

Query No.	Pre Bid Query	MIB Reply
Query No. 1	<p>1. Clarification on Nationwide and Citywide Limits</p> <p>(a) Removal of 15% nationwide limits</p> <p>i. As per the recent cabinet approval for the first batch of Phase 3 auctions in 69 cities for 135 radio frequencies, the maximum number of frequencies that an operator can have post the partial auctions shall be limited to a mere 57 frequencies (depending upon the calculation method to be adopted, which also requires clarification as mentioned in Clause 1 (b) below). This would significantly limit radio broadcast expansion and also in turn affect the exchequer of the Government.</p> <p>ii. We would like to bring to your kind attention that TRAI, in 2008, had recommended twice that such ceiling limit of 15% should be removed - in their initial recommendation as well as their response to Government's view on the TRAI recommendation (Copies of the same are enclosed herewith for your kind perusal). TRAI's opinion was that such limit is not practical, as the total number of channels will vary depending on availability and the fear of monopoly is no longer a valid reason. However, the Government did not accept the recommendation and continued to impose the ceiling limit.</p> <p>iii. Furthermore, bigger broadcasters will not be able to actively participate and bid in the auctions unless they surrender their existing frequencies, which would be completely counterproductive to the Ministry's intent of bringing in the Phase 3 auctions. This would defeat the primary objective of FM Phase 3 auctions and hence this issue needs to be re-examined in light of the aforesaid.</p> <p>iv. We request the Government not to apply the 15% cap on the total number of frequencies that an entity may hold during the first batch of Phase 3 E-auctions, if at all the nationwide cap has to be applied the same can be applied post completion of the final batch of Phase 3 auctions.</p> <p>v. Alternately, the 15% nationwide cap can be calculated by adding all the 839 frequencies approved by the Cabinet for Phase 3 auctions in 294 cities across the country. Hence all additional 839 frequencies should be added to the existing 243</p>	<p>(a) Not Accepted as 15% national limit is prescribed in FM Phase-III policy notified on 25.07.2011.</p>

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	<p>frequencies while calculating the 15 % nationwide cap.</p> <p>vi. You will appreciate that the above proposed methodology may not require a specific Cabinet approval as it appears to be well within the purview of the Cabinet's previous approval.</p> <p>(b) Clarification on computation of 15% nationwide limit</p> <p>i. We note that the Phase III Policy Guidelines and the First Batch Information Memorandum set out that for the purposes of calculating the 15% nationwide cap on the number of channels that a single license holder can hold, the channels located in Jammu and Kashmir, the island territories and the North Eastern States can be excluded. However, the list of cities in Jammu Kashmir, the island territories and the North Eastern States that are to be excluded for the purpose of calculating the 15% nationwide cap has not been segregated separately (reference to Annexure III of the Phase III Policy Guidelines), thus causing ambiguity in the applicability of the 15% nationwide cap.</p> <p>ii. We request the MIB to clarify which cities as well as the total number of frequencies that are to be excluded while computing the 15% nationwide cap.</p> <p>iii. Further we request the MIB to clarify whether the total number of channels located in Jammu and Kashmir, the island territories and the North Eastern States are also required to be excluded from the total number of channels allotted in the country, in order to determine the 15% nationwide cap.</p> <p>(c) Computation of Citywise Limits</p> <p>i. We note that as per Phase III Policy Guidelines for calculation of Citywise limits, in case 40% figure is a decimal, it will be rounded off to the nearest whole number.</p>	<p>(b) (i) and (ii) Annexure enclosed</p> <p>(b) (iii) YES</p> <p>(c) Not Accepted</p>

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	<p>ii. However the First Batch Information Memorandum sets out that if there is a decimal figure while computing the city and nationwide limits then such figure should be rounded down to the nearest whole number. The same has been explained below with the help of an Illustration:</p> <p>Illustration</p> <ul style="list-style-type: none"> • We understand that under the method of Rounding-Off to the nearest whole number, the figure of 1.2 would be rounded-off to 1 whilst a figure of 1.6 would be rounded-off to 2. This would enable entities to take up second frequencies in Category B and Category C cities. On the other hand in case when the Rounding Down logic is used any decimal figure would be rounded down to the nearest whole number, for example a figure of 1.6 would be rounded down to 1 and therefore it restricts the existing operators to take up second frequencies in Category B & Category C cities. <p>iii. We request that the MIB permit operators to Round Off decimal figures to the nearest whole number as provided in Phase III Policy Guidelines, as opposed to rounding them down to the nearest whole number, as this would enable operators to bid for / hold additional channels and would help the government generate additional revenue.</p>	
Query No. 2	<p>Eligibility Criteria</p> <p>i. We note that the Eligibility Criteria set out in the Phase III Policy Guidelines sets out that one of the disqualifications from holding a license would be if the applying / migrating entity has an Inter-Connected Undertaking in the same city. We have reproduced the definition of Inter-Connected Undertaking at Annexure I to this letter. As per the definition of Inter-Connected Undertaking, 2 entities are reckoned to be inter-connected, inter alia, in the event that there is common shareholding of 25% or if one of them holds 25% in the other (directly or indirectly).</p> <p>ii. However, we note from the First Batch Information Memorandum that all applicants are required to submit 2 documents during the application process. The first being Annexure III in the First Batch Information Memorandum, which requires the applicant to set out the details of the shareholders</p>	<p>The term interconnected undertaking shall have same meaning as per prevalent laws in India. Annexure-V of IM dated 21.01.2015 on definition of Interconnected undertaking is dropped. Annexure-IX on ownership compliance certificate i.e., substantial equity holding of 10% or more stands</p>

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	<p>holding more than 10% in it and the details of holdings of those shareholders in other companies. The second document being Annexure IX (Ownership Compliance Certificate) in the First Batch Information Memorandum, which requires the applicant to provide an undertaking setting out that no entity holds more than 10% in the applicant or its associates together with holding 10% in any other bidding entity or its associates. Further, Annexure IX (Ownership Compliance Certificate) sets out that the license is subject to no single company / legal person (either directly or through its associates) having substantial equity holding in more than one licensee company and substantial equity has been defined to mean holding of an equity of 10% or more.</p> <p>iii. We request the MIB to clarify whether the minimum threshold of common holding for entities to be ineligible to bid is 25% (as per the definition of Inter-Connected Entity) or 10% (as per Ownership Compliance Certificate)?</p> <p>iv. Further, we note that the undertaking to be submitted as per Annexure IX (Ownership Compliance Certificate) of the First Batch Information Memorandum is to be submitted by fresh applicants who are proposing to bid for new channels, as a part of the pre-qualification process. We request the MIB to clarify whether this undertaking and therefore the threshold set out in the undertaking would apply to a license holder who has only migrated from Phase II to Phase III without having bid for any new channels in Phase III?</p>	
Query No. 3	<p>Clarification on cut-off date for Net-Worth</p> <p>i. The First Batch Information Memorandum states that the cut-off date for determination of Net Worth of an applicant shall be as mentioned in the Notice for participation in the Auction. It is further provided that the net-worth shall be interpreted and calculated as per the proforma given at Annexure VI and should be certified by the Statutory Auditor of the Company duly supported by certified accounts by the Statutory Auditors.</p> <p>ii. We note that Point no. 9 of Application Form for</p>	<p>Net Worth Requirement provision to be amended in NIA as under</p> <ul style="list-style-type: none"> The applicant company shall furnish annual reports and audited final accounts for the last three years, or from the date of incorporation, whichever is later, till 31st March, 2014, along with its net worth as on 30th September, 2014 or any date subsequent thereto up to the date

