

FM Radio Station – With WML holding hand its Value for Money all the way.

Company :

Webel Mediatronics Limited (WML), a public sector undertaking under Govt. of West Bengal engaged in different areas namely, 1) Professional grade Studio and Broadcasting, 2) Industrial and Defence Electronics, 3) IT enabled devices and solutions in the field of disability.

For more than 23 years WML is supplying Studio & Broadcasting Equipment / System to Doordarshan (DD) and All India Radio (AIR). Today products supplied by WML are in use in almost every Station in DD & AIR network in the Country. The Company is making profit consistently and is currently on a growth path.

The company is an affiliate of Asian Broadcasting Union (ABU).

Activities :

The Studio and Broadcasting group is engaged in development, manufacturing, supply, installation and commissioning, consultancy, services for Audio / Video Studio, Terrestrial Broadcasting and Satellite based Broadcasting System. The company is associated with All India Radio (AIR) and Doordarshan (DD) (Television Network of India) for last 23 years and pioneer in manufacturing locally products such as Audio Mixing Console (Mono / Stereo), Audio / Video Amplifiers, Computer Networking System, Interactive Phone In Console, CD Player etc. It had technical association with world-renowned Companies e.g. EMT - Franze, Germany and Seem Audio, Norway. There are regular interaction with overseas manufacturers of broadcasting equipment and accessories in USA, UK, Germany, Denmark, Italy, Spain etc.

The team under command of the company have executed around 175 FM Transmitter projects ranging from 100 Watt to 10 KW with remote control and monitoring. It has also executed Radio Networking Terminals (116 Stations), Inmarsat Terminals (21 stations), Unmanned 500 W TV TX Systems (27 Stations), TV Receive Only Terminals (312 stations), C Band Up Converter for Digital TV Earth Station etc. all over the country from Dras in Kargil to Port Blair in the Andamans and from Bhuj in Kutch Region to Lunglei in Mizoram.

The R&D wing of the company for its distinction in the development of Audio / Video Studio products in association with AIR R&D, CDAC (Trivandrum) and ISRO (Ahmedabad), is recognised by Department of Science and Technology, Govt. of India. With representative at Delhi, Chennai & Vadodara, it operates activities nationally successfully.

Distinctions :

WML manufactures both Studio and Transmission Equipment including Antennae in the Country.

WML is the only manufacturer of Professional grade CD Players and Phone-in-Program Console in the Country. It has supplied variety of professional grade studio equipment and integrated Studio, Transmission systems and provided solution for Content generation and management.

The company has the distinction of having supplied Audio / Video products to almost all AIR and DD stations all over the country.

WML is the only company in the country having the experience of setting up 10 KW FM Transmitters in AIR network from concept to commissioning including erection of self-supporting Towers. It has executed projects even in far-flung areas including North East region.

In recent years the company has executed many a prestigious project of AIR and DD of national importance. The technologies handled are of state-of-art and provided total solution for complex requirements.

The company has also established several Community Radio Systems (50-Watt FM Transmitter) in the universities / institutes in the country with 80% of the product manufactured by itself with indigenous technology developed in-house and the client list is growing.

Expertise :

The company has rich experience in development and manufacturing of FM Transmitter, TV Transmitter, various types of antennae including High Power FM Antennae, Solid Dish Antennae and Studio Equipment. The manufacturing base at Vadodara and Kolkata are equipped with experienced manpower (many trained in U.S., Germany and U.K. with industry leaders).

The company has retained a pool of experts with wide experience from diverse fields in the industry. The company is also associated with various premier technology organizations in the country. The panels of experts are working on case to case basis in various capacities. The company also draws expertise wherever required from ex- AIR and DD officials located in various parts of the country.

Opportunity :

Ministry of I & B, Govt. of India has formulated a policy to attract private agencies for operating radio stations on a commercial basis that provide programmes with local content and relevance, improve the quality of fidelity in reception and generation and encouraging participation by local talent and generating employment.

