annexure 10.7**) from a Scheduled Bank, of an amount equal to the summation of earnest money amounts for the FM Channels city wise and channel wise, which the bidder wishes to be eligible to bid. The details with regard to requirement of EMD for each of the 266 FM channels is specified in **Annexure 10.12**.

- f. Nomination of an Authorized Person*, who is empowered to correspond on behalf of the bidder with the Government and with the Auctioneer (till the mock auction only) (the “Authorised Person”), along with a Power of Attorney empowering her/him to take all decisions connected with the Auction on the bidder’s behalf.

- g. If at any later date, it is found that averments/ facts submitted by the Applicant in the Application based on which it has been considered eligible for the Auction is incorrect or false, the Government reserves the right to disqualify the Bidder as well as take other penal action against such Bidder, including but not limited to, forfeiting its EMD as well as withdrawing any channel allotment that may have been made to such a Bidder in the Auction.

- h. Any other information as may be stipulated in the Notice.

*Note -. Bidders may nominate an additional person for correspondence / liaison / interaction with the ministry. In case of any duplication of submissions made by the Applicant, the submission signed by the primary authorised person would be considered as final and binding. However, only the primary authorized person will be allowed to make bids during the auction stage.

- 8.8 The sealed covers shall be sent by Registered Post/ Courier or delivered in person to the address specified in **Clause 8.1** above.

IX CONTACT AND FURTHER INFORMATION

9.1 Contact for further enquires

Enquiries, if any, may be sent to the following e-mail address: “fmccl@nic.in”. The Government may or may not respond to any query, in part or full, at its sole discretion. In case it responds to any query, the response shall be made public. However, the identity of the person making the query will not be disclosed, to the extent possible. Further contact details for support during the e-auction will be separately provided to the eligible Applicants

9.2 Further Information

Annexure 10.1 to 10.14 of **Section X** form a part of this document.

9.3 Disclosure of Further Information

Following issue of this Notice, the Government has the discretion to publish further information and to amend the Notice from time to time either on its own or in response to any clarification requested. All such amendments will constitute a part of the Notice and shall be binding for compliance on them. The amendments, if any, will be notified on MIB website

9.4 Individual responsibilities of the Advisers

The Auctioneer is responsible for executing the Auction; all confidential information contained within the Electronic Auction System will be accessible only to identified staff of the Auctioneer for which the approval of MIB will be mandatory for the purposes of ensuring the smooth running of the Auction

X ANNEXURES

10.1 FM Channels put on Bid in the Second Batch of Phase-III of Private FM Radio Broadcasting with their Reserve Price

S. No.	Name of the City	State	Region	Reserve Price per channel in INR	No of Channels for Auction
Category "A"					
1	Hyderabad	Telangana	S	180,000,000	1
					1
Category "B"					
2	Asansol	West Bengal	E	19,405,000	2
3	Vijayawada	Andhra Pradesh	S	70,020,000	2
					4
Category "C"					
4	Akola	Maharashtra	W	2,959,000	1
5	Alappuzha (Alleppey)	Kerala	S	70,200,100	4
6	Amravati	Maharashtra	W	35,100,000	4
7	Belgaum	Karnataka	S	70,200,100	4
8	Bellary	Karnataka	S	70,200,100	4
9	Bhavnagar	Gujarat	W	35,100,000	4
10	Dehradun	Uttarakhand	N	156,100,590	4
11	Devengeri	Karnataka	S	70,200,100	4
12	Dhule	Maharashtra	W	4,659,000	2
13	Erode	Tamil Nadu	S	70,200,100	4
14	Gulbarga	Karnataka	S	15,005,000	3
15	Hubli-Dharwad	Karnataka	S	70,200,100	4
16	Jamnagar	Gujarat	W	35,100,000	4
17	Jhansi	Uttar Pradesh	N	3,100,000	2
18	Kakinada	Andhra Pradesh	S	70,200,100	4
19	Kurnool	Andhra Pradesh	S	70,200,100	4
20	Malegaon	Maharashtra	W	35,100,000	4
21	Mangaluru	Karnataka	S	27,510,000	1
22	Muzaffarpur	Bihar	E	1,510,000	1
23	Muzaffarnagar	Uttar Pradesh	N	156,100,590	4
24	Mysuru	Karnataka	S	32,130,990	2

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25	Nanded	Maharashtra	W	2,959,000	2
26	Nellore	Andhra Pradesh	S	70,200,100	4
27	Puducherry	Puducherry(UT)	S	40,100,000	1
28	Rajahmundry	Andhra Pradesh	S	15,000,500	3
29	Saharanpur	Uttar Pradesh	N	156,100,590	4
30	Salem	Tamil Nadu	S	70,200,100	4
31	Sangli	Maharashtra	W	4,659,000	1
32	Shahjahanpur	Uttar Pradesh	N	156,100,590	4
33	Siliguri	West Bangal	E	6,500,501	1
34	Tiruchy	Tamil Nadu	S	50,000,500	2
35	Tirunelveli	Tamil Nadu	S	12,600,000	2
36	Tirupati	Andhra Pradesh	S	45,050,000	2
37	Tuticorin	Tamil Nadu	S	15,000,500	2
38	Ujjain	Madhya Pradesh	W	35,100,000	4
39	Vellore	Tamil nadu	S	70,200,100	4
40	Warangal	Telangana	S	12,525,000	3
					111
Category "D"					
41	Achalpur	Maharashtra	W	17,100,000	3
42	Agartala	Tripura	E	1,620,000	1
43	Aizwal	Mizoram	E	1,207,000	1
44	Barshi	Maharashtra	W	17,100,000	3
45	Bharuch	Gujarat	W	17,100,000	3
46	Botad	Gujarat	W	17,100,000	3
47	Burhanpur	Madhya Pradesh	W	17,100,000	3
48	Chhattarpur	Madhya Pradesh	W	17,100,000	3
49	Chhindwara	Madhya Pradesh	W	17,100,000	3
50	Damoh	Madhya Pradesh	W	17,100,000	3
51	Dahod	Gujarat	W	17,100,000	3
52	Durg-Bhillainagar	Chhatisgarh	W	17,100,000	3
53	Godhra	Gujarat	W	17,100,000	3

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54	Gondiya	Maharashtra	W	17,100,000	3
55	Guna	Madhya Pradesh	W	17,100,000	3
56	Itanagar	Arunachal Pradesh	E	1,303,000	1
57	Itarsi	Madhya Pradesh	W	17,100,000	3
58	Jagdapur	Chhatisgarh	W	17,100,000	3
59	Jetpur Navagadh	Gujarat	W	17,100,000	3
60	Junagadh	Gujarat	W	17,100,000	3
61	Khandwa	Madhya Pradesh	W	17,100,000	3
62	Khargone	Madhya Pradesh	W	17,100,000	3
63	Korba	Chhatisgarh	W	17,100,000	3
64	Mehsana	Gujarat	W	17,100,000	3
65	Mandsaur	Madhya Pradesh	W	17,100,000	3
66	Murwara (Katni)	Madhya Pradesh	W	17,100,000	3
67	Neemuch	Madhya Pradesh	W	17,100,000	3
68	Palanpur	Gujarat	W	17,100,000	3
69	Patan	Gujarat	W	17,100,000	3
70	Porbandar	Gujarat	W	17,100,000	3
71	Raigarh	Chhatisgarh	W	17,100,000	3
72	Ratlam	Madhya Pradesh	W	17,100,000	3
73	Rewa	Madhya Pradesh	W	17,100,000	3
74	Satna	Madhya Pradesh	W	17,100,000	3
75	Shivpuri	Madhya Pradesh	W	17,100,000	3
76	Singrauli	Madhya Pradesh	W	17,100,000	3
77	Surendranagar Dudhrej	Gujarat	W	17,100,000	3
78	Veraval	Gujarat	W	17,100,000	3
79	Vidisha	Madhya Pradesh	W	17,100,000	3
80	Wardha	Maharashtra	W	17,100,000	3

