

GRANT OF PERMISSION AGREEMENT

BETWEEN

MINISTRY OF INFORMATION & BROADCASTING

GOVT. OF INDIA

AND

FOR

**OPERATING FM RADIO BROADCASTING SERVICE
(PHASE II)**

AT

GRANT OF PERMISSION AGREEMENT

This Agreement is made on this _____ day of _____, 2006 between the **President of India** acting through _____, Ministry of Information and Broadcasting, Government of India, Shastri Bhawan, New Delhi (hereinafter called the **Grantor**) of the One Part and M/s _____, a company registered under the Companies Act, 1956 and having its registered office at _____ (hereinafter called the **Permission Holder** which expression shall unless repugnant to the context include, its successors in business, administrators, liquidators and assigns or legal representatives) of the Other Part.

WHEREAS pursuant to the fulfillment of the obligations by the **Permission Holder**, as per the Letter of Intent issued on, **the Grantor** has agreed to grant permission to the Permission Holder, on the terms and conditions appearing hereinafter to establish, maintain and operate FM radio broadcasting channel at _____ ("**Channel**") falling in category and the Permission Holder has agreed to accept the same.

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. Unless otherwise mentioned in the subject or context appearing hereinafter, in this Agreement, words and expressions shall, unless the context otherwise requires, have the same meaning as is respectively assigned to them herein under:
 - 1.1 "**Applicable Systems**" shall mean all the necessary equipments/systems engineered to provide Broadcast Services as per operational/technical and quality requirements and other terms and conditions of the Grant of Permission Agreement.
 - 1.2 "**Broadcast Channel**" shall mean the isolated program path of the Permission Holder including VHF FM Band (87-108 MHz) Broadcast frequency, as assigned by the Wireless Operational Licence distributed geographically to minimize channel interference.
 - 1.3 "**Broadcast Equipment**" shall mean any equipment used for production, storage and transmission of programmes, by the Permission Holder.
 - 1.4 "**Broadcast Service**" shall mean the audio broadcast by FM radio channels including entertainment, education and information dissemination on the main carrier excluding news and current affairs. .
 - 1.5 "**Channel Identity**" shall mean the brand name of the FM channel as approved by the Grantor.
 - 1.6 "**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.
 - 1.7 "**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.

- 1.8 “**Effective Radiated Power (ERP)**” is the product of the transmitter output power and Antenna Gain relative to half wave dipole.
- 1.9 “**Frequency Assignment**” 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 Department of Telecommunication, Ministry of Communications &IT, Government of India.
- 1.10 “**Permission**” shall mean the permission for setting up the FM Radio Channel , as granted by the Grantor to the Permission Holder in pursuance of this agreement.
- 1.11 “**Grant of Permission Agreement**” or “**The Agreement**” shall mean this Agreement with all amendments/modifications thereto.
- 1.12 “**Outsourcing**” will mean any agreement or arrangement by the Permission Holder, by which production work in respect of programme content and/or advertisements related to that programme are allocated to any other company or agency or any other entity.
- 1.13 “**Programme Content**” shall mean the broadcast presentations made in the FM Channel of the Permission Holder.
- 1.14 “**Public Interest Announcement**” shall mean any announcement in public interest or for public safety as provided by the Central Government or the concerned State Government.
- 1.15 “**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.
- 1.16 All words and expressions not defined here and defined in the Tender Document shall mean accordingly.
2. In consideration of the observance of the covenants as well as payment of the One Time Entry Fee and the Annual Fee as payable in terms of this Agreement and subject to due performance of and compliance with all terms and conditions of this agreement hereto on the part of the Permission Holder, the Grantor hereby grants on non-exclusive basis for a period of Ten (10) years, the permission to establish, maintain and operate the FM Radio Broadcasting Channel for the City of _____ with effect from the date as defined in clause 4..2 hereof.
3. **One Time Entry Fee, Annual Fee and Schedule of Payments**
- 3.1 The Permission Holder shall pay an Annual Fee to the Grantor every year, charged @ 4% of Gross Revenue of its FM radio channel or Rs. _____ i.e. 10% of the Reserve OTEF for the city, whichever is higher. Annual Fee shall be paid on a quarterly basis in four equal installments. For this purpose, four quarters shall be tri-monthly periods ending 30th June, 30th September, 31st December and 31st March respectively.

