

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

Information Memorandum

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MINISTRY OF INFORMATION & BROADCASTING

GOVERNMENT OF INDIA

SHASTRI BHAWAN

NEW DELHI

Important Notice

This Information Memorandum has been prepared on behalf of the President of India by the Ministry of Information and Broadcasting, Government of India in connection with the proposed allocation of channels of Private FM Radio through e-auction.

The Memorandum is for information purpose only and has no binding force. It is made available on the express understanding that it will only be used by the Recipient for the sole purpose of assisting the Recipient in deciding whether it wishes to proceed with a further investigation of possible participation in the Auction. The Memorandum is not intended to form any part of the basis of any investment decision or other evaluation or any decision to participate in the Auctions and should not be considered as a recommendation by the Government or its advisers to any Recipient of the Memorandum to participate in the Auctions.

Each Recipient must make its own independent assessment of the potential value of an allocation of the FM Radio channel after making such investigation as it may deem necessary in order to determine whether to participate in the Auction. All information contained in this Memorandum is subject to updating, modification and amendment.

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This Memorandum outlines the Government's expectations in relation to the proposed auction. The Government reserves the right, in its absolute discretion, at any stage, to withdraw its proposal to conduct the auctions or any part thereof or to terminate further participation in the proposed auctions by any entity, to change the structure and timing of the proposed auction, to refuse entry to any entity into the auctions or to vary any other terms of channel allocation at any time without giving any reason whatsoever.

TABLE OF CONTENTS

1	SUMMARY	1
1.1	<i>Introduction</i>	1
1.2	<i>Objectives of the Auctions</i>	2
1.3	<i>Associated Licensees</i>	2
1.4	<i>Policy background</i>	2
1.5	<i>Pre-qualification process</i>	3
1.6	<i>Mock Auctions</i>	3
1.7	<i>About the Auctions</i>	4
2	ELIGIBILITY AND CONDITIONS	4
2.1	<i>Eligibility criteria to participate in the Auctions</i>	4
2.2	<i>Disqualification Clauses</i>	4
2.3	<i>Financial Competence</i>	6
2.4	<i>Managerial Competence</i>	7
3	PERIOD OF PERMISSION	9
4	PROCESS OF GRANTING PERMISSION	9
4.1	<i>NOTEF</i>	9
4.2	<i>Four Stages</i>	10
4.3	<i>City –Wise & Channel Wise Auctions</i>	10
4.4	<i>Earnest Money Deposit</i>	10
4.5	<i>Application Processing Fee</i>	11
4.6	<i>Reserve Price</i>	11
4.7	<i>Payment Methodology</i>	11
4.8	<i>Blacklisting and Forfeiture</i>	11
4.9	<i>Letter of Intent</i>	11
4.10	<i>SACFA Clearance and Frequency Allocation</i>	12
4.11	<i>Forfeiture of Bid Amount</i>	12
4.12	<i>Grant of Permission Agreement (GOPA)</i>	12
5	REQUIREMENT TO ADHERE TO TIME SCHEDULE	12
5.1	<i>Time Schedule for signing of GOPA</i>	12
5.2	<i>Time Schedule for operationalisation</i>	13
5.3	<i>Time Schedule in Totality</i>	13
6	ANNUAL FEE	14
7	RESTRICTIONS ON MULTIPLE PERMISSIONS IN A CITY AND OTHER CONDITIONS	16
8	TOTAL NUMBER OF FREQUENCIES THAT AN ENTITY MAY HOLD	17
9	FOREIGN INVESTMENT AND OTHER CONDITIONS PERTAINING TO CHANGES IN SHAREHOLDING	17
10	CROSS MEDIA OWNERSHIP	19
11	NEWS AND CURRENT AFFAIRS	19

12. PROGRAMME CONTENT	20
13. PROHIBITION OF CERTAIN ACTIVITIES.....	20
14. PENALTY FOR NON OPERATIONALISATION OF AWARDED LICENSES	21
15. NETWORKING	21
16. TECHNICAL PARAMETERS AND STANDARDS	22
17. NUMBER OF FREQUENCIES	24
18. CO-LOCATION	24
19. MANDATORY SHARING OF CERTAIN BROADCAST SIGNALS WITH PRASAR BHARATI	25
20. MONITORING AND REQUIREMENT TO FURNISH INFORMATION.....	25
21. INSPECTION	26
22. NATIONAL SECURITY AND OTHER CONDITIONS	26
23. WPC WINGS'S LICENSE.....	27
24. PENALTIES.....	27
25. FORCE MAJEURE DURING THE PERMISSION PERIOD.....	29
26. SURRENDER OF PERMISSION	29
27. DISPUTES WITH OTHER PARTIES	30
28. DISPUTE RESOLUTION AND JURISDICTION	30
29. PROVISIONS RELATING TO DATA BROADCASTING SERVICES IN FM SUB-CARRIERS.....	30
30. MISCELLANEOUS.....	31
31. MIGRATION TO PHASE-III.....	32
32. AUCTION DETAILS	36
32.1 GENERAL CONDITIONS.....	36
32.1.1 CONFIDENTIALITY	36
32.1.2 DIRECTORS, EMPLOYEES AND ADVISERS.....	37
32.1.3 ANTI-COMPETITIVE ACTIVITY.....	37
32.2 APPLICATION REQUIREMENTS.....	37
32.2.1 APPLICATION FORMAT AND PROCEDURES FOR SUBMISSION.....	37
32.2.2 PRE-QUALIFICATION TESTS.....	38
32.2.4 APPLICATION PROCESSING FEE.....	40
32.3 ANNOUNCEMENT OF PRE-QUALIFIED BIDDERS	40
32.4 BID VALIDITY.....	40
33. AUCTION RULES	40
33.1 CONDUCT OF THE AUCTION	40
33.2 OVERVIEW OF THE AUCTION STAGES.....	41
33.3 FM CHANNEL HOLDING CAPPING RULE	42

33.4. <i>Nationwide Overall Cap</i>	42
33.5 CITY WISE CAP.....	43
33.6 THE CLOCK STAGE	43
33.6.1 OVERVIEW	43
33.6.2 CONSEQUENCES FOR PROVISIONAL WINNING BIDDERS	45
33.6.3 BIDDING DURING CLOCK ROUNDS.....	47
33.6.4 ELIGIBILITY POINTS AND DEPOSITS	49
33.6.5 ACTIVITY RULE	49
33.6.6 RANKING OF BIDDERS AND PROVISIONAL WINNING BIDDERS	55
33.6.7 PRICES AND PRICE INCREMENTS	58
33.6.8 WINNING BIDDERS AND WINNING PRICES.....	59
33.6.9 LENGTH OF CLOCK ROUNDS AND EXTENSION PERIODS	60
33.6.10 INFORMATION POLICY	63
33.7 FREQUENCY ALLOCATION STAGE	65
33.8 COLLUSION AND OTHER PROHIBITED ACTIVITIES	66
ANNEXURE I	67
ANNEXURE -II	70
ANNEXURE -III	76
ANNEXURE - IV	77
ANNEXURE - V	78
ANNEXURE -VI	81
ANNEXURE -VII	82
ANNEXURE -VIII	85
ANNEXURE -IX	87
ANNEXURE -X	89
ANNEXURE -XI	90
ANNEXURE -A	97
ANNEXURE -B	99
ANNEXURE -C	103
ANNEXURE -D	107

1 SUMMARY

1.1 Introduction

This Information Memorandum (the “Memorandum”) provides information for those parties wishing to bid for FM channels to provide private FM Radio Broadcasting services in the country. It also provides information for the existing Private FM broadcasters wishing to migrate their FM services from Phase-II to the Phase-III regime. The Ministry of Information & Broadcasting, Govt. of India notified a new policy of expansion of FM Radio Broadcasting through private agencies (Phase III) on 25.07.2011 and an Addendum on Migration from Phase II to Phase III issued on 21.01.2015 (hereafter called ‘Policy’), 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, improving the quality of fidelity in reception and generation, encouraging local talent and generating employment.

The applicants should carefully examine this Memorandum before participating in the auction process. It supplements and updates the guidelines that were issued by the Policy Guidelines on FM Phase III. Copies of these documents are available at Ministry’s website www.mib.nic.in.

In particular, the Memorandum:

- Summarizes the steps which recipients need to take in order to pre-qualify and take part in the forthcoming auctions of 135 FM Radio channels in 69 existing cities of Phase II in India.
- Summarizes the rules and timetable applicable to the auctions.

Recipients of the Memorandum (“Recipients”) intending to apply to pre-qualify for the auctions should note that the information contained in the Memorandum does not purport to be complete. The intention of the Memorandum is to bring to Recipients’ attention a number of key issues. Recipients will need to undertake their own detailed investigations of the issues raised in the Memorandum and any other relevant issues.

