

COFI

13/97, Near Rajouri Apartments
Subhash Nagar, New Delhi-110027
Mbl: 9810069272

CNA

R-23, Nehru Enclave,
New Delhi-110019
Mbl: 9810000513

NCTA

9 CSC (DDA) Sukhdev Vihar
New Delhi-110025
Mbl: 9811144467

10.3.03

COSTING FOR FREE TO AIR CHANNELS				10th March'03
BASIC PARAMETERS FOR METROS				
S.No	PARTICULARS	UNITS		
1	Number of Free to Air channels	Nos	50	
2	Number of Pay to Air Channels	Nos	34	
3	Total Number of Channels	Nos	84	
4	Maximum Radius of Area for Headend Centre	Kms	4.8	<i>As per IS-13420 specifications</i>
5	Maximum Area For Headend (22/7x4.8x4.8)	72Sq.Kms	44*	<i>*after Deducting 40% area for utility i.e Roads,Park,cls,schools etc</i>
6	Length of Cable Network (RG-11 Per Sq. Km)	Kms	3.2	
	Total Length of Cable Network per Headend Centre	Kms	9.6	
	Radius Length	Kms	4.8	
7	- Trunk Cable-500 Series (6 radials x Sl.No.4)	Kms	28.8	
8	- Sub Trunk Cable- (RG11-SL.No.5 X SL.No.6)	Kms	140	
	Chargeable Length			
9	- Trunk Cable-500 series (SL.No. 7 x 1.25)	Kms	36	
10	- Sub- Trunk Cable-RG-11 (SL.No.8 x 1.25)	Kms	175	
11	Number of Homepass per Sq Km	Nos	250	Approx Homes per Sq Km
12	Number of Houses (SL. NO. 5 X SL. No.11)		11000	Homes
13	Percentage of Houses having TVs	%	95	
14	Percentage of Cable Subscribers	%	60	
15	No. of subscribers/Headend Centre (SL. NO. 12X13X14)		6270	Sub Homes
	Estimated life for Capital Investment	Yrs	5	
16	- Headend		5 yrs	
17	- Cable Network		4yrs	
	Annual Rate of Depreciation		25%	

18 - Headend	%	25			
19 - Cable Network	%	100 *			
20 Average Debt Equity Ratio		1:2 **			
21 Rate of Interest on Debt	%	12-16 ***			
22 Post-tax Rate of Return on Equity	%	10-15 ****			
23 Tax Rate including Surcharge	%	33			
24 Pre-tax Rate of Return on Equity	%	20 *****			
* Wires and cables once installed get exposed to the vagaries of weather and are therefore subject to corrosion and damage consequently these have a much shorter life and calls for frequent replacements.					
** Average debt equity ratio will differ from Network to Network depending upon its own resources. However for the purpose of average it can be taken as 1:2					
*** Rate of Interest on Debt in the falling interest regime the rate of Interest can be taken as anywhere between 12-16% depending upon the individual circumstances of the case					
**** Post Tax rate of inturn on equity - it can be anywhere between 10-15% depending opun the efficiency , age of equipment and other respective circumstances of the case					
***** Depends upon the efficiency and location of the network					

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					10th March '03	
<u>COSTING FOR FREE TO AIR CHANNELS</u>						
<u>OPERATING EXPENDITURE AND RETURN</u>						
S.No.	Particulars					
	<u>Manpower cost per Month</u>	<u>Salary</u>	<u>Nos</u>	<u>Amount</u>		
1	Business Manager	18000	1	18000		
2	Headend Operator	6500	3	19500	(8 hrs shift/24 hrs)	
3	Account Executive	6500	3	19500		
4	Receptionist	5500	1	5500		
5	Manager Technical	15000	1	15000		
6	Technicians	7000	12	84000	(1Technician required on 500 homes)	
7	Helper/money Collectors	4000	14	56000	(Average 1 collector on 350 homes)	
8	Security Guard-Headend	3600	3	10800	(8 hrs shift/24 hrs)	
9	Storekeeper	4800	1	4800		
	Total Manpower Cost			<u>233100</u>		