- 3.2 Gross Revenue for this purpose would 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 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.
- 3.3 The first year from the date of signing this Agreement shall be reckoned as the commissioning period. The first year's fee shall become payable with effect from the date of operationalisation of the Channel or expiry of one year from the date of signing this Agreement, whichever is earlier. Provided that in the event of default in operationalisation of channel being attributable to delay beyond reasonable period by BECIL/Prasar Bharati/Wireless Planning & Coordination Wing, Ministry of Communications & IT, the time limit for operationalisation may, at the request of the Permission Holder, be extended by such period of delay as fixed by the Secretary, Ministry of Information & Broadcasting, whose decision shall be final and binding on both the parties. *In that event, the first year's fee shall become payable with effect from the last date so prescribed for operationalisation of the channel.* The Permission Holder shall be required to initially pay within 15 days of the end of the commissioning period the first advance quarterly installment on the basis of the Reserve OTEF formula and thereafter within 15 days of each subsequent quarter 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 reserve OTEF or the gross revenue of the last year, for which gross revenue has been determined, whichever is higher.
- 3.4 Once the final fee for the financial year is determined on the basis of Gross Revenue share formula, and is found to be higher than 10% of the Reserve OTEF for the city, 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.
- 3.5 From the second year onwards, the Permission Holder shall pay advance Annual Fee @4% of gross revenue of the previous year or the last year for which the gross revenue has been determined or 10% of reserve OTEF, whichever is higher, within the first fortnight of each quarter, and balance due of final annual fee by 30th September each year.
- 3.6 The Permission Holder shall have, prior to execution hereof, furnished a **Performance Bank Guarantee (in the format titled PBG-II)** in favour of the Grantor, for Rs. ____, i.e., for an amount equivalent to 10% of the Reserve OTEF for the city, and shall maintain its validity throughout the currency of the Permission. Any default in payment of determined annual fee shall be recoverable from the bank guarantee and if the amounts due are more, the Permission holder shall be asked to furnish additional bank guarantees to cover the balance, within 15 days of being called upon to do so.

- 3.7 In the event of Permission Holder's failure/ inability to operationalise the Channel as required within the prescribed time period, the Grantor 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 by the Grantor, 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 Grantor, for the succeeding year's Annual Fee.
- 3.8 The Permission Holder shall be liable to pay the Annual Fees to the Grantor within the prescribed time period, failing which the Grantor reserves the right to invoke the Bank Guarantee furnished by the Permission Holder without any prior notice. Such right of the Grantor shall be without prejudice to any other action that may be taken by the Grantor under the terms and conditions of the Permission.

4. Term of Permission

- 4.1 The Permission shall be valid for a period of ten (10) 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 ten 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.
- 4.2 The effective date of the Permission Period shall be reckoned from the date of operationalisation of the Channel or one year from the date hereof, whichever is earlier, unless the time limit for operationalisation has been extended by the Secretary, Ministry of Information & Broadcasting Article 3.3 hereinabove, *in which case the effective date of the Permission Period shall be the last date so fixed.*

5. Requirement to Provide the FM Broadcasting

- 5.1 The Permission Holder shall be liable to operationalise the channel, after installation of the Common Transmission Infrastructure through M/s Broadcast Engineers Consultants India Limited (BECIL), and other broadcast facilities including studio, transmitter, program link etc., obtaining of Wireless Operational License and commissioning of the Applicable Systems, within a period of one year from the date of execution hereof.
- 5.2 The Permission Holder shall be solely responsible for the installation and operation of necessary equipment and systems as well as attending to claims and damages arising out of his operation. The Permission Holder shall own the transmitter including program links.
- 5.3 The Permission Holder having permission to establish & operate a FM radio channel in a city, where new tower is to be erected through BECIL, can operationalise its channel on individual basis for a period of two years or till the co-location facility is commissioned, whichever is later, at the end of which it shall shift its operations to the new facility.

