

No. 405/23/2007-FM
Government of India
M/o Information & Broadcasting
'A' Wing, Shastri Bhawan, New Delhi-110115

Dated: 15th July, 2009

To

M/s. Positive Radio Pvt. Ltd,
M3M House, 7- C, Doctor's Lane,
Gol Market, New Delhi.

Subject: Delay in payment of license fee and non-submission of documents.

Sir,

I am directed to refer to the subject cited above and to invite your attention to the clause 3.3 of the Grant of Permission Agreement (GOPA) which inter alia states that permission holder shall have to pay the annual fees on a quarterly basis in advance within first 15 days of respective quarters. However it has been observed that out of 9 license fee payments received from your company 5 payments has been received after the expiry of the prescribed period in respect of your 4 FM stations.

2. Further, as per Clause 15.1 of the GOPA stipulates that your company was required to furnish the operationalisation report duly authenticated by BECIL in the prescribed format within a period of one month from the date of operationalization of the channel. However, despite lapse of more than one year, the operationalisation report is still awaited.

3. As per Clause 15.3 and 15.4, your company is required to furnish to the Grantor statement of gross revenue and certificate of the statutory auditors for compliance of Clauses 7.2 to 7.4 along with audited results respectively. However, your company has failed to furnish these documents despite there being specific provisions for doing so.

4. Clause 17.1 of the said Agreement provides that your company is required to furnish to the Grantor the accounting statements prepared in respect of every financial year or part thereof, an audited report stating therein the Auditor's report on the financial statements along with the annual report of the Permission Holder. The clause 17.2 further provides

that the Permission Holder shall maintain separate financial accounts for each channel, which shall be audited by the Statutory Auditor.

5. Despite issue of Show Cause Notices/letters dated 27/28.02.2008, 15.05.2008, 26.12.2008, 05.05.2009 & 01.06.2009 your company neither provided the operationalisation report in regard of your 4 FM radio stations nor

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furnished separate Gross Revenue statements/Annex-III and profit & loss account for the year 2007-08 in respect of each channel (separately along with auditors Notes and comments and certificate forms) duly certified by the Statutory Auditors along with attendant Notes/comments so far.

6. It is evident from above that your company has been repeatedly defaulting by delaying payment of license fee (Clause 3.1 and 3.3) and non-submission of documents (as prescribed in clause 15.1, 15.3, 15.4, 17.1 & 17.2).

7. In view of the above, you are hereby warned to rectify defaults within a period of 7 days from the date of receipt of this letter, failing which this Ministry would be constrained to take action as per clause 3.8 as well as clause 25 of the license Agreement. This letter should be treated as due notice for penal action for violation of any terms and conditions of the GOPA in existing as well as for future defaults. Please also note that 18% compound interest is liable to be charged for delayed payment of License fee as informed vide Circulars No.803/22/2008-FM dated 23.12.2008 and 15.04.2009 of this Ministry.

Yours faithfully,

(S.P. Veer)

Under Secretary to the Govt. of India

Tele: 23384754