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81	Yavatmal	Maharashtra	W	17,100,000	3
					117
Cities in Border Area of J & K and NE states					
82	Kargil	J & K	N	500,000	3
83	Leh	J & K	N	500,000	3
84	Kathua	J & K	N	500,000	3
85	Poonch	J & K	N	500,000	3
86	Bhaderwah	J & K	N	500,000	3
87	Dubhri	Assam	E	500,000	3
88	Haflong	Assam	E	500,000	3
89	Jowai	Meghalaya	E	500,000	3
90	Lung-lei	Mizoram	E	500,000	3
91	Mokukchung	Nagaland	E	500,000	3
92	Belonia	Tripura	E	500,000	3
					33
GRAND TOTAL					266

10.2 City-wise list of Frequencies Identified for FM Channels Put on Bid for Second Batch FM Phase-III

S No	Name of City	Category	Channels Available	Frequencies Identified for selection(MHz)
1	Hyderabad	A	1	106.4
2	Asansol	B	2	95, 106.4, 107.2
3	Vijayawada	B	2	91.9, 95, 104.8, 106.4
4	Akola	C	1	92.7, 93.5, 95, 104.8
5	Alappuzha (Alleppey)	C	4	92.7, 95, 98.3, 104.8, 106.4, 107.2
6	Amravati	C	4	92.1, 93.7, 94.5, 105
7	Belgaum	C	4	92.1, 92.9, 93.7, 94.5, 104.2, 105
8	Bellary	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3
9	Bhavnagar	C	4	91.5, 93.1, 93.9, 94.7, 104.4
10	Dehradun	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3
11	Devengeri	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3
12	Dhule	C	2	91.9, 92.7, 93.5
13	Erode	C	4	91.9, 92.7, 94.3, 104, 104.8, 107.2
14	Gulbarga	C	3	91.9, 94.3, 98.3, 106.4, 107.2
15	Hubli-Dharwad	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3
16	Jamnagar	C	4	91.1, 91.9, 95, 104.8, 106.4
17	Jhansi	C	2	104.8, 106.4
18	Kakinada	C	4	91.9, 95, 98.3, 104.8, 106.4
19	Kurnool	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
20	Malegaon	C	4	92.3, 93.1, 93.9, 94.7, 104.4, 105.2, 106, 106.8, 107.6
21	Mangaluru	C	1	91.9, 94.3, 95, 104, 104.8, 106.4, 107.2
22	Muzaffarpur	C	1	94.3, 104.8, 107.2
23	Muzaffarnagar	C	4	92.1, 92.9, 93.7, 104.2, 105.8
24	Mysuru	C	2	104.8, 106.4, 107.2
25	Nanded	C	2	91.9, 92.7, 93.5, 95, 98.3, 104.8, 106.4, 107.2
26	Nellore	C	4	91.9, 92.7, 93.5, 94.3, 95, 98.3
27	Puducherry	C	1	104, 107.2
28	Rajahmundry	C	3	91.1, 92.7, 94.3, 104, 107.2
29	Saharanpur	C	4	91.5, 92.3, 94.7, 105.2, 106.8, 107.6
30	Salem	C	4	91.5, 92.3, 93.1, 93.9, 94.7, 104.4, 105.2, 106, 106.8, 107.6
31	Sangli	C	1	93.5, 104.8, 106.4, 107.2

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32	Shahjahanpur	C	4	92.1, 92.9, 93.7, 94.5, 104.2, 105, 105.8, 106.6, 107.4
33	Siliguri	C	1	98.3, 104, 104.8, 106.4, 107.2
34	Tiruchy	C	2	95, 104, 107.2
35	Tirunelveli	C	2	91.1, 91.9, 95, 104, 107.2
36	Tirupati	C	2	104, 106
37	Tuticorin	C	2	92.7, 104.8
38	Ujjain	C	4	91.9, 104, 104.8, 106.4, 107.2
39	Vellore	C	4	91.5, 92.3, 93.1, 93.9
40	Warangal	C	3	91.9, 104.8, 107.2
41	Achalpur	D	3	98.3, 106.4, 107.2
42	Agartala	D	1	95, 98.3, 104, 107.2
43	Aizwal	D	1	91.1, 94.3, 95, 104.8, 107.2
44	Barshi	D	3	91.9, 93.5, 94.3, 104, 106.4, 107.2
45	Bharuch	D	3	92.3, 105.2, 106, 106.8, 107.6
46	Botad	D	3	92.1, 105, 105.8, 106.6
47	Burhanpur	D	3	92.1, 93.7, 92.9, 94.5, 104.2
48	Chhattarpur	D	3	91.1, 91.9, 92.7, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
49	Chhindwara	D	3	104, 104.8, 106.4, 107.2
50	Damoh	D	3	91.9, 92.7, 104, 104.8
51	Dahod	D	3	91.9, 94.3, 95, 104, 104.8, 106.4, 107.2
52	Durg-Bhillainagar	D	3	91.9, 92.7, 93.5, 104, 106.4, 107.2
53	Godhra	D	3	92.3, 93.1, 93.9, 94.7, 104.4, 105.2, 106, 106.8, 107.6
54	Gondiya	D	3	95, 104, 104.8, 106.4, 107.2
55	Guna	D	3	91.9, 92.7, 93.5, 95, 104.8, 106.4
56	Itanagar	D	1	93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
57	Itarsi	D	3	91.1, 91.9, 95, 104.8
58	Jagdarpur	D	3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
59	Jetpur Navagadh	D	3	104.2, 105, 107.4
60	Junagadh	D	3	91.9, 95, 104, 104.8, 106.4
61	Khandwa	D	3	91.1, 104.8, 106.4
62	Khargone	D	3	91.9, 95, 107.2
63	Korba	D	3	93.5, 95, 98.3, 104.8, 107.2
64	Mehsana	D	3	91.9, 92.7, 104.8, 106.4, 107.2
65	Mandsaur	D	3	91.1, 92.7, 94.3, 95, 98.3, 104.8
66	Murwara (Katni)	D	3	91.1, 95, 107.2

E-Auction of Second Batch of Private FM Radio Phase-III Channels

67	Neemuch	D	3	91.9, 93.5, 104, 106.4
68	Palanpur	D	3	93.7, 94.5, 104.2, 105.8
69	Patan	D	3	91.5, 92.3, 93.1, 106.8, 107.6
70	Porbandar	D	3	92.7, 93.5, 94.3, 107.2
71	Raigarh	D	3	91.1, 91.9, 92.7, 94.3, 104, 106.4
72	Ratlam	D	3	92.1, 92.9, 93.7, 94.5, 104.2, 105, 105.8, 106.6, 107.4
73	Rewa	D	3	91.1, 91.9, 95, 98.3, 107.2
74	Satna	D	3	92.7, 93.5, 94.3, 104, 104.8, 106.4
75	Shivpuri	D	3	98.3, 104, 107.2
76	Singrauli	D	3	91.1, 92.7, 94.3, 104.8, 106.4, 107.2
77	Surendranagar Dudhrej	D	3	92.9, 93.7, 94.5, 104.2, 107.4
78	Veraval	D	3	92.7, 93.5, 94.3, 107.2
79	Vidisha	D	3	104, 106.4, 107.2
80	Wardha	D	3	95, 104.8, 106.4, 107.2
81	Yavatmal	D	3	92.9, 104.2, 105.8
BORDER AREAS OF J&K and NE States				
82	Kargil		3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
83	Leh		3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
84	Kathua		3	91.1, 106.4, 107.2
85	Poonch		3	91.9, 94.3, 104, 106.4
86	Bhaderwah		3	93.5, 94.3, 104
87	Dubhri		3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
88	Haflong		3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3
89	Jowai		3	104.8, 106.4, 107.2
90	Lung-iei		3	91.1, 98.3, 104, 106.4
91	Mokukchung		3	91.1, 91.9, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
92	Belonia		3	93.5, 94.3, 104.8, 106.4