6. Application of the Indian Telegraph Act and other Laws

- 6.1. The Permission shall be governed by 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.

7. Prohibition of Certain Activities

- 7.1. The Permission is non-transferable. The Permission Holder shall not be competent to grant a sub-Permission directly or indirectly.
- 7.2. No Permission Holder shall hire or lease more than 50% of broadcast equipment on long term basis (Long Term means any period exceeding eleven months by the end of the period the permission holder becomes the owner of the assets and shall include repeated renewals/extensions of lease from the same party or its associates).
- 7.3. The Permission Holder shall not outsource, through any long-term production or procurement arrangement, more than 50% of its total content, of which not more than 25% of its total content shall be outsourced from a single content-provider ('Long term' means any period exceeding continuous 11 months, including repeated renewals). The quantum of outsourced content would be calculated on quarterly basis.

Note: "Total Content" for the purpose of outsourcing shall not include advertisements unless package of outsourced programme is inclusive of advertisements as in the case of sponsored programmes. The advertisement time sold directly through normal agency business shall not be included in outsourcing.]

- 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.
- 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.
- 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 .
- 7.7. Except as specifically provided in this agreement, 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.

8. Cross Media Ownership

- 8.1 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 such guidelines as may be prescribed in the said policy, 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, that in case the Permission Holder is not in a position to comply with cross media restrictions for bonafide reasons to the satisfaction of the Grantor, the Permission Holder would be given an option of furnishing one month's exit notice and the entry fee for the remaining period, to be calculated on pro rata basis, shall be refunded to the Permission Holder.

9. National Security and Other Conditions

- 9.1 The Grantor 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 and the Permission holder shall be obliged to immediately comply with the directives of the Grantor.
- 9.2 The Grantor reserves the right to modify at any time the terms and conditions of the Permission, if in its opinion it is necessary or expedient to do so in the interest of national security or public interest. The decision of the Grantor shall be final in this regard.
- 9.3 All foreign personnel likely to be deployed by way of appointment, contract, consultancy, etc. by the Permission Holder for installation, maintenance and operation of the its services shall be required to obtain security clearance from the Government of India prior to their deployment.

10. No Change in Shareholding

- 10.1 The permission holder, whether with or without foreign investment, shall not be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any other or new shareholders without the written permission of the Grantor, which shall not be granted unless the Grantor is satisfied that the new shareholders conform to all the prescribed eligibility criteria. Such Permission shall not be granted for a period of five years from the date of operationalisation of the permission,
- 10.2** If during the currency of the permission period, government policy on FDI/FII is modified, the permission holder shall be obliged to conform to the revised policy 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.

11. Programme Content and Quality of Broadcast

- 11.1. 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.

- 11.2. The Permission Holder shall follow the same Programme and Advertisement codes as followed by All India Radio as amended from time to time or any other applicable code, which may come into force.
- 11.3. The Permission Holder shall ensure that at least fifty percent (50%) of the programmes broadcast by it are produced in India.
- 11.4. The Permission Holder shall be exclusively liable for the content broadcasted and shall indemnify and keep the Grantor indemnified for any damage, loss or claim occasioned by the broadcast of any content by the Permission Holder.
- 11.5. The Permission Holder shall be generally guided by the objective of generating local and variegated or heterogeneous content and make available quality programmes with a localized flavour in terms of content and relevance.

12. Technical Parameters

- 12.1. The Permission Holder shall comply with the following technical parameters and standards both for transmission and audio quality of the service.
- 12.2. The transmission equipment including antenna are to conform to the following technical parameters:

Category	Basis (one or more of the following)	Effective Radiated Power (ERP) (kW)		Antenna Height (Metres)	
		Min	Max	Min.	Max.
A ⁺	Metro cities Delhi Mumbai, Kolkata, Chennai	25	50	75 75	200 175
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 lakh and up to 3 lakhs	1	3	20	40

Antenna Polarization – Circular

Stereophonic Transmission System – Pilot-tone

Pre-emphasis – 50 microseconds

Maximum Deviation - +/- 75 KHz

[**Note:** In cases where it may not be possible to remain within the prescribed limits of EHAAT due to topographical constraints or non-availability of a suitable Prasar Bharati tower meeting the prescribed values of EHAAT, 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.]

