

GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
FM CELL

POLICY GUIDELINES
ON
EXPANSION OF
FM RADIO BROADCASTING SERVICES
THROUGH PRIVATE AGENCIES
(PHASE III)

(As amended up to 10.09.2024)

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2	21.01.2015	Modification of Para 31	44-48
3	21.07.2016	Amendment to Para 9.1	49
4	04.10.2022	Amendment to Para 2.3, 7, 8, 9.4 and 15	50-52
5	10.09.2024	Amendment to Para 4.6 and 6	53-54

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Government of India
Ministry of Information and Broadcasting
'A' Wing, Shastri Bhawan, New Delhi-110001

Dated, the 25th July, 2011

ORDER

In pursuance of the Union Cabinet decision dated 7th July, 2011, whereby expansion of FM Radio Broadcasting services through private agencies (Phase-III) has been approved, the policy guidelines for FM Radio (Phase-III) are being issued as annexure. A copy of these guidelines is also posted on the website (www.mib.nic.in) of the Ministry of Information and Broadcasting for information.

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Encls: As above

Copy to:

1. Cabinet Secretary, Cabinet Secretariat
2. Secretary, Department of Telecommunications, Ministry of Communications and IT
3. Home Secretary, Ministry of Home Affairs
4. Secretary, Department of Revenue, Ministry of Finance
5. Secretary, Department of Economic Affairs, Ministry of Finance
6. Secretary, Department of Information Technology
7. Secretary, Ministry of Corporate Affairs
8. Secretary, Department of Industrial Policy and Promotions
9. Secretary, TRAI
10. Wireless Adviser to the Government of India, WPC

POLICY GUIDELINES ON EXPANSION OF FM RADIO BROADCASTING SERVICES THROUGH PRIVATE AGENCIES (PHASE-III)

1. FM Policy Phase-II has been well received by all stakeholders. It has resulted in huge growth in FM radio industry, opened up new areas for creating employment and has also created an unmet demand for FM radio in other cities. Many cities still remain uncovered by the private FM radio broadcasting largely because only the cities with a population of three lakh and above besides State Capitals were taken up for bidding during the first two phases of FM radio broadcasting. With a view to further expand the spread of these services to other cities particularly in J&K, NE States and island territories, and to address certain other issues which have been raised by the FM radio industry from time to time the Government has decided to amend the existing Phase-II policy issued on 13th July, 2005. Consolidated Policy Guidelines on expansion of FM Radio Broadcasting Services through Private Agencies for FM Phase-III are as follows:-

2. Eligibility Criteria:

2.1 Only Companies registered in India under the Companies Act, 1956 shall be eligible for bidding and obtaining permission for FM Radio channels as per the provisions of these Guidelines.

2.2 Disqualifications: The following types of companies shall not be eligible to apply:-

- (a) Companies not incorporated in India.
- (b) Any company controlled by a person convicted of an offence involving moral turpitude or money laundering/drug trafficking, terrorist activities or declared as insolvent or applied for being declared insolvent;
- (c) A company which is an associate of or controlled by a Trust, Society or Non Profit Organization;
- (d) A company controlled by or associated with a religious body;
- (e) A company controlled by or associated with a political body;
- (f) Any company which is functioning as an advertising agency or is an associate of an advertising agency or is controlled by an advertising agency or person associated with an advertising agency;
- (g) Subsidiary company of any applicant in the same City;
- (h) Holding company of any applicant in the same City;
- (i) Companies with the Same Management as that of an applicant in the same City;
- (j) More than one Inter-Connected Undertaking in the same City;

- (k) A company that has been debarred from taking part in the bidding process or its holding company or subsidiary or a company with the same management or an interconnected undertaking ;
- (l) The defaulters of conditions under Phase-I & Phase-II, who have contested the revocation of their Letters of Intent/License Agreements/ Bank Guarantees, thereby continue to be debarred from participating in any future bidding process.

Note 1: For the purpose of sub clause (d) above a religious body shall be:

- i. A body whose objectives are wholly or mainly of a religious nature;
- ii. A body, which is controlled by a religious body or an associate of religious body

Note 2: For the purpose of sub clause (e) above a political body shall be:

- i. A body whose objects are wholly or mainly of a political nature;
- ii. A body affiliated to a political body;
- iii. A body corporate, which is an associate of a body corporate controlled, held by, operating in association or controlling a body of political nature as referred above.

Note 3: For the purposes of clause (f) an "Advertising Agency" shall mean an individual or a body corporate who carries on business as an advertising agent (whether alone or in partnership) or has control over any body corporate which carries on business as an advertising agent and any reference to an advertising agency includes a reference to an individual who-

- (i) Is a director or officer of any body corporate which carries on such a business, or
- (ii) Is employed by any person who carries on such a business.

Note 4: The terms "Same Management", 'Subsidiary Company' and 'Holding Company' shall have the same meaning as assigned to them under Section 4 of the Companies Act, 1956;

Note 5: The term "Inter Connected Undertakings" shall have the same meaning as assigned to it in the Monopolies and Restrictive Trade Practices Act, 1969;

Note 6: If the applicant and the subsidiary company/holding company/company with the same management/Inter-Connected Undertaking submit more than one bid for the same City, all such bids shall be rejected.

2.3 Financial Competence:

- 2.3.1 The financial eligibility of each applicant company shall be assessed on the basis of the following criteria:

Minimum Net Worth required as per City Category in each region:

D category Cities and cities with population upto 1 lakh:	Rs. 50 Lakhs.
C category Cities:	Rs. 1 Crore.
B category Cities:	Rs. 2 Crore.
A category Cities:	Rs. 3 Crore.
A+ category Cities	Rs. 3 Crore.
All categories of Cities in all regions:	Rs. 10 Crore.

Illustration: For two or more C category cities in the same region, Net Worth of Rs. 1 crore is required. If the two C category cities are in two different regions, Net Worth of Rs. 2 crore is required.

2.3.2 **Region** shall mean North or East or South or West region, comprising states/UT s as under:

North Region: J&K, Punjab, Himachal Pradesh, Haryana, Rajasthan, Delhi, Uttar Pradesh, Uttarakhand & Chandigarh.

East Region: Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim, Tripura, West Bengal, Andaman & Nicobar Islands.

South Region: Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, and Puducherry, Lakshadweep

West Region: Chhattisgarh, Goa, Gujarat, Madhya Pradesh, Maharashtra, Daman & Diu, Dadar and Nagar Haveli

2.3.3 Each applicant shall indicate the category or categories of cities and the region (s) it desires to bid for at the time of bidding and its eligibility shall be determined accordingly. In case the applicant does not wish to intimate these details and wishes to have the option to take part in any or all categories in all the regions, the applicant company must have the minimum net worth of Rs.10 Crore.

2.3.4 The cut off date for determination of networth shall be as mentioned in the tender document.

2.3.5 Irrespective of any other definition provided anywhere else, the networth shall be interpreted and calculated as per the proforma given at **Annexure-I** and should be certified by Statutory Auditors of the Company duly supported by certified accounts by the Statutory Auditors. It is further clarified that the networth of only the applicant company will be considered to determine the eligibility and the networth of holding companies or subsidiaries or group companies or interconnected undertakings will not be taken into account.