I. Eligibility

Bidding will be conducted at Delhi, Mumbai, Kolkata and Chennai for the respective four regions of the country with dates fixed at weekly intervals. The process of granting permission for new participants shall consist of two rounds. The first round shall be for pre-qualification and only applicants qualifying in accordance with prescribed eligibility criteria given below will proceed to the next round for making financial bids for specific channels in different cities:-

Only Companies registered under the Indian Companies Act, 1956 shall be eligible for bidding and obtaining permission for FM Radio channels. The following disqualifications shall apply to these companies:

- ◆ Not registered in India.
- ◆ Controlled by persons convicted of certain offences.
- ◆ Subsidiary of the applicant company.
- ◆ Companies with same management.
- ◆ Companies of the same group or inter-connected companies.
- ◆ Religious bodies or their controlled/associated companies.
- ◆ Political bodies or their controlled/associated companies.
- ◆ Advertising agencies or their controlled/associated companies.
- ◆ Trusts, Societies, Non-Profit Organizations controlled/associated companies

II. Financial Competence

Since companies will be eligible to participate in bidding for channels in all the four regions, their financial competence shall be assessed on the basis of the following indicative criteria:

- Minimum Net Worth required for one channel per center in all regions:

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|-----------------------------|----------------------------|
| ◆ D category Centers: | Rs. 50 Lakhs - 12 stations |
| ◆ C category Centers: | Rs. 1 Crore. – 45 stations |
| ◆ B category Centers: | Rs. 2 Crore - 20 stations |
| ◆ A or A+ category Centers: | Rs. 3 Crore – 13 stations |
| ◆ All Centers: | Rs. 10 Crore – 91 stations |

- However, each company may intimate in writing the maximum number of channels in different categories of cities it desires to bid for and its eligibility will be determined

accordingly. In case the applicant does not wish to intimate these details, the applicant company should have the minimum net worth of Rs. 10 Crore.

The applicant company would be required to furnish 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, 2005, certified by a Chartered Accountant, to support its claim of financial competence.

III. Managerial Competence

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

- Names of Directors with evidence of their commercial or managerial competence.
- 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
- 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.

IV. Process of granting permission

SEPARATE FINANCIAL BID FOR EACH CHANNEL: Every pre-qualified applicant may apply for allotment of only one channel in each city through a separate financial bid for payment of One Time Entry Fee for each channel.

TENDER DEPOSIT: Each such financial bid shall be accompanied with a demand draft for an amount equal to 50% of the financial bid and unconditional and irrevocable Performance Bank Guarantee (PBG) for an amount equal to 50% of the financial bid valid for one year from the date of closure of the bidding process.

RESERVE OTEF: Reserve OTEF limit for each city shall be 25% of the highest valid bid in that city. All bids below the reserve limit shall be summarily rejected.

BALANCE BID PAYMENT: Every successful bidder shall be asked to deposit the balance 50% of his financial bid through a demand draft within a period of seven days of being declared a successful bidder.

LETTER OF INTENT: On deposit of the balance 50% of the bid amount within the stipulated time, and fulfillment of other eligibility conditions, the successful bidder will be issued a Letter of Intent (LOI) to enable the company to obtain frequency allocation, SACFA clearance, achieve financial closure and appoint all key executives, enter into agreements with DD/AIR/BECIL 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 a period of nine months from the date of issue of LOI.

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 of nine months from the date of issue of LOI, 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. The frequency so released may be allotted to the next highest bidder from the waiting list.

GRANT OF PERMISSION AGREEMENT: On complying with all the requisite conditions of eligibility, and furnishing a PBG for an amount equal to the **annual fee (10% of Reserve OTEF)**, 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 operationalise the channel within a period of one year from the date of signing the Grant of Permission Agreement. The period of permission shall be reckoned from the date of operationalisation or one year from the date of signing of the Grant of Permission Agreement, whichever is earlier.