- 12.3. The Permission Holder shall comply with the audio and transmission standards for FM sound broadcasting at each city conforming to the ITU-R (International Telecommunication Union) Recommendations viz: 450-1, 467, 646 and 644-1.
- 12.4. 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.

13. Monitoring and Public Complaints

- 13.1. The Permission Holder at its own cost shall provide an automatic logger for storage of the programmes broadcast for at least three months, whose access shall remain under the control of BECIL or its representative. In addition, the Permission Holder shall pay his share of monitoring charges, arrived at by equally apportioning Rs. 25,000 per month amongst all the permission holders for the city. This amount shall be paid to M/s BECIL in advance on quarterly basis, within one week of the beginning of each quarter.
- 13.2. The Permission Holder at its own cost shall preserve the recordings of broadcast material for a period of three months from the date of broadcast and produce the same to the Grantor or its authorized representative, as and when required, with reasonable expedition.
- 13.3. The Permission Holder shall submit all such information as may be required by the Grantor to dispose of complaints by public with respect to its broadcast.
- 13.4. The Permission Holder shall furnish any such information at periodic intervals as may be required by the Grantor concerning Programme Content and quality, Technical Parameters etc. relating to the broadcast in the format as may be prescribed by the Grantor from time to time.

14. Inspection

- 14.1. The Grantor or its authorized representative shall have the right to inspect the broadcasting facilities. The Grantor shall, in particular but not limited to, have the right to access to broadcast infrastructure namely studios, link equipment and system and transmitter complexes. No prior permission/ intimation shall be required to exercise the right of Grantor to carry out the inspection. The Permission Holder shall, if required by the Grantor or its authorized representative, provide necessary facilities for continuous monitoring for any particular aspect of the Permission Holder's activities and operations.

- 14.2. The Grantor will ordinarily carry out the inspection after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

15. Furnishing Information to the Grantor

- 15.1 The Permission Holder shall furnish the operationalisation report duly authenticated by BECIL in the format given at **Annexure-I** to this agreement within a period of one month from the date of operationalisation.
- 15.2 The Permission Holder shall furnish to the Grantor, such documents, reports, accounts, estimates, returns or such other information and at such periodic intervals or at such times as the Grantor may require, in addition to an annual report of the Permission Holder that includes audited accounts, Profit & Loss Account, balance sheet, shareholding, Board of Directors and key executives of the company and the quarterly report to be furnished by the Permission Holder in the format given in **Annexure-II** to this Agreement for quarters ending 31st March, 30th June, 30th September and 31st December.
- 15.3 At the end of each financial year, the Permission Holder shall provide the statement of gross revenue forming part of the final accounts for the channel as per the format at **Annexure - III**, duly certified by the Statutory Auditors. It may be noted that the income heads specified at **Annexure - III** 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 Permission Holder shall disclose the following information at the end of each financial year, duly certified by the Statutory Auditor:
1. Total trade and other discounts.
 2. Total agency commission.
 3. Total Related Party Transactions.
- 15.4 The Permission Holder shall annually submit a certificate of the Statutory Auditors for compliance of Clauses 7.2 to 7.4 above along with the audited accounts as per format at **Annexure - IV**.

16. Disputes with Other Parties

- 16.1 In the event of any dispute between the Permission Holder and any party other than the Grantor (including in relation to the Permission and/or Broadcasting services, etc) due to any reason whatsoever, it shall be the sole liability of the Permission Holder to resolve such dispute amicably or otherwise with the other party and the Grantor shall have no liability whatsoever in this regard. Further, the Permission Holder hereby undertakes to indemnify and keep the Grantor harmless in respect of any action, claim, suit, proceeding, damage or notice to/against the Grantor for any act of omission or commission on the part of the Permission Holder, 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 by the Permission Holder as provided in this Permission Agreement, the Grantor shall have the right to take any action against the Permission Holder as provided herein.

17. Preparation Of Accounts

17.1 The Permission Holder shall 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.

In this context, the "Auditor" shall refer to the Permission Holder's auditor for the time being appointed in accordance with the requirements of the Companies Act, 1956.