Ministry of Information & Broadcasting will separately issue a Notice Inviting Applications (NIA) for participation in the Auction(s) (the “Notice”). In the event of any difference between the procedures set out in the Memorandum and the provisions of the Notice (or any other applicable laws, regulations or other statutory provisions), the latter are definitive and take precedence.

The Government of India (the “Government”) is keen that potential new entrants to the

Indian Broadcasting sector, as well as existing operators, should be encouraged to take part in the auctions.

1.2 Objectives of the Auctions

The Government has set itself the following objectives for the Auctions:

- 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.

The Government reserves the right to cancel or postpone the auctions, in part or in full at any stage, without assigning any reasons, in order to safeguard the above objectives. The Government has the sole discretion to determine the relative priority of the objectives and whether the objectives are adequately safeguarded by the auctions.

1.3 Associated Licensees

As aforementioned, before operating the 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 Policy background

The Government of India has the exclusive authority to award licenses and to prescribe rules for conduct in respect of FM Radio Broadcast under the Indian Telegraph Act 1885 and the Indian Wireless Telegraph Act 1933 as amended time to time.

Ministry of Information & Broadcasting is the arm of the Government responsible for the discharge of the Government's functions in respect of Broadcasting.

Ministry of Information & Broadcasting has decided to award 135 FM Radio channels in 69 cities under Broadcasting Services through Private Agencies (Phase-III) during the first batch. List of these channels along with their cities is given in **Annexure-I**

1.5 Pre-qualification process

Prospective bidders will be required to submit an application (the “Application”) on or before the last date for submission of applications as notified in Notice as per the following requirements-

- A completed Application Form and all supporting information including the necessary undertakings and the Application Checklist, all documents duly signed and stamped by the Authorized signatory on each page. (**Annexure II & III**)
- 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.
- Complete Eligibility details possessed by the applicant as per FM Radio phase-III guidelines issued by government on 25.07.2011 and addendum issued on 21.01.2015.
- 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 format given in **Annexure- A**) 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 135 FM channels is specified in **Annexure-B (Table-1)**
- Nomination of an authorized person, who is empowered to take all decisions connected with the relevant auctions on the bidder’s behalf and correspond on behalf of the Applicant with the Government/Auctioneer (the “Authorised Person”), along with a Power of Attorney empowering her/him for the same.
- Any other information as may be stipulated in the Notice.

Application received from the prospective bidders of FM Channel will be scrutinized, 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.

1.6 Mock Auctions

For the benefit of Bidders, a Mock Auction shall be conducted to familiarize the Bidders with the Auction Rules and bidding methodology for each of the Auctions (the “Mock Auctions”). The tentative dates for the Mock Auction are given in **Annexure-IV**. 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 Auctions as far as possible.

1.7 About the Auctions

The FM Channels Auctions will be a Simultaneous Multi Round Ascending (SMRA) e-auction, run over the Internet. Details of auction process will be published in the Ministry's website separately. Bidders will be able to access the Electronic Auction System ("EAS") to be used for participation in the Auctions using standard web browsing software.

Prior to the relevant Auction, pre-qualified Bidders will have to procure the Digital Signing Certificate (DSC) Class III issued from an authorized Certification Authority. The DSC of Class III should contain the Signing and Encryption certificate. The Bidders are responsible for ensuring that none of these authentication tokens are released to any unauthorized parties.

Qualified bidders will be provided with a detailed manual explaining how to use the EAS (the "EAS manual"). The authentication tokens will be procured by the bidders in advance of conducting a mock auction, which will be held at a time specified by the Government. The system requirements for bidders are contained in Auction Rules.

2 ELIGIBILITY AND CONDITIONS

2.1 Eligibility criteria to participate in the Auctions

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 of these Guidelines.

2.2 Disqualification Clauses:

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;

Note 5: The terms “Inter Connected Undertakings” shall have the same meaning as assigned to it in **Annexure-V**.

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

2.3 Financial Competence

2.3.1 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	A+ category Cities	Rs. 3 Crore.
6	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.

2.3.2 **Region** shall mean **North** or **East** or **South** or **West** region, comprising states/UT s 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.

2.3.3 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.

2.3.4 The cutoff date for determination of net worth shall be as mentioned in the Notice for participation in the Auction

2.3.5 Irrespective of any other definition provided anywhere else, the networth shall be interpreted and calculated as per the proforma given at **Annexure-VI** 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.

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

2.3.7 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.

2.4 Managerial Competence

2.4.1 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.

2.5 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 4A of the Companies Act, 1956. 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 6 of the Companies Act, 1956.
 - (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 6 of the Companies Act, 1956 / 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.

2.6 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.

2.7. 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-III**. The company shall take prior permission of the Government before effecting any change in the Board of Directors.

2.8. The ‘largest Indian shareholder’ as defined in Para 2.5 exercises management control over the applicant entity.

2.9 The applicant company will have to conform to foreign investment and other related stipulations as prescribed in Para 9 below.

3. PERIOD OF PERMISSION

3.1 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.

3.2 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 Para 5, whichever is earlier, unless the time limit for operationalisation has been extended by the Secretary, Ministry of Information & Broadcasting as per para 5 in which case the effective date of the Permission Period shall be the last date so fixed.

3.3 The permission shall be for free to air broadcasts on main carrier and data on sub-carriers.

4. PROCESS OF GRANTING PERMISSION

4.1 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, mutatis-mutandis, as per the details to be notified separately The e-auction for the

channels to be taken up in Phase-III will be held in batches. Auction shall be conducted by an independent expert agency (the ‘Auctioneer’) appointed by the Government of India. This Memorandum also indicates the cities to be taken up in this batch and their respective reserve prices (**Annexure-I**). The Ministry of I&B will also issue a Notice Inviting Applications (NIA) for participation in the Auction(s) (Notice). The provisions set out in the Notice (or any other applicable laws, regulations or other statutory provisions) are definitive and take precedence.

4.2 Four Stages

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. Screening of applications, publication of ownership details and pre-qualification test will be done in Stage-II, called pre-qualification stage. Only applicants qualifying in accordance with prescribed eligibility criteria given in para 2 will be invited to the auction stage (Stage-III) for bidding for specific channels in different cities. 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.

4.3 City -Wise & Channel Wise Auctions

In the case of the first batch, the Government has decided to auction up to 135 channels in the existing 69 cities of Phase-II where vacant/additional channels of Phase-II are available (**Annexure-I**). 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.

4.4 Earnest Money Deposit

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 (**Annexure-A**) which shall be 25% of the reserve price of that city per channel. Final details with regard to requirement of EMD and the determination of eligibility of a bidder on its basis shall be specified in the Notice to be issued separately.

4.5 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.

4.6 Reserve Price

The Reserve Price for new channels in existing FM Phase-II cities shall be the Highest bid price received for that city in Phase-II and is duly indicated in **Annexure-I**.

4.7 Payment Methodology

(i) Successful Bidders, as notified by the Government, shall deposit 25% of the Successful Bid Amount 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.

4.8 Blacklisting and Forfeiture

Any successful bidder, who fails to deposit the bid amount for any channel within the prescribed period, as indicated in para 4.7 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.

4.9 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 para 5.

4.10 SACFA Clearance and Frequency Allocation

Successful Bidders shall obtain Frequency Assignment & SACFA clearance 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 identified by the Wireless Planning & Co-ordination wing of Department of Telecommunication, Ministry of Communications & IT, Government of India and indicated in **Annexure-VII**

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.

4.11 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 para 5, 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.

4.12 Grant of Permission Agreement (GOPA)

On complying with all the requisite conditions of eligibility, and furnishing a Performance Bank Guarantee (PBG), on the format specified by the Ministry for an amount equal to the annual fee calculated on the basis of NOTEF formula given in para 6.1(a) or (b) as applicable, 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 para 5.

5. REQUIREMENT TO ADHERE TO TIME SCHEDULE

5.1 Time Schedule for signing of GOPA:

Following time limits will be required to be adhered to for 69 existing cities of Phase-II where it is a vacant channel or additional channel(s) is (are) proposed 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

5.2 Time Schedule for operationalisation

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 :

- *Where it is a vacant channel of Phase-II or additional channel in a city of Phase-II and CTI has been created* : within a period of Twelve months from 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.

5.3 Time Schedule in Totality

The time schedules for various activities covered under 5.1 and 5.2 above are summarized as follows:

S. No.	Activity	Period of completion from issue of LOI
		For cities where vacant channel of Ph-II or additional channel in city of Ph-II , where CTI had been created (Ref. Para 5.1)
1.	Signing of agreement and making payment to LTI provider	60 Days
2.	Signing of agreement and making payment to CTI creator	90 Days
3.	Signing of GOPA with M/o I & B	6 months
4.	Creation of CTI	12 months
5.	Operationalisation of FM Channel	12 months

5.4 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 para 5.2 and 5.3 above.