In the event of the failure of the permission holder to operationalise the channel within the stipulated period, the permission holder shall become liable to pay the annual fee, which shall be recovered in one lump sum from the PBG furnished by the permission holder and the permission holder asked to furnish a fresh PBG to cover next year's fee. In the event of the permission holder failing to operationalise the channel within a period of eighteen months from the date of signing the Grant of Permission Agreement, or failing to furnish PBG for the next year's annual fee within a period of three months from the date of invoking the PBG, whichever is earlier, the Grant of Permission Agreement shall be revoked and the permission holder debarred from bidding for the same city for a period of five years from the date of revocation of permission.

V. Fee and duration

Annual Fee shall be charged @ 4% of gross revenue, for the year or @ 10% of the Reserve OTEF limit for the concerned city, whichever is higher. Gross Revenue for this purpose would be the gross revenue without deduction of taxes.

The first year from the date of signing the Grant of Permission Agreement shall be reckoned as the commissioning period. The first year's fee shall become payable with effect from the date of operationalisation of the channel or expiry of one year from the date of signing the Grant of Permission Agreement, whichever is earlier. The permission holder shall initially pay advance quarterly installments on the basis of the Reserve OTEF formula till the end of the financial year. Once the final fee for the financial year is determined on the basis of gross revenue share formula, the permission holder shall pay the balance in one lump sum within a period of one month from the date of such determination, in any case not later than 30th September of the following year.

From the second year onwards, the permission holder shall pay advance license fee on the basis of 4% gross revenue share of the first year or 10% of reserve OTEF, whichever is higher, within the first fortnight of each quarter, and balance due of final annual fee by 30th September each year.

Gross revenue shall be calculated on the basis of billing rates, which shall include discounts, if any, given to the advertisers and any commissions paid to the advertising agencies. Barter

advertising contracts shall also be included in gross revenues of either licensee on the basis of their respective relevant billing rates.

Every permission holder shall furnish a bank guarantee for the amount of annual fee calculated on the basis of Reserve OTEF formula, and maintain its validity throughout the currency of the permission. Any default in payment of determined annual fee shall be recovered from the bank guarantee and if the amounts due are more, the permission holder shall be asked to furnish additional bank guarantees to cover the balance.

Every permission holder shall maintain separate financial accounts for each channel, which shall be audited by chartered accountants. In the case of a permission holder providing or receiving goods and services from other companies that 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.

VI. Multiple permissions in a city

Every applicant shall be allowed to run only one channel per city provided the total number of channels allocated to the entity is within the overall ceiling of 15% of all allocated channels in the country.

No permission holder shall outsource, through any long-term production or procurement arrangement, more than 50% of its total content, of which not more than 25% of its total content shall be outsourced to a single content-provider.

No permission holder shall hire or lease more than 50% of broadcast equipment on long-term basis.

No permission holder shall enter into any borrowing or lending arrangement with other permission holder or entities other than recognized financial institutions, which may restrict its management or creative discretion to procure or broadcast content.

VII. Total number of frequencies that an entity may hold

No entity shall hold permission for more than 15% of all channels allotted in the country. In the event of allotment of more channels than prescribed, the entity will have the discretion to decide which channels it would like to surrender and the government shall refund its OTEF for these channels in full.

VIII. Foreign Investment

Total Foreign Investment, including Foreign Direct Investment (FDI) as defined by RBI, including FDI by OCBs/NRIs/PIOs etc., Portfolio Investments by FIIs (within limits prescribed by RBI) and borrowings, if these carry conversion options, is permitted to the extent of not more than 20% of the paid up equity in the entity holding a permission for a radio channel, subject to the following conditions:

- One Indian individual or company owns more than 50% of the paid up equity excluding the equity held by banks and other lending institutions.
- The majority shareholder exercises management control over the applicant entity.
- Has only Resident Indians as Directors on the Board.
- All key executive officers of the applicant entity are resident Indians.

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 non-compliant of Grant of Permission Agreement, and liable for punitive action.

No permission holder shall be permitted to change the ownership pattern of the company through transfer of shares of the major shareholders to any new shareholders without the written permission of the Ministry of Information & Broadcasting, which shall not be granted for a period of five years from the date of operationalisation of the permission, subject to the condition that the new shareholders conform to all the prescribed eligibility criteria.