17.2 The Permission Holder shall maintain separate financial accounts for each Channel, which shall be audited by the Auditor.

17.3 So as to verify that the Gross Revenue is correctly disclosed to it, the Grantor shall have the right to get the accounts of the channel audited by CAG or any other professional auditors at their discretion. In case of difference between the financial results determined by the Auditor and the government appointed auditors, the views of the government appointed auditors, subject to opportunity of hearing to the Permission Holder, shall prevail to the extent of determining Gross Revenues of the channel and the expenses of such audit shall be borne by the Permission Holder.

18. Confidentiality

18.1. Subject to applicable laws, the Permission Holder hereby agrees that for the term of this Agreement (except with the prior written consent of the other Party):

- (a) It shall not disclose details of this Agreement to any third party other than its employees, agents and/or advisers (only to the extent necessary in the usual course of business and/or as required by Applicable Law);
- (b) It shall maintain confidentiality of all information exchanged between the Parties, including pricing information and other proprietary knowledge, and not to use such for the benefit of any third party.

19. Adherence to Eligibility Conditions

19.1. The Permission Holder shall continue to meet and satisfy the Eligibility Conditions as prescribed in the Tender Document during the whole term of this Agreement.

20. Prohibition on Networking

20.1. The Permission Holder shall not carry out networking of its Channels with any other channel.

20.2. Networking may be done by a Permission Holder in a C & D category city with its channel in another C or D category city within the same region.

21. Location of Studio:

- 21.1 Subject to provisions of Clause 20.2, the Permission Holder shall locate the studio within the city and there shall be an exclusive studio for the FM channel. However, the studio can be located outside Municipal/Corporation/City Development Authority area in case of Permissions for A+ and A Category cities. In case of Delhi, it would also include the National Capital Region. In case of other Metros and A category cities, it would include Metropolitan area as notified by the respective State Governments for the particular city.

22. Waiver:

- 22.1 Waiver by the Grantor on default by the Permission Holder in the observance and performance of any provision of or obligations under this Agreement:
- (a) shall not be deemed by mere inaction or delay in action on the part of the Grantor and shall not be effective unless it is in writing and executed by a competent officer of the Grantor;
 - (b) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement; and
 - (c) shall not affect the validity or enforceability of this Agreement in any manner.

23. Miscellaneous

- 23.1 The Permission holder shall not use brand names or owners' names or corporate-group names to identify its Channel to gain commercial advantage over other Permission holders. The Permission Holder shall not use any existing names of companies, product or service, brand names as FM Station/ Channel identity.
- 23.2 The Tender Document, Letter of Intent and the orders/guidelines issued or to be issued from time to time by the **Grantor** or any Regulatory Authority for Broadcasting Services, and the Wireless Operational Licence to be issued by the Wireless Planning & Coordination Wing in the Department of Telecommunications, Ministry of Communication &IT, Government of India under Section 4 of the Indian Telegraphs Act, 1885 as amended from time to time, shall form part and parcel of this Agreement.
- 23.3 Notwithstanding anything contained anywhere in this Agreement, the grant of Permission shall be subject to the condition that as and when any regulatory authority to regulate and monitor the Broadcast Services in the country is constituted, the Permission Holder shall also adhere to the norms, rules and regulations laid down by such authority or any Applicable Law to regulate and monitor the Broadcast Service in India. The Permission Holder shall also obtain and keep effective all environmental clearances, if any, and shall comply with requirements of the Electricity Act, Factories Act and other applicable Acts.
- 23.4 The Permission is for free to air broadcasts of audio on main carrier and data on sub carrier both excluding news and current affairs. However, in the event of the Permission Holder obtaining a license from the Department of

Telecommunications for data broadcast, the Permission Holder shall seek, giving full details of the services proposed to be offered, prior permission of the Grantor, which may be granted subject to such conditions as in the opinion of the Grantor would not prejudice the broadcast service.