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	<p>pre-qualification bid as provided in Annexure II of Information Memorandum, specifies the cut-off date for the Net-Worth of the applicant Company as March 31, 2014.</p> <p>iii. In this regard, we request MIB to allow the FM Broadcasters to submit the Certificate of Net-Worth duly certified by the Statutory Auditors as of a more recent date based on the latest available audited accounts, but not earlier than March 31, 2014 or latest available limited reviewed financial statement.</p> <p>iv. This will help the FM Broadcasters to use its discretion for submission of Net-worth certificate as per the latest available updated records which will be duly certified by the Statutory Auditors and also help MIB to get an updated assessment of a broadcaster's financial competence. It should be noted here that the NIA for 3G and BWA spectrum also permitted applicants to submit last audited financial statements, not old than one year from the date of application.</p>	<p>of submission of the application, certified by the statutory auditors, to support its claim of financial competence.</p> <ul style="list-style-type: none"> • An applicant company registered after 31st March, 2014 shall only have to demonstrate its net worth as on 30th September, 2014 or any date subsequent thereto up to the date of submission of the application, through its paid up equity supported by requisite documents including a certificate from the statutory auditor. • Annexure-VI of IM dated 21.01.2015 stands as part of FM Phase-III Policy notified on 25.07.2011.
<p>Query No. 4</p>	<p>Auction Process</p> <p>Removal of 1% increase where bidders equal frequencies i.e. at Zero Excess Demand</p> <p>i. The auction process has a provision that there shall be 1% increase in the Clock Round Price when the bidders equal frequencies put up for auction in a city (Table 3 to Annexure B).</p> <p>ii. The purpose of the e-auction is to close the bids when the number of bidders equals the number frequency available. Therefore to increase the price when there is no excess demand is incorrect.</p> <p>iii. We therefore request that the increase should be zero when there is no excess demand, subject to an increase only if excess demand is created in subsequent clock bids as per the table. This will avoid artificial increase in prices.</p>	<p>Not Accepted</p>

Query No.	Pre Bid Query	MIB Reply
Query No. 5	<p>Clarification of Lock-in requirement for existing FM radio broadcasters</p> <p>i. We note that the Phase III Policy Guidelines set out that the Largest Indian Shareholder of a permission holding company is locked-in for a period of 3 years from the date on which all the channels allotted to the company holding permission stand operationalised.</p> <p>ii. We would like to bring to your kind notice that all responsible and regulatory compliant Phase II FM broadcasters have already abided by this mandate under Grant of Permission Agreement to operate in Phase II as they have already completed the lock in period of five years under previous license., under which the permission holder cannot be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any other or new shareholders for a period of five (5) years from the date of operationalisation of the permission.</p> <p>iii. Given that Phase II FM radio broadcasters have already complied with the said condition for a larger tenure under the Phase II regime, we humbly request the Ministry to waive the said condition for Phase II FM radio broadcasters migrating from Phase II to Phase III regime.</p> <p>iv. We request the MIB to waive the 3 year lock-in period for the largest Indian shareholder of an existing license holder who shall take part in Phase 3 auctions.</p>	<p>(iii) & (iv) Not Accepted</p>
Query No. 6	<p>Frequency Allocation</p> <p>a. Frequency Allocation Stage</p> <p>i. The Information Memorandum states that the Frequency allocation will be done for the winning bidders through the Electronic Auction System (EAS) itself as specified under Auction Rules (specified in para 33 of the Information Memorandum). As per the Auction rules, the awarding of the FM channels will be done through a 2 stage process – Channel allocation stage and Frequency Allocation stage.</p> <p>ii. In the Frequency Allocation stage specific</p>	<p>a) Removal of Frequency Allocation Stage Not Accepted.</p>

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	<p>frequencies will be allocated to the winning bidders in a city based on the rank of the bidder in a particular city i.e. 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.</p> <p>iii. We request MIB that the above two stage process of auctions should be revised to a one stage process (Channel allocation stage), similar to the process followed in Phase 2 auctions i.e. bidding process should not include frequency allocation.</p> <p>iv. Allocation of frequency should be done post channel allocation and in mutual consultation with Department of Telecommunication (DOT), Wireless Planning and Coordination (WPC) and Standing Advisory Committee on Radio Frequency Allocation (SACFA).</p> <p>b. Preference in Frequency allocation</p> <p>With reference to Annexure VII of the First Batch Information Memorandum in which the city wise list of frequencies allocated in 69 cities are given, we would like to bring to your notice that FM broadcasters whose frequencies are recognised nationally and have pan India connect, should be given a preference to choose such frequency over other broadcasters. Given that a particular frequency number per-se does not have any advantage/premium over the other frequency numbers, therefore, we request the MIB to allow the FM broadcasters which are currently using such frequency to be given a preference to opt for the same frequency in the upcoming auctions.</p> <p>c. Availability of Frequencies</p> <p>i. With reference to Annexure VII, we would like to bring to your notice, the absence of various unused frequencies in the list of frequencies to be allocated. For example in Hissar, only 1 frequency i.e. 104.2 has been made available. The frequencies 92.7, 91.9 and 106.4 are currently in use in Hissar, however, rest of the frequencies such as 94.3, 98.3, 93.5, 91.1 are neither in use nor made available for selection in the First Batch of Auctions.</p>	<p>(b) Not Accepted</p> <p>(c) The list of possible frequencies identified for 135 channels in all 69 existing cities (Annexure-VII of IM to be modified) is at <u>Annex-I</u>.</p>

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Query No. 7	<p>Clarification on Surrender of Licenses</p> <ol style="list-style-type: none"> 1. As per Clause 26 of the Information Memorandum, 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. It further states that in case of surrender of permission, the government may at its discretion, in order to ensure the continuity of the broadcast, take over the FM radio broadcast channel or issue permission to another eligible company for running the service. <ol style="list-style-type: none"> i. In light of the above provisions, we request MIB to clarify the exact process for surrender of licenses by existing operators including explicitly providing us a list of "all connected/affected parties". ii. In the event, a license holder wishes to surrender a channel before the First batch of Auctions, in order to increase the number of frequencies it can bid for in the First batch of Auctions, what will be the cut of date for surrendering of channel? iii. Will the channels surrendered as mentioned above be available for auctions in the second or subsequent batch of Phase 3 Auctions? iv. If the surrendered channels are offered for auction in the second or subsequent batch, then will the previous license holder who has surrendered the license, be allowed to bid for the same? v. Further, we request MIB to allow the previous license holder who has surrendered its license to continue operating the said surrendered license for and on behalf of the Government, under its supervision, till the time such channel becomes available in second or subsequent batch of auctions. 2. This will help the government to continue earning revenue, but also ensure continuity of broadcast. It will also help the Permission holder, who is surrendering the channel on account of the nation-wide capping restriction, to operate the channel in the interim and retain it till the second or subsequent batch of auction. 	<ul style="list-style-type: none"> • The concerned affected parties in case of existing permission holders are including but not limited to Government (MIB/WPC) all stakeholders of CTI (Prasar Bharati/BECIL/Other permission holders in that city-where electricity/water bills/statutory taxes to local municipal bodies are paid and shared equally). • Requests for surrender of existing channels will be examined on case to case basis subject to provisions in Phase-II/Phase-III policy guidelines and the existing GOPA signed.

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Query No. 8	<p>No-objection Certificate (NOC) from BECIL in relation to migration</p> <ul style="list-style-type: none"> • It is requested that refunds of Kolkatta CTI, which have been lying with BECIL for over a decade without any application, be refunded or adjusted against the pending dues to BECIL. • It is also requested that dues of Avadi CTI (Chennai) which are under dispute due to technical non-feasibility of the existing CTI location, be excluded while calculating pending dues to BECIL. • We understand that the absence of NOC from BECIL would only affect the eligibility of existing broadcasters to migrate to Phase 3 and shall not be a pre-requisite for eligibility to participate in the First batch of auctions. We request MIB to confirm if our understanding is correct. • On account of the decision pending in the disputes of Kolkatta and Chennai, we request MIB to kindly keep these matters in abeyance and request BECIL to issue NOCs, notwithstanding these two disputes. These issues should not affect eligibility of existing broadcasters to migrate to Phase 3. If required, the concerned Operators can be asked to deposit a portion of the disputed amount in an Escrow account until an amicable solution is arrived 	<ul style="list-style-type: none"> • Not Accepted