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<u>Total Operating Cost per Month</u>							
			Rate	Quantity	Amount		
1	Building Rent		20000	2	40000	extra premises also rented for area wise service cent	
2	Electricity & Water Charges				42000		
3	Communication Cost				18000		
4	Advertisement Expenses				19000		
5	Transport Charges				22000		
6	Man Power Cost				233100		
7	Repairs and Maintenance @ 6% p.a				97485	(calculated monthly)	
8	Diesel (Genset Avg. running 4hrs/day)				8000		
9	Other Expenditure (Misc)				15000		
10	Depreciation - Headend				71390	(calculated monthly @ 25% p.a)	
11	Depreciation - Network Distribution				334796	(calculated monthly @ 100% p.a in 4 yrs)	
12	LT Pole Hire Charges for laying cables*	800 p.a		1080	72000	(calculated monthly i.e 864000/12)	
13	Cassette's & VCD's Hire Rental				4500		
14	Audit Fees				2500		
15	Staff Welfare				12000		
16	Printing & Stationery				9000		
17	Provision for Bad Debts @ 2%				25080		
18	Total Per Month				1025851		
19	Less other income per month (NET)				45000	(Advt. Income recd per month)	
20	Net Operating cost per month				980851		
21	Net Operating cost per month per subscriber				156.44	(Entertainment Tax and Service Tax (8%) extra)	
<u>Return on Capital Employed</u>							
1	Average Capital Employed for Headend		4452571				
2	Average Capital Employed for Distribution		16070240				
3	Working Capital (2 months)		2051702	(1025851*2)			
4	Total Average Capital Employed		22574513				

5	Total Return per annum on equity	4514902	(20% pre tax rate of return on equity)			
6	Total Return per month	376241				
7	Return per Subscriber per month	60	Rs. 60/- to be recovered from subscribers on equity/capital expenditure incurred per subscriber			
8	Amount chargeable - per subscriber per month	216.44	(Entertainment Tax and Service Tax (8%) extra)			

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<u>CABLE HEADEND- CAPITAL EXPENDITURE</u>					
S.NO	<u>PARTICULARS</u>	<u>Rate</u>	<u>Quantity</u>	<u>Amount</u>	
1	Civil Works			96000	
2	Electrical Works			85000	
3	Parabolic Dish Antenna 12ft Prof Grade with other Accessories	34340	8	274720	
4	Post Amplifier	38000	1	38000	
5	19 inch Equipment Rack and Wiring	28000	12	336000	
6	UPS with Batteries for one hour back-up	312000	1	312000	
7	Generator set	85000	1	85000	
8	Test and Measuring Equipments			353000	
9	Air Conditioners	40000	2	80000	
10	Analog/Digital Receivers	6200	50	310000	
11	Combiners(One for 16 Channels)	3400	5	17000	
12	Modulators/Processor	16000	84	1344000	(Average quantity consumer grade)
13	VHS/VCR/VCD/DVD players	7200	4	28800	
14	Amiga Logo and text genetor with Gen.lock	18000	2	36000	
15	TV monitors	7800	4	31200	
16	Total Cable Headend Capital expenditure (SL. NO. 1 TO 15)			3426720	
17	Total Capital Exp. Per Channel (SL.NO.16/NO. of FTA Channels)			68534.4	per FTA channel

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<u>CABLE NETWORK- CAPITAL EXPENDITURE</u>					
S.NO	<u>DETAILS</u>	Units	Rate	Quantity	Amount
1	Trunk cable-500 series Coaxial Cable (Chargeable length)	mtrs	56	36000	2016000
2	Sub-Trunk Cable-RG-11 (Chargeable length)	mtrs	27	175000	4725000
3	Messenger wire for Trunk/Sub Trunk Cable (SL.NO.1+2)	mtrs	4	211000	844000
4	860 Mhz Line Extds. For RG-11 And Other Accessories (SL.NO.2X3)	Nos	7800	290	2262000
5	Amplifiers for 500 series trunk cable (SL.NO.1X5)	Nos	24000	92	2208000
6	90V 10A Power Supplies plus Inserters etc. (SL.NO.3/2)	Nos	4500	12	54000
7	UPS with Batteries	Nos	22500	12	270000
8	Connectors/ Splitters/Tap offs etc. (BICIL Data)				965440
9	Drop Cable RG-6 / 59BU (20 mtrs. Per subscriber) (Rs.14x20mtrs)	mtrs	280	7335	2053800
0	Installation and Commissioning (Rs. 3 per mtr. for trunk & feeder cables)			3	210000
11	Tools, Coring Tools and Crimping tools				42000
12	Total Network Capital expenditure (Total for SL.NO.1 TO 11)				16070240
13	Total Network Capital expenditure per subscriber (SL NO12/6270 Subs)				2563.04 <i>per subscriber</i>