- 23.5 The Permission Holder shall take prior permission of the Grantor, before effecting any change in the Board of Directors.
- 23.6 The Permission Holder shall intimate the Grantor, the changes in Foreign Direct Investment in its company, within 15 days of such change, while ensuring its continued compliance with the eligibility conditions. Besides, the Permission Holder shall intimate the quantum of FDI/FII investments in the equity of Promoters and Majority shareholding companies of the Permission Holder company, as on 31st March every year, so as to arrive at the total foreign holding on pro-rata basis.

24. Force Majeure

- 24.1 If at any time, during the continuance of this 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, 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 a notice of such happenings of any such Force Majeure Event is given by the affected party to the un-affected party 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 Grantor as to whether the services may be so resumed or not, shall be final and conclusive.
- 24.2 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 to discuss the future course of action.
- 24.3 The Grantor shall not be obliged to grant any rebate in the Annual Fee payable, on account of any Force Majeure Event referred to above, if the Grantor has decided to continue the broadcast and communicated the same in writing to the Permission Holder. Provided, however, the Grantor may in its sole discretion allow rebate in an appropriate case where the broadcast cannot be resumed, even after two months due to continuance of the Force Majeure Event.

25. Suspension, Revocation or Termination of permission for default:

25.1 For non-operationalisation of the awarded channel and discontinuance of broadcast

- 25.1.1. The Permission Holder shall operationalise the Channel within 18 months of the date of signing of this Agreement, excluding any extension under clause 3.3 above, failure to do so, 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 to a fresh Successful Bidder.
- 25.1.2. The Grantor may also revoke the Permission if transmission from the Channel is discontinued for more than six months for whatever reason.

25.2 For misuse of the channel and non-compliance with directives

- 25.2.1 In the event of a Permission Holder letting its facilities being used for transmitting any objectionable, unauthorized content, messages or communication inconsistent with public interest or national security or failing to comply with the directions as per clause 9.1 above, the permission granted shall be revoked and the Permission Holder shall be disqualified to hold any such Permission in future, apart from liability for punishment under other applicable laws.

25.3 For violation of eligibility conditions or terms and conditions of the Permission

- 25.3.1 Without prejudice to clause 23.2.1, in the event of the Permission Holder violating any of the terms and conditions of Permission or any other provisions of the FM Radio policy, the Grantor shall have the right to impose the following sanctions:
- (a) For first violation, suspension of the Permission and prohibition of broadcast up to a period of 30 days.
 - (b) For second violation, suspension of the Permission and prohibition of broadcast up to a period of 90 days.
 - (c) For third violation, revocation of the Permission and prohibition of broadcast up to the remaining period of the Permission.
- 25.3.2. Failure/omission of the Permission Holder to comply with the sanctions imposed within the prescribed time, shall result in the 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.
- 25.3.3. In the event of suspension of Permission as mentioned in Clause 9.1 or Clause 23.3.1 above, the Permission Holder will continue to discharge its obligations under this Agreement including the payment of annual fee.
- 25.3.4. In the event of failure of the Permission Holder to rectify the violation of the eligibility conditions within a reasonable period, the permission to the Permission

Holder shall be revoked and the Permission holder will lose the One Time Non-Refundable Entry Fee.

- 25.3.5. In the event of revocation of Permission, the Permission holder will lose the One Time Non-Refundable Entry Fee. The Grantor 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 sanction referred above.
- 25.3.6. Any sanction or revocation mentioned above shall be imposed only after giving a written notice to the Permission holder identifying the violation, providing opportunity to rectify it, if its nature so permits or otherwise show cause, within a period of 15 days and non-satisfaction from such rectification and/or cause so shown shall render the Permission Holder liable for the proposed action.

25.4 Termination for convenience

- 25.4.1 The Permission Holder may surrender the Permission and terminate this Agreement, by giving an advance notice of one month to the Grantor as well as to all concerned/affected parties including the listeners of the service to this effect. The Permission Holder shall however, continue to observe all obligations, terms and conditions herein 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.
- 25.4.2 In case of surrender of Permission, the Grantor 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 Grantor, and of all assets as are essential and necessary for continuity of the service on payment of such compensation as may be mutually agreed.