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Query No. 9	<p>Migration</p> <p>a) Clarification on Migration procedure</p> <ul style="list-style-type: none"> • We understand from MIB's Order dated January 21, 2015 that the cut off date for automatic migration shall be taken as March 31, 2015 and the amount of Non Refundable One Time Migration Fee (NOTMF) to be paid for migration would be determined basis the auction results of the First Batch of auctions under Phase III. • In this regard we request the MIB to clarify the procedure of migration and the timelines involved vis-a-vis signing of fresh GOPA and payment of NOTMF. <p>b) Clarification on Lock-in requirement and signing of GOPA</p> <ul style="list-style-type: none"> • In the event an FM Broadcaster wishes to sell its business prior to migration and submits an Application for the same to MIB before the cut-off date for automatic migration; then in such a case which entity will sign the migration GOPA, i.e. the current permission holder (seller) or the new proposed permission holder (purchaser)? • The proposed sale transaction would take time to culminate and would also be subject to receipt of various approvals and hence cannot be completed till the migration cut off date. This would necessitate the current permission holder to sign the GOPA for completing the migration process. We request MIB to allow the current permission holder (seller) to sign the initial GOPA without the 3 year lock in restriction and subsequent to the receipt of approvals for such sale transaction, the new proposed permission holder (purchaser) can sign the GOPA again and the three year lock in period should be applied to the new proposed permission holder (purchaser). 	<p>a)</p> <ul style="list-style-type: none"> • Migration would be effective from 01.04.2015 and migration fee to be charged would be based on results of Phase-III auctions in existing cities. It also depends on security clearance in respect of existing operators. • After notification of NOTMF for existing cities, the existing permission holders of phase-II <u>who opt for migration to Phase-III within the cut-off date</u> shall deposit 25% of NOTMF amount within five calendar days and balance amount within 15 calendar days of the notification. • The date for exercising the options by existing permission holders for migration to Phase-III shall be <u>07.03.2015</u> <p>The permission holders will be required to sign a fresh grant of permission agreement (GOPA) on the prescribed format within, say, 15 days of payment of full NOTMF amount.</p> <p>b)</p> <p>The formalities for migration like clearance of Government/Prasar Bharati/BECIL dues, and exercise of options by the existing permission holders shall have to be completed <u>before 07.03.2015</u></p>

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Query No. 10	<p>Nomination of an authorized person during Pre-Qualification Process</p> <ul style="list-style-type: none"> We refer to point 5 of Clause 1.5 of the Information Memorandum which states that prospective bidders would have to submit a Power of Attorney authorising an authorised person who would be empowered to take all decisions and correspond on behalf of the Applicant entity. Our request is that prospective bidders be permitted to authorise more than one person for the above purpose. Further, with reference to the said clause we request that a Board resolution in favour of authorised person should also be considered equivalent to a Power of Attorney. 	<ul style="list-style-type: none"> Power of Attorney by Resolution of Board of Directors that the person signing the Application is an authorized signatory. Nomination in respect of two persons is <u>not</u> acceptable for making bids during clock rounds of the auction stage. However, bidders may nominate an additional person for correspondence / liaison / interaction with the ministry. In case of any duplication of submissions made by the Applicant, the submission signed by the primary Authorised Person would be considered as final and binding. To take care of the unforeseen situations where the single bidder from the pre-qualified company falls ill or his digital signing certificate (DSC) gets damaged, the e-auctioneer will reset his/her DSC only after the completion of the previous clock round and before the start of the next clock round. It is suggested that the pre-qualified bidders may procure and test Two DSCs during the mock auction stage itself.
Query No.11	<p>Removal of Tie rule III from the Auction Process</p> <ul style="list-style-type: none"> We would like to bring to the notice of MIB that according to Tie Rule III, where there is a tie according to the Tie Rule I & II, ranking will be done 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. In this case the bigger broadcasters, who already have restriction on number of channels they can bid for due to nationwide & city wise cap, 	<ul style="list-style-type: none"> Not Accepted

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	<p>would be in a disadvantaged position compared to new entrants and smaller players, since they will have more bidding options .</p> <ul style="list-style-type: none"> In light of the above we request MIB to remove the Tie rule III from the Auction process so that there is parity between existing broadcasters and new entrants. 	
Query No. 12	<p>Information on Bidding Dashboard during Auction Process</p> <ul style="list-style-type: none"> With reference to 33.6.3.2 regarding display the following information for each of the cities, we would like to submit that bidding dashboard should also display number of actual bidders per clock round for a particular city instead of the Range of excess demand. 	<p>Accepted.</p> <p>Aggregate Demand and Excess Demand information will be made available to the bidder after the completion of each clock round</p>
Query No. 13	<ul style="list-style-type: none"> It is mentioned in the IM that the cut-off date for automatic migration is 1.4.2015, Clear Media apprehends that it may lose 17 months of its Phase-2 license period, i.e. the period from 1.4.2015 upto 31.8.2016 with a credit being provided for the amount paid in advance for these unexpired 17 months. If Clear Media's apprehension is correct, then it flows that the Union does not propose to compensate Clear Media for the cost of capital for having paid the OTEF for these 17 months in advance more than 9 year back. 	<ul style="list-style-type: none"> No change in Migration conditions
Query No. 14	<ul style="list-style-type: none"> Further, Clear Media stands to lose the differential in the pro-rata OTEF that was paid under the Phase-2 license and what would be payable under as Non-Refundable One Time Migration Fee (NOTMF) for the Phase-3 license. 	<p>Reply same as in Query No. 13 above</p>
Query No. 15	<ul style="list-style-type: none"> The policy for migrating to Phase III license is discriminatory to Clear Media because its NOTMF under Phase III will be a minimum of Rs 33.3 Crore for 180 months= a minimum of Rs 18.5 lac per month. As against this, under the Phase II licenses, Clear Media monthly OTEF is Rs 13.3 Crore for 120 months= 11.1 lac per month. 	<p>Reply same as in Query No. 13 above</p>

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Query No. 16	<ul style="list-style-type: none"> • The loss caused to Clear Media under the Phase-3 policy is three-fold. <ol style="list-style-type: none"> i. Curtailment of Phase-2 license from 120 months to 103 months; ii. Prepayment of NOTMF migration fee by 17 months in comparison to the three Phase-1 licensees who enjoyed the full duration of their Phase-2 license (120 months) before becoming liable to pay the NOTMF for Phase-3. iii. Clear Media incurring the cost of capital which would be approximately INR 700 lacs by virtue of a pre-mature demand for payment of NOTMF (assuming that the NOTMF price would be the migration price). iv. Higher fees for the 17 month period from 1.4.2015 to 31.8.2016 – the minimum loss being 7.4 lacs x 17 months + the cost of capital since the Union enjoyed the benefit of Clear Media's funds for nine years without payment of interest/cost of capital, as only the unutilized OTEF amount will be provided as credit against the NOTMF to be paid. 	Reply same as in Query No. 13 above
Query No.17	<ul style="list-style-type: none"> • The move to provide a smooth and timely migration package to three Phase-1 broadcasters will also benefit other three Phase-2 broadcasters in Delhi at the cost of the public. As an example, the Union will become liable to provide refund/credit to certain bidders such as Radio One the unutilized OTEF @ INR 26.18 lacs per month of unexpired license period. If the migration for the Delhi license to Phase-3 is completed at the reserve price, then Radio One will be liable to pay NOTMF @ INR 33.3 crores divided by 180 months = INR 18.5 lacs per month, which is fact is lower than the OTEF that Radio One agreed to pay close to 10 years back ! 	Reply same as in Query No. 13 above

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Query No.18	<ul style="list-style-type: none"> • Thus while Radio One gains by INR 7.7 lacs per month by migration to a Phase-3 license for its unexpired period, Clear Media loses by INR 7.4 lacs per month (not including cost of capital for its unexpired period) due to the pre-mature termination of the Phase-2 license, assuming that the Phase-3 NOTMF does not exceed the reserve price. 	<p>Reply same as in Query No. 13 above</p>
Query No. 19	<ul style="list-style-type: none"> • In order for making the migration policy fair and equitable, Clear Media requests that the MIB consider the following: <ul style="list-style-type: none"> i. Permitting Clear Media to continue broadcasting as per its present Grant of Permission Agreement GOPA under Phase-2 (Phase-2 GoPA) till end of its 120 months license period on 31.8.2016 whilst whether it chooses to migrate to Phase-3 or not. ii. Date of payment of NOTMF for Phase-3 to be at the end of the 120 months of the license period if Clear Media chooses to migrate to Phase-3 as has been provided to Phase-1 broadcasters in Delhi. iii. Effective date of commencement of 15 year Phase-3 license to be after the date of completion of Phase-2 license as per the original duration i.e. for 120 months, i.e. on 1.9.2016 if Clear Media chooses to migrate of Phase-3, as has been enjoyed by Phase-1 broadcasters in Delhi. 	<ul style="list-style-type: none"> • Not accepted
Query No. 20	<ul style="list-style-type: none"> • If the MIB insists that it is not possible for the date of automatic migration to be shifted beyond 31.3.2015 as has been mentioned in the IM, then Clear Media is willing to declare its option for automatic migration to Phase-3 on or prior to 31.3.2015 and sign a Grant of Permission Agreement for Phase-3 (Phase-3 GoPA) which can be effective from 1.9.2016. Clear Media will sign the Phase-3 GoPA alongwith other Phas-2 broadcasters who choose to migrate to Phase-3, subject to the date of commencement being 1.9.2016, and last date of payment of NOTMF being 31.8.2016. 	<p>Not accepted</p>