5.5 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,

6. ANNUAL FEE

6.1 (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. The revised fee structure will also be applicable to existing operators in these States/UTs to enable them to effectively compete with the new operators. The three year period for the existing operators shall be reckoned from the first day of the commencement of the next quarter (refer para 6.3) subsequent to the date of issuance of these guidelines.

6.2 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 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.

6.3 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.

6.4 The first year's fee shall become payable with effect from the date of operationalisation of the channel or the expiry of the period prescribed in para 5, 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 para 6.1 (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.

6.5 Once the final fee for the financial year is determined on the basis of actual gross revenue as given in para 6.1, 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.

6.6 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.

6.7 Every permission holder shall furnish a performance bank guarantee as mentioned in para 4.12 for an amount equal to the annual fee calculated on the basis of NOTEF formula given in para 6.1(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.

6.8 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.

6.9 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-VIII**), 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-VIII** 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.

6.10 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 Para 6.8 it shall be deposited within 15 days of such determination along with interest calculated as already mentioned in para 6.6.

7. RESTRICTIONS ON MULTIPLE PERMISSIONS IN A CITY AND OTHER CONDITIONS

7.1 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 para 8. 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.

8. TOTAL NUMBER OF FREQUENCIES THAT AN ENTITY MAY HOLD

8.1 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 para 7 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.

9. FOREIGN INVESTMENT AND OTHER CONDITIONS PERTAINING TO CHANGES IN SHAREHOLDING

9.1 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 a yearly basis. Approval of Foreign Investment Promotion Board (FIPB) shall be required for any existing or proposed foreign investment in the company.

9.2 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.

9.3 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.

9.4 (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 para 2.5.

(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 para 2.5.

(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 licence 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, 1956. The applicant shall not dilute such requirement through its Articles of Association or any Agreement.

10. CROSS MEDIA OWNERSHIP

10.1 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.

11. NEWS AND CURRENT AFFAIRS

11.1 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).

11.2 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.

12. PROGRAMME CONTENT

12.1 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.

12.2 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.

12.3 The Permission Holder shall ensure that at least fifty percent (50%) of the programmes broadcast by it are produced in India.

12.4 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.

13. PROHIBITION OF CERTAIN ACTIVITIES

13.1 Subject to the provisions contained in Para 9.4, the Permission is non-transferable. The Permission Holder shall not be competent to grant a sub-Permission directly or indirectly.

13.2 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 Paras 11 and 12 above in this regard.

13.3 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 Para 16.

13.4 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.

13.5 The Permission Holder shall ensure that there is no linkage between a party from whom a programme is outsourced and an advertising agency.

13.6 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.

13.7 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.

13.8 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.

14. PENALTY FOR NON OPERATIONALISATION OF AWARDED LICENSES

14.1 Each permission holder shall operationalize the channel and ensure completion of the activities preceding thereto within the time limits prescribed in para 5 and para 18, 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 to the next highest bidder from the waiting list if available and valid or 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.

14.2 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.

15. NETWORKING

15.1 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).

15.2 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 para 8.1 shall be treated as a single entity for the purposes of this Para.

16. TECHNICAL PARAMETERS AND STANDARDS

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

16.2 Technical Parameters

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+	Metro cities	25	50		
	Delhi,			75	200
	Mumbai, Kolkata, Chennai			75	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 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 para 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.

16.3 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.

17. NUMBER OF FREQUENCIES

17.1 The total number of channels for allocation to private broadcasters would be kept as follows in this batch for Phase III based on inter channel spacing of 800 KHz:-

Sr. No.	City Category	No. of Channels
1.	Category A+ cities	9 Channels
2.	Category A Cities	6 Channels
3.	Category B Cities	4 Channels
4.	Category C Cities	4 Channels
5.	Category D Cities and Cities with Population less than one Lakhs	3 Channels

17.2 A total of 135 channels in 69 existing cities of Phase-II across the country are available for bidding in this batch of Phase-III by Indian private companies, details of which are at **Annexure-I**.

17.3 Auction of additional channels that may become available due to reduced channel spacing to 400 KHz could be considered after feasibility studies are completed.

18. CO-LOCATION

18.1 In cities where it is a vacant channel of Phase-II or an additional channel is proposed 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.

18.2 BECIL, the system integrator for providing the common transmission infrastructure in existing 69 cities of Phase-II, 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 para 4.12 and 23, for which WPC, DOT, M/o C&IT will be requested to grant priority clearance.

18.3 In this batch of 69 cities, the facilities would be co -located on existing CTI towers, while in Delhi new tower has to be constructed for the purpose. Pending creation of co-location facility in Delhi, the successful bidder in Delhi will be permitted to Operationalise its Channel on individual basis for a period till the co -location facility is commissioned, at the end of which Private FM operators in Delhi shall shift their operations to the new facility. For Delhi, all the FM operators shall follow the additional instructions issued by Ministry of I&B from time to time.

19. MANDATORY SHARING OF CERTAIN BROADCAST SIGNALS WITH PRASAR BHARATI

19.1 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.

20. MONITORING AND REQUIREMENT TO FURNISH INFORMATION

20.1 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.

20.2 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

20.3 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.

20.4 In case of non-payment of dues as per the provisions contained in para 20.1, the Government shall recover such dues from the PBG furnished by the permission holder.

21. INSPECTION

21.1 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.

21.2 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.

21.3 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.

22. NATIONAL SECURITY AND OTHER CONDITIONS

22.1 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.

22.2 The company shall not use any equipment, which are identified as unlawful and/or render network security vulnerable.

22.3 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, consultancy or in any other capacity for installation, maintenance, operation or any other services prior to their deployment.

22.4 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.

22.5 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.

23. WPC WINGS'S LICENSE

23.1 Frequency allocation will be done for the winning bidders through the Electronic Auction System (EAS) itself as specified under Auction Rules in para 33 below. However, before operating the service a separate specific license i.e. Wireless Operating License, shall be obtained by the company from the WPC 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.

23.2 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.

23.3 Administrative 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 frequency spectrum.

23.4 The company shall not cause harmful interference to other authorized users of radio spectrum. WPC Wing will have the sole discretion to take practicable and necessary steps for elimination of harmful interference, if any, to other licensed users.

23.5 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.

24. PENALTIES

24.1 In case there is any violation of conditions cited in 11.1, 11.2 and 12.1, 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. 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.

24.2 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.

24.2.1 In the event of first violation, suspension of the permission and prohibition of broadcast up to a period of 30 days.

24.2.2 In the event of second violation, suspension of the permission and prohibition of broadcast up to a period of 90 days.

24.2.3 In the event of third violation, revocation of the permission and prohibition of broadcast up to the remaining period of the permission.

24.2.4 In the event of any violation as mentioned in Para 24.2, 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.

24.2.5 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.

24.3 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.

24.4 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.

24.5 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.

24.6 All the penalties mentioned above shall be imposed only after giving a written notice to the permission holder to rectify the violation within a period of 15 days, failing which he shall be liable for the proposed penalty.

25. FORCE MAJEURE DURING THE PERMISSION PERIOD

25.1 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.

25.2 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.

25.3 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.

26. SURRENDER OF PERMISSION

26.1 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.

26.2 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.

27. DISPUTES WITH OTHER PARTIES

27.1 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.

28. DISPUTE RESOLUTION AND JURISDICTION

28.1 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.

28.2 Subject to 28.1 the High Court at New Delhi shall have the jurisdiction over all disputes.

29. PROVISIONS RELATING TO DATA BROADCASTING SERVICES IN FM SUB-CARRIERS

- (i) 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.
- (ii) None of the data services will carry any audio/video/text/data falling within the purview of news and current affairs.
- (iii) Any broadcasts as part of data services will also be required to adhere to monitoring and storage requirements as provided herein.

- (iv) 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
- (v) Emergency Warning Services (EWS) if provided should only be used with the specific approval and guidance of the local District administration.
- (vi) 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.

30. MISCELLANEOUS

30.1 The 'Integrity Pact' shall be signed by all the pre-qualified bidders participating in the e-auctions for award of FM Radio Licenses under Phase-III. Format of the Integrity Pact is placed at Annexure -XI.

30.2 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.

30.3 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.

30.4 The Government shall have the right to modify at any time the provisions of these guidelines 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.

30.5 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.

31. MIGRATION TO PHASE-III

31.1 The provisions of these Guidelines will be applicable to the existing permission holders subject to the provisions contained herein and subject to payment of all outstanding dues pertaining to the Government, Prasar Bharati and BECIL in relation to existing FM radio permissions/operations. The existing permission holders will be required to sign a fresh grant of permission agreement (GOPA) on the prescribed format within a given time frame in order to automatically migrate to Phase-III regime. In case any existing permission holder does not execute the fresh Agreement within the given time frame it shall be construed to mean that he does not want to migrate to the FM Phase III regime, and therefore shall continue to be governed by the FM Phase II policy provisions.

31.2 In the event of any existing permission holder of Phase II declining to opt for automatic migration, it shall continue to be governed by the terms and conditions of its original license under FM Phase II Policy regime, as modified from time to time.