26. Dispute Resolution and Jurisdiction

- 26.1 In the event of any question, dispute or differences arising under this Agreement or in connection thereof, except as to the matter, the decision of which is specifically provided hereunder, shall, subject to the Telecom Regulatory authority of India Act, 1997, be referred to sole arbitration by the Secretary, Department of Legal Affairs, Government of India or his nominee ("**Arbitrator**").
- 26.2 There shall be no objection to any such appointment that the Arbitrator is a Government servant. The award of the Arbitrator shall be final and binding on the parties. In the event of the Arbitrator, to whom the matter is originally referred to, being transferred or vacating his office, or being unable to act for any reason whatsoever, the Secretary, Department of Legal Affairs, Government of India shall appoint another person to act as the Arbitrator.
- 26.3 The Arbitration and Conciliation Act, 1996, the rules made there under and any modification thereof, for the time being in force, shall be deemed to apply to the arbitration proceedings as aforesaid. The venue of arbitration shall be New Delhi or such other place as the Arbitrator may decide. The arbitration proceedings shall be conducted in English language.

26.4 Upon any and every reference as aforesaid, the assessment of costs, interest and incidental expenses in the proceedings for the award shall be at the discretion of the Arbitrator.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, the day, month and year as hereinabove mentioned.

Signed Executed and Delivered on behalf
of President of India
by _____

Signed Executed & Delivered on behalf
of _____
holder of General Power of Attorney
dated _____ executed in accordance
with Board Resolution dated _____
by _____.

**PROFORMA FOR THE OPERATIONALISATION REPORT
TO BE SUBMITTED BY THE PERMISSION HOLDER**

1. Name of the City :
2. Name and address of the Permission Holder :
3. Details on the status of the Permission Holder's FM Radio Broadcast facility:

Activity	Date (dd/mm/yy)
(i) Date of receipt of Letter of Intent from the Grantor	
(ii) Date of application filed with WPC for frequency allocation.	
(iii) Date of Application filed with WPC for SACFA clearance	
(iv) Date of receipt of frequency allocation	
(v) Date of receipt of SACFA clearance	
(vi) Date of signing agreement with Prasar Bharati.	
(vii) Date of signing agreement with BECIL	
(viii) Date of signing GOPA	
(ix) Date of issue of permission	
(x) Date of completion of FM Radio Channel installation	
(xi) Date of issue of Wireless Operational License by the WPC	
(xii) Date of commissioning of broadcast by the Permission Holder	

4. **Give the following particulars about the site of studio**
 - (a) Area
 - (b) Coordinates
 - (c) Postal Address
 - (d) Whether free hold or lease
 - (e) In case of lease, give the period to lease
 - (f) Whether the site is within Municipal/Corporation/City Development Authority Limits?
5. **Give the following details about the transmission equipment installed.**
 - (a) Effective Radiated Power (ERP) of the transmitter:
 - (b) Effective Height of the Antenna above Average Terrain (EHAAT):
 - (c) Antenna Polarization

- (d) Gain of the antenna.
- (e) Type of Stereophonic Transmission System
- (f) Pre-emphasis to be employed.
- (g) Max deviation

6. Give the following details about the Studio Setup.

- (a) Number and types of studios/booths.
 - (b) Brief Particulars of Mixing and Switching Systems.
 - (c) Brief Particulars about Recording/Playback equipment.
 - (d) Details of ST Link if used
7. Has the field strength/reception survey been carried out? Enclose a copy of the report.
8. Give the following details about the power supply connection obtained.
- (a) Load
 - (b) Supply Voltage
 - (c) Whether 3 phase or single phase
9. Have the recommendations for Fire Fighting arrangements been obtained and adequate Fire Fighting equipment installed?
10. Are regulations concerning tower lighting being followed and necessary facilities for the same provided?
11. Whether necessary infra-structure for continuous recording and monitoring of broadcast material made by the Permission Holder as required by the Government to enable it to dispose off complaints by the public with respect to the broadcasts made by the Permission Holder?
12. Is the Permission Holder complying with the audio and transmission standards for FM sound broadcasting as stipulated in license conditions?

Name, Designation & Signatures
of the Authorized Signatory of the
Permission Holder.
Dated:.....