10.3 List of Cities in J & K, NE States And Island Territories

List of Cities in J & K and NE states				
S. No.	Name of the City	State	Region	No of Channels for Auction
1	Agartala	Tripura	E	1
2	Aizwal	Mizoram	E	1
3	Belonia	Tripura	E	3
4	Bhaderwah	J & K	N	3
5	Dubhri	Assam	E	3
6	Haflong	Assam	E	3
7	Itanagar	Arunachal Pradesh	E	1
8	Jowai	Meghalaya	E	3
9	Kargil	J & K	N	3
10	Kathua	J & K	N	3
11	Leh	J & K	N	3
12	Lung-lei	Mizoram	E	3
13	Mokukchung	Nagaland	E	3
14	Poonch	J & K	N	3
Total				36

10.4 Application format for Pre Qualification

STAGE I – APPLICATION FORM

[PRE-QUALIFICATION FOR FM RADIO BROADCASTING IN SECOND BATCH PHASE-III]

TO,

SECRETARY,

MINISTRY OF INFORMATION AND BROADCASTING,

GOVERNMENT OF INDIA,

A Wing, SHASTRI BHAVAN, NEW DELHI-110001.

Sir,

This is with reference to the Ministry of I&B's NIA dated, inviting pre-qualification application for subsequent participation in e-auction process for allocation of FM radio channels in Second batch of Phase-III. I hereby submit the following details in support of the eligibility criteria as prescribed in the Notice, in addition to other particulars:

1.	Name of the Applicant Company and Status (Pvt. Ltd./Pub. Ltd.)	:	
2.	Complete Postal Address with Telephone/Fax Nos. E-mail ID	:	
	(i) Corporate Office		
	(ii) Registered Office	:	
3.	Address for Correspondence with Telephone/Fax/E-mail	:	

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4.	Name of Authorised Contact Person, his designation and Telephone/Fax Nos/ Email ID.	:	
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(Note: Attach Power of Attorney by Resolution of Board of Directors empowering him/ her to take all decisions connected with the Auction, on the Bidder's behalf including but not limited to, the authority to put in Bids in respect of any of the cities/channels and to commit payment of the necessary amount if the Bidder is allocated a channel in any city.)

5.	A. Processing fee and details thereof. DD No/ Date : Amount : Name of issuing Bank : B. Details of BG (EMD) submitted thereof Total No. of BG submitted: Total BG Amount :	:	
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6.	Incorporation No. and Date (attach copy of Certificate of incorporation and Memorandum & Articles of Association)	:	
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7. Details of Promoters & Major Shareholders

(Attach a separate sheet giving Name, Address, contact Telephone numbers and equity held in terms of amount as well as percentage of paid up equity).

8.	Details of the Company	:	
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8.1	Board of Directors (Attach list of Directors along with bio data of each Director giving date of birth, place of birth, parentage, nationality, permanent address, residential address, official address, passport number(if any), qualification, experience, etc.		
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8.2	Equity		
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Amount (Rs. in lakhs)

(A)	Authorised Capital:		
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			Amount (Rs. In Lakhs)	As % of Authorised Capital
(B)	Issued and paid up Capital			

(C)	Classification of equity holding		Amount (Rs. In Lakhs)	As % of Paid Up Capital (B)
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(i)	Total equity held by Indian Promoters/Majority Shareholders		
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(ii)	Pro rata share of FDI in the promoters/majority shareholders.			
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(iii)	Indian Financial Institutions and Banks.			
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(iv)	Other Indian Shareholders			
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(v)	Percentage of Majority Shareholders' equity to Total Paid Up Equity net of Banks and Financial Institutions Equity			
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(vi)	Direct FDI holding (including OCB, PIO, NRI, etc.)			
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(vii)	Indirect FDI/FII (Pro rata share of FDI in Indian Promoters and majority shareholders)			
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(viii)	Foreign Institutional Investors/ Portfolio Investments.			
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9.	Net Worth of the Applicant Company as on DD/MM/YYYY. [Please enclose certificate from Statutory Auditor, as per Annexure 10.5]	Rs. _____ Lakhs.
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10. Categories of Cities and the Regions in which the Applicant Company desires to participate in the Bidding Process within its Net Worth entitlement:

[Please tick Mark relevant Boxes below to indicate your preferences and calculate the total Net Worth requirement on the basis of net worth required for each box)

Categories/Regions	North	East	West	South	Total
A					
B					
C					
D					
TOTAL					

Note1: Please do not indicate numbers or names of cities.

Note2: The Net Worth requirement is on per category per region basis subject to a maximum of Rs.10 crore and no relation to number of cities in any particular category/region.

- 11.** Annual Reports and Audited Accounts for the last three years or in the case of a newly incorporated company, Balance Sheets from the date of incorporation till 31st March 2016 certified by the Statutory Auditor to support its claim of financial eligibility.
- 12.** A Written Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory.
- 13.** Please indicate whether the company is disqualified in terms of the provisions of

Clause 3.2 of the Notice Inviting Applications.

- 14.** (a) Please indicate whether the company or any of its related companies were successful bidders in the process of frequency/ channel allotment during Phase-I / Phase-II / Phase-III (First Batch) (Yes/ No). If Yes, the details of operational and non-operational stations, as the case may be.
- (c) In case of revocation of LOI/LA by the Government, whether the company or its related companies have contested the revocation of LOI/LA concerning Phase-I / Phase-II / Phase-III (First Batch) (Yes/No).

15. LIST OF SUPPORTING DOCUMENTS TO BE ATTACHED

Sr. No.	Particulars	Please Tick or Cross	Page number of Application Documents
1	Memorandum & Articles of Association of the Company;		
2	Copy of the Registration Certificate of the Company issued by the Registrar of Companies;		
3	Copies of Annual Reports and the audited accounts for the last three years (wherever applicable);		

4	Copies of income tax returns for last 3 years		
5	Bio-data giving details of qualifications/experience, etc. of all Directors of the Company;		
6	Certificate regarding Net Worth and the total foreign shareholding in the company from the Statutory Auditors.		
7	A. Details of Promoters & Major shareholders B. A legally binding agreement as required under clause 3.6.1		
8	List of projects carried out by the Company;		
9	List of the projects carried out by the Directors;		

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10	Details of Management positions of the Directors in other companies/organisations and details of these companies/organisations;		
11	List of subsidiary companies, holding companies, inter-connected companies and companies having same management as that of the applicant company;		
12	Compliance statement of Sections I, II, III, IV, V, VI, VII, VIII, and IX.		
13	Letter exercising option to participate in Phase-III (Relevant only for Phase-I /Phase-II LOI/LA holders whose LOI/LA were revoked).		
14	Certificate in Annexure 10.6 .		

