Malar Publications Ltd
Regd. Office : Rani Buildings, 86, Periyar E.V.R. High Road, Chennai - 600 007. India
Phone : +91 (44) 2532 1067 Fax : +91 (44) 2532 2277 Email : malarchen@vsnl.net

10 December 2013

To
Mr Sunil Kumar Singhal
Advisor (B & CS)
Telecom Regulatory Authority of India
Mahanager Doorsanchar Bhavan,
Jawar Lal Nehru Marg,
New Delhi-110002

Dear Sir,

Sub: TRAI Consultation Paper - Migration of FM Radio Broadcasters from Phase-II to Phase-III

Ref: Your Press Release dated 3rd December 2013 (Press release No-88/2013)

As per your letter dated 3rd December 2013/ Press release No-88/2013, please find below our comments & suggestions of the stake holders on the following subjects and our comments are as below-

1. **What should be the date of migration for FM Radio operators to migrate from Phase-II to Phase III?**

   All the Phase-II operators should be allowed to migrate to Phase-III policy well before the Phase-III auctions. By migrating to Phase-III policy, existing operator will have a chance to bid for the second channel in a particular city. Also, having protected the existing operations for another 15 year period, operator can device a realistic break even plan and can enter the Phase-III auctions positively, resulting a huge success of Phase-III auctions.

2. **Do you agree that period of permission of the existing Phase-II operators, on their migration from Phase-II to Phase-III, should be 15 years from the date of migration?**

   Yes, we fully agree.

3. **Do you agree with the methodology of charging migration fee, as NOTEF minus the residual value of Phase-II license, from the existing Phase-II operators on their migration from Phase-II to Phase-III? In case the answer is negative, please suggest the alternate methodology to charge the migration fee.**

   We agree with the methodology of charging migration fee, as NOTEF minus the residual value of Phase-II license, from the existing Phase-II operators on their

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migration from Phase-II to Phase-III. However, we differ with the methodology of arriving NOTEF. The proposed NOTEF is arrived with the base price equivalent to the highest bidding amount of the region. Considering the different dynamics prevailing in each city within a State, clubbing more states in one region is incorrect. For example, Calicut of Kerala and Tuticorin of Tamil Nadu are C category stations under Phase-II operations. But, the potential of Tuticorin is not even 10% of Calicut. Hence, it will not be fair to have the highest bid of a category in a region as the base price. Instead, highest bid of a particular category within that State may be considered as the base price of the category. In the event of no successful bid in a particular category in a state, highest bid of that particular category in that region may be considered as base price.

Alternatively, we propose the following plan:

Having the average of all successful bids received under Phase-II in that particular city and an escalation of 30% to that can be the NOTEF. Using this method, we, Malar Publications Ltd will end up paying 145% of our Phase-II OTEF. Escalation can be stretched to even 50%, which will result us to pay 175% of our Phase-II OTEF.

Proposing the formula with the highest bid as the base, would severely penalize the operators, who had wisely bid during Phase-II auctions.

Once the migration fee is fixed, Individual Stations which doesn't have any dues to MIB, Prasar Bharati and WPC should be allowed to migrate.

We hope that our views as stated above are considered favorably by your good offices.

Thank you
Yours Truly

For Malar Publications Ltd
Hello FM

MALAR PUBLICATIONS LTD.
Hello 106.4 fm
* CHENNAI *

Rajeev Nambiar
Chief Executive Office