IX. Cross Media Ownership

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 bonafide 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 and the entry fee for the remaining period, to be calculated on pro rata basis, shall be refunded to the permission holder.

X. News and Current Affairs Program

No news and current affairs programs are permitted under the Policy.

XI. Code of Conduct

Every permission holder shall follow the AIR Program and Advertising Code as amended from time to time.

In the event of the government announcing the setting up of a Broadcast Regulatory Authority, by whatever name called, and the content regulations are modified, the permission holder shall be obliged to conform to the revised guidelines.

No permission holder shall use brand names or owners' names or corporate-group names to identify its channel to gain commercial advantage over other permission holders.

The Ministry of Information & Broadcasting shall have the right to suspend the permission of one or more permission holders in public interest or national security to prevent the misuse of their respective channels and the permission holders shall be obliged to immediately comply with the directives of the Government.

XII. Penalty for Non operationalisation of Awarded Licenses

Each permission holder shall operationalise the channel within 18 months of the date of signing of the Grant of Permission Agreement, 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 will be allotted to a fresh successful bidder.

The Ministry of Information & Broadcasting may also revoke the permission if the channel is closed down for more than six months for whatever reason.

XIII. Networking

An entity will be permitted to network its channels in C & D category cities within a region only.

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

XIV. Number of Frequencies:

A total of 338 channels in 91 cities across the country would be made available for bidding by Indian private companies, details of which are at **Annexure-I**

XV. Co-location

It has been made mandatory for all Phase-II operators to co-locate transmission facilities in all the 91 cities, on terms and conditions to be prescribed separately. In 81 cities, the facilities would be co-located on existing AIR/DD towers, while in remaining 9 cities, new towers shall be got constructed by the Ministry for the purpose.

Pending creation of co-location facilities in due course, the successful bidders in these 9 cities will be permitted to operationalise their channels on individual basis for a period of two years, at the end of which they shall shift their operations to the new facilities. Permission to run its individual channel will be granted to each successful bidder only after it has entered into an agreement with BECIL and made full payments towards its share in the common infrastructure.

Services for WML

WML provides one-stop solution from concept-to-commissioning of setting up FM Radio Station to meet your customized requirement.

A brief description of the range of services, WML will cover for Turnkey solutions for establishing your own Radio Centre, has been provided below.

I. Preparing Applications, Follow up Clearances

WML will assist in selection of cities following certain effective criteria. WML will provide necessary support for preparing applications for submission to Min. of I&B., furnishing of documentation and completion of other statutory requirements. WML will also provide assistance on financial bids based on profitability analysis. Appropriate follow-up actions will be taken.

II. System Design for Studio and Transmitter

WML will design the Studio (recording / talk / phone-in) in line with the decided specifications & requirement depending on the investment plan and accordingly the Transmitter with accessories will be designed. Vendor for each item will be selected as per the specifications mutually agreed.

III. Supply, Installation & Commissioning

WML will carry out all tasks related to procurement of equipment, materials & accessories and supply all items to site for the broadcasting setup.

WML will carry out integration, installation and commissioning of the total system at site and make it fully operational.

Remote Control & Monitoring of the Transmitter system will be provided for Unmanned Operation if so desired.

IV. Training on Operation

WML will impart necessary training to the personnel who will operate the system and carry out maintenance for the studio & transmitter setup.

V. Maintenance

WML will maintain the system on Annual Maintenance Contract basis as per mutually agreed terms & conditions.

FOR FURTHER DETAILS PLEASE CONTACT:

Mr. Amitabh Bhaduri (9433358222)
Webel Mediatronics Limited
P-1, Taratala Road, Kolkata – 700 088
Ph: (033) 2401 7699 / 5602 / 0712
Fax: (033) 2401 4081
Email: wml@vsnl.com, webelmedia@gmail.com
Website: www.webelmediatronics.in