

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

UNSTARRED QUESTION NO:3342

ANSWERED ON:23.08.2011

LICENCE FOR FM RADIO

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

- (a) the details of the criteria/norms adopted for issuing licenses to operate FM radio station in the country;
- (b) whether any licenses issued by the Government that have been cancelled due to non-compliance of terms and conditions issued by the Government;
- (c) if so, the details thereof;
- (d) the manner in which FM expansion phase III is likely to benefit the people of urban and rural areas;
- (e) whether there is any adverse impact on security scenario of the country from such expansion; and
- (f) if so, the details thereof and the total revenue accrued from FM phase I and II as on date ?

**Answer**

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

(a) Cabinet, in its meeting held on 7.7.2011, has approved the "Policy Guidelines on Expansion of FM radio broadcasting services through private agencies (Phase-III)". Under the Policy, permission for FM radio channels will be awarded through ascending e-auction, as followed by Department of Telecommunication for the auction of 3G and BWA spectrum, mutatis-mutandis, as recommended by the GoM on Licensing Methodology for FM Phase-III.

The eligibility criteria inter alia, include companies registered under the Companies Act, 1956, networth requirement ranging from Rs.50 lakhs to Rs.10 crores depending upon category of the city and Foreign Direct Investment/ Foreign Indirect Investment limit of 26%. Disqualification clause of the guidelines include a company controlled by or associated with a religious/political body. The detailed policy guidelines are available on this Ministry's website ([www.mib.nic.in](http://www.mib.nic.in)).

(b) & (c) Yes, Sir. Government has revoked permissions in respect of 20 channels of 4 companies in view of non-compliance of terms and conditions of Grant of Permission Agreement. Details are at Annexure.

(d) Expansion of FM Radio Broadcasting through Phase III Policy is expected to:

(i) generate both direct and indirect employment. The employment would be in the form of manpower engaged for programme production; in setting up of broadcasting infrastructure; for maintenance of equipment and other ancillary service. Indirectly, additional employment will be generated in equipment manufacture, advertising services and outsourced content production,

(ii) provide quality entertainment programme in areas which still remain uncovered by the private FM broadcasting as only a limited number of cities were taken up for bidding during the first two phases of FM radio broadcasting,

(iii) increase the overall listenership base and the listening time as under the policy, radio operators have been allowed content diversification by permitting carriage of news bulletins of All India Radio only in an unaltered form, and

(iv) it is also likely to generate substantial revenue for the Government.

(e) No, Sir.

(f) Does not arise. As on 31.07.2011, Government has earned total revenue of Rs.1747.64 crores (approx.) from FM radio phase-I and II.