

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:748

ANSWERED ON:28.07.2005

FDI IN PRIVATE FM RADIO

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Rao Shri Sambasiva Rayapati; Reddy Shri Mekapati Rajamohan; Satpathy Shri Tathagata; Singh Shri Kirti Vardhan; Verma Shri Ravi Prakash

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the government has allowed 20 per cent FDI in the private FM radio sector;
- (b) if so, the details thereof;
- (c) whether any policy has also been framed for the second phase of FM radio licensing;
- (d) if so, the salient features thereof; and
- (e) to what extent the second phase of FM radio is different from the first phase?

Answer

THE MINISTER OF INFORMATION AND BROADCASTING AND CULTURE (SHRI S. JAIPAL REDDY)

(a) to (d) The Government has formulated a new policy for expansion of FM radio broadcasting through Private Agencies (Phase II) which, inter-alia, provides for One Time Entry Fee (OTEF) to be decided on the basis of closed tender system, annual fee @ 4% of gross revenue subject to a minimum of 10% of Reserve OTEF, Foreign investment including FDI upto 20% of the paid up equity subject to certain conditions continued restriction on broadcast of news and current affairs and a graded penalty regime for violation of Terms and Conditions. Further details of the policy are available on this Ministry's website (www.mib.nic.in).

(e) In Second Phase, the biddings would be only for selection of operators and not for deciding annual fee which is now linked to gross revenue for the year. The other differences are permission for FDI, system of graded penalties and mandatory co-location for non-metro cities also.