31.3 The cut-off date for automatic migration to Phase-III shall be taken as March 31, 2015.

31.4 Each existing permission holder of Phase-II, who is eligible for automatic migration to Phase-III, shall pay Non Refundable One Time Migration Fee (NOTMF) amount which shall be calculated as given in paragraph 31.4.1 below. For the purposes of calculation, the existing Phase-II cities have been classified into three groups, namely Group X having 17 cities, Group Y having 26 cities and Group Z having 43 cities. Each existing city of Phase-II has been shown in the Table below along with its Group, category and the region to which it belongs. The words 'target city' means the city in Group X or Y for which the NOTMF is being determined, while the words 'reference city' refer to the city in Group Z where auction results of FM Phase-III are considered for determining the NOTMF.

31.4.1 NOTMF for

(a) Group X cities shall be

Higher of –

- Phase-II average bid of the target Group X city multiplied by a factor of 1.5; or
- Phase-II highest bid of the target Group X city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.

(b) Group Y cities shall be

Higher of-

- Phase-II average bid of the target Group Y city multiplied by a factor of 1.5; or

- Phase-II highest bid of the target Group Y city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.

...but, the lower of

- The above; and
- Phase-III auction price obtained in the target Group Y city.

(c) Group Z cities shall be

- The actual auction price obtained in Phase-III.

Categories A+ and A are deemed to be alike and therefore, considered together.

In the above formulation, ‘average bid’ for a city shall mean the average of all successful bids in Phase-II in that city while ‘highest bid’ or ‘reserve price’ for a city shall mean the highest successful valid financial bid in Phase-II in that city.

Table

CATEGORY	REGION	GROUP X	GROUP Y	GROUP Z
	CITIES			
A+	E	KOLKATA		
	W		MUMBAI	
	N		DELHI	
	S		CHENNAI	
A	E			
	W		AHMEDABAD NAGPUR PUNE SURAT	
	N		JAIPUR	KANPUR LUCKNOW
	S		BANGALORE	HYDERABAD

CATEGORY	REGION	GROUP X	GROUP Y	GROUP Z
	CITIES			
B	E		JAMSHEDPUR	ASANSOL PATNA
	W	BARODA BHOPAL INDORE JABALPUR	RAJKOT	
	N		AMRITSAR VARANASI	AGRA ALLAHABAD
	S	COIMBATORE VISHAKHAPATNAM	KOCHI MADURAI	VIJAYAWADA
C	E	RANCHI	BHUBANESHWAR GUWAHATI SILIGURI	MUZAFFARPUR ROURKELA
	W	GWALIOR RAIPUR		AHMEDNAGAR AKOLA AURANGABAD BILASPUR DHULE JALAGAON KOLHAPUR NANDED NASIK SANGLI SHOLAPUR

	REGION	GROUP X	GROUP Y	GROUP Z
C	CITIES			
	N	JALANDHAR	JODHPUR KOTA PATIALA UDAIPUR	AJMER ALIGARH BAREILLY BIKANER CHANDIGARH GORAKHPUR JAMMU JHANSI SRINAGAR
	S	KANNUR TRICHUR TRIVANDRUM	MANGALORE PUDUCHERRY	GULBARGA KOZHIKODE MYSORE RAJAHMUNDRY TIRUCHI TIRUNELVELLI TIRUPATI TUTICORIN WARANGAL
	E	GANGTOK		AIZWAL AGARTALA ITANAGAR SHILLONG
D	W	PANAJI		
	N	SHIMLA	KARNAL HISSAR	
	S			
		17 cities	26 cities	43 cities

- 31.4.2 The existing Phase-II operators who successfully bid and win additional channel(s) in an existing city, where it already has an operational FM channel, through an ascending e-auction process, shall have to migrate its existing channel in that city also to Phase-III as per the NOTMF amount mentioned in paragraph 31.4.1 above.
- 31.4.3 In all cases, the residual value of the Phase-II permission, calculated on a pro rata basis, shall be deducted from the NOTMF amount mentioned in paragraph 31.4 above for migration purpose only.
- 31.4.4 For the Group Z cities, in case of failure of the auction in a particular city, the existing Phase-II operators of that city shall pay NOTMF amount equivalent to the reserve price set for fresh channels of that city or 1.5 times the average bid of Phase-II in that city, whichever is higher.
- 31.4.5 If the auction of channels in Group Z cities fails totally, then the Government reserves the right to auction all the existing channels in Group X, Y, and Z cities afresh and no concessional treatment would be afforded to the existing permission holders in the auction process and all participants in that auction would be treated alike.
- 31.5 Upon exercising its option to automatically migrate to Phase-III, and payment of the NOTMF within the prescribed period, each eligible permission holder of Phase-II shall be issued a fresh permission with the same terms and conditions as for successful bidders of Phase-III.
- 31.6 If any existing permission holder of Phase-II, who is eligible and opting for automatic migration to Phase-III, fails to deposit the NOTMF or sign the Grant of Permission Agreement within the prescribed period, it shall not be permitted to migrate to FM Phase-III and shall therefore be governed by the terms and conditions of its existing permission under FM Phase-II Policy regime, as modified from time to time, for remaining period of his Phase-II permission.

32. AUCTION DETAILS

32.1 General conditions

32.1.1 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.

32.1.2 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 any of Auctions (FM Channel Auction) in respect of the Auctions. The applicant company has to ensure this, and an affidavit in this regard is required to be furnished by it at application stage.

32.1.3 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.

32.2 Application Requirements

32.2.1 Application format and procedures for submission

32.2.1.1 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 1.5**.

32.2.1.2 The Applicant must comply with the requirements for 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 relevant Auctions.

32.2.1.3 The Government reserves the right not to pre-qualify any Applicant without assigning any reason whatsoever.

32.2.1.4 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.

32.2.1.5 After this, an Applicant, who has not otherwise been disqualified till then, will be required to submit an Ownership Compliance Certificate (**Annexure-IX**), 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. Applicants should inform the Government promptly in case of any change in the information submitted by them as part of their Application.

32.2.1.6 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.

32.2.1.7 Format for various certificates and undertakings are provided in **Annexure –X**.

32.2.2 Pre-Qualification tests

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

a) Application requirements

The Applicant must comply with the requirements for 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 relevant Auctions.

b) 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;

32.2.3 Earnest Money Deposit

32.2.3.1 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) in the prescribed format as given in **Annexure A**.

32.2.3.2 Given that flexibility has been provided in the Auction Rules for Bidders to be able to bid across cities, Applicants should deposit earnest money based on the number of channels in A+, 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.

32.2.3.3 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.

32.2.3.4 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.

32.2.3.5 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.

32.2.4 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.

32.3 Announcement of pre-qualified Bidders

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, qualified Bidders will be issued the "Bidder Participation Notice", which shall include:

- a. Each qualified Bidders' Initial Eligibility Points;
- b. A user manual providing information on how to access the Electronic Auction System (EAS);
- c. The Authorised nominated person 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 and phone number for the reporting of technical problems.

Upon receipt of all of the listed materials, qualified Bidders will be required to procure and install the Digital Signing Certificate (DSC) class-III having signing and encryption certificate. The Bidder will attempt to log in 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.

32.4 Bid Validity

The bids made in the Auction shall be valid for a period of One Year from the date when the bids were made.

33. AUCTION RULES

33.1 Conduct of the Auction

33.1.1 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 9.x to

11.x or Mozilla version 34.x or Google Chrome version 39.x, wherein only the qualified bidders will be allowed to participate.

33.1.2 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.

33.1.3 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 C**

33.1.4 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.

33.1.5 Login ID will be mapped with the Digital Signature Certificate 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.

33.2 Overview of the Auction Stages

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

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) For every City the number of bids at the prices set in the last completed Clock Round is less than or equal to the number of channels available; **and**

(ii) There are no opportunities for Bidders to increase their demand allowed by the Activity Rules (the precise conditions under which the Auction can close are described subsequently). This will establish a common Winning Price for all channels within a City, and the Winning Bidders for channel(s) in a particular 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 a Channel. All Winning Bidders in a city will pay equal Winning Price.

- 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.

33.3 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.

33.4. 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 such cities is enclosed at **Annexure I**). Only city wise Cap will

apply to the 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.

* As stated above, each applicant under Note(1) shall specify it's 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 whole number.

33.5 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 whole number.

33.6 The Clock Stage

33.6.1 Overview

Clock 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 interested and 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 commits 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 **para 33.6.9**.
- 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 **para 33.6.5**. 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 **para 33.6.7**) in the previous completed Clock Round in that city.
- f. The excess demand in a city will be determined by the total number of channels for which the bids have been submitted in that city in the last

completed clock round, with respect to the total 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 round 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 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 (**Table III**).