2.3.6 The existing FM permission holders will also be required to fulfill the networth criteria.

2.3.7 It is clarified that the amount of One Time Entry Fee already paid to the Government cannot be taken as a tangible asset either in full or in part for the purposes of calculation of Networth.

2.4 Managerial Competence:

2.4.1 The applicant company shall be required to furnish the following information:

(i) Names of Directors with evidence of their commercial or managerial competence.

(ii) Directorship or other executive positions held by the Directors in other companies/organizations with details of such companies/organizations with documentary evidence to support their claim

(iii) Names of the key executives, i.e. Chief Executive Officer, and Heads of Finance, Marketing and Creative Departments, if any in position, with evidence of their professional qualifications and managerial competence.

2.5 Permission will be granted only in cases where equity held by the largest Indian shareholder is at least 51% of the total equity, excluding the equity held by Scheduled Banks and Public Financial Institutions as defined in Section 4A of the Companies Act, 1956. The term largest Indian shareholder, used in this clause, will include any or a combination of the following:

(1) In the case of an individual shareholder,

(a) The individual shareholder.

(b) A relative of the shareholder within the meaning of Section 6 of the Companies Act, 1956.

(c) A company/ group of companies in which the individual shareholder/HUF to which he belongs has management and controlling interest.

(2) In the case of an Indian company,

(a) The Indian company

(b) A group of Indian companies under the same management and ownership control.

For the purpose of this Clause, "Indian company" shall be a company, which must have a resident Indian or a relative as defined under Section 6 of the Companies Act, 1956/ HUF, either singly or in combination holding at least 51% of the shares.

Provided that in case of a combination of all or any of the entities mentioned in Sub-Clause (1) and (2) above, each of the parties shall have entered into a legally binding agreement to act as a single unit in managing the matters of the applicant company.

2.6 All Directors on the Board of Directors of the Company, all key executives, CEO known by any designation, Head of the channel shall be resident Indians.

2.7 The company as well as all Directors on the Board shall be security cleared. The company shall take prior permission of the Government before effecting any change in the Board of Directors.

2.8 The 'largest Indian shareholder' as defined in Para 2.5 exercises management control over the applicant entity.

2.9 The applicant company will have to conform to foreign investment and other related stipulations as prescribed in Para-9 below.

3. Period of Permission:

3.1 The Permission shall be valid for a period of **fifteen (15) years** from the effective date as defined below. There shall be no extension and the Permission, unless cancelled or revoked earlier, shall automatically lapse and expire at the end of the aforesaid fifteen years' period and the Permission Holder shall thereafter have no rights whatsoever to continue to operate the Channel after the date of expiry of the Permission. Government at the appropriate time shall determine procedure for issue of fresh permissions.

3.2 The effective date of the Permission Period shall be reckoned from the date of operationalisation of the Channel or the expiry of the time limit for operationalisation as specified in Para 5, whichever is earlier, unless the time limit for operationalisation has been extended by the Secretary, Ministry of Information & Broadcasting as per para 5 in which case the effective date of the Permission Period shall be the last date so fixed.

3.3 The permission shall be for free to air broadcasts on main carrier and data on sub-carriers.

4. Process of granting permission:

4.1 Permission for the channels shall be granted on the basis of Non-Refundable One-Time Entry Fees (NOTEF) i.e **Successful Bid Amount** arrived at through an ascending e-auction process, on the lines followed by Department of Telecommunications in the auction of 3G and BWA spectrum, *mutatis-mutandis*, as per the details to be notified separately. The e-auction for the channels to be taken up in Phase-III will be held in batches. Auction shall be conducted by an independent expert agency to be appointed by the Government of India. The Ministry of I&B would separately issue a detailed Information Memorandum, in due course, enabling the prospective bidders to participate, and also indicating the cities to be taken up in each batch and their respective reserve prices. The Ministry of I&B will also issue a Notice Inviting Applications (NIA) for participation in the Auction(s) (Notice). The provisions set out in the Notice (or any other applicable laws, regulations or other statutory provisions) are definitive and take precedence.

4.2 The ascending e-auction process for granting permission for channels in each batch under Phase III shall consist of four Stages. The Stage-I shall be invitation stage wherein prospective bidders submit their applications. Screening of applications, publication of ownership details and pre-qualification test will be done in Stage-II, called pre-qualification stage. Only applicants qualifying in accordance with prescribed eligibility criteria given in para 2 will be invited to the auction stage (Stage-III) for bidding for specific channels in different

cities. The Stage-IV will be grant stage wherein payment of winning bid amount and issuance of Letter of Intent (LOI) subject to fulfillment of relevant conditions. It is clarified that the existing permission holders will also have to satisfy the prescribed eligibility criteria to become eligible for participating in the auction.

4.3 The auction shall be undertaken city-wise and channel wise and the reserve price for each city to be taken up in each batch will be set out upfront. Every pre-qualified bidder may bid for channel(s) in each city within the prescribed limit on ownership of channels for that city for each channel.

4.4 **Earnest Money Deposit:**

Prospective bidders for a channel shall be required to deposit Earnest Money , along with the application for pre-qualification, in the form of a Bank Guarantee from a Scheduled Bank (as per the format specified by the Ministry) which shall be 25% of the reserve price of that city per channel. The requirement of EMD may vary depending on progress of bids. Final details with regard to requirement of EMD and the determination of eligibility of a bidder on its basis shall be specified in the Information Memorandum and NIA to be issued separately.

4.5 **Application Processing Fee:**

The applicant shall pay a non-refundable application processing fee of Rs. 25,000/- payable to Pay and Accounts, Ministry of Information and Broadcasting, New Delhi, through a demand draft.

4.6 **Reserve Price:**

The Reserve Price for new channels in existing FM Phase-II cities shall be the Highest bid price received for that city in Phase-II. In cities which are being taken up afresh, the reserve price shall be the Highest Bid price received during FM Phase-II for that category of cities in that region. In case the benchmark from Phase-II for a particular region is not available, then the lowest of the Highest bid received in other regions for that category of cities may be taken as the reserve price. For new cities in border areas with a population less than One lakh the reserve price shall be Rs five lakh.

4.7 **Payment Methodology :**

- (i) Successful Bidders shall deposit 25% of the Successful Bid Amount as Bid Deposit within 5 calendar days of the close of the Auction, failing which the Earnest Money Deposit shall stand forfeited.
- (ii) Successful Bidders shall deposit the balance amount (Successful Bid Amount less Bid Deposit) within 15 calendar days of the close of the Auction, failing which its Earnest Money Deposit and its Bid Deposit shall stand forfeited.

4.8 **Blacklisting and Forfeiture :**

Any successful bidder, who fails to deposit the bid amount for any channel within the prescribed period, as indicated in para 4.7, shall be disqualified from taking part in subsequent biddings for a period of five years. Further the Earnest Money deposited by the bidder shall also be forfeited.