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Query No. 21	<ul style="list-style-type: none"> There is nothing in the IM that prevents the Union from consenting to requests and suggestions made by Clear Media to make the migration policy of Phase-3 a total success so far as the city of Delhi is concerned. 	Not accepted
Query No. 22	<ul style="list-style-type: none"> With reference to Clause 1.5 Prequalification process mentions the requirement of Power of Attorney in favour of Authorized Person. We wish to bring to your kind notice that a Board Resolution in favour of authorized person should be considered equivalent to a POA. Please confirm. 	<ul style="list-style-type: none"> Replied under Query 10 above.
Query No. 23	<ul style="list-style-type: none"> With reference to Para no. 4.10 and corresponding Annexure 7 of the IM, it has been observed that only specific radio frequencies in 69 cities are available for auction. In many cities some of the specific frequencies not in use are not made available, so the existing players of Phase 1 and 2 will not be able to opt for the frequency under which they have established their brand. For example in Hissar as per Annexure VII of IM only one frequency i.e. 104.2 is available for auction however 92.7; 91.9 and 106.4 are in use and rest of the frequencies such as 94.3; 98.3, 93.5, 91.1 are neither in use nor made available for selection in Phase III by the winning bidder. In this regard our submission is that all the frequencies that are not in use should be made available for successful winners and it should be his prerogative to choose from available frequency. 	<ul style="list-style-type: none"> Replied under Query 6 (c) above.
Query No. 24	<ul style="list-style-type: none"> With reference Para No 8 of IM regarding 15 % capping on maximum number of Frequencies that an entity may hold nationwide, our submission is that the this capping should be placed either at the time of EMD and Application Stage or if not possible at EMD stage, then on the Basis of Provisional winning Stations a Provisional Capping May be applied. 	<ul style="list-style-type: none"> Replied under Query 1 above.

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	<p>i. Our submission in this regard is based on the reasoning that any bidder can bid excessively knowingly that he will not get those stations beyond capping Numbers. This will lead to keep out the genuine bidders and that frequency will ultimately remain unsold due applicability of rule of maximum 15% cap which will in result lead to the loss of revenue to the Govt.</p>	
<p>Query No. 25</p>	<ul style="list-style-type: none"> • With reference to 1% increase in clock round price where excess demand is zero in the previous clock round, we would like to submit that increase of 1% is unjustified and will lead to superficial increase in the bid price. • Our submission in this regard is that if excess demand is equal to zero there should be no increase in clock round price till a new bidder chips in his bid for that city. 	<ul style="list-style-type: none"> • Reply as in Query no. 4 above.
<p>Query No. 26</p>	<ul style="list-style-type: none"> • With reference to 33.6.3.2 regarding display the following information for each of the cities, we would like to submit that bidding dashboard should also display number of actual bidders per clock round for a particular city rather than the range of excess demand. 	<ul style="list-style-type: none"> • Replied under Query 12 above.
<p>Query No. 27</p>	<ul style="list-style-type: none"> • With reference to auction activity requirement as discussed under para 33.6.5.5, it is mentioned that eligibility points will be affected on the basis of activity level in the previous clock round and activity requirement set by the auctioneer. We would like to further reconfirm that if bidder X is a provisional bidder for any frequency in a particular clock round and in a later clock round bidder X does not bid further. Will this action also have an impact of bidder X's activity level? 	<ul style="list-style-type: none"> • The Bidder X has to perform the activity as per the Auction Activity Requirement Set by Auction Administrator. • If Bidder X had performed the activity equal to or greater than the Auction Activity requirement than Bidder X eligibility points will be carried forward to the next clock round. Else if Bidder X has performed the activity less than Auction Activity Requirement then reduced eligibility points will be carried forward to next clock round.

Query. No.	Pre Bid Query	MIB Reply
Query No. 28	<ul style="list-style-type: none"> • Closure of auction rules: The IM mentions that the auction would close when a) Activity Requirement is 100% and b) for all cities, Excess Demand is negative or zero for all cities (page 60 of the IM). However, as discussed in the pre-bid conference, this could result in a phenomenon described by some as “sudden death” for those broadcasters who have been declared as provisional winners in the penultimate round. One/more new bidders might enter a city in the very last round, and the auctions may suddenly close, giving the previous provisional winners no time or option to react. • The telecom industry followed this method in the 3G auctions in 2010. Thereafter, as an evolutionary process, the industry progressed to a better version in subsequent auction rounds, including the most recent ones held in Feb 2014 and the upcoming ones coming up shortly. • We therefore suggest that MIB adopt the same closure rules as adopted in the telecom auctions. In this case, auctions would close when a) Activity requirement is 100% and b) no new bids are received in any of the cities. 	<p>Accepted.</p> <ul style="list-style-type: none"> • The Auction closing rule modified as follows: <ul style="list-style-type: none"> a) The Auction Activity Requirement is 100%, and; b) For All Cities in all the Channels, there is no bid submitted by any of the bidders i.e. Bidder Activity is NIL.
Query No. 29	<ul style="list-style-type: none"> • <u>Tie breaker Rule III of auction rules:</u> Clause 33.6.6 states that 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. This tie breaking criterion works against the existing operators who have a large number of channels operating presently. By applying nationwide 15% capping rule, these operator can bid for fewer number of channels. Hence the cumulative value of the bids for these broadcasters would be lower vis-a-vis a broadcaster with fewer channels. So if two broadcasters continue to bid for every clock round with unique clock round price, the broadcaster with ability to bid in more channels would receive a favorable rank. • We request that Tie Rule No. III should be amended and while calculating the total bid value, auctioneer should take into consideration existing channels of each operator and should add the "current bid value" of these channels into calculating the total committed value. This 	<ul style="list-style-type: none"> • Reply as in Query no. 11 above.

Query. No.	Pre Bid Query	MIB Reply
	<p>would ensure that operators with existing channels do not get disregarded in the ranking scheme. For instance if an operator has 40 existing channels, then while calculating the cumulative value of bid, it should also include the 40 current bid values for those channels. For channels in cities not up for auction (eg Kolkata), “the Phase-II average bid of the city multiplied by a factor of 1.5” can be considered.</p>	
<p>Query No. 30</p>	<ul style="list-style-type: none"> • 15% cap imposed on the 1st batch of auctions: To the best of our knowledge, the general direction that the MIB has indicated has been that it doesn't want any broadcaster to hold more than 15% of the licenses across the country. But this goal should be achieved when Phase-3 is completed in its entirety, not in a batch by batch way. If this restriction is imposed, none of the big broadcasters, who are serious about the auctions, will be able to participate actively in the first batch. My company will be able to participate in auction for only 24 frequencies out of 135. • Some of the other broadcasters will only be able to participate in auctions for 10-12 frequencies. This clearly cannot be the intention of the government. We thus request you to keep the 15% limit only on the overall Phase-3 level, and waive it off at this stage. Also, if MIB decides to go ahead with the 15% limit at the batch level, it should be applied on the total frequencies offered by the MIB i.e. existing 243 frequencies + 135 offered in the current auctions and not on the allotted frequencies. 	<ul style="list-style-type: none"> • Reply as in Query no. 1 above.

Query. No.	Pre Bid Query	MIB Reply
Query No. 31	<ul style="list-style-type: none"> • Authorized signatories: The IM provides for only one authorized signatory to be identified per broadcaster. We request that this number be increased to two. We don't want a situation where the one identified authorized signatory in the company takes ill and the whole auction process suffers as a result of that. A back-up should be provided. We are informed that in the telecom auctions also, two authorized signatories are permitted. 	<ul style="list-style-type: none"> • Reply as in Query no. 10 above.
Query No. 32	<p>i. Frequency allocation process: We strongly recommend that the ranking system for allotting specific frequency numbers be done away with, and instead, existing brands who win licenses should be allowed to retain their current frequencies in the new markets as well.</p> <ul style="list-style-type: none"> • As an example, it would be very weird if in Chandigarh, Radio Mirchi's frequency is 93.5 FM (which belongs to Red FM otherwise) and in Bareilly, Red's frequency is 98.3 (which belongs to Mirchi nationally at present). As mentioned in the pre-bid conference, brands have invested heavily in letting their listeners know them by their frequency. <p>ii. If frequencies are mixed up, it will create tremendous confusion. Much of the marketing campaigns (especially on TV and digital media) and content require a common frequency number. To your point that the Hon'ble SC has asked for an auction-determined method to allot spectrum bands, we would humbly like to point out that that observation was in the context of telecom spectrum where different bands have different utilities and values to operators. In the case of FM broadcasters, there is no difference between the frequencies.</p> <ul style="list-style-type: none"> • We hope that MIB will consider these suggestions favorably, as they are intended to make the auctions a success. We look forward to them being incorporated in the NIA. 	<ul style="list-style-type: none"> • Reply as in Query no. 6 above.