- h. The final Clock Round will be the first such round in which:
 - i. for every City, the number of Bids at the current Clock Round price is less than or equal to the number of available channels in that City (i.e. Excess Demand for that City is zero or negative); **and**
 - ii. The Auction Activity Requirement has been increased to the maximum level i.e., the Auction Activity Requirements is set to 100%;

At the end of the final Clock Round, all the Provisional Winning Prices will become the Winning Prices, and the Provisional Winning Bidders in the last Clock Round will become the Winning Bidders who will then be awarded the number of winning channels at the Winning Price (as explained in **para 33.6.8**).

33.6.2 Consequences for Provisional Winning Bidders

33.6.2.1 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. 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.

33.6.2.2 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.

33.6.3 Bidding during Clock Rounds

33.6.3.1 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

33.6.3.2 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 Existing Channels 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, Range of Excess Demand in the city at the Clock Round Price in the last completed Clock Round
- j. After the first Clock Round and in every subsequent Clock Round, Provisional Winning Price of that city established in the last completed clock round
- k. 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

- l. Option to Bid (tick-box associated with the City)
- m. Option for selection of Number of channels

33.6.3.3 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 **para 33.5**)

NOTE

- 1. If the bidder was a Provisional Winning Bidder for the maximum number of channels permitted in confirmation 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, in that case the bidder will not have the option to bid i.e. to tick the box for this City. This is due to the fact that under these circumstances, it is not possible for the bidder to increase the number of Provisional Winning Channels at the current Clock Round price.
- 2. All the Bidders will have to submit their decision in each Clock Round, even if the Bidder does not want to submit any Bids in the Round. Failure to check and submit a decision 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 **para 33.6.9**.
- 3. All the bids which the bidder submits would be subject to the Activity Rules described in **para 33.6.5**.
- 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 deposit in its entirety.

33.6.4 Eligibility Points and Deposits

33.6.4.1 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 number of points associated with a channel in each City is listed in the **Table-I** at **Annexure-B** in this Memorandum.

33.6.4.2 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.

33.6.4.3 The Initial Eligibility points for each bidder would be determined by the amount of EMD which they have submitted. The same will be calculated based on the EMD made by the Bidder. 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 Point will be the value corresponding to the Total EMD submitted by the bidder as listed in **Table-II** at **Annexure-B** in this memorandum.

33.6.4.4 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.

33.6.4.5 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.

33.6.5 Activity Rule

33.6.5.1 The participation of the bidders in the auction would be restricted by their net worth, which is to be met at the time of application for participation in the auction as specified in the **para 2.3** of this Memorandum.

33.6.5.2 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 requirements 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 requirements 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 requirements 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.

33.6.5.3 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.

33.6.5.4 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.

33.6.5.5 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).

33.6.5.6 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%.

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, the number of bids at the current clock round price is less than or equal to the number of channels put for auction in that city. (i.e. excess demand is negative or zero for all Cities)

33.6.6 Ranking of Bidders and Provisional Winning Bidders

33.6.6.1 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.

33.6.6.2 The Provisional Winning Bidders would be ranked at the end of each Clock Round using the following criteria:

Bids will be ranked in descending order according to the Clock Round price for that City in the Clock Round when the Bid was made;

- A. **Tie Rule I** - Where there is a tie according to the first criteria, 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 as per the first criteria in Round No. 20 for a particular City. 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. 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 1 for 2 channels at Clock Round Price of Rs. 200, City 2 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.

33.6.6.3 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.

33.6.6.4 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.

33.6.6.5 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.

D1. It is clarified that the Provisional /Winning Bidders from a Clock Round with a Clock Round Price lower than the current Clock Round Price will be considered only if the aggregate demand at the current Clock Round Price is Zero.

D2. It is important to note that any bidder to be considered as a Provisional Winning Bidder will be subject to allocation of channels in a city in a particular clock round.

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

D3. 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.

33.6.6.6 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.

33.6.7 Prices and Price Increments

33.6.7.1 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-B**.

33.6.7.2 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 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.

33.6.7.3 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-B** of this Memorandum.

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.

33.6.8 Winning Bidders and Winning Prices

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

- The Activity Requirement is 100%; and
- For all Cities, the number of bids at the current clock round price is less than or equal to the number of channels put for auction in that city. (i.e excess demand is negative or zero for all Cities)

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.

33.6.9 Length of Clock Rounds and Extension Periods

33.6.9.1 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 Gazzetted 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.

33.6.9.2 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.

33.6.9.3 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.

33.6.9.4 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.

33.6.9.5 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:

- If the selection made is compatible with the EMD which the bidder has submitted for participation in the e-auction.
- Additionally, the selection has to be compatible with the requirements of the Activity Rules.
- 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.

33.6.9.6 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.

33.6.9.7 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.

33.6.9.8 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.

33.6.9.9 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**.

33.6.9.10 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.

33.6.9.11 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.

33.6.9.12 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.

33.6.9.13 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.

33.6.9.14 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.

33.6.9.15 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.

33.6.9.16 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.

33.6.9.17 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.

33.6.10 Information Policy

33.6.10.1 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).

33.6.10.2 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 Range of Excess Demand in each City at the Clock Round prices in the last completed Clock Round.

33.6.10.3 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.

33.6.10.4 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.

33.6.10.5 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.

33.6.10.6 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.

33.7 Frequency Allocation Stage

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. 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.

33.8 Collusion and other Prohibited Activities

33.8.1 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.

33.8.2 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.

ANNEXURE I

City-wise list of Reserve Prices for 69 CITIES in Batch-I of Phase-III

Reserve Prices for 135 Channels					
S. No.	Name of City	State	Region	Reserve Price in INR	No. of Channels for Auction
	Category "A+"				
1	Chennai	Tamil nadu	S	12,27,00,000	1
2	Delhi	Delhi	N	31,42,00,000	1
3	Mumbai	Maharashtra	W	35,20,01,004	2
					4
	Category "A"				
4	Ahmedabad	Gujarat	W	12,00,55,000	1
5	Bangalore	Karnataka	S	21,60,00,000	1
6	Hyderabad	Telangana	S	18,00,00,000	4
7	Jaipur	Rajasthan	N	6,10,05,555	1
8	Kanpur	Uttar Pradesh	N	8,00,55,000	3
9	Lucknow	Uttar Pradesh	N	14,00,55,000	3
10	Nagpur	Maharashtra	W	5,10,00,000	2
11	Pune	Maharashtra	W	14,00,55,000	2
12	Surat	Gujarat	W	3,60,00,000	2
					19
	Category "B"				
13	Amritsar *	Punjab	N	3,00,00,000	1
14	Agra *	Uttar Pradesh	N	2,56,00,050	2
15	Allahabad *	Uttar Pradesh	N	2,10,00,000	2
16	Asansol	West Bengal	E	1,94,05,000	2

17	Cochin	Kerala	S	10,11,69,990	1
18	Jamshedpur	Jharkhand	E	1,21,50,990	1
19	Madurai	Tamil Nadu	S	6,30,00,000	1
20	Patna	Bihar	E	5,13,00,000	3
21	Rajkot	Gujarat	W	3,51,00,000	1
22	Varanasi *	Uttar Pradesh	N	2,10,00,000	1
23	Vijayawada	Andhra Pradesh	S	7,00,20,000	2
					17
	Category “C”				
24	Ahmednagar*	Maharashtra	W	37,60,000	2
25	Ajmer *	Rajasthan	N	76,00,000	2
26	Akola*	Maharashtra	W	29,59,000	3
27	Aligarh	Uttar Pradesh	N	31,00,000	3
28	Aurangabad	Maharashtra	W	2,99,00,000	2
29	Bareilly	Uttar Pradesh	N	31,00,000	2
30	Bhubaneshwar	Orissa	E	79,00,000	1
31	Bikaner	Rajasthan	N	31,00,000	3
32	Bilaspur*	Chhatisgarh	W	32,15,000	3
33	Chandigarh	Chandigarh/UT	N	15,61,00,590	2
34	Dhule	Maharashtra	W	46,59,000	3
35	Gorakhpur	Uttar Pradesh	N	31,00,000	3
36	Gulbarga *	Karnataka	S	1,50,05,000	3
37	Guwahati *	Assam	E	37,80,090	1
38	Jalgaon*	Maharashtra	W	36,59,000	2
39	Jammu	J&K	N	1,01,07,090	3
40	Jhansi	Uttar Pradesh	N	31,00,000	3
41	Jodhpur *	Rajasthan	N	1,27,00,000	1
42	Kolhapur	Maharashtra	W	3,51,00,000	2
43	Kota	Rajasthan	N	85,30,000	1