4.9 Letter of Intent :

Upon receipt of the Successful Bid Amount within the stipulated time, and fulfillment of other conditions as may be specified, the successful bidder will be issued a Letter of Intent (LOI) to enable the company to obtain frequency allocation, SACFA clearance, achieve financial closure and appoint all key executives, enter into agreements with Prasar Bharati or any other provider of Land and Tower Infrastructure(henceforth referred as LTI), and system integrator for creation of Common Transmission Infrastructure(CTI) wherever required and deposit the requisite amounts towards land/tower lease rent, common transmission infrastructure etc. and comply with requisite conditions of eligibility for signing the "Grant of Permission Agreement" within the prescribed period as mentioned in para 5.

4.10 Successful Bidders shall obtain SACFA clearance and Frequency Allocation from the Wireless Planning and Coordination (WPC) Wing as per the prescribed procedure.

Note 1: "Frequency Allocation" shall mean the specific Radio Frequency (RF) carrier with associated technical parameters such as RF power, bandwidth etc to the particular FM channel as assigned by the Wireless Planning & Co-ordination wing of Department of Telecommunication, Ministry of Communications &IT, Government of India.

Note 2: "SACFA" shall mean the "Standing Advisory Committee on Radio Frequency Allocation" of the Wireless Planning & Co-ordination wing of Ministry of Communications &IT, Government of India.

4.11 In the event of the failure of any LOI holder to comply with the eligibility conditions for the Grant of Permission Agreement or failing to sign the Grant of Permission Agreement within the prescribed period as mentioned in para 5, the full deposit of the bid amount shall be forfeited without further notice, and Letter of Intent and the allocation of frequency, if any, shall stand cancelled.

4.12 Grant of Permission Agreement (GOPA) :

On complying with all the requisite conditions of eligibility, and furnishing a Performance Bank Guarantee (PBG), on the format specified by the Ministry for an amount equal to the annual fee as per para 6.1 (a) or (b) as the case may be, for complying with all the terms and conditions contained in GOPA including the timely payment of due annual fee, the LOI holder and the Ministry of Information & Broadcasting will sign the Grant of Permission Agreement in the prescribed format. Besides the Ministry of Information & Broadcasting would issue a permission after signing the agreement to enable the permission holder to install the radio station, obtain Wireless Operating License (WOL) and operationalize the channel within the prescribed period as mentioned in para 5.

5. Requirement to adhere to Time Schedules:

5.1 Time Schedule for signing of GOPA:

5.1.1 Following time limits will be required to be adhered to for cities of Phase-II where it is a vacant channel or additional channel(s) is (are) proposed and CTI has been created:

- (i) Agreement with PB and making payment for LTI lease : within 60 days of the issue of LOI
- (ii) Agreement with BECIL and making payment for CTI creation : within 90 days of the issue of LOI
- (iii) Signing of GOPA with Ministry of I&B : within six months of Grant of LOI

5.1.2 For cities not covered in 5.1.1 and where PB infrastructure is available, following time lines will be required to be adhered to in such cities:

- (i) Agreement with PB and making payment for LTI lease : within 90 days of the issue of LOI
- (ii) Agreement with and making payment to mutually agreed upon system integrator, which could be BECIL or any other agency, by LOI holder for creation of CTI: within 90 days of the issue of LOI
- (iv) Signing of GOPA with Ministry of I&B : within six months of Grant of LOI

N.B. In case no system integrator could be mutually agreed upon, agreement entered into and payment made within a period of 90 days, then all the LOI holders for the city will be mandatorily required to sign agreement and make payment for creation of CTI within a further period of 30 days with BECIL, which automatically will take over as system integrator after 90 days of issue of LOI.

5.1.3 For cities not covered in 5.1.1 and 5.1.2 and where suitable PB infrastructure is not available, all the LOI holders in a city will be required to appoint an agency, enter into agreement and pay their respective share for creation of CTI to the agency within a period of 90 days of issue of LOI. This agency will be responsible for identification of suitable LTI and creation of CTI as per the following time schedules.

(i) In case the system integrator is able to locate a suitable and readily available LTI then all the LOI holders will be required to enter into an agreement with the LTI provider and make the necessary payments within a further period of 30 days, i.e. within a period of 120 days from the issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 9 months from the issue of LOI

(ii) In case no suitable LTI is readily available, it has to be created at the cost of LOI holders. The LOI holders will be required to enter into agreement with the agency for creation of LTI and make payment of their respective share within a further period of 30 days, i.e. within a period of 150 days from the issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 10 months from the issue of LOI

(iii) In case no system integrator could be mutually agreed upon, agreement entered into and payments made within a period of 90 days of issue of LOI for identification of suitable LTI and creation of CTI as provided above, then all the LOI holders will be mandatorily required to sign agreement with BECIL and make payments for the same within 120 days of issue of LOI. GOPA will be required to be signed within a further period of five months, i.e. within a period of 11 months from the issue of LOI

5.2 Time Schedule for operationalisation:

5.2.1 The permission holder shall be liable to install the radio station and take action to obtain WOL and operationalise the channel within the timeframe prescribed as follows :

- (i) *Where it is a vacant channel of Phase-II or additional channel in a city of Phase-II and CTI has been created :* within a period of Twelve months from issue of LOI
- (ii) *Where suitable LTI of PB or any other agency is readily available:* within a period of 18 months from the date of issue of LOI

- (iii) *Where suitable LTI is not readily available:* within a period of 24 months from the date of issue of LOI.

Note: A channel shall be taken as 'operationalised' from the date of launch of its commercial transmission (with or without advertisement) on a fixed/regular transmission schedule after the test transmission, if any, which shall not normally exceed 10 days, is over.

5.3 Time Schedule in totality :

The time schedules for various activities covered under 5.1 and 5.2 above are summarized as follows :

S.No.	Activity	Period of completion from issue of LOI				Remarks
		For cities where vacant channel of Ph-II or additional channel in city of Ph-II, where CTI had been created (Ref. Para 5.1.1)	For cities (other than those covered under Para 5.1.1) where P.B. LTI is available (Ref. Para 5.1.2)	For cities other than those covered under Para 5.1.1 & 5.1.2) where suitable LTI other than P.B. is available [Ref. Para 5.1.3(i)]	For cities where no suitable LTI is readily available [Ref. Para 5.1.3 (ii)]	
1.	Signing of agreement and making payment to LTI provider	60 days	90 days	120 days	150 days	
2.	Appointment of mutually agreed CTI creator, signing of agreement and making payment	90 days	90 days ^(x) (120 days) ⁽⁺⁾	90 days ^(x) (120 days) ⁽⁺⁾	90 days ^(x) (120 days) ⁽⁺⁾	(x) & (+) Please refer to N.B. below
3.	Signing of GOPA with M/o I & B	6 months	6 months	9 months	10 months	
4	Creation of CTI	12 months	12 months	18 months	24 months	
5.	Operationalisation of FM Channel	12 months	18 months	18 months	24 months	
<p>^(x) N.B. In case the LOI holders of a city do not mutually agree upon appointment of a CTI integrator, enter into agreement and make payment of their share of CTI to the integrator within a period of 90 days of issue of LOI, then BECIL will automatically be mandated to be their CTI integrator and periods as indicated vide ⁽⁺⁾ will be applicable for entering into agreement with BECIL and making necessary payments of the share of each LOI holder for creation of CTI to BECIL.</p>						

5.4 In the event of default in operationalisation of a channel being attributable to delay beyond reasonable period by BECIL/system integrator/Prasar Bharati/Wireless Planning & Coordination Wing, of Ministry of Communications & IT, the prescribed time limit for operationalisation may, at the request of the Permission Holder, be extended by such period of delay by the Secretary, Ministry of Information & Broadcasting, whose decision shall be final and binding on both the parties. Such an extension shall however not be for a period exceeding one year beyond the time limit for operationalisation prescribed in para 5.2 and 5.3 above.