Query No.	Pre Bid Query	MIB Reply
Query No. 33	<ul style="list-style-type: none"> Point 2.2(l) on page 5 says that “defaulters of conditions under Phase-1 and Phase-2, who have contested the revocation of their LOI/LA/BG, and thereby continue to be debarred from participating in any future bidding process”. We would like to point out that these cases are more than 10 years old. In our BG case, we have already secured a favorable order in the TDSAT. The GOI has gone in appeal in the Hon’ble SC, and the verdict is awaited. In the case of Music Broadcast Private Limited (“MBPL”), the Hon’ble SC has ruled in favor of the broadcaster and asked the GOI to return the BGs. In our case, the BGs have lapsed and the Hon’ble SC refused to accede to the GOI’s demand that the BGs be renewed. Even during Phase-2 auctions, a specific waiver was granted by MIB to enable Phase-1 broadcasters to participate in Phase-2 auctions. We request that this old issue, which wasn’t even considered during Phase-2 auctions, not be made a reason for debarring serious broadcasters like us from bidding in Phase-3. We request that a similar waiver be added in the NIA this time as was added in the Phase-2 documents. 	<ul style="list-style-type: none"> The defaulters of Phase-I who had accepted revocation of their LOI and exercised the option to participate in Phase-II bidding, and who were subsequently permitted to participate in Phase-II bidding, shall be permitted to participate in Phase-III bidding also.
Query No. 34	<ul style="list-style-type: none"> Pre-qualification for bidders: Clause 32.2.1.3 on page 38 states that “The Government reserves the right not to pre-qualify any Applicant without assigning any reason whatsoever. “. We request that applicants should be provided an opportunity of one week to cure any administrative errors. 	<ul style="list-style-type: none"> The Applicants should take utmost care in preparation and submission of Applications. Application Review Committee may decide to seek further information / clarification from the application, if required.

Query No.	Pre Bid Query	MIB Reply
Query No. 35	<ul style="list-style-type: none"> In annexure-X on page 89, the 3rd last point reads "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". As discussed in the pre-bid conference, it appears that this point is intended only for new bidders. Old broadcasters would obviously be allowed to "extend" their current brand of radio stations. 	<p>Accepted to the extent that an existing FM operators can use their FM channel brand name for new channels.</p> <p>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.</p>
Query No. 36	<p>Nationwide cap of 15% of pan India channels allows bidders to place bids for channels surpassing the nationwide cap. The EAS would further decide to allocate the top 15% of the channel in terms of their highest values in descending order.</p> <p>a) How will the 'values' be defined for considering the bids from a bidder on a selective basis? How will elimination be done, cities first or channels or selected city-channel combinations first?</p>	<p>The Values means top 15% percent of the channels in which bidder had bid arranged in descending order</p>
Query No. 37	<p>1. The auction closing rules (@100% AAR and zero or -ve ED in all cities) promotes continuous bidding by the bidders in penultimate rounds at 100% AAR for the fear of being outbid. It carries the risk of unwanted price escalation in the post 100% AAR rounds. This can be contrasted with the Feb-2014 telecom spectrum auctions where the auction ending rule (@100% AAR and no Bids Received across all circle-band combinations). The second rule gives the bidder more flexibility to control its winning or losing by keeping the auction open and also avoids panic bidding in penultimate rounds by the bidders.</p> <p>a) Telecom auctions have evolved from 2010 (3G/BWA) and have migrated to using the aforementioned closing rule. FM Radio auctions should follow the closing rule adopted in the latest completed round of telecom auctions (Feb-14) and also the prescribed closing rule for the upcoming telecom auctions (Mar-15)</p> <p>b) The presentation done by the auctioneer suggested a different version of the closing rule (100% AAR and either negative excess demand OR no new bids). This rule is still different from the one used in telecom auction and does not alleviate the fear of excess bidding</p>	<p>Reply as in Query no. 28 above.</p>

Query. No.	Pre Bid Query	MIB Reply
Query No. 38	<ul style="list-style-type: none"> The example quoted in the Tie breaking rule # 2 is inconsistent with the Tie breaking rule #1. The example considered gets resolved at the Tie breaking rule #1 itself. How should the Tie breaking rule #2 be interpreted? 	<ul style="list-style-type: none"> It may be considered that the tie rule II will only be applicable once there is a tie in rule no. 1. Hence we can say that at rule no. 1 we could not break the ice of any two or more than two bidders then we move to rule no. 2. Please consider the example as different examples. The examples are not inter connected. The example is for only the understanding of Tie Rule.
Query No. 39	<ul style="list-style-type: none"> The example quoted in the tie breaking rule #3 uses different clock round prices for the two bidders X &Y for the same city in the same round. <p>Excerpt: 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.</p> <ul style="list-style-type: none"> 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. How should it be interpreted? 	<ul style="list-style-type: none"> Assuming that there is a tie with first two criteria (i.e. Tie Rule No. 1 & Tie Rule No. 2), 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; Example: 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 Bidder Y had submitted the bids in the current round for City 4 for 2 channels at Clock Round Price of Rs. 200, City 5 for 2 channels at Clock Round 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 $((2*200)+(2*180)+(2*50) = \text{Rs. } 860)$.

Query No.	Pre Bid Query	MIB Reply
		<ul style="list-style-type: none"> • 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, bidder Y will be ranked higher than bidder X. • In the current Tie Rule, the total value of the channels for which bids had been submitted by the bidder in the current clock round will be considered.
Query No. 40	<ul style="list-style-type: none"> • The scenario depicted in point D1 requires the aggregate demand to be 0, however it has been depicted elsewhere that PWB from a previous round (with lower CRP) can be considered if $AD > 0$ but ED is -ve . • It is in direct conflict with similar clause depicted on Pg. 46 point b). How should it be interpreted? 	<ul style="list-style-type: none"> • Condition D1 on page 58 of IM stands deleted since it is the same explanation for condition D • If Aggregate Demand is Zero in a current clock round then Excess demand will be negative. • In this scenario all the bidders from the previous clock round (R) will be the provisional winning bidders in the current clock round (R+1). • The Provisional Winning Price of the current clock round (R+1) would be the previous clock round (R) Price. • If the Aggregate demand is greater than zero but Excess Demand is negative. • In this scenario 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

Query. No.	Pre Bid Query	MIB Reply
		<p>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.</p>
Query No. 41	<ul style="list-style-type: none"> • It is mentioned that the “The minimum time between the ending of One Clock Round and the start of the Next Clock Round will be 60 minutes.” Elsewhere it is mentioned that this time duration will be minimum of 15 minutes. • Our recommendation is that the minimum time between clock rounds to be kept at 15 minutes 	<ul style="list-style-type: none"> • The time required to decrypt the bids, publication of clock round result and scheduling of the next clock round requires minimum 60 minutes.
Query No. 42	<ul style="list-style-type: none"> • The IM section on Information policy does not mention that Aggregate Demand, Bids received and exact Excess Demand will be shared with the bidders. This information has always been shared with the bidders across all telecom auctions (2010, 2012, 2014 and also mentioned in the NIA for Mar-15 auctions. • Request if the following items be made available as part of the information to be shared with the bidders: <ul style="list-style-type: none"> a) Aggregate Demand b) Bids Received c) Excess Demand (exact and not a range) <ul style="list-style-type: none"> • The note for the mark * in the frequency column over frequency slot 106.4 against Shillong is missing. 	<p>Reply as in Query no. 12 above.</p>