44	Kozhikode	Kerala	S	7,02,00,100	2
45	Mangalore *	Karnataka	S	2,75,10,000	1
46	Muzzaffarpur	Bihar	E	15,10,000	3
47	Mysore	Karnataka	S	3,21,30,990	2
48	Nanded*	Maharashtra	W	29,59,000	3
49	Nasik	Maharashtra	W	3,51,00,000	2
50	Patiala *	Punjab	N	1,10,00,000	1
51	Pondicherry	Pondicherry	S	4,01,00,000	1
52	Rajamundry*	Andhra Pradesh	S	1,50,00,500	3
53	Rourkela	Orissa	E	26,55,000	2
54	Sangli	Maharashtra	W	46,59,000	2
55	Sholapur	Maharashtra	W	66,59,000	2
56	Siliguri *	West Bengal	E	65,00,501	1
57	Srinagar	J&K	N	61,20,090	3
58	Tiruchy	Tamil Nadu	S	5,00,00,500	2
59	Tirunelveli*	Tamil Nadu	S	1,26,00,000	2
60	Tirupati	Andhra Pradesh	S	4,50,50,000	2
61	Tuticorin*	Tamil Nadu	S	1,50,00,500	2
62	Udaipur	Rajasthan	N	1,01,07,090	1
63	Warangal*	Telangana	S	1,25,25,000	3
					85
	Category "D"				
64	Agartala	Tripura	E	16,20,000	2
65	Aizwal	Mizoram	E	12,07,000	2
66	Hissar *	Haryana	N	61,10,000	1
67	Itanagar	Arunchal Pradesh	E	13,03,000	2
68	Karnal	Haryana	N	90,00,000	1
69	Shillong *	Meghalaya	E	18,07,000	2
*License revoked in FM Phase-II					10
GRAND TOTAL					135

ANNEXURE -II

STAGE I – APPLICATION FORM

[PRE-QUALIFICATION BID FOR FM RADIO BROADCASTING 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 bids for subsequent participation in financial bidding process for allocation of FM radio channels (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.)	:	
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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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5.	Processing fee and details thereof.	:	
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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	:	
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.	:	

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 31st March 2014. [Please enclose certificate from Statutory Auditor, as per Annexure VI]		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+					
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 __ certified by the Statutory Auditor to support its claim of financial eligibility.

12. A Written Power of Attorney, authorizing the signatory of the tender to commit the tenderer, to be attached.

13. Please indicate whether the company is disqualified in terms of the provisions of Clause 2.2 of the policy guidelines.

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 (Yes/ No). If Yes, the details of operational and non-operational stations, as the case may be.

(b) 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 (Yes/No). If Yes, whether the company exercised its option to participate in Phase –III (yes/No) [Please furnish copy of the option.]

15. LIST OF SUPPORTING DOCUMENTS TO BE ATTACHED:

- i. Memorandum & Articles of Association of the Company;
- ii. Copy of the Registration Certificate of the Company issued by the Registrar of Companies;
- iii. Copies of Annual Reports and the audited accounts for the last three years (wherever applicable);
- iv. Copies of income tax returns for last 3 years
- v. Bio-data giving details of qualifications/experience, etc. of all Directors of the Company;
- vi. Certificate regarding Net Worth and the total foreign shareholding in the company from the Statutory Auditors.
- vii. Details of Promoters & Major shareholders
- viii. List of projects carried out by the Company;
- ix. List of the projects carried out by the Directors;
- x. Details of Management positions of the Directors in other companies/organisations and details of these companies/organisations;
- xi. List of subsidiary companies, holding companies, inter-connected companies and companies having same management as that of the applicant company;
- xii. Compliance statement of para 1.5 & 2.
- xiii. Letter exercising option to participate in Phase-III (Relevant only for Phase-I /Phase-II LOI/LA holders whose LOI/LA were revoked).
- xiv. Certificate in **Annexure-X**.
- xv. 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.

- xvi. An affidavit in compliance of **para 32.1.2.**
- xvii. Any other relevant document(s).

Place: Signature and name of the authorised signatory

Date: (Company Seal)

ANNEXURE -III

(i) In respect of Company/ Firm (Indian/Foreign)

Sl. No.	Full Name of Companies and its Foreign collaborator if any, including the details of Board of Directors as (ii) below	Date of Registration	Present & Permanent Address of Head Office, Regional Offices and Registered Office	Joint Venture with other business owned	Activities and other business owned	Name of CEOs/Partners (with details) as in (ii) below	Shareholding pattern of applicant company (and investing company, if applicable)	Ultimate ownership of shareholding companies (and the investing company if applicable) along with detailed particular of owners as in (ii) below

Foreign investee/partner company self-declaration regarding presence/operation in China & Pakistan (If Any)

(ii) Details in respect of Directors/Key Executives

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

(iii) Details of Shareholders (All firms/companies/entities to be included. Also, individuals having shareholding more than 10%)

Sl. No.	Full Name	Parentage Father/Mother	Date of Birth	Permanent Address	Complete present address	Present position held	Nationality if (if hold dual nationality, both must be clearly mentioned)	% of shares held in other company (if any) then name of company & complete address may be provided

ANNEXURE - IV

Tentative Timeline for 135 Channels Auction In Phase-III

Sr.No.	Activity	Number of Days
1	Pre-Bid Conference	28.01.2015
2	Publication of NIA	Two Weeks after Sr.No. 1
3	Last Date for submission of Applications in response to Notice	Three Weeks after Sr.No. 2
4	Publication of ownership details of Applicants	One week after Sr.No. 3
5	Bidder Ownership Compliance Certificate	One week after Sr. No.4
6	Pre-Qualification of Bidders	Four Days after Sr. no. 5 or Completion of requisite formalities whichever is later
7	Mock Auction	For Two Days (& One day after Sr. No. 6)
8	Start of the Auction	One Day after Sr. No. 7
9	Payment of the Successful Bid Amount	First 25% payment within 5 calendar days, and remaining within 15 calendar days of the close of the relevant Auction and notification of successful bidders by the Government.

Prospective Bidders may send their queries on the following:

- Email: fmcell@nic.in
- Sh. Y. Trihan, DD(FM), MIB
Tel: 011- 2338 4547

ANNEXURE - V

Definition of Inter Connected Undertaking

"Inter Connected Undertakings" means two or more undertakings which are inter-connected with each other in any of the following manner, namely,-

- (i) if one owns or controls the other;
- (ii) where the undertakings are owned by firms, if such firms have one or more common partners,
- (iii) where the undertakings are owned by bodies corporate-
 - (a) if one body corporate manages the other body corporate, or
 - (b) if one body corporate is subsidiary of the other body corporate, or
 - (c) if the bodies corporate are under the same management, or
 - (d) if one body corporate exercises control over the other body corporate in any other manner;
- (iv) where one undertaking is owned by a body corporate and the other is owned by a firm, if one or more partners of the firm-
 - (a) hold, directly or indirectly, not less than fifty per cent of the shares, whether preference or equity, of the body corporate, or
 - (b) exercise control, directly or indirectly, whether as director or otherwise, over the body corporate,
- (v) if one is owned by a body corporate and other is owned by a firm having bodies corporate as its partners, if such bodies corporate are under the same management,
- (vi) if the undertakings are owned or controlled by the same person or by the same group,
- (vii) if one is connected with the other either directly or through any number of undertakings which are inter-connected undertakings within the meaning of one or more of the foregoing sub-clauses.

Explanation I : For the aforementioned purpose, two bodies corporate, shall be deemed to be under the same management-

- (i) if one such body corporate exercises control over the other or both are under the control of the same group or any of the constituents of the same group; or
- (ii) if the managing director or manager of one such body corporate is the managing director or manager of the other; or
- (iii) if one such body corporate holds not less than one fourth of the equity shares in the other or controls the composition of not less than one-fourth of the total membership of the board of directors of the other; or
- (iv) if one or more directors of one such body corporate constitute, or at any time within a period of six months immediately preceding the day when the question arises as to whether such bodies corporate are under the same management, constituted (whether independently or together with relatives of such directors or the employees of the first mentioned body corporate) one-fourth of the directors of the other; or
- (v) if the same individual or individuals belonging to a group, while holding (whether by themselves or together with their relatives) not less than one-fourth of the equity shares in one such body corporate also hold (whether by themselves or together with their relatives) not less than one-fourth of the equity shares in the other; or
- (vi) if the same body corporate or bodies corporate belonging to a group, holding, whether independently or along with its or their subsidiary or subsidiaries, not less than one-fourth of the equity shares in one body corporate, also hold not less than one-fourth of the equity shares in the other; or
- (vii) if not less than one-fourth of the total voting power in relation to each of the two bodies corporate is exercised or controlled by the same individual (whether independently or together with his relatives) or the same body corporate (whether independently or together with its subsidiaries); or
- (viii) if not less than one-fourth of the total voting power in relation to each of the two bodies corporate is exercised or controlled by the same individuals belonging to a group or by the same bodies corporate belonging to a group, or jointly by such individual or individuals and one or more of such bodies corporate; or
- (ix) if the directors of the one such body corporate are accustomed to act in accordance with the directions or instructions of one or more of the directors of the other, or if the directors of both the bodies corporate are

accustomed to act in accordance with the directions or instructions of an individual, whether belonging to a group or not.