15	If any holding company, subsidiary company, inter connected company, and company with same management as that of the applicant company wishes to apply individually in the FM Radio Auction then that company will also have to declare the distribution of the number of the FM channels between them.		
16	An affidavit in compliance of clause 5.1.2 .		
17	Pre Bid Integrity Pact, Duly Signed as in Annexure 10.11 .		
18	Any other relevant document(s).		

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Place: Signature and name of the authorised signatory

Date: (Company Seal)

Notes

1. There is no specific format for Power of Attorney, but it should be on stamp paper of the state in which the office is situated.
 2. Applicants are required to inform the Government promptly in case of any change in the information submitted by them as part of their Application.
-

10.5 Format for Certificate of Net Worth by statutory Auditors

We have audited the Books of Accounts/ Carried out limited review of _____ for the financial year/period ended month-day-year_____ and certify that the “Net Worth” of M/s _____the Applicant Company as on _____is Rupees____lacs (rupees in words lacs).

We further certify that the Net Worth of the Applicant Company is computed as follows:

Sl.No.	Particulars	Amount in Rupees-lacs
1.	Book Value of assets	
2.	Book Value of fictitious and intangible assets	
3.	Liabilities other than owner’s funds	
4.	Net Worth {1-(2+3)}	

Place/Date

Statutory Auditors

Note:

NET WORTH

The excess of the book value of assets (other than fictitious and intangible assets) of an enterprise over its liabilities. This is also referred to as Net assets or shareholder’s funds

Book Value of assets

The amount at which an item appears in the books of account or financial statement. It does not refer to any particular basis on which the amount is determined. Example: cost, replacement value etc.

Fictitious assets.

Items grouped under the assets in a balance sheet which has no real value (eg. The debit balance of the profit and loss account)

Liabilities

The financial obligation of an enterprise other than owner’s funds.

10.6 Format for Certificates / Undertakings

- 10.6.1** I hereby certify that I have carefully read the **Notice**. I undertake to fully comply with the all terms and conditions therein.
- 10.6.2** I understand that this application, if found incomplete in any respect and/or if found with conditional compliance or not accompanied with the requisite documents shall be summarily rejected.
- 10.6.3** I understand that all matters relating to the application or Permission if granted to me will be subject to jurisdiction of courts in Delhi only.
- 10.6.4** I understand that if at any time any averments made or information furnished for obtaining the Permission is found incorrect, misleading or invalid, my application shall be liable to be rejected and any LOI/Permission granted on the basis of this application shall be liable for termination, including forfeiture of NOTEF.
- 10.6.5** I undertake that none of my subsidiary company /holding company/company with Same Management/Inter –Connected Undertaking shall submit any bid for the same city for which I will submit a bid.
- 10.6.6** I certify that I will fix or modify the ‘Channel Identity’, which is the brand name of the FM radio channel, only after prior approval of the Ministry.
- 10.6.7** I certify that my company is not disqualified in terms of the provisions of **Clause 3.2** of the Notice Inviting Application Document.
- 10.6.8** I hereby undertake to comply with the Auction Rules specified in the Notice for this Application.

Place:

Signature and name of the authorised signatory

Date:

(Company Seal)

10.7 Format for Earnest Money Deposit (EMD)

(in the form of a Bank Guarantee from a Scheduled Bank)

To
The President of India,
New Delhi.

1. Whereas **<Full name of the Applicant>** (hereinafter called “**the Proposer**”) desires to submit the proposal for participating in the Auction for FM Licenses in compliance to MIB Notice Document No. **<XXX>**.

Know all men by these presents that we **<Name of the Bank>** (hereinafter called “the Bank”) are bound unto the President of India (hereinafter referred to as “the Authority”), in the sum of **<Amount in figures>** (**<Amount in words>**) for which payment will and truly be made to the said Authority, the Bank binds itself, its successors and assignees by these presents.

2. The conditions of this obligation are:
 - (i) If the Proposer having been notified of the acceptance of its proposal by the MIB, during the period of the proposal’s validity:
 - (a)) fails or refuses to execute the contract form, if required; or
 - (b) fails to deposit the Successful Bid Amount in the stipulated timeframe as per the Notice;
 - (ii) The Proposer misrepresents facts in its application;
 - (iii) The Proposer violates any of the Auction Rules or otherwise disrupts the Auction process;
 - (iv) The Proposer does not bid for even 1 channel/city in the first Clock Round of the Auctions;
 - (v) The Proposer defaults on its bid;
 - (vi) The Proposer withdraws its proposal during the period of its validity specified in the Notice.

We undertake to pay to the Authority, the above amount upon demand, without any demur and without the Authority having to substantiate its demand.

3. This guarantee will remain in force up to six months from the date of issue, further extendible by another six months on request and any demand in respect thereof should reach the Bank not later than the date up to which this Bank Guarantee is valid.

4. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to **<Amount in figures>**- and our Guarantee shall remain in force until 1 year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. **<date>** all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated_____day <month>, 2016

<Name of the Bank>

Signature

Witness:

1)_____

2)_____

10.8 Format for Security Clearance

(i) Details in respect of Company/ Firm (Indian/Foreign)

Sl. No.	Full Name of Companies and its Foreign collaborator if any.	Date of Registration of the company	Address of Head Office, Regional Offices and Registered Office	Previous name of the company, if any.	Details of earlier approvals, if any (ref. No. & date)	Complete Details about proposed activities.

(ii) Details in respect of Directors/Key Executives

Sl. No.	Full Name of Board of Directors / Key executive (wherever applicable)	Present Position held with Date (Since When)	Date of Birth	Parentage	Present & permanent address	Nationality	Passport Nos. and issue date, if any	Contact Address & telephone number.

(iii) Details of Shareholders of applicant company (All firms/companies/entities/individuals having shareholding more than 10%)

Sl. No.	Full Name	Parentage Father/M other	Date of Birth	Permanent Address	Present address	Present position held	Nationality (if holding dual nationality, both must be clearly mentioned)	% of shares held in other company.

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(iv). Details of criminal cases, if any, against the Company/ Director(s) as per details below.

Self-declaration for Company and Director(s) for whom security clearance is sought.

- a. Name & Address and Registration number of the company.
- b. Name and Address of owners, promoters and directors of the company.
 - 1. _____
 - 2. _____
 - 3. _____
 - 4. _____
- c. Is the company owners, promoters or directors listed above, the subject of any
 - 1. Preventive detention proceedings (PSA/NSA etc.): Yes/ No.
 - 2. Criminal proceedings : Yes/ No.
- d. If Yes, please provide following details:
 - 1. Detention/ Case/ FIR/ Warrant Number.
 - 2. Police station/ District/ Agency.
 - 3. Section of Law.
 - 4. Name and Place of the Court.
- e. The above mentioned details are in respect of both India and any other foreign country.

Note: The above self-declaration is required to be filled and signed by the authorized signatory of the company.

10.9 Format for Statement of Gross Revenue

Statement of Gross Revenue forming part of the Final Accounts of M/s _____ the FM permission holder, for the Financial Year ending _____

Sl.no	INCOME HEADS	Tariff rate/ rate card	Discounts		Agency commission	Taxes	Net as per P&L a/c
			trade	others			
		(Amount Rupees in lacs)					
		A	B	C	D	E	F
1	Advertisement						
2	Promotional Events						
2.1	Musical/Star Events						
2.2	Sponsored Programmes						
3	Marketing Rights						
4	Commission						
5	Royalties						
6	Sale of recorded cassettes, CDs etc						
7	Rent –Premises						
8	Rent-Equipment						
9	Interest/Dividend						
10	Related Party Transactions						
10.1	Goods Sold						
10.2	Services rendered						
10.3	Production						
10.4	Marketing						
10.5							
	Total						

Notes:

1. The income heads are only indicative and illustrative and the Auditor would include all the relevant Heads of the FM Permission Holder.
2. The income from the Related Parties shall tally with the Related Parties schedule as per accounting standards no 18.