Query No.	Pre Bid Query	MIB Reply
Query No. 43	<ul style="list-style-type: none"> What is the timeline for the reduced channel spacing and auction of additional channels created as a result? 	Auction of additional channels that may become available due to reduced channel spacing to 400 KHz could be considered after feasibility studies are completed.
Query No. 44	<ul style="list-style-type: none"> Will the existing players get any benefit in NOTEF if new channels are added during 15 year period? 	No information available at present in this regard.
Query No. 45	<ul style="list-style-type: none"> What is the tentative timeline for the batch 2 of auction (frequencies in remaining 234 cities)? 	It will be communicated before the auction for batch 2
Query No. 46	<ul style="list-style-type: none"> M & A and sale of business – In case if any business entity gets sold before the date of migration of phase II to phase III, then who will sign the GOPA- existing owner or the new owner? If the existing owner signs, will the condition of 3 years lock-in be applicable or not? 	There will be no waiver in lock in condition of 3 years either for new owner or old owner. The company holding permission as on 31.03.2015 will sign the migration GOPA.
Query No. 47	<ul style="list-style-type: none"> If any of the existing phase II player who does not migrate to phase III by 31.03.2015, decides to sale its license post auction process, then will the new owner be allowed to migrate the license to phase III by paying the renewal fees? 	NO. New owner has to obtain WOL from WPC first before signing the GOPA.
Query No. 48	<ul style="list-style-type: none"> Can there be provisional NIA before the final NIA to ensure that all the industry recommendations can be incorporated? 	A Pre Bid Meeting may be scheduled after the issue of NIA (Notice Inviting Applications).
Query No. 49	<ul style="list-style-type: none"> What will be the cut-off date for determination of net worth? It has to be as per the latest audited financial. 	Reply as in Query no. 3 above
Query No. 50	<ul style="list-style-type: none"> What is the mechanism of resolving the existing disputes (e.g. Kolkata tower dispute), which are already subjudice under various courts, with BECIL, in order to get an NOC to participate in auction? 	Reply as in Query no. 8 above

Query. No.	Pre Bid Query	MIB Reply
Query No. 51	<ul style="list-style-type: none"> What is the timeline for issuance of LOI post auction closure? 	<p>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) as soon as possible</p>
Query No. 52	<ul style="list-style-type: none"> What is the timeline for signing GOPA once the requisite agreement with PB and BECIL are done? <p>Other Clarifications/ requests</p> <ol style="list-style-type: none"> Some frequencies are missing in the IM. Request for deferred payment option 	<ul style="list-style-type: none"> Within six months from the issuance of LOI. <ol style="list-style-type: none"> Same as in reply for Query 6 b & c above. Not accepted
Query No. 53	<ul style="list-style-type: none"> In case of BECIL charge money for CTI from the new player, which has already been created, then would that be passed on to existing players; as existing players have already paid to BECIL entire cost of creating CTI? 	<ul style="list-style-type: none"> In the existing CTIs the new broadcaster will bear the expenditure towards additional items to be installed like Combiners, Rigid Lines related accessories/ works etc. In some cases where adequate space is not available in the existing CTIs, they may also have to incur the expenditure towards civil infrastructure. <p>Further these new broadcasters will have to share the expenditure with the existing broadcasters who have already incurred expenditure on establishing the existing CTI including Antenna Systems, Cable and related accessories, Power Supply arrangement, DG Set, etc.</p>
Query No. 54	<ul style="list-style-type: none"> What are the charges new player will have to pay to BECIL for CTI as it has already been created? 	<ul style="list-style-type: none"> For additional works to be taken up to accommodate the new broadcasters in the existing CTIs, BECIL, as system integrator, will charge its project management service charges on the total additional project cost to the new broadcasters.

Query No.	Pre Bid Query	MIB Reply
		In addition to the above, BECIL will also charge its service fee, in case, existing broadcasters avail the services of BECIL in settling the share of new Broadcasters towards the established existing CTI infrastructure.
Query No. 55	<ul style="list-style-type: none"> Suggestion: At zero activity in any round (where the demand is zero), the proposed increase of 1 % in the next round should not happen until there is positive demand. 	<ul style="list-style-type: none"> Same as in reply to Query no. 28 above.
Query No. 56	<ul style="list-style-type: none"> As per the Clause 31.1 regarding the payment clearance of Prasar Bharati/ BECIL/ Govt, etc, it was replied in the pre bid conference that for issues with BECIL, it should be taken up separately with BECIL. So, if ministry can not interfere in any issue of BECIL & PB, then Clause 31.1 should be removed? 	Not accepted
Query No. 57	<ul style="list-style-type: none"> In Phase III, some benefit in term of annual fees will be provided to the stations in J & K and North Eastern states by Prasar Bharati. In the IM, nothing is mentioned about that. 	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.
Query No. 58	<ul style="list-style-type: none"> What is the migration fee for the C category station of for Guwahati station for migration from Phase II to Phase III? 	<ul style="list-style-type: none"> Will be made known once present auction is completed.
Query No. 59	<ul style="list-style-type: none"> If migration fee will be decided after the auction of new batch, then according to Clause 31.3, the cut off date for the migration to Phase III will be changed or it will remain same, or should we take all the benefits of Phase III from 1.4.2015? 	<ul style="list-style-type: none"> No Change in the cutoff date for migration.

Query. No.	Pre Bid Query	MIB Reply
Query No. 60	<ul style="list-style-type: none"> • What is the net worth requirement for 6-7 new stations for D category? 	<ul style="list-style-type: none"> • The Net Worth requirement is on per city category in each region basis. For a D category city per region, requirement is Rs 50 lac. It implies that if a bidder wants to apply for two or more D category cities in the same region, Net Worth of Rs. 50 lac is required. For two D category cities in two different regions, Net Worth of Rs.1 crore is required
Query No. 61	<ul style="list-style-type: none"> • In case the existing permission holder don't want to migrate to phase III regime, then can the existing permission holder migrate to phase III letter before the expiry of 10 years of permission? 	<ul style="list-style-type: none"> • NO
Query No. 62	<ul style="list-style-type: none"> • As stated in para 31.4 that NOTMF shall be payable by existing permission holder of phase II to migrate to phase III. The NOTMF charged by the ministry of existing permission holder of phase II is almost 3 years in advance of the license expiry. Will there be any interest given to permission holder for the money in use with the ministry? 	<ul style="list-style-type: none"> • The residual value of the Phase-II permission, calculated on a pro rata basis, shall be deducted from the NOTMF amount.
Query No. 63	<ul style="list-style-type: none"> • Is there any timeline for migration of permission holder of phase II to phase III apart from 31.03.2015? 	<ul style="list-style-type: none"> • There is no other date apart from 31.03.2015 as cut-off date for migration to phase-III
Query No. 64	<ul style="list-style-type: none"> • There are issues pending with BECIL with permission holder of phase II and migration to phase III requires no due certificate to be obtained by BECIL. Now if BECIL creates unnecessary demand and then the permission holder of phase II shall become forced to accept the demand of BECIL. We request you to migrate the permission holder of phase II to phase III without BECIL NOC. 	<ul style="list-style-type: none"> • Not accepted

Query No.	Pre Bid Query	MIB Reply
Query No. 65	<ul style="list-style-type: none"> What would be the exact amount for Gwalior required to fulfil NOTMF? 	<ul style="list-style-type: none"> Existing operators of Phase II who want to migrate to Phase III, will pay NOTMF as arrived at as per the migration formula given in Modified Para 31 of Phase III policy, notified on 21.01.2015.
Query No. 66	<ul style="list-style-type: none"> The permission holder of phase II has got the license for 10 years and if we migrate to phase III then the 15 years of phase III license term shall be calculated after expiry of 10 years period or how it works? 	<p>15 years license period under Phase-III begins from the effective date of migration i.e 01.04.2015</p>
Query No. 67	<ul style="list-style-type: none"> The new GOPA which needs to be signed in migration of Phase III please provide the performa of it as enable us to decide upon migration? 	<p>Migration GOPA is under scrutiny and shall be published in due course</p>
Query No. 68	<ul style="list-style-type: none"> What are differences in phase II and phase III policies can you give us the summary? 	<p>Both policies are available on ministry web site www.mib.nic.in</p>
Query No. 69	<p>Frequency Allocation Stage</p> <ol style="list-style-type: none"> The Information Memorandum states that the Frequency allocation will be done for the winning bidders through the Electronic Auction System (EAS) itself as specified under Auction Rules (specified in para 33 of the Information Memorandum). As per the Auction rules, the awarding of the FM channels will be done through a 2 stage process – Channel allocation stage and Frequency Allocation stage. 	<ul style="list-style-type: none"> Same as in reply to Query no. 6 above.