Explanation II: If a group exercises control over a body corporate, that body corporate and every other body corporate, which is a constituent of or controlled by, the group shall be deemed to be under the same management.

Explanation III: If two or more bodies corporate under the same management hold, in the aggregate, not less than one-fourth equity share capital in any other body corporate, such other body corporate shall be deemed to be under the same management as the first mentioned bodies corporate.

Explanation IV: In determining whether or not two or more bodies corporate are under the same management, the shares held by financial institutions in such bodies corporate shall not be taken into account.

Illustration: Undertaking B is inter-connected with undertaking A and undertaking C is inter-connected with undertaking B. Undertaking C is inter-connected with undertaking A; if undertaking D is inter-connected with undertaking C, undertaking D will be inter-connected with undertaking B and consequently with undertaking A and so on.

ANNEXURE -VI

FORMAT FOR CERTIFICATE OF NET WORTH BY STATUTORY AUDITORS.

We have audited the Books of Accounts of _____ for the financial year/period ended month-day-year 2014 and certify that the “Net Worth” of M/s _____ the Applicant Company as on _____ 2014 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.

ANNEXURE -VII

City-wise list of Frequencies to be allocated in 69 CITIES in Batch-I of Phase-III

Sr. No.	Name of City	State	Region	No. of Channels for Auction	Frequencies in MHz
1	Chennai	Tamil nadu	S	1	104
2	Delhi	Delhi	N	1	107.2
3	Mumbai	Maharashtra	W	2	91.9, 106.4
4	Ahmedabad	Gujarat	W	1	91.9
5	Bangalore	Karnataka	S	1	104.8
6	Hyderabad	Telangana	S	4	91.9, 94.3, 104, 104.8
7	Jaipur	Rajasthan	N	1	104
8	Kanpur	Uttar Pradesh	N	3	91.9, 94.3, 107.2
9	Lucknow	Uttar Pradesh	N	3	104, 104.8, 106.4
10	Nagpur	Maharashtra	W	2	91.9, 92.7
11	Pune	Maharashtra	W	2	91.9, 92.7
12	Surat	Gujarat	W	2	91.9, 104
13	Amritsar	Punjab	N	1	93.5
14	Agra	Uttar Pradesh	N	2	104, 104.8
15	Allahabad	Uttar Pradesh	N	2	94.3, 104
16	Asansol	West Bengal	E	2	91.9 94.3
17	Cochin	Kerala	S	1	92.7
18	Jamshedpur	Jharkhand	E	1	106.4
19	Madurai	Tamil Nadu	S	1	91.9
20	Patna	Bihar	E	3	91.9, 92.7, 94.3

21	Rajkot	Gujarat	W	1	91.9
22	Varanasi	Uttar Pradesh	N	1	104.8
23	Vijayawada	Andhra Pradesh	S	2	91.9, 94.3
24	Ahmednagar*	Maharashtra	W	2	104, 105.6
25	Ajmer	Rajasthan	N	2	91.9, 104.8
26	Akola	Maharashtra	W	3	91.9, 92.7, 93.5
27	Aligarh	Uttar Pradesh	N	3	93.7, 94.5, 104.2
28	Aurangabad	Maharashtra	W	2	95, 107.2
29	Bareilly	Uttar Pradesh	N	2	98.3, 104.8
30	Bhubaneshwar	Orissa	E	1	91.9
31	Bikaner	Rajasthan	N	3	91.9, 93.5, 94.3
32	Bilaspur	Chhatisgarh	W	3	91.9, 92.7, 93.5
33	Chandigarh	Chandigarh/UT	N	2	91.9, 93.5
34	Dhule	Maharashtra	W	3	91.9, 92.7, 93.5
35	Gorakhpur	Uttar Pradesh	N	3	92.7, 93.5, 94.3
36	Gulbarga	Karnataka	S	3	91.9, 94.3, 98.3
37	Guwahati	Assam	E	1	WPC to confirm
38	Jalgaon	Maharashtra	W	2	94.3, 98.3
39	Jammu	J&K	N	3	91.9, 98.3, 104
40	Jhansi	Uttar Pradesh	N	3	98.3, 104, 104.8
41	Jodhpur	Rajasthan	N	1	93.5
42	Kolhapur	Maharashtra	W	2	91.9, 92.7
43	Kota	Rajasthan	N	1	91.9
44	Kozhikode	Kerala	S	2	104.8, 106, 106.8, 107.6

45	Mangalore	Karnataka	S	1	91.9
46	Muzzaffarpur	Bihar	E	3	93.5, 104, 104.8
47	Mysore	Karnataka	S	2	104, 107.2
48	Nanded	Maharashtra	W	3	91.1, 92.7, 93.5
49	Nasik	Maharashtra	W	2	91.9, 92.7
50	Patiala	Punjab	N	1	98.3
51	Pondicherry	Pondicherry	S	1	107.2
52	Rajamundry	Andhra Pradesh	S	3	104, 104.8, 105.6
53	Rourkela	Orissa	E	2	92.7, 104
54	Sangli	Maharashtra	W	2	106.4, 107.2
55	Sholapur	Maharashtra	W	2	104, 104.8
56	Siliguri	West Bengal	E	1	WPC to confirm
57	Srinagar	J&K	N	3	93.5, 94.3, 104.8
58	Tiruchy	Tamil Nadu	S	2	95, 107.2
59	Tirunelveli	Tamil Nadu	S	2	91.9, 104
60	Tirupati	Andhra Pradesh	S	2	94.5, 105.8
61	Tuticorin	Tamil Nadu	S	2	92.7, 94.3
62	Udaipur	Rajasthan	N	1	91.9
63	Warangal	Telangana	S	3	92.1, 94.5, 104.2
64	Agartala	Tripura	E	2	92.7, 93.5, 94.3
65	Aizwal	Mizoram	E	2	92.7, 93.5
66	Hissar	Haryana	N	1	104.2
67	Itanagar	Arunchal Pradesh	E	2	92.7, 93.5
68	Karnal	Haryana	N	1	107.2
69	Shillong	Meghalaya	E	2	104.8, 106.4* WPC to confirm

ANNEXURE -VIII

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.
 3. Additional columns may be introduced in ANNEXURE-II if required.
 4. Column F is the total revenue as per profit and loss account. To arrive at the gross revenue as per column the taxes, agency commission as applicable are to be added.
 5. Gross Revenue (A) = B + C + D + E + F
 6. Gross Revenue for Annual Fee @ 4% = $[A - (B + C)] \times 4\%$

ANNEXURE -IX

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 Associated Companies 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 Associated Companies hold a direct or indirect material interest;

(d) That no common entity holds more than 10% stake in the total equity of the Applicant (or any of its Associated Companies) and any of the other Provisional Bidders (or any of their respective Associated Companies);

(e) That the FM License is subject to the condition that: *“No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee Company in the same city for the FM Services. ‘Substantial equity’ herein will*

mean 'an equity of 10% or more'. A promoter company/ Legal person cannot have stakes in more than one licensee company for the same city."

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

Signed:

Authorised signature
signature

(name and position)

Authorised

(name and position)

Company seal affixed

Date: _____

ANNEXURE -X

CERTIFICATES & UNDERTAKINGS

- I hereby certify that I have carefully read the **grant of Permission conditions for bidding of FM channels of Phase III FM Radio Broadcasting**. I undertake to fully comply with the all terms and conditions therein.
- 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.
- 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.
- 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 financial bid amount.
- I undertake that none of my subsidiary/holding/inter-connected undertaking/Company with Same Management shall submit any financial bid for the same city for which I submit a financial bid.
- I certify that I will not use the name of my company and product brand name as the name of my FM Channel if Permission is granted to me.
- I certify that my company is not disqualified in terms of the provisions of Clause 2.2 of the Information Memorandum Document.
- 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)

ANNEXURE -XI

INTEGRITY PACT

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 2015, 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

8.1 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).

8.2 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.

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

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

8.5 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.

8.6 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.

8.7 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.

8.8 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.

9. 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.

10. Law and Place of Jurisdiction

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

11. 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.

12. Validity

12.1 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.

12.2 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.

