

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

UNSTARRED QUESTION NO:1110  
ANSWERED ON:01.03.2011  
FM RADIO STATIONS  
Mahendrasinh Shri Chauhan

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

- (a) The details of guidelines issued for granting permission to operate FM radio stations in the country;
- (b) The number of States in which FM radio stations are proposed to be set up under various phases, phase-wise, State-wise and location-wise;
- (c) Whether the new policy guidelines for setting up of private radio stations and the modalities to be adopted for auction of private FM radio channels have been cleared by the Government.
- (d) If so, the details thereof; and
- (e) If not, the reasons therefor and the time by which these are likely to be cleared?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION & BROADCASTING (SHRI C. M. JATUA)

- (a) The extant Policy on expansion of FM Radio broadcasting services through private agencies (Phase-II) issued on 13.7.2005 provides for revenue sharing regime rather than a fixed fee regime and 337 channels were put on bid encompassing 91 cities. Cities with a population of 3 Lakh and above were taken up along with State Capitals. The permissions were given for period of 10 years on the basis of a transparent system consisting of two stages (pre-qualified bid and financial bid). Foreign Direct Investment was allowed and kept at the level of 20%. Restrictions on ownership of one channel per city, limit of 15% on the ownership of channels at the national level and networking of channels was permitted in 'C' & 'D' category cities. No news and current affairs programmes were permitted under the policy (Phase-II). Further details of policy guidelines is available on the website of the Ministry [www.mib.nic.in](http://www.mib.nic.in).
- (b) A total of 21 private FM radio channels in 12 cities were operational in Phase-I of the scheme. In Phase-II the number went up to 245 (including the stations which migrated from Phase-I spread over 85 cities in the country. It is envisaged to set up 806 private FM radio channels spread over 283 cities under Phase-III. List of cities under consideration of the Government where private FM radio stations are proposed to be set up under Phase-III is enclosed as Annexure.
- (c) No, Sir
- (d) Does not arise.
- (e) A Group of Ministers (GOM) was constituted on 30.9.2010 to examine and give its recommendation on whether ascending e-auction as followed in Telecom or closed tender bidding process as adopted in Phase-II be adopted for phase-III. The GOM, in its meeting held on 19.01.2011, considered three issues pertaining to FM Phase-III viz, (i) appropriate licensing methodology (ii) determination of reserve price and annual license fee and (iii) Permission period for Phase-III. The GoM interalia recommended that the ascending e-auction methodology as followed in 3G auctions may be adopted for award of license in FM Radio Phase-III. Ministry is in the process of seeking Cabinet approval on the draft Policy for FM Phase-III based on the recommendations of the GOM.