5.5 However, in exceptional cases and on a written request from the permission holder detailing the circumstances for the delay in operationalisation, the time limit can, at the discretion of the Secretary, Ministry of Information & Broadcasting, be further extended for a maximum period of one year subject to the following:-

- (i) The date from which such an extension is granted shall be reckoned as the date for the beginning of the permission period.
- (ii) The permission holder pays in one lump sum, in advance, the annual fee for such an extended period,

6. Annual Fee:

6.1 (a) Subject to the provisions contained in sub-para (b), the Permission Holder shall be liable to pay an Annual Fee to the Government of India every year charged @ 4% of Gross Revenue of its FM radio channel for the financial year or @ 2.5% of NOTEF for the concerned city, whichever is higher.

(b) The permission holders in the States of North East (i.e. Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura,) and Jammu & Kashmir (J&K) and island territories (i.e Andaman and Nicobar islands and Lakshadweep) will be required to pay an Annual Fee to the Government of India charged @ 2% of Gross Revenue for each year or 1.25% of NOTEF for the concerned city, whichever is higher, for an initial period of three years from the date from which the annual license fee becomes payable and the permission period of 15 years begins. The revised fee structure will also be applicable to existing operators in these States/UTs to enable them to effectively compete with the new operators. The three year period for the existing operators shall be reckoned from the first day of the commencement of the next quarter (refer para 6.3) subsequent to the date of issuance of these guidelines.

6.2 Gross Revenue for this purpose would be the gross inflow of cash, receivables or other consideration arising in the course of ordinary activities of the FM Radio Broadcasting enterprise from rendering of services and from the use by others of the enterprise resources yielding rent, interest, dividend, royalties, commissions etc. Gross Revenue shall, therefore, be calculated, without deduction of taxes and agency commission, on the basis of billing rates, net of discounts to advertisers. Barter advertising contracts shall also be included in the gross revenues on the basis of relevant billing rates. In the case of a permission holder providing or receiving goods and services from other companies that are owned or controlled by the owners of the permission holder, all such transactions shall be valued at normal commercial rates and included in the profit and loss account of the permission holder to calculate its gross revenue.

6.3 Annual Fee shall be paid in advance on quarterly basis in four equal instalments within the first fortnight of each quarter of a financial year. For this purpose, four quarters shall be tri-monthly periods beginning 1st April, 1st July, 1st October and 1st January respectively.

6.4 The first year's fee shall become payable with effect from the date of operationalisation of the channel or the expiry of the period prescribed in para 5, whichever is earlier. The permission holder shall be required to initially pay advance quarterly installments calculated on the basis of the minimum prescribed % of the NOTEF mentioned in para 6.1 (a) or (b) as applicable, till the end of the financial year and even beyond till the determination of the first year's gross revenues. After the determination of first year's gross revenue, the quarterly installments will be determined on the basis of NOTEF or the gross revenue of the last year, for which gross revenue has been determined, whichever is higher.

6.5 Once the final fee for the financial year is determined on the basis of actual gross revenue as given in para 6.1, and is found to be higher than the prescribed percentage of the NOTEF the permission holder shall pay the balance in one lump sum within a period of one month from the date of such determination, and in any case not later than 30th September of the following year.

6.6 From the second year onwards, the permission holder shall pay advance annual fee on the basis of the last year for which the gross revenue has been determined, or minimum prescribed % of the NOTEF, whichever is higher, within the first fortnight of each quarter, and balance due of final annual fee, if any, by 30th September of the following financial year. Any delay on the part of the permission holder to pay the quarterly fee, or the balance due of the final annual fee, determined on the basis of the gross revenue figure, will attract simple interest @ 1% per month for the period of such delay.

6.7 Every permission holder shall furnish a performance bank guarantee as mentioned in para 4.12 for an amount equal to the annual fee calculated on the basis of NOTEF formula given in para 6.1(a) or (b) as applicable, and maintain its validity throughout the currency of the permission. Amount of bank guarantee shall be increased so as to be equal to the annual license fee paid by the licensee for the previous year if such annual license fee exceeded the bank guarantee already furnished by the licensee. The Permission Holder shall be liable to pay the Annual Fees within the prescribed time period, failing which the Government will have the right to invoke the Bank Guarantee furnished by the Permission Holder without any prior notice. Such right shall be without prejudice to any other action that may be taken by the Government under the terms and conditions of the Permission. In the event of invocation of the Performance Bank Guarantee, the Permission Holder shall furnish a fresh bank guarantee of the same amount within a period of three months from date of invocation of the Performance Bank Guarantee, in favour of the Government.

6.8 In the event of Permission Holder's failure/ inability to operationalise the Channel as required within the prescribed time period, the Government shall have the right to recover the Annual Fee for the first year and all the years of such failure/inability as a lump-sum payment, and in the event of default by the Permission Holder, by invocation of the Performance Bank Guarantee furnished by it. As aforesaid, in the event of invocation of the Performance Bank Guarantee, the Permission Holder shall furnish a fresh bank guarantee of the same amount within a period of three months from date of invocation of the Performance Bank Guarantee, in favour of the Government, for the succeeding year's Annual Fee.

6.9 Every Permission Holder shall maintain separate financial accounts for each Channel, which shall be audited by the Statutory Auditors. At the end of each financial year, the company shall provide the statement of gross revenue forming part of the final accounts of the Permission Holder as per the format (**Annexure-II**), duly certified by the Statutory Auditors and duly supported by the audited accounts for the financial year. It may be noted that the income heads specified in **Annexure-II** are only indicative and illustrative and the Auditor would include all the relevant heads qualifying for gross revenue whether or not specifically included in the said format. In addition, the income from the Related Parties shall have to tally with the Related Parties schedule as per Accounting Standards no. 18. Besides, the company shall disclose the following information at the end of each financial year, duly certified by the Statutory Auditor:

- (i) Total trade and other discounts.
- (ii) Total agency commission.
- (iii) Total Related Party Transactions.

6.10 So as to verify that the Gross Revenue is correctly disclosed to it, the Government shall have the right to get the accounts of any permission holder audited by CAG or any other professional auditors at their discretion. In case of difference between the Gross Revenue determined by the Statutory Auditor of the Company and the Government appointed auditors, the views of the government appointed auditor subject to opportunity of hearing to the permission holder shall prevail and the expenses of such audit shall be borne by the permission holder.