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

SELLER

BIDDER

Name of the Officer

CHIEF EXECUTIVE OFFICER

Designation

Deptt./MINISTRY/PSU

Witness

Witness

1. _____

1. _____

2. _____

2. _____

ANNEXURE -A

Format for Earnest Money Deposit

(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) If 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>, 2015

<Name of Bank>

Signature

Witness:

- 1) _____
- 2) _____

ANNEXURE - B

Table-I				
S. No.	Name of City	Reserve Price Per Channels (Rs)	EMD Deposit Per Channel (Round Down, Rs)	Eligibility Points Per Channel (Round Down)
		<i>a</i>	<i>b=0.25 x a</i>	<i>c= b/25000</i>
1	Chennai	12,27,00,000	3,06,75,000	1,227
2	Delhi	31,42,00,000	7,85,50,000	3,142
3	Mumbai	35,20,01,004	8,80,00,251	3,520
4	Ahmedabad	12,00,55,000	3,00,13,750	1,200
5	Bangalore	21,60,00,000	5,40,00,000	2,160
6	Hyderabad	18,00,00,000	4,50,00,000	1,800
7	Jaipur	6,10,05,555	1,52,51,388	610
8	Kanpur	8,00,55,000	2,00,13,750	800
9	Lucknow	14,00,55,000	3,50,13,750	1,400
10	Nagpur	5,10,00,000	1,27,50,000	510
11	Pune	14,00,55,000	3,50,13,750	1,400
12	Surat	3,60,00,000	90,00,000	360
13	Amritsar	3,00,00,000	75,00,000	300
14	Agra	2,56,00,050	64,00,012	256
15	Allahabad	2,10,00,000	52,50,000	210
16	Asansol	1,94,05,000	48,51,250	194
17	Cochin	10,11,69,990	2,52,92,497	1,011
18	Jamshedpur	1,21,50,990	30,37,747	121
19	Madurai	6,30,00,000	1,57,50,000	630
20	Patna	5,13,00,000	1,28,25,000	513
21	Rajkot	3,51,00,000	87,75,000	351
22	Varanasi	2,10,00,000	52,50,000	210
23	Vijayawada	7,00,20,000	1,75,05,000	700
24	Ahmednagar	37,60,000	9,40,000	37
25	Ajmer	76,00,000	19,00,000	76

26	Akola	29,59,000	7,39,750	29
27	Aligarh	31,00,000	7,75,000	31
28	Aurangabad	2,99,00,000	74,75,000	299
29	Bareilly	31,00,000	7,75,000	31
30	Bhubaneshwar	79,00,000	19,75,000	79
31	Bikaner	31,00,000	7,75,000	31
32	Bilaspur	32,15,000	8,03,750	32
33	Chandigarh	15,61,00,590	3,90,25,147	1,561
34	Dhule	46,59,000	11,64,750	46
35	Gorakhpur	31,00,000	7,75,000	31
36	Gulbarga	1,50,05,000	37,51,250	150
37	Guwahati	37,80,090	9,45,022	37
38	Jalgaon	36,59,000	9,14,750	36
39	Jammu	1,01,07,090	25,26,772	101
40	Jhansi	31,00,000	7,75,000	31
41	Jodhpur	1,27,00,000	31,75,000	127
42	Kolhapur	3,51,00,000	87,75,000	351
43	Kota	85,30,000	21,32,500	85
44	Kozhikode	7,02,00,100	1,75,50,025	702
45	Mangalore	2,75,10,000	68,77,500	275
46	Muzzaffarpur	15,10,000	3,77,500	15
47	Mysore	3,21,30,990	80,32,747	321
48	Nanded	29,59,000	7,39,750	29
49	Nasik	3,51,00,000	87,75,000	351
50	Patiala	1,10,00,000	27,50,000	110
51	Pondicherry	4,01,00,000	1,00,25,000	401
52	Rajamundry	1,50,00,500	37,50,125	150
53	Rourkela	26,55,000	6,63,750	26
54	Sangli	46,59,000	11,64,750	46
55	Sholapur	66,59,000	16,64,750	66
56	Siliguri	65,00,501	16,25,125	65
57	Srinagar	61,20,090	15,30,022	61

58	Tiruchy	5,00,00,500	1,25,00,125	500
59	Tirunelveli	1,26,00,000	31,50,000	126
60	Tirupati	4,50,50,000	1,12,62,500	450
61	Tuticorin	1,50,00,500	37,50,125	150
62	Udaipur	1,01,07,090	25,26,772	101
63	Warangal	1,25,25,000	31,31,250	125
64	Agartala	16,20,000	4,05,000	16
65	Aizwal	12,07,000	3,01,750	12
66	Hissar	61,10,000	15,27,500	61
67	Itanagar	13,03,000	3,25,750	13
68	Karnal	90,00,000	22,50,000	90
69	Shillong	18,07,000	4,51,750	18

Table II

Deposit (Rs. Lakh)	Resulting Initial Eligibility	Deposit (Rs. Lakh)	Resulting Initial Eligibility	Deposit (Rs. Lakh)	Resulting Initial Eligibility
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
10.00	40	500.00	2000	80000.00	320000

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%

ANNEXURE -C

D.1 System requirements for accessing the EAS

D.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

D.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 or Google Chrome 39.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.

D.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.

D.2 Operating System and Software

D.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.

D.3 Java

D.3.1 The EAS uses the Java Application/Applet for Digital Signature generation, verification, data encryption and decryption in Internet Explorer, Mozilla Firefox and Chrome 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.**

D.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.

D.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.

D.4 Tool bar/ Add Ons/ Pop up blocker

D.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.

D.5 Power Management Settings

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

- Turn off any power management features on their computer such as automatic hibernation or suspension; and
- Disable any screensavers.
- 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

D.6 Access of Other Software / Website during Auction

D.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.

D.7 Internet Connection

D.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.

D.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.

D.8 Display

D.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.

D.9 Backup Procedures

D.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:

- 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.
- If the primary Auction server is still available, log out normally. Otherwise, quit your Internet browser.
- 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.
- 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.

D.10 Bidder Technical Problems

D10.1 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.

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

- Re-schedule the start of a Clock Round whose starting time has been announced provided that the Clock Round has not yet started.
- Re-schedule the finishing time of a Clock Round in progress.
- Cancel a Clock Round in progress and re-run it.
- Grant one or more Bidders Additional Extension Budget.

D.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.

D.10.5 Permission to submit Bids through means other than the EAS will not be granted.

ANNEXURE -D

Definitions and Glossary of Terms

E- Auction	The electronic auction (eAuction) is an e-business between auctioneers and bidders, which held over Internet
FM	Frequency Modulation
IM	Information Memorandum
NIA	Notice Inviting Applications
MIB	Ministry of Information & Broadcasting
FM Phase-I Policy	FM Phase-I policy was approved by the Government in July, 1999. The FM Phase-I Policy provided for selection of successful bidders through open option. The Phase-I policy met with the limited success. A total number of 21 channels are operational in 12 cities under this scheme
FM Phase-II Policy	FM Phase-II Policy was notified in July, 2005 after considering the recommendations of Dr. Amit Mitra Committee and TRAI. FM Policy Phase-II has been well received by all stake holders.
Phase-III	FM Phase-III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels.
AAR	Auction Activity Requirement
Activity Rule	Shall have the meaning as describe in Section 33.6.5
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	Person Making an Application
Application	Application for the participating in the FM channels Auctions in Phase-III
Application Form	Format for the Submission of 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 & MIB will be responsible for the administration of the e-auction
Auctions	Auction of the FM channels in Phase-III
Activity Requirement	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 is referred to as

	the Bidder's Activity Requirement in that Clock Round.
Auction Rules	Rules Governing for the Conduct of the Auctions
Authorized Person	Nominated authorized person for future correspondence with the Applicant having a Power of Attorney from the Applicant empowering him /her to take all decisions connected with the relevant Auctions on behalf of the Applicant. Materials essential for bidding in the Auction(s) will be provided to the Authorised Person using contact details provided in a Bidder's Application.
BECIL	Broadcast Engineering Consultants India Limited, BECIL provides broadcast engineering and information technology services in India.
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	Pre-qualified Applicants that do not withdraw their Application before the withdrawal deadline.
Bidder Participating Notice	Notice issued to qualified Bidders that shall include 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.
Clock Stage	The first stage of the relevant Auctions 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 any of the Auctions. 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 with 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.
Effective Dates	Effective Dates As defined in Section 3
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 channels per City based on the Reserve Price of the Channels in that City.
EWS	Emergency Warning Services
Excess Demand	The excess demand in a city will be determined by the total number of channels for which the bids have been submitted in that city in the last completed clock round, with respect to the total number of Channels put up for auction in that City at a Clock Round Price in the last completed clock round (**which may be the same for more than one 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 relevant Auctions 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 Channels 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.
Net Worth	Net worth is the total assets minus total outside liabilities of an individual or a company. Net worth is used when talking about the value of a company or in personal finance for an individual's net economic position. Put another way, net worth is what is owned minus what is owed.
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 Auctions together with any amendments thereof.
NOTEF	Non-Refundable One-Time Entry Fee
NOTMF	Non – Refundable One-Time Migration Fee
Ownership Compliance Certificate	An undertaking from the Applicant confirming that it complies with the ownership restrictions in view of the other Applicants.
OETF	One – Time Entry Fee
Performance Bank Guarantee	A performance bond, also known as a contract bond, is a surety bond issued by an insurance company or 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.
Provisional Winning Price	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.
Qualified Bidders	The Bidders, who had 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 Multi 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 relevant Auctions 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