Query. No.	Pre Bid Query	MIB Reply
	<ul style="list-style-type: none"> • In the Frequency Allocation stage specific frequencies will be allocated to the winning bidders in a city based on the rank of the bidder in a particular city i.e. 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. • We request MIB that the above two stage process of auctions should be revised to a one stage process (Channel allocation stage), similar to the process followed in Phase 2 auctions i.e. bidding process should not include frequency allocation. Effectively, the one stage process should only include the channel allocation stage. • Allocation of frequency should be done post channel allocation and in mutual consultation with Department of Telecommunication (DOT), Wireless Planning and Coordination (WPC) and Standing Advisory Committee on Radio Frequency Allocation (SACFA) 	
Query No. 70	<p>i. Preference in Frequency allocation in Phase 3 auctions</p> <ul style="list-style-type: none"> • We are one of the largest FM Radio Operator having 45 radio stations across pan India. • We are already operating the frequency 92.7 under the name and style of “92.7 BIG FM” and have spent enormous amount of capital in the last 8 years in building our business and marketing our brand “92.7 BIG FM”. • Therefore, we request MIB that FM broadcasters whose frequencies are recognised nationally and have pan India connect, should be given a preference to choose such frequency over other broadcasters. Given that a particular frequency number per-se does not have any advantage/premium over the other frequency numbers, therefore, we request the MIB to allow the FM broadcasters which are currently using such frequency to be given a preference to opt for the same frequency in the upcoming auctions. 	<ul style="list-style-type: none"> • Same as in reply to Query no. 6 above.

Query No.	Pre Bid Query	MIB Reply
Query No. 71	<p>i. <u>Correction in Annexure VII – City wise list of frequencies to be allocated in 69 cities in Batch 1 of Phase 3</u></p> <ul style="list-style-type: none"> We note that, in the said Annexure, in the city Rourkela the frequency 92.7 has been shown as a vacant frequency available for bidding. Since, we (92.7 Big FM) are already operating from Rourkela under the frequency 92.7 since the last 8 years, clearly there has been an error which needs to be corrected. <p>Therefore, we request MIB that this aberration in Annexure VII be corrected at the earliest and 92.7 be removed as a vacant frequency.</p>	<p>Necessary frequency corrections for the cities of Aizwal, Nanded, and Rourkela have been provisioned for NIA.</p>
Query No. 72	<p>i. <u>Request for the availability of 92.7 frequency across all cities</u></p> <ul style="list-style-type: none"> With reference to Annexure VII, we would like to bring to your notice, the absence of various unused frequencies in the list of frequencies to be allocated. For example in Hissar, only 1 frequency i.e. 104.2 has been made available. The frequencies 92.7, 91.9 and 106.4 are currently in use in Hissar, however, rest of the frequencies such as 94.3, 98.3, 93.5, 91.1 are neither in use nor made available for selection in the First Batch of Auctions 	<ul style="list-style-type: none"> Same as in reply to Query no. 6 above.
Query No. 73	<ul style="list-style-type: none"> We note that there are 20 cities (as mentioned in Annexure 1) coming up for auctions wherein the frequency 92.7 is currently not operational but has still not been made available for allocation. We request MIB that the frequency 92.7 frequency should be made available in all these cities as well, especially in the state capitals like Ahmedabad, Jaipur and Lucknow, so as to facilitate usage of common frequency/brand in the region. 	<ul style="list-style-type: none"> Same as in reply to Query no. 6 above.
Query No. 74	<ul style="list-style-type: none"> We request you to provide guidelines on road map for the subsequent batch of auctions and the tentative timelines of when the remaining frequencies will be auctioned. 	<ul style="list-style-type: none"> Subsequent batch of auction will be conducted after consultation with TRAI on reserve prices for new cities and completion of feasibility study on reduce channel spacing and acceptance by Government

Query No.	Pre Bid Query	MIB Reply
Query No. 75	<ul style="list-style-type: none"> Clarifications on any implications for a player who wishes to participate only in subsequent auctions and not in Batch 1. 	<ul style="list-style-type: none"> It is the sole discretion of the bidders regarding their participation in the auctions
Query No. 76	<ul style="list-style-type: none"> We understand that the cut-off date for determination of Net Worth of an applicant shall be mentioned in the Notice for participation in the Auction. It is further provided that the net-worth shall be interpreted and calculated as per the proforma given at Annexure VI and should be certified by the Statutory Auditor of the Company duly supported by certified accounts by the Statutory Auditors. 	<ul style="list-style-type: none"> Same as in reply to Query no. 3 above.
Query No. 77	<ul style="list-style-type: none"> We note that Point no. 9 of Application Form for pre-qualification bid as provided in Annexure II of Information Memorandum, specifies the cut-off date for the Net-Worth of the applicant Company as March 31, 2014. 	<ul style="list-style-type: none"> Same as in reply to Query no. 3 above.
Query No. 78	<p>In this regard, we request MIB to allow the FM Broadcasters to submit the Certificate of Net-Worth duly certified by the Statutory Auditors as of a more recent date based on the latest available audited accounts, but not earlier than March 31, 2014 or latest available limited reviewed financial statement.</p>	<ul style="list-style-type: none"> Same as in reply to Query no. 3 above.
Query No. 79	<ul style="list-style-type: none"> It should be noted here that the Notice Inviting Applications for 3G and BWA spectrum also permitted applicant to submit last audited financial statements, not old than one year from the date of application. 	<ul style="list-style-type: none"> Same as in reply to Query no. 3 above.
Query No. 80	<ul style="list-style-type: none"> This will help the FM Broadcasters to use its discretion for submission of Net-worth certificate as per the latest available updated records which will be duly certified by the Statutory Auditors and also help MIB to get an updated assessment of a broadcaster's financial competence. 	<ul style="list-style-type: none"> Same as in reply to Query no. 3 above.
Query No. 81	<ul style="list-style-type: none"> Table II in Annexure B provides the initial eligibility points corresponding to the total EMD submitted by bidders. We understand that the said Table is illustrative and the EMD submitted by a bidder may be of a value other than that specifically given in the said Table. We seek 	<ul style="list-style-type: none"> The set table is illustrative and the EMD submitted by the bidders may be of a value different than that depicted in the table. However, the calculation of EMD &

Query No.	Pre Bid Query	MIB Reply
	<p>clarity on the same.</p>	<p>Eligibility point will be based on the formula mentioned in the Table- I of Annexure B.</p>
<p>Query No. 82</p>	<ul style="list-style-type: none"> In case EMD of a different value from that mentioned in Table II can be submitted, will the Initial Eligibility Points be calculated in the same proportion as mentioned in Table I – Annexure B., i.e., (EMD / 25000) <p>Eg.: If we deposit 2500 lakhs (which is a value not given in the table), will we receive 10000 (2500lakhs/25000) Eligibility Points?</p>	<ul style="list-style-type: none"> Same as in reply to Query no. 81 above.
<p>Query No. 83</p>	<ul style="list-style-type: none"> What is the difference between Auction Activity Requirement and Bidder Activity Requirement in clause 33.6.3, kindly clarify. 	<ul style="list-style-type: none"> Auction Activity Requirement is the percentage of the activity that bidder should perform in the current clock round in order carry forward his/her entire eligibility points from the previous clock round to the next clock round. Bidder Activity Requirement is the bidders activity performed in that clock round e.g. bidders eligibility points at the start of a clock round is 100 and auctioneer publish the AAR as 70% then <ul style="list-style-type: none"> Auction activity requirement = 70% Bidders activity requirement = 70% of 100 (minimum) i.e. 70. By stating this auctioneer trying to say that to retain all 100 eligibility points for the next clock round a bidder needs to perform activity of at least 70 points in the current clock round.