In case any amount is to be deposited by the licensee as per provisions of Para 6.8 it shall be deposited within 15 days of such determination along with interest calculated as already mentioned in para 6.5

7. Restrictions on Multiple permissions in a city and other conditions:

7.1 Every applicant shall be allowed to run not more than 40% of the total channels in a city subject to a minimum of three different operators in the city and further subject to the provisions contained in para 8. However in case the 40% figure is a decimal, it will be rounded off to the nearest whole number.

8. Total number of frequencies that an entity may hold:

8.1 No entity shall hold permission for more than 15% of all channels allotted in the country excluding channels located in Jammu and Kashmir, North Eastern States and island territories. Only citywise limits as mentioned in para 7 will apply to channels located in Jammu and Kashmir, North Eastern States and island territories.

[Note (1) : The channels allotted to the following categories of companies would be reckoned together for the purpose of calculating the total channels allocated to an entity:

- (a) Subsidiary company of any applicant/ allottee;

- (b) Holding company of any applicant / allottee;
- (c) Companies with the Same Management as that of applicant/ allottee;
- (d) More than one Inter-Connected Undertaking with regard to the applicant/ allottee.

Note (2) : In respect of existing license/permission/LOI holders, the license(s)/permission(s)/LOI(s) already held by them shall also be taken into consideration for calculating the 15% limit.

9. Foreign Investment and other conditions pertaining to changes in shareholding:

9.1 The total direct and indirect foreign investment including portfolio and foreign direct investments into the company shall not exceed 26% at the time of application and during the currency of license. The methodology of calculation of the direct and indirect foreign investments would be as per the extant policy of the Government. The company will be required to disclose the status of such foreign holding and certify that the foreign investment is within the ceiling of 26% on an yearly basis. Approval of Foreign Investment Promotion Board (FIPB) shall be required for any existing or proposed foreign investment in the company.

9.2 If during the currency of the permission period, government policy on FDI/FII is modified, the permission holders shall be obliged to conform to the revised guidelines within a period of six months from the date of such notification, failing which it shall be treated as non-compliant of Grant of Permission Agreement, and liable for punitive action.

9.3 The company shall make full disclosure, at the time of application, of Shareholders Agreements, Loan Agreements and such other Agreements that are finalized or are proposed to be entered into. Any subsequent changes in these would be disclosed to the Ministry of Information and Broadcasting, within 15 days of any changes, having a bearing on the foregoing Agreements.

9.4 (a) No permission holder, whether with or without foreign investment, shall be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any new shareholders without the written permission of the Ministry of Information & Broadcasting. The term majority shareholders/promoters shall be construed to mean the persons constituting the 'largest Indian shareholder' referred to in para 2.5.

(b) The company holding permission may, with prior approval of the Ministry of Information and Broadcasting, be allowed to change the composition of the 'largest Indian shareholder' subject to the condition that the shareholding of the 'largest Indian shareholder' does not reduce below 51% till a period of three years from the date on which all the channels allotted to the company holding permission stand operationalised .

(c) The permission holder company may, with prior approval of the Ministry of Information and Broadcasting, dilute the total shareholding of the constituents of the 'largest Indian shareholder' of the company as it existed at the time of submission of bids to a level below 51% only after a period of three years from the date on which all the channels allotted to the company holding permission stand operationalised. This will be further subject to the condition that the revised ownership pattern has a 'largest indian shareholder' with a legally binding agreement amongst its constituents in compliance of the prescribed eligibility conditions as mentioned in para 2.5.

(d) Any restructuring of the company/reorganization of FM radio permissions between different holding companies/subsidiaries/interconnected undertakings/companies with same management may be done only with prior approval of the Ministry of Information and Broadcasting. The Ministry may consider granting such a permission only once after the submission of the last bids till a period of three years from the date on which all the channels allotted to any of the company holding permission stand operationalised undergoing restructuring, provided such a provision has not been availed of earlier. The new permission holding entities will have to conform to the prescribed eligibility criteria and will also be subject to the fulfillment of the following conditions : -

- i. The new company shall sign a fresh agreement with Government on identical terms and conditions (except for transferability of shares as provided herein) for the remaining period of licence of the original company.
- ii. No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/demerger, amalgamation of FM Broadcasting companies.
- iii. Any tax implication arising out of such mergers/demergers or amalgamation would be governed by the provisions of the Income Tax Act, 1961 as applicable from time to time.
- iv. The processes/action taken by the licensee companies including for formation of new companies/subsidiaries/mergers/amalgamations and/or disinvestment of undertakings, or part thereof, of existing companies etc., need to be compliant with the Companies Act, 1956. The applicant shall not dilute such requirement through its Articles of Association or any Agreement.

10. Cross Media Ownership:

10.1 If during the currency of the permission period, government policy on cross-media ownership is announced, the permission holder shall be obliged to conform to the revised guidelines within a period of six months from the date of such notification, failing which it shall be treated as non-compliant of Grant of Permission Agreement, and liable for punitive action.

Provided, however, in case the permission holder is not in a position to comply with cross media restrictions for bona fide reasons to the satisfaction of the Ministry of Information & Broadcasting, the Permission Holder would be given an option of furnishing one month's exit notice alongwith a compensation calculated on a pro rata basis of the NOTEF amount(s) for the remaining period of permission(s) held by the company.

11. News and Current Affairs Programs:

11.1 The permission Holder will be permitted to carry the news bulletins of All India Radio in exactly same format (unaltered) on such terms and conditions as may be mutually agreed with Prasar Bharati, No other news and current affairs programs are permitted under the Policy (Phase-III).

11.2 The broadcast pertaining to the following categories will be treated as non-news and current affairs broadcast and will therefore be permissible:

- (a) Information pertaining to sporting events excluding live coverage . However live commentaries of sporting events of local nature may be permissible;
- (b) Information pertaining to Traffic and Weather;
- (c) Information pertaining to and coverage of cultural events, festivals;
- (d) Coverage of topics pertaining to examinations, results, admissions, career counseling;
- (e) Availability of employment opportunities;
- (f) Public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration;
- (g) Such other categories not permitted at present, that may subsequently be specifically permitted by Ministry of Information and Broadcasting from time to time.

12. Programme Content:

12.1 The permission holder shall follow the same Programme and Advertisement Code as followed by All India Radio as amended from time to time or any other applicable code, which the Central Government may prescribe from time to time.

12.2 The Permission Holder shall also broadcast Public Interest Announcements as may be required by the Central Government/concerned State Government for maximum of one hour per day suitable/proportional time slots interspersed during that day shall be earmarked for this purpose. In case the total demand of Central Government and the State Government exceeds one hour per day, the concerned State Government shall be eligible for announcements covering only the period remaining after meeting the demand of the Central Government.

12.3 The Permission Holder shall ensure that at least fifty percent (50%) of the programmes broadcast by it are produced in India.

12.4 In case of multiple permissions to an entity/related entities in a city the attempt should be to distinguish programming on each channel based on era of music, language of music, genre of music etc to the extent possible to ensure diversity of programming to the listener.

13. Prohibition of Certain Activities :

13.1 Subject to the provisions contained in Para 9.4, the Permission is non-transferable. The Permission Holder shall not be competent to grant a sub-Permission directly or indirectly.