10.10 Format for Ownership Compliance Certificate

(for all Applicants)

(on the letterhead of the concerned Company)

We, _____ and _____, the undersigned, as Directors and Authorised Representatives of _____ <Name of the Applicant> (“Applicant”) hereby confirm, undertake acknowledge and certify the following.

(a) The Applicant desires to submit a proposal for participating in the Auction for FM Channels Auctions in compliance with MIB File No. <XXX>;

(b) That we have carefully gone through the list of Applicants (“Provisional Bidders”) for the FM Channels Auction and their Subsidiary company / Holding company / Company with the Same Management / Interconnected Undertaking and their ownership details put up on the MIB website;

(c) That we have made due enquires to the extent reasonably possible of any entity:

- who holds a direct or indirect material interest in the Applicant or any of its Associated Companies; and
- in whom the Applicant or any of its Subsidiary company / Holding company / Company with the Same Management / Interconnected Undertaking hold a direct or indirect material interest;

(d) That the FM License is subject to the condition that: No applicant either directly or through its Subsidiary company / Holding company / Company with the Same Management/ Interconnected Undertaking, shall have 25% or more than 25% equity shareholding either with voting rights or otherwise, in more than one licensee company in the same city for the FM Services.

NOTE: This clause will not be applicable to conditions given in clause 2.2.

(e) That the Applicant will promptly intimate the Government if any part of this undertaking were to undergo a change.

Signed:

Authorised signature

Authorised signature

(Name and position)
Company seal affixed

(Name and position)

Date: _____

10.11 Format for Integrity Pact

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on day of the month of _____ 2016, between, on one hand, the President of India acting through Shri _____, Designation of the officer, Ministry/Department, Government of India (hereinafter called the “SELLER”, which expression shall mean and include, unless the context otherwise required, his successors in office and assigns) of the First Part and M/s. _____ represented by Shri _____, Chief Executive Officer (hereinafter called the “BIDDER/BUYER” which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BIDDER/BUYER proposes to procure channel(s) and the SELLER is willing to offer/has offered the channel(s) and

WHEREAS the BIDDER is a private company/public company, constituted in accordance with the relevant law in the matter and the SELLER is a Ministry/ Department of the Government of India/PSU performing its functions on behalf of the President of India.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

Enabling the BUYER to obtain the desired channel(s) at a market determined and fair price in conformity with the defined specifications by avoiding the distortionary impact of corruption on public auctions, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing

and other corrupt practices and the SELLER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this integrity Pact and agree as follows:

Commitments of the SELLER

1.1 The SELLER undertakes that no official of the SELLER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The SELLER will, during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the SELLER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the SELLER with full and verifiable facts and the same is prima facie found to be correct by the SELLER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the SELLER and such a person shall be debarred from further dealings related to the contract process. In such a case

while an enquiry is being conducted by the SELLER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre- contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the SELLER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the SELLER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.

3.3 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the SELLER or their family members, agents, brokers or any other intermediaries in connection with the contract and the permission agreed upon for such payments.

3.4 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

3.5 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

3.6 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to other, any information provided by the SELLER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.7 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.8 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.9 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the SELLER, or alternatively, if any relative of an officer of the SELLER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

3.10 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the SELLER.

4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in

India of any Government Department in India that could justify BIDDER's exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5. Earnest Money (Security Deposit)

5.1 The BIDDER shall deposit an amount _____ (as specified in Notice) as Earnest Money/Security Deposit, with the SELLER through a confirmed guarantee by an Indian Nationalised Bank, promising payment of the guaranteed sum to the SELLER as set out in the Notice without any demur whatsoever and without seeking any reasons whatsoever.

5.2 In case of the successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Guarantee in the Grant of Permission Agreement that the provision of Sanctions for Violation shall be applicable for forfeiture of Performance Guarantee in case of a decision by the SELLER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the SELLER to take all or any one of the following actions, wherever required:-

(i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

(ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/Performance Guarantee (after the contract is signed) shall stand forfeited either fully or partially, as decided by the SELLER and the SELLER shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any compensation

to the BIDDER.

(iv) To cancel all or any other Contract with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the SELLER resulting from such cancellation/rescission and the SELLER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

(v) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the SELLER.

(vi) Forfeiture of Performance Guarantee in case of a decision by the SELLER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The SELLER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (vi) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the SELLER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent External Monitor(s) appointed for the purposes of this Pact.

7. Independent Monitors

7.1 The SELLER has appointed independent External Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission (Names and Addresses of the Monitors to be given).

7.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

7.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

7.4 Both the parties accept that the Monitors have the right to access all the documents relating to the auctions, including minutes of meetings.

7.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the SELLER.

7.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all documentation of the SELLER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his documentation. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER with confidentiality.

7.7 The SELLER will provide to the Monitor sufficient information about all meetings among the parties related to the Auctions provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

7.8 The Monitor will submit a written report to the designated Authority of SELLER/Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the SELLER/BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

8. Facilitation of Investigation

In case of any allegations of violation of any provisions of this Pact or payment of commission, the SELLER or its agencies shall be entitled to examine all the documents including the BOOKs of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

9. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the SELLER.

10. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

11. Validity

11.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 3 years or the complete execution of the contract to the satisfaction of both the SELLER and the BIDDER/BUYER, including warranty period, whichever is later. In case BIDDER is unsuccessful, this integrity Pact shall expire after six months from the date of the signing of the contract.

11.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

12. The parties hereby sign this integrity Pact at _____ on _____

SELLER

BIDDER

**Dy. Secretary (FM)
Ministry Of Information and Broadcasting,
Government of India,
Shastri Bhawan,
New Delhi.**

CHIEF EXECUTIVE OFFICER

Witness

Witness

1. _____

1. _____

2. _____

2. _____

10.12 Tables for EMD Deposits, Eligibility points & Price Increment

Table I

S No	Name of City	Reserve Price per Channels (Rs)	EMD deposit per Channel	Eligibility Points Per Channel (Round Down)
		a	b=0.25*a	c=b/25000
1	Hyderabad	180,000,000	45000000	1800
2	Asansol	19,405,000	4851250	194
3	Vijaywada	70,020,000	17505000	700
4	Akola	2,959,000	739750	29
5	Alappuzha (Alleppey)	70,200,100	17550025	702
6	Amravati	35,100,000	8775000	351
7	Belgaum	70,200,100	17550025	702
8	Bellary	70,200,100	17550025	702
9	Bhavnagar	35,100,000	8775000	351
10	Dehradun	156,100,590	39025147	1561
11	Devengeri	70,200,100	17550025	702
12	Dhule	4,659,000	1164750	46
13	Erode	70,200,100	17550025	702
14	Gulbarga	15,005,000	3751250	150
15	Hubli-Dharwad	70,200,100	17550025	702
16	Jamnagar	35,100,000	8775000	351
17	Jhansi	3,100,000	775000	31
18	Kakinada	70,200,100	17550025	702
19	Kurnool	70,200,100	17550025	702
20	Malegaon	35,100,000	8775000	351
21	Mangaluru	27,510,000	6877500	275
22	Muzaffarpur	1,510,000	377500	15
23	Muzaffarnagar	156,100,590	39025147	1561
24	Mysuru	32,130,990	8032747	321
25	Nanded	2,959,000	739750	29
26	Nellore	70,200,100	17550025	702
27	Puducherry	40,100,000	10025000	401
28	Rajamundry	15,000,500	3750125	150
29	Saharanpur	156,100,590	39025147	1561
30	Salem	70,200,100	17550025	702
31	Sangli	4,659,000	1164750	46
32	Shahjahanpur	156,100,590	39025147	1561