Query. No.	Pre Bid Query	MIB Reply
Query No. 84	<ul style="list-style-type: none"> As per clause 33.6.3.2(i), the bidding form will display the “range of excess demand” in the city at the Clock Round Price in the last completed Clock Round. We recommend that the bidding form should display the number of actual bidders per clock round for a particular city instead of just the range. 	<p>Same as in reply to Query no. 12 above.</p>
Query No. 85	<ul style="list-style-type: none"> As per Clause 33.6.5.6, the Auction Activity Requirement will be increased from 80% to 90% and then to 100% as the auction progresses. We request that the increase in Auction Activity Requirement should be intimated at least a few rounds in advance to the bidders. 	<p>Not Accepted.</p>

ANNEXURE

S. No.	Name of City	State	Region	Existing Channels	New Channels (for Auction)
	Category 'C'				
1	Guwahati	Assam	E	3	1
2	Jammu	J&K	N	1	3
3	Srinagar	J&K	N	1	3
	Category "D"				
4	Agartala	Tripura	E	1	2
5	Aizwal	Mizoram	E	1	2
6	Itanagar	Arunchal Pradesh	E	1	2
7	Shillong	Meghalaya	E	1	2
8	Gangtok	Sikkim	E	3	0
				12	15

Illustration on the Maximum Number of Channels an entity can hold post this Auction	
Existing total channels	243
Channels under auction	135
Total channels allotted if all 135 channels auctioned	378
Let X be the Total allotted channels excluding channels in North East, Jammu & Kashmir, and Island Territories	351
15%@X rounded down	52
If company A has 45 channels including 3 in cities of North East, Jammu & Kashmir and Island Territories (including Gangtok)	
A can be allotted a maximum of Channels excluding channels it has or it wins in NE	10
If A wins 5 channels in other cities of North East, Jammu & Kashmir and Island Territories, out of 15 (DUE TO 40% CAP city wise) and 10 channels in other cities	
A will hold now these many channels after present auction	60

List of frequency spots identified for 69 cities as per revised requirement of MIB

Sl. No.	City Name	Category of station	Category of city	Total No of FM stations proposed	No. of channels existing	No. Channels required	No. of channels identified
1	Chennai	Tamil Nadu	A+	9	8	1	95
2	Delhi	Delhi	A+	9	8	1	107.2
3	Mumbai	Maharashtra	A+	9	7	2	91.9, 106.4
4	Ahmedabad	Gujarat	A	6	5	1	91.9, 104, 104.8, 106.4, 107.2
5	Bangalore	Karnataka	A	8	7	1	95, 104.8
6	Hyderabad	Andhra Pradesh	A	8	4	4	94.3, 95, 104, 106.4
7	Jaipur	Rajasthan	A	6	5	1	91.9, 104
8	Kanpur	Uttar Pradesh	A	6	3	3	91.9, 95, 104.8
9	Lucknow	Uttar Pradesh	A	6	3	3	94.3, 104, 107.2
10	Nagpur	Maharashtra	A	6	4	2	91.9, 92.7, 95, 104.8, 106.4
11	Pune	Maharashtra	A	6	4	2	95, 104.2
12	Surat	Gujarat	A	6	4	2	91.9, 95, 104, 104.8, 106.4, 107.2
13	Amritsar	Punjab	B	4	3	1	91.1, 93.5, 106.4
14	Agra	Uttar Pradesh	B	4	2	2	93.7, 94.5, 106.6, 107.4
15	Allahabad	Uttar Pradesh	B	4	2	2	94.3, 106.4
16	Asansol	West Bengal	B	4	2	2	91.7, 104.6, 106.2, 107
17	Cochin	Kerala	B	4	3	1	92.7, 104, 104.8, 107.2
18	Jamshedpur	Jharkhand	B	4	3	1	91.1, 94.3, 98.3, 106.4
19	Madurai	Tamil Nadu	B	4	3	1	91.9, 94.3
20	Patna	Bihar	B	4	1	3	91.1, 93.5, 95, 104

21	Rajkot	Gujarat	B	4	3	1	91.1, 91.9, 94.3, 95, 104, 104.8, 106.4
22	Varanasi	Uttar Pradesh	B	4	3	1	91.1, 95, 104.8
23	Vijayawada	Andhra Pradesh	B	4	2	2	91.9, 95, 104.8, 106.4
24	Ahmednagar	Maharashtra	C	4	2	2	91.9, 92.7, 104, 104.8, 107.2
25	Ajmer	Rajasthan	C	4	2	2	104.8, 106.4, 107.2
26	Akola	Maharashtra	C	4	1	3	91.9, 92.7, 93.5, 94.3, 95, 98.3, 104.8, 106.4, 107.2
27	Aligarh	Uttar Pradesh	C	4	1	3	94.1, 94.9, 104.6, 107
28	Aurangabad	Maharashtra	C	4	2	2	91.1, 91.9, 92.7, 94.3, 95, 106.4, 107.2
29	Bareilly	Uttar Pradesh	C	4	2	2	91.1, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
30	Bhubaneshwar	Odisha	C	4	1	3	91.9, 94.3, 95, 98.3, 104.8, 106.4, 107.2
31	Bikaner	Rajasthan	C	4	1	3	91.1, 91.9, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
32	Bilaspur	Chhatisgarh	C	4	2	2	91.1, 91.9, 92.7, 93.5, 104, 106.4, 107.2
33	Chandigarh	Chandigarh/UT	C	4	1	3	91.1, 93.5, 98.3
34	Dhule	Maharashtra	C	4	1	3	91.9, 93.5, 95, 104
35	Gorakhpur	Uttar Pradesh	C	4	1	3	91.1, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
36	Gulbarga	Karnataka	C	4	3	1	91.9, 94.3, 98.3, 107.2
37	Guwahati	Assam	C	4	2	2	95, 104, 104.8, 106.4
38	Jalgaon	Maharashtra	C	4	1	3	92.7, 94.3, 98.3, 104.8, 107.2
39	Jammu	J&K	C	4	1	3	91.9, 95, 98.3, 107.2
40	Jhansi	Uttar Pradesh	C	4	3	1	91.1, 98.3, 104, 104.8, 106.4, 107.2
41	Jodhpur	Rajasthan	C	4	3	1	91.1, 93.5, 95, 98.3, 104, 106.4, 107.2
42	Kolhapur	Maharashtra	C	4	2	2	92.7, 95, 104.8, 106.4
43	Kota	Rajasthan	C	4	3	1	91.1, 91.9, 93.5, 98.3, 104, 104.8, 106.4, 107.2
44	Kozhikode	Kerala	C	4	2	2	92.7, 104.8, 107.2
45	Mangalore	Karnataka	C	4	3	1	91.1, 91.9, 94.3, 95, 104, 104.8, 106.4, 107.2

46	Muzzaffarpur	Bihar	C	4	1	3	91.9, 92.7, 94.3, 104.8, 107.2
47	Mysore	Karnataka	C	4	2	2	106.4, 107.2
48	Nanded	Maharashtra	C	4	1	3	91.9, 92.7, 93.5, 94.3, 95, 98.3, 104.8, 106.4, 107.2
49	Nasik	Maharashtra	C	4	2	2	95, 104.2, 106.6, 107.4
50	Patiala	Punjab	C	4	3	1	107.2
51	Pondicherry	Pondicherry	C	4	3	1	104, 107.2
52	Rajamundry	Andhra Pradesh	C	4	1	3	91.1, 92.7, 94.3, 104, 107.2
53	Rourkela	Orissa	C	4	2	2	91.1, 91.9, 93.5, 94.3, 95, 98.3, 104.8, 106.4, 107.2
54	Sangli	Maharashtra	C	4	2	2	93.5, 104, 107.2
55	Sholapur	Maharashtra	C	4	2	2	95, 104.8, 106.4
56	Siliguri	WestBengal	C	4	3	1	91.1, 95, 98.3, 104, 104.8, 106.4, 107.2
57	Srinagar	J&K	C	4	1	3	91.1, 91.9, 93.5, 94.3, 95, 98.3, 104.8, 106.4, 107.2
58	Tiruchi	TamilNadu	C	4	2	2	91.1, 95, 104, 107.2,
59	Tirunelveli	TamilNadu	C	4	2	2	91.1, 95, 104, 107.2
60	Tirupati	AndhraPradesh	C	4	2	2	104, 106.6
61	Tuticorin	TamilNadu	C	4	2	2	92.7, 104.8
62	Udaipur	Rajasthan	C	4	3	1	91.9, 93.5, 98.3, 104, 104.8, 106.4, 107.2
63	Warangal	AndhraPradesh	C	4	1	3	91.9, 104.8, 107.2
64	Agartala	Tripura	D	4	1	3	91.1, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
65	Aizwal	Mizoram	D	3	1	2	91.1, 91.9, 92.7, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
66	Hissar	Haryana	D	4	3	1	93.7, 94.5
67	Itanagar	ArunchalPradesh	D	3	1	2	91.1, 92.7, 93.5, 94.3, 95, 98.3, 104, 104.8, 106.4, 107.2
68	Karnal	Haryana	D	3	2	1	92.9, 93.7, 94.5
69	Shilong	Meghalaya	D	3	2	1	91.1, 98.3