13.2 The permission holder may resort to outsourcing of content production as well as leasing of content development equipment as long as it does not impact permission holder's right as FM broadcaster and enjoys complete control over the channel. However the permission holder will be fully responsible for any violations/omissions of the provisions wrt content as contained in Paras 11 and 12 above in this regard.

13.3 Permission holders may hire or lease broadcasting equipments on long-term basis as long as it does not impact permission holder's right as FM Radio broadcaster and enjoys complete control over the channel. However the permission holder will be fully responsible for any violations of the technical parameters as stipulated in Para 16.

13.4 The Permission Holder shall not enter into any borrowing or lending arrangement with other Permission holders or entities except recognized financial institutions and its related entities (to say, its subsidiary or holding company, a company with the same management and an inter-connected undertaking), which may restrict its management or creative discretion to procure or broadcast content or its marketing rights.

13.5 The Permission Holder shall ensure that there is no linkage between a party from whom a programme is outsourced and an advertising agency.

13.6 The Permission Holder shall ensure that no content, messages, advertisement or communication, transmitted in its Broadcast Channel is objectionable, obscene, unauthorized or inconsistent with the laws of India .

13.7 The Permission Holder shall not either directly or indirectly assign or transfer its right in any manner whatsoever under this Agreement to any other party or enter into any Agreement for sub-Permission and/or partnership relating to any subject matter of the Permission to any third party either in whole or in part. Any violation of the terms shall be construed as breach of this Agreement.

13.8 The permission holder shall fix or modify the '**Channel Identity**', which is the brand name of the FM radio channel, only after prior approval of the Ministry.

14. Penalty for Non operationalisation of Awarded Licenses:

14.1 Each permission holder shall operationalize the channel and ensure completion of the activities preceding thereto within the time limits prescribed in para 5 and para 18, failing which the permission will be revoked, and permission holder shall be debarred from allotment of another channel in the same city for a period of five years from the date of such revocation. The frequency so released may be allotted to the next highest bidder from the waiting list if available and valid or through subsequent bidding. The permission holder shall be liable to pay one year's annual fee. The government shall be well within its right to recover the same from the Performance Bank Guarantee already submitted. No claim will be admissible against the Non-refundable OTEF paid to the Government.

14.2 The Ministry of Information & Broadcasting may also revoke the permission if the channel is closed down either continuously or intermittently for more than 180 days in any continuous period of 365 days for whatever reason.

15. Networking:

15.1 An entity will be permitted to network its channels in its own network within the country. However it is also to be ensured that at least 20% of the total broadcast in a day (reckoned from 0000 Hrs to 2400 Hrs), is in the local language of that city and promotes local content. This may include the Radio Jockey speaking in local language(s)/dialect(s) or programmes focused on local culture/tradition/folk music etc. or other permissible programmes/advertisements in the local language(s)/dialect(s).

15.2 No two entities shall be permitted to network any of their channels in any category of cities.

Note: The permission holder companies referred to in Note-1 below para 8.1 shall be treated as a single entity for the purposes of this Para.

16. Technical Parameters and Standards

16.1 The Permission Holder shall comply with the following technical parameters and standards both for transmission and audio quality of the service.

16.2 Technical Parameters

The transmission equipment including antenna are to conform to the following technical parameters:

(a) ERP and EHAAT

Category	Basis (one or more of the following)	Effective Radiated Power (ERP) (kW)		Antenna Height(EHAAT) (Meters.)	
		Min.	Max.	Min.	Max.
A ⁺	Méto cities	25	50		
	Delhi, Mumbai, Kolkata, Chennai			75	200
				75	175
A	Population above 20 lakhs	10	30	75	150
B	Population above 10 lakhs and up to 20 Lakhs	5	15	50	100

Category	Basis (one or more of the following)	Effective Radiated Power (ERP) (kW)		Antenna Height(EHAAT) (Meters.)	
		Min.	Max.	Min.	Max.
C	Population above 3 lakhs and up to 10 Lakhs	3	10	30	75
D	Population above 1 lakh and up to 3 Lakhs	1	3	20	40
Others	Cities with a population upto 1 lakh	1	3	20	40

[Note:1 For the purposes of this para the terms ERP and EHAAT shall mean the following:-

- i) **“Height of Antenna above Average Terrain (HAAT)”** is the height of the center of radiation of the antenna above average elevation of the terrain between 3 and 15 Km from the antenna for each radial.
- ii) **“Effective Height of Antenna above Average Terrain (EHAAT)”** is the average of HAATs for 8 radials spaced every 45 degree of azimuth starting with true north.
- iii) **“Effective Radiated Power (ERP)”** is the product of the transmitter output power and Antenna Gain relative to half wave dipole.

Note 2: In cases where

- (i) it may not be possible to remain within the prescribed limits of EHAAT due to topographical constraints or non-availability of a suitable tower meeting the prescribed values of EHAAT or due to any security considerations that the Government may deem appropriate to factor in, or
- (ii) the EHAAT/ERP needs to be fixed to take care of signal interference or security concerns or concerns relating to safety of flights in the vicinity,

the Permission Holder shall have to adjust the ERP of their transmitters so as to lay RF signal not exceeding that due to combination of maximum ERP and maximum EHAAT, as may be prescribed.]

Note 3: In case of interim set up, the LOI/Permission Holder shall, as far as practicable, adhere to the technical parameters for the respective cities. In case it is not possible, it should ensure that the coverage from the interim set up is not less than 60% by area of the coverage of the permanent set up.

- (b) Antenna Polarization : Circular
(c) Stereophonic Transmission System : Pilot-tone
(d) Pre-emphasis in transmission system : 50 micro-sec

- (e) Max Deviation in transmission system : +/-75 KHz
- (f) Harmonic/spurious : Should conform to the ITU Radio regulations and relevant ITU-R Recommendations
- (g) Frequency Stability : Should conform to the ITU Radio Regulations

Note 4: In case of border cities with a population less than one lakh, Ministry of I&B may make a special dispensation in consultation with, MOD, MHA, and WPC to ensure coverage including those in shadow areas keeping in view the geographical terrain and strategic requirements.

16.3 Technical Standards :

- (a) The Permission Holder shall comply with the audio and transmission standards for FM sound broadcasting at each Center conforming to the ITU-R (International Telecommunication Union) Recommendations viz: 450-3, 467, 646 and 644-1;
- (b) The Permission Holder shall also comply with the technical standards on data broadcasting on FM sub-carriers, whenever introduced, conforming to ITU-R Recommendations viz. 643-1 and BS-1194-2.

17. Number of Frequencies:

17.1 Subject to availability of frequencies the total number of channels for allocation to private broadcasters would be kept as follows for Phase III:-

	City Category	No. of Channels
(i)	Category A+ cities	9 to 11 Channels
(ii)	Category A cities	6 Channels
(iii)	Category B cities	4 Channels
(iv)	Category C cities	4 Channels
(v)	Category D cities and cities with population less than one lakh	3 Channels

17.2 A total of about 839 channels in about 294 cities across the country would be made available for bidding by Indian private companies, details of which are at Annexure-III. The list may undergo some modifications at the time of tendering and cities may be added or deleted based on availability of frequencies or otherwise. The list also indicates places where FM radio channels already exist.