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33	Siliguri	6,500,501	1625125	65
34	Tiruchy	50,000,500	12500125	500
35	Tirunelveli	12,600,000	3150000	126
36	Tirupati	45,050,000	11262500	450
37	Tuticorin	15,000,500	3750125	150
38	Ujjain	35,100,000	8775000	351
39	Vellore	70,200,100	17550025	702
40	Warangal	12,525,000	3131250	125
41	Achalpur	17,100,000	4275000	171
42	Agartala	1,620,000	405000	16
43	Aizwal	1,207,000	301750	12
44	Barshi	17,100,000	4275000	171
45	Bharuch	17,100,000	4275000	171
46	Botad	17,100,000	4275000	171
47	Burhanpur	17,100,000	4275000	171
48	Chhattarpur	17,100,000	4275000	171
49	Chhindwara	17,100,000	4275000	171
50	Damoh	17,100,000	4275000	171
51	Dahod	17,100,000	4275000	171
52	Durg-Bhillainagar	17,100,000	4275000	171
53	Godhra	17,100,000	4275000	171
54	Gondiya	17,100,000	4275000	171
55	Guna	17,100,000	4275000	171
56	Itanagar	1,303,000	325750	13
57	Itarsi	17,100,000	4275000	171
58	Jagdalpur	17,100,000	4275000	171
59	Jetpur Navagadh	17,100,000	4275000	171
60	Junagadh	17,100,000	4275000	171
61	Khandwa	17,100,000	4275000	171
62	Khargone	17,100,000	4275000	171
63	Korba	17,100,000	4275000	171
64	Mehsana	17,100,000	4275000	171
65	Mandsaur	17,100,000	4275000	171
66	Murwara (Katni)	17,100,000	4275000	171
67	Neemuch	17,100,000	4275000	171
68	Palanpur	17,100,000	4275000	171
69	Patan	17,100,000	4275000	171
70	Porbandar	17,100,000	4275000	171

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71	Raigarh	17,100,000	4275000	171
72	Ratlam	17,100,000	4275000	171
73	Rewa	17,100,000	4275000	171
74	Satna	17,100,000	4275000	171
75	Shivpuri	17,100,000	4275000	171
76	Singrauli	17,100,000	4275000	171
77	Surendranagar Dudhrej	17,100,000	4275000	171
78	Veraval	17,100,000	4275000	171
79	Vidisha	17,100,000	4275000	171
80	Wardha	17,100,000	4275000	171
81	Yavatmal	17,100,000	4275000	171
82	Kargil	500,000	125000	5
83	Leh	500,000	125000	5
84	Kathua	500,000	125000	5
85	Poonch	500,000	125000	5
86	Bhaderwah	500,000	125000	5
87	Dubhri	500,000	125000	5
88	Haflong	500,000	125000	5
89	Jowai	500,000	125000	5
90	Lung-lei	500,000	125000	5
91	Mokukchung	500,000	125000	5
92	Belonia	500,000	125000	5

Table II

Deposit (Rs. Lakh)	Resulting Initial Eligibility Point	Deposit (Rs. Lakh)	Resulting Initial Eligibility Point	Deposit (Rs. Lakh)	Resulting Initial Eligibility Point
0.25	1	20.00	80	600.00	2400
0.50	2	30.00	120	700.00	2800
0.75	3	40.00	160	800.00	3200
1.00	4	50.00	200	900.00	3600
2.00	8	60.00	240	1000.00	4000
3.00	12	70.00	280	10000.00	40000
4.00	16	80.00	320	20000.00	80000
5.00	20	90.00	360	30000.00	120000
6.00	24	100.00	400	40000.00	160000
7.00	28	200.00	800	50000.00	200000
8.00	32	300.00	1200	60000.00	240000
9.00	36	400.00	1600	70000.00	280000

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10.00	40	500.00	2000	80000.00	320000
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Table-II is illustrative and the EMD submitted by the bidders may be of a value different than that depicted.

Table – III

Proportionate Price Increment rule for e-auction of FM Channels	
Excess Demand	Price Increment as a Percentage of previous Clock Round Price
Less than ZERO (Negative)	0%
0	1%
1 to 3	5%
4 to 6	8%
7 to 9	10%
10 and Above	15%

10.13 System Requirement

1. System requirements for accessing the EAS

1.1 Prior to the Auction, documentation will be issued describing how to use the EAS (“the EAS Manual”). This Annex is provided to assist bidders in preparing for the Auction. In the event of any conflict between the EAS Manual and this Annex, the EAS Manual should be taken to be definitive

1.2 The Auction will be run on an electronic auction system (EAS) over the public Internet using encryption. Bidders can access the system using the standard web browsing software: Internet Explore 9.x to 11.x or Mozilla 34.x. The only additional requirements are (i) to install the digital certificates needed for authentication and data encryption and (ii) to have a JRE version of 1.7 Update 55 to 71 Java installed with medium security level.

1.3 The bidders will have to procure Class-III Digital Signature Certificate(s) (DSC) issued by any of the valid Certifying Authority (approved by Controller of Certifying Authorities) in India which is mandatory for accessing the EAS. The details of the License CAs can be viewed on www.cca.gov.in. It would be the respective bidder’s responsibility to acquire such DSC(s) in the name of their authorized signatory for participation in the e-auction. The respective bidders also need to ensure that they acquire the DSC(s) before the mock auction which will be conducted as per the timelines set by the MIB.

2. Operating System and Software

2.1 The access to EAS is through the operating systems and Internet browsers complemented with Java. However, the digital signature certificates used for user authentication in the EAS are 2048 bit keys. It is important that Bidders use an up-to-date operating system and browser, and the JRE 1.7 Update 55 to 71 version of Java. The EAS supports Windows 7 & Windows 8.1 operating system.

3. Java

3.1 The EAS uses the Java Application/Applet for Digital Signature generation, verification, data encryption and decryption in Internet Explorer and Mozilla Firefox browsers. Under Windows, the browsers will usually, but not always, have Java enabled by default. However, users are advised to check their respective browsers to ensure that Java plug-in is enabled. **It is important that Bidders have the JRE 1.7 Update 55 to 71 version of Java installed on any computer to be used for bidding in the Auctions.**

3.2 In these cases, Bidders may need to refer to their IT department or other suitably qualified persons to ensure that their PC has a Java installed and enabled on their browser, and that their Internet browser is correctly set up. Sun Microsystems’ Java website at <http://java.com> may provide helpful information on how to do this. Please note that you may need appropriate administrative rights in order to install Java and digital certificates on the client computer.

3.3 A detailed manual will be provided to qualified Bidders prior to the Auction. A mock auction will also be run to allow Bidders to test that they can access the EAS using the same authentication tokens as the Auction itself and to resolve any technical problems. Bidders should ensure that their bidding computer is free from viruses, especially key-logging programs. It is the responsibility of bidders to ensure that bidding computer is functioning reliably and that appropriate computer security measures are in force. Once the digital certificate that authenticates the bidder has been installed on the bidding computer, the bidder should ensure that the bidding computer is kept secure and not accessible to unauthorized personnel.