Authenticated by:

Name, Designation & Signatures
Of the Authorized Signatory of BECIL.
DatedL:.....

**PROFORMA FOR THE QUARTERLY REPORT TO THE SUBMITTED BY
THE PERMISSION HOLDER**

(Report for the quarter ending)

PART – A (PROGRAMME CONTENT)

1. Name of the City.
2. Name and address of Permission Holder.
3. Hours and timings of broadcast.
4. Give the following details about the programmes that are to be/being broadcast.
 - (a) Percentage of canned programme
 - (b) Percentage of locally produced programme
 - (c) In the case of locally produced programmes, indicate the types such as cultural, sports, etc.
 - (d) Percentage of programmes made in India.
 - (e) Percentage of programmes made outside India.
 - (f) Public interest announcements broadcast, if any. Indicate their duration.
5. Is the Permission Holder carrying out any Data broadcasts? If so give its details.
6. Is the Permission Holder adhering to the conditions specified in the Grant of Permission Agreement in respect of programme content and quality of broadcast?
7. Indicate the percentage of time devoted to advertisements.

PART – B (PUBLIC COMPLAINTS)

1. Has the Permission Holder provided necessary infrastructure for continuous monitoring recording & preserving of all the broadcasts made by it?
2. Is the Permission Holder preserving the recordings of broadcast material for a period of 3 months from the date of broadcast as per the terms and conditions of permission?
3. Give the following details about the number and nature of complaints received during the period. (Specify the period).
 - (a) Number of Complaints.

- (b) Nature of Complaints.
 - (c) Number of Complaints disposed.
 - (d) Number of Complaints pending.
4. Has there been any occasion where the Grantor has to come in the picture (during the period specified in 3) in disposing off the complaints? If so give the details.

PART - C (DETAILS OF EQUITY)

Amount (Rs. in lakhs) % age

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

	Classification of equity holding		Amount (Rs. In Lakhs)	As % of Paid Up Capital (B)
(C)				

(i)	Total equity held by Indian Promoters / Majority Shareholders			
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(ii)	Pro rata share of FDI in the promoters/ majority shareholding companies.			
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(iii)	Indian Financial Institutions and Banks.			
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(iv)	Other Indian Shareholders.			
(v)	Percentage of Majority Shareholders' equity to Total Paid Up Equity net of Banks and Financial Institutions Equity			
(vi)	Direct FDI holding (including OCB, PIO, NRI, etc.)Total Indian equity holding			
(vii)	Indirect FDI/FII (Pro rata share of FDI in Indian Promoters and or majority shareholders)			
(viii)	Foreign Institutional Investors/ Portfolio Investments.			
(ix)	Total Foreign Equity Holding [(viii) + (ix) + (x)]Annual Turnover (Data shall be attached - Tick for years attached).			

Name, Designation & Signatures
of the Authorized Signatory of the
Permission Holder.
Dated:.....

ANNEXURE - III

**Statement of Gross Revenue forming part of the Final Accounts of
M/s _____**

-

Sl. No.	INCOME HEADS	Tariff rate/ Rate card	Discounts		Agency commission	Taxes	Net as per P& L account
			Trade	Others			
			(Amount Rupees in lacs)				
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, cd 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							
10.6							

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.

[Auditors]

Certificate of the Auditors of the FM Permission Holder

We have audited the Books of Accounts of ----- for the financial year ended March 31, 200- and certify that the

- (1) M/s, permission holder for operating FM radio services maintains separate financial accounts for each channel.
- (2) All the transactions of providing or receiving goods and services from other companies owned or controlled by the owners of the permission holder, are valued at normal commercial rates and included in the books of accounts to arrive at the Gross Revenue.
- (3) Permission holder have not outsourced through any long-term production or procurement, arrangements, more than fifty percent of its total content of which not more than twenty five percent of its total content was outsourced to a single content provider.
- (4) Permission holder have not hired or leased more than fifty percent of the broadcast equipment on long term basis
- (5) Permission holder have not entered into any borrowings or lending or other commercial arrangements with other permission holders or entities other than recognized Financial Institutions restricting its management or creative discretion to procure or broadcast content or exercise marketing rights.

[Auditors]