18. Co-location:

18.1 It will be mandatory for all Phase-III operators to co-locate transmission facilities in all the cities, irrespective of the fact as to whether the infrastructure of Prasar Bharati is available or not.

18.2 In cities where it is a vacant channel of Phase-II or an additional channel is proposed and CTI has been created by BECIL, Co-location at the site already chosen and utilization of CTI already created by BECIL will be mandatory.

18.3 In other cities where Prasar Bharati Infrastructure is available , co-location shall be on such existing facilities of Prasar Bharati on terms and conditions to be prescribed separately, on the existing PB towers . The successful bidders will have a choice to form a consortium and set up required CTI for that city. They will mutually decide infrastructure sharing methodology, commercial revenue sharing mode, service level agreement and methodology for upkeep of such infrastructure.

18.4 If suitable infrastructure of Prasar Bharati is not available, successful bidders will have a choice to form a consortium and set up required land & tower infrastructure (LTI) and (CTI) for co-location of all transmitters identified for that city. They will mutually decide infrastructure sharing methodology, commercial revenue sharing mode, service level agreement and methodology for upkeep of such infrastructure.

18.5 In cases mentioned in paras 18.3 and 18.4 a maximum period of three months from the date of issuance of last LOI for that city will be allowed to the successful bidders to come up with an arrangement for setting up of collocation facility and CTI and furnish a copy of the agreement and payment details to the Government. If no intimation is received within the given time frame of 3 months from the successful bidders it will be presumed that the successful bidders have not been able to reach any agreement on different issues regarding Co-location and erection of tower, then all successful bidders will be mandated to have co-location with facilities to be developed by and CTI to be set up by Broadcast Engineering Consultants India Limited (BECIL). BECIL shall act as the system integrator for providing the collocation facility and common transmission infrastructure and will help the LOI holder/ permission holders to obtain SACFA clearance and frequency allocation on prescribed terms and conditions.

18.6 In cities where a suitable LTI of Prasar Bharati or any other agency is not available, LOI holders will be permitted to operationalize their channels on an interim basis pending creation of co-location facilities and CTI, on individual basis upto the time limit prescribed for operationalisation as per para 5, at the end of which they shall shift their operations to the collocation site. Permission to run its individual channel will be granted only after the Ministry is satisfied that all the successful bidders in that city have made necessary arrangements for setting up of the common transmission infrastructure and have entered into an agreement with BECIL/system integrator and made full payments towards its share in the common infrastructure.

18.7 The system integrator for providing the common transmission infrastructure will help the LOI holder/ permission holders to obtain SACFA clearance and frequency allocation on prescribed terms and conditions. After grant of permission, each permission holder shall obtain wireless operational licence as mentioned in para 4.12 and 23, for which WPC, DOT, M/o C&IT will be requested to grant priority clearance.

19. **Mandatory sharing of certain Broadcast signals with Prasar Bharati :**

The company shall ensure compliance with the provisions of Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharti) Act, 2007 and rules, guidelines and notifications issued thereunder.

20. Monitoring And Requirement To Furnish Information :

- 20.1 The company at its own cost shall,
- (a) Preserve the recordings of content broadcast by the Permission Holder for a period of three months from the date of broadcast and produce the same to the Government or its authorized representative, as and when required and
 - (b) Provide the necessary equipment, services and facilities at designated place(s) as may be required and shall pay such charges as may be required for continuous monitoring of the broadcast content by or under supervision of the Government or its authorized representative.
 - (c) Provide the necessary equipment, services and facilities at designated place (s) for continuous measuring, recording and monitoring of prescribed technical parameters of broadcast as may be required and shall pay such charges as may be required for continuous monitoring of the broadcast service to BECIL.

20.2 The Permission Holder shall be liable to furnish to the Government of India or its authorized representative or TRAI or its authorized representative , such reports, accounts, estimates, returns or such other information and at such periodic intervals or at such times as may be required. An annual report shall also be required to be submitted by the Permission Holder that includes audited accounts, Profit & Loss Account, balance sheet, shareholding, Board of Directors and key executives of the company

20.3 The Permission Holder shall submit all such information as may be required by the Government to dispose of complaints by public with respect to its broadcast.

20.4 In case of non-payment of dues as per the provisions contained in para 20.1, the Government shall recover such dues from the PBG furnished by the permission holder.

21. Inspection :

21.1 The Government of India, Ministry of Information & Broadcasting or its authorized representative or TRAI or its authorized representatives, shall have the right to inspect the broadcasting facilities. No prior permission/intimation shall be required to exercise the right of Government or its authorized representative to carry out the inspection. The company will, if required by the Government or its authorized representative, provide necessary facilities for continuous monitoring for any particular aspect of the companies activities and operations.

21.2 The inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

21.3 The Ministry of I&B shall carry out periodic technical audit of the technical setup at the cost of the permission holder through a designated agency.

22. National Security and Other Conditions :

22.1 The Government of India, Ministry of Information & Broadcasting shall have the right to temporarily suspend the permission of the permission holder in public interest or for national security for such period or periods as it may direct. The company shall immediately comply with any directives issued in this regard failing which the permission issued shall be revoked and the company disqualified to hold any such permission in future for a period of five years.

22.2 The company shall not use any equipment, which are identified as unlawful and/or render network security vulnerable.

22.3 The permission holder shall be required to obtain security clearance of all foreign personnel likely to be deployed for more than 60 days in a year by way of appointment, contract, consultancy or in any other capacity for installation, maintenance, operation or any other services prior to their deployment.

22.4 The permission shall be subject to permission holder remaining security cleared throughout the currency of permission. In case the security clearance is withdrawn the permission granted is liable to be terminated forthwith.

22.5 In the event of security clearance of any of the persons associated with the permission holder or foreign personnel is denied or withdrawn for any reasons whatsoever, the permission holder will ensure that the concerned person resigns or his services terminated forthwith after receiving such directives from the Government failing which the permission granted shall be revoked and the company shall be disqualified to hold any such permission in future for a period of five years.

23. WPC Wing's License:

23.1 As aforementioned, before operating the service a separate specific license i.e. Wireless Operational License, shall be obtained by the company from the WPC Wing of Ministry of Communications & IT, permitting utilization of appropriate frequencies/band for the establishment and operation of concerned wireless component of FM radio Service under usual terms and conditions of such license. The Grant of such License shall be governed by the rules, procedures and guidelines and shall be subject to compliance with all requirements of the WPC wing.

23.2 For this purpose, an application shall be made to the "Wireless Advisor to the Government of India, WPC Wing, Department of Telecommunications, Ministry of Communications & IT" in the prescribed application form.

23.3 License fee/royalty as prescribed by WPC from time to time, shall have to be paid by the company towards grant of License for usage of frequency spectrum.

23.4 The company shall not cause harmful interference to other authorized users of radio spectrum. WPC Wing will have the sole discretion to take practicable and necessary steps for elimination of harmful interference, if any, to other licensed users.