4. Tool bar/ Add Ons/ Pop up blocker

4.1 Bidders should ensure that there is no software installed on the computers that might interfere with the normal operation of their Internet browser. The bidders have to ensure that they do not use any pop-up blockers, such as those provided by Internet Explorer and complementary software, for example the Google tool bar. This might, depending on Bidders' settings, prevent the access of the EAS application and/ or some of the EAS windows from opening.

5. Power Management Settings

5.1 To ensure that Bidders do not face any delay or difficulty in smooth access during the Auction, it is recommended that Bidders:

5.1.1 Turn off any power management features on their computer such as automatic hibernation or suspension; and

5.1.2 Disable any screensavers.

5.1.3 If a Bidder's computer hibernates or suspends automatically, it will need to go through the login procedures again when the computer is awakened. This will cause some delay in returning to the Auction system

6. Access of Other Software / Website during Auction

6.1 It is recommended that Bidders do not open other web pages when they are accessing the EAS. Viewing other web pages (especially complex ones) at the same time as viewing EAS pages increases the risk of possible problems with their browser. Therefore, it is recommended that ideally Bidders should dedicate one computer to running the EAS, and do not access other web pages or run other Applications on this computer while using the EAS. This will help to minimise the risk of crashes or other potential problems.

7. Internet Connection

7.1 In order to use the EAS, Bidders needs an Internet connection. We recommend that Bidders use a reliable broadband Internet connection with a download bandwidth of 1 MBPS or higher. Wireless connections may be adequate, but it is important that the latency of network connections to the EAS does not exceed 20-30 seconds to ensure

reliable access. In the event of a temporary loss of contact between the Bidder and the EAS, the EAS will automatically log out the Bidder for security reasons, who will then need to go back through login procedures.

7.2 It is recommended that Bidders have a back-up computer and backup Internet connection that can be used in the case that either their primary computer or Internet connection fails.

8. Display

8.1 Bidders are recommended to use a display with a screen resolution of 1024x768 (or higher). Bidders can use a lower screen resolution, but Bidders may find that some tables are more difficult to view.

9. Backup Procedures

9.1 Auction backup facilities

In the event of the main Auction server failing, the Auction will be resumed using backup facilities. The normal process for this would be the following:

- 9.1.1 The Auction Administrator will advise Bidders directly of the need to switch to the back-up system and the time from which the back-up facility should be expected to be online and available to Bidders.
- 9.1.2 If the primary Auction server is still available, log out normally. Otherwise, quit your Internet browser.
- 9.1.3 Once back-up facilities are online, restart your Internet browser and enter the address of the back-up /DR server. Auction Administrator will provide this address separately to you. The Auction team will contact you to check that you have successfully switched to the back-up facility.
- 9.1.4 In the unlikely event of data loss or corruption affecting previous Rounds or failure of the back-up facility, there may be variation of these procedures at the sole discretion of the MIB and Auction Administrator. This might include resuming the Auction from a previous Round (re-run of a clock round), if required.

10. Bidder Technical Problems

10.1 Bidders experiencing technical problems while accessing the EAS either before or during a Round should contact the Auction Administrator as soon as possible. Bidders will be provided with a telephone number and an email address to contact the Auction Administrator. In the event of problems accessing the EAS, Bidders should not rely on email to communicate with the Auction Administrator.

10.2 In exceptional circumstances, such as technical failure affecting multiple Bidders, the Auction Administrator may:

10.2.1 Re-schedule the start of a Clock Round whose starting time has been announced provided that the Clock Round has not yet started.

10.2.2 Re-schedule the finishing time of a Clock Round in progress.

10.2.3 Cancel a Clock Round in progress and re-run it.

10.2.4 Grant one or more Bidders Additional Extension Budget.

10.3 The Auction Administrator will not refund any used Extension Budget to any Bidders unless there is compelling evidence of technical failures affecting multiple bidders. Telephone numbers and email addresses provided by Bidders as part of their application to bid in an Auction may be used by the Auction Administrator to contact any Bidder in the event that the Auction Administrator observes such a Bidder is having difficulties in accessing the EAS.

10.4 Permission to submit Bids through means other than the EAS will not be granted.

10.14 FORMAT FOR PERFORMANCE BANK GUARANTEE. (PBG)

Bank Guarantee for FM Broadcasting Service at _____

In consideration of the President of India acting through ---[designation of the officer] the Ministry of Information & Broadcasting (hereinafter called the “Ministry”) having agreed to issue a Letter of Intent (LoI) to _____ *[Name and address of LoI Holder] (hereinafter called “the LoI Holder”) to comply with the prescribed obligations for executing the Grant of Permission Agreement (thereinafter the LoI Holder shall be called “the Permission Holder”) to establish, maintain and operate FM radio broadcasting Service at____, wherein it has been stipulated that the LoI Holder shall furnish to the Ministry with a Bank Guarantee from a scheduled Bank for the sum specified therein as security for the due observance and performance of the obligations as per the LoI and terms and conditions of the Grant of Permission Agreement to be executed between the Ministry and the LoI Holder.

WHEREAS we _____Bank, (indicate the name, address and other particulars of the Bank), a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970 (hereinafter referred to as ‘the Bank’) having its Head Office at _____and a branch office amongst other places at _____has agreed to irrevocably and unconditionally guarantee to the Ministry that the LoI/ Permission Holder shall render all the necessary services in accordance with the terms and conditions of the LoI/ Grant of Permission Agreement and which may be required for and in connection with the said LoI/ Permission and performance thereof to the satisfaction of the Ministry.

NOW THEREFORE we, the Bank, hereby affirm that we are the Guarantor and responsible to you, on behalf of the LoI/ Permission Holder up to a total _____ (Amount of Guarantee)_____ (in words) payable, and we undertake to pay you, upon your first written demand and without cavil, demur or argument, any sum or sums within the limits of _____ (Amount of Guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We, the Bank, do hereby agree that the decision of the Ministry as to whether the LoI/ Permission Holder has failed to or neglected to perform or discharge his duties and obligations as aforesaid and/or whether the service is not free from deficiencies or defects or not is in accordance with of the terms and conditions of the said LoI/Permission and as to the amount payable to the Ministry by the Bank hereunder, shall be final and binding on the Bank. Any dispute between the Ministry and the said LOI/Permission Holder shall not affect our obligation under this guarantee.

We hereby waive the necessity of your demanding the said debt from the LoI/ Permission Holder before presenting us with the demand and acknowledge that we are the primary obligee and not just the surety of the LoI/ Permission Holder.

We further agree that no change or addition to or other modification of the terms of the LoI/Permission or of the works to be performed there under or of any of the related

documents shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification. Etc.

We _____ Bank, do hereby declare and agree that:

(a) The Guarantee herein contained shall remain in full force and effect till the expiry of the LoI/Permission period. It shall also continue to be enforceable till all the dues of the Ministry under and by virtue of the said LoI/Permission have been fully paid and its claims satisfied or discharge or till Ministry informs that all the terms and conditions of the said LoI/Permission have been fully and properly carried out by the said LoI/ Permission Holder and accordingly discharged this guarantee.

(b) The Ministry shall have the fullest liberty without our consent and without discharging in any manner our obligations hereunder to vary any of the terms and conditions of the said LoI/Permission or to extend time of performance of any obligations by the said LoI/ Permission Holder from time to time or to postpone for any time or from time to time any of the powers exercisable by the Ministry against the said LoI/ Permission Holder and to forbear or to enforce any of the terms and conditions relating to the said LoI/Permission and we shall not be relieved from our liability by reason of any variation or extension being granted to the said LoI/ Permission Holder or forbearance act or omission on the part of the Ministry or any indulgence by the Ministry to the said LoI/ Permission Holder or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

(c) Any claim which we have against the LoI/ Permission Holder shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Ministry exercise any legal right or remedy of any kind in respect of any such payment or performance so long as our obligations hereunder remain owing and outstanding.

(d) This guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LoI/ Permission Holder.

(e) The Bank will not revoke the guarantee during the currency except with the previous consent of the Ministry.

The bank under its constitution power gives this guarantee and Sh. _____, who has signed on behalf of the bank is duly authorised to execute this guarantee.

This guarantee shall not be discharged or affected due to any change in the name, constitution or address of the bank or the LoI/ Permission Holder.

This guarantee shall be valid initially for a period of two years from this date and until 28 days after the date of issue of the Defect Liability Certificate by the _____.

This guarantee shall be renewed at least one month prior to the expiry of each two years' term.

SIGNATURE AND SEAL OF THE GUARANTOR _____

E-Auction of Second Batch of Private FM Radio Phase-III Channels

NAME OF BANK _____

ADDRESS _____

DATE _____

In the presence of:

1. _____ and
Occupation)

2. _____ and
Occupation

Definition and Glossary of Terms

E- Auction	The electronic auction (eAuction) is an e-business between auctioneer and bidders, held over the Internet
FM	Frequency Modulation
NIA	Notice Inviting Applications
MIB	Ministry of Information & Broadcasting
Phase-I	FM Phase-I approved by the Government in July, 1999. A total number of 21 channels are operational in 12 cities under this scheme.
Phase-II	FM Phase-II Policy notified in July, 2005.
Phase-III	FM Phase-III policy notified on 25.07.2011 read with amended para 31 notified on 21.01.2015.
AAR	Auction Activity Requirement
Activity Rule	Shall have the meaning as describe in clause 6.6.5
Aggregate Demand	The total number of Bids for the Channels in the City at a value equal to the Clock Round price in the last completed Clock Round.
Applicant	Indian Company Making an Application
Application	Application for participation in the first batch of FM channels Auction in Phase-III
Application Form	Format for Submitting the Application
ARC	Application Review Committee
Auctioneer	M/S C1 India Private Limited, in their capacity as advisor to the Government on the Auctions.
Auction Administrator	M/S C1 India will be responsible for the administration of the e-auction
Auction Activity Requirement	Auction Activity Requirement is the percentage of the activity that bidder should perform in the current clock round in order carry forward his/her entire eligibility points from the previous clock round to the next clock round.
Auction Rules	Rules Governing for the Conduct of the Auction
BECIL	Broadcast Engineering Consultants India Limited.
Bid	Bidder's statement in each Clock Round of the Clock Stage (in the form of a "Yes / No" choice and for the Number of Channels) offering to purchase Channels specified city at the current Clock Round price, in accordance with the terms and conditions.
Bidder Activity Requirement	Bidder Activity Requirement is the bidders activity performed in a clock round
Bidder Participation Notice	Notice issued to pre- qualified Bidders that shall include

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	each pre-qualified Bidder's Earnest Money Deposit received, Initial Eligibility points and an EAS manual.
CCA	Controller of Certifying Authorities. Governing body under the Department of Electronics and Information Technology, Ministry of Communications & Information Technology authorized to issue license to the Certifying Authorities for issuance of Digital Signature Certificates.
CA	Certifying Authority. Authorised by CCA for issuance of Digital Signature Certificate.
CAG	Comptroller and Auditor General of India
CEO	Chief Executive Officer
Clock Round	Individual rounds of the Clock Stage as described in the Auction Rules.
Confidential Information	Any information which, if known to other Bidders, would be likely to affect the price that the other Bidders would be prepared to bid in the Auction. Such information would include (but not necessarily be limited to) the Bidder's business case, auction strategy and the highest price it is willing to bid for Channels in any city.
CTI	Common Transmission Infrastructure
DSC	Digital Signing Certificate of Class-III having Signing & Encryption Components
DOT	Department of Telecommunication
EAS	Electronic Auction System
EAS Manual	A manual explaining how to use the EAS that shall be provided to pre-qualified Bidders.
EHAAT	Effective Height of Antenna Above Terrain
EMD	Earnest Money Deposit. The earnest money (in the form of a Bank Guarantee from a Scheduled Bank) to be submitted along with the Application.
ERP	Effective Radiated Power
Eligibility Point	Number of points associated with a channel per City based on the Reserve Price of the FM Channel for that City
EWS	Emergency Warning Services
Excess Demand	The excess demand in a city will be determined by the total number of bids received for channels put up in auction for that city in the last completed clock round minus the number of channels put up for auction in that City at a Clock Round Price in the last completed clock

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	Round
Extension Budget	The cumulative maximum period for which each Bidder is allowed to seek extension of Clock Rounds in accordance with the Auction Rules.
FDI	Foreign Direct Investment
FII	Foreign Institutional Investment
FIPB	Foreign Investment Promotion Board
Frequency Allocation Stage	The second stage of the Auction as described in the Auction Rules.
Government	Government of India
GOPA	Grant of Permission Agreement
HAAT	Height of Antenna Above Terrain
HUF	Hindu Undivided Family
Initial Eligibility	Number of Eligibility Points allocated to a Bidder based on its Application and amount of Earnest Money Deposit, wherein the Eligibility Points are linked to the applicable Reserve Price for each Channel of each City.
Insider	Any party to whom Confidential Information in relation to a Bidder is disclosed.
IT	Information Technology
ITU-R	International Telecommunication Union - Recommendations
LOI	Letter of Intent
LTI	Land and Tower Infrastructure
Metro	Delhi, Mumbai, Chennai & Kolkata
Mock Auction	Mock Auction is conducted to familiarize the qualified bidders with the Auction Rules and Bidding Methodology.
New Bids	Bids in City where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in City where the Bidder submits a bid in the current Clock Round. Also the City where the Bidder was a Provisional Winning Bidder for a certain number of Channels and where the Bidder revises the same and submits a bid in the current clock round.
Notice	Notice Inviting Applications for participation in the Auction together with any amendments thereof.
NOTEF	Non-Refundable One-Time Entry Fee
Ownership Compliance Certificate	An undertaking from the Applicant confirming that it complies with the ownership restrictions in view of the other Applicants.
Performance Bank Guarantee	A performance bond, also known as a contract bond, is a

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	surety bond issued by a bank to guarantee satisfactory completion of a project by a contractor.
Provisional Winning Bidders	A bidder who hold the Provisional Winning Channels
Provisional Winning Channels	The number of Channels held by the Provisional Winning Bidder.
Pre-Qualified Bidders	The Bidders, who have been Qualified for the participation in FM channels Auction
RF	Radio Frequency
SACFA	“Standing Advisory Committee on Radio Frequency Allocation” of the Wireless Planning & Co-ordination wing of Ministry of Communications & IT, Government of India.
SMRA	Simultaneous Multiple Round Ascending
TRAI	Telecom Regulatory Authority of India
Scheduled Bank	Scheduled Banks are those banks which were included in the second schedule or 2E of RBI ACT, 1934.
Successful Bidder	The Bidder(s) who at the end of the Auction is confirmed as a Winning Bidder(s) for a particular Channel in a City by the Government.
WOL	Wireless Operating License
WPC	Wireless Planning & Co-ordination