23.5 The Wireless Planning and Coordination Wing, Ministry of Communications & IT shall have the right to inspect from time to time the installation from technical angles to check conformity with Wireless Operational License conditions.

24. Penalties:

24.1 In case there is any violation of conditions cited in 11.1, 11.2 and 12.1, Government may suo motto or on basis of complaints take cognisance and place the matter before the **Inter-ministerial Committees on Programme and Advertising Codes** for recommending appropriate penalties. On the recommendation of the Committee a decision to impose penalties shall be taken. However, before the imposition of a penalty the Permission Holder shall be given an opportunity to represent its case. The Ministry shall however be at liberty to specify any other mechanism to take action for such violations.

24.2 Except wherever provided otherwise, in the event of a permission holder violating any of the terms and conditions of permission, or any other provisions of the FM Radio policy, the Ministry of Information and Broadcasting shall have the right to impose the following penalties:

24.2.1 In the event of first violation, suspension of the permission and prohibition of broadcast up to a period of 30 days.

24.2.2 In the event of second violation, suspension of the permission and prohibition of broadcast up to a period of 90 days.

24.2.3 In the event of third violation, revocation of the permission and prohibition of broadcast up to the remaining period of the permission.

24.2.4 In the event of any violation as mentioned in Para 24.2 , the Ministry of Information and Broadcasting shall be well within its right to award a lesser penalty which may include issuance of an advisory or a warning or a direction to run an apology on the channel or in any other manner depending on the gravity of the violation.

24.2.5 In the event of the failure of the permission holder to comply with the penalties imposed within the prescribed time, revocation of permission and prohibition to broadcast for the remaining period of the permission and disqualification to hold any fresh permission in future for a period of five years.

24.3 In the event of suspension of permission the permission holder will continue to discharge its obligations under the terms and conditions of permission including the payment of fee.

24.4 In the event of revocation of permission, the Government shall not be responsible for any investment towards the operationalisation of the channel, not limited to capital and operating expenditure, in case of imposition of any penalty referred above.

24.5 The Performance Bank Guarantee deposited by the permission holder for the channel may also be forfeited for failure to comply with any of the terms and conditions of GOPA.

24.6 All the penalties mentioned above shall be imposed only after giving a written notice to the permission holder to rectify the violation within a period of 15 days, failing which he shall be liable for the proposed penalty.

25 Force Majeure during the permission period:

25.1 If at any time, during the period of permission, the performance of any obligation either in whole or in part by any party is prevented or delayed, by reason of war, hostility, acts of enemy, civil commotion, sabotage, fire, flood, act of state or center, explosion, epidemic, quarantine restriction, strikes materially affecting the performance of any obligations of affected party, or act of God (all or any of these hereinafter referred to as Force Majeure Event), neither party shall, by reason of such Force Majeure Event be entitled to terminate this permission, nor shall either party have any claim for damages against the other, in respect of such non-performance or delay in performance provided notice of such happenings of any such Force Majeure Event is given within 21 days from the date of occurrence thereof. Provided further that services under this permission shall be resumed as soon as practicable, after such Force Majeure event comes to an end or ceases to exist. The decision of the Government of India as to whether the services may be so resumed or not, shall be final and conclusive.

25.2 If the broadcast of the Permission Holder remains discontinued due to such Force Majeure event for more than two months, the parties shall meet together and discuss the future course of action.

25.3 The Government of India shall not be obliged to grant any rebate in Annual Fee on account of Force Majeure event referred to above, where the Permission Holder decides to continue the broadcast. Provided, however, the Government of India may at its discretion allow rebate in appropriate case in case the broadcast cannot be continued, even after two months of the occurrence of the event.

26. Surrender of Permission :

26.1 The Permission Holder may surrender the Permission by giving an advance notice of one month to the Government as well as to all concerned/affected parties including the listeners of the service to this effect. No claim will be admissible against the Non-refundable OTEF paid to the Government. The Permission Holder shall however, continue to observe all obligations, terms and conditions of permission including the criteria for the quality of broadcast during the notice period and any failure to do so shall be regarded as breach of Permission conditions.

26.2 In case of surrender of Permission, the Government may (at its own discretion), in order to ensure the continuity of the Broadcast, take over the FM Radio Broadcast Channel of the Permission Holder or issue Permission to another eligible company for running the service. The Permission Holder shall be obligated to facilitate the transfer of Permission to the new Permission Holder or the Government, and of all assets as are essential and necessary for continuity of the service on payment of such compensation as may be mutually agreed.

27. Disputes with other Parties:

27.1 In the event of any dispute between the company and any party other than the Government (including in relation to the permission and/or Broadcasting services, etc) due to any reason whatsoever, it shall be the sole liability of the company to resolve such dispute amicably or otherwise with the other party and the Government shall have no liability whatsoever in this regard. Further, the company shall undertake to fully indemnify and keep the Government harmless in respect of any action, claim, suit, proceeding, damage or notice

to/against the Government for any act of omission or commission on the part of the company, its agents, employees, representatives or servants.

Provided that if any such third party dispute arises on account of non-observance or breach of any rules or regulations or any other terms and conditions of license by the company as provided, the Government shall also have the right to take any action against the company as per the terms and conditions of permission.

28. Dispute Resolution and Jurisdiction:-

28.1 Dispute resolution shall be as per the provisions of Telecom Regulatory Authority of India Act, 1997 as amended from time to time or such other laws applicable to resolution of such dispute.

28.2 Subject to 28.1 the High Court at New Delhi shall have the jurisdiction over all disputes.

29. Provisions relating to data broadcasting services in FM sub-carriers

(i) The services provided will be free-to-air services and no charges will be required to be paid by listeners to the FM broadcaster for such services.

(ii) None of the data services will carry any audio/video/text/data falling within the purview of news and current affairs.

(iii) Any broadcasts as part of data services will also be required to adhere to monitoring and storage requirements as provided herein.

(iv) Any service specific to an individual listener/subscriber like radio paging will not be permissible as such services require a separate permission/license from DOT

(v) Emergency Warning Services(EWS) if provided should only be used with the specific approval and guidance of the local District administration.

(vi) Revenues, if any, earned by provisioning of such services shall form part of the overall Gross Revenue of the permission holder for the purposes of determination of annual fee.

30. Miscellaneous:-

30.1 The grant of Permission shall be subject to the condition that the permission holder shall comply with any regulations, orders and directions issued by TRAI from time to time under the TRAI Act 1997.

30.2 The Permission shall be governed by the provisions of the Telecom Regulatory Authority of India Act, 1997, Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as amended from time to time and any other law as applicable to broadcasting which has or may come into force.

30.3 The Government shall have the right to modify at any time the provisions of these guidelines and/or the terms and conditions of permission, if in the opinion of the Government it is necessary or expedient to do so in public interest or in the interest of the security of the State. The decision of the Government shall be final and binding in this regard.

30.4 Prasar Bharati infrastructure should be made available at half the lease rentals for similar category cities in the cities of J&K, North Eastern States and island territories.

31. Migration to Phase-III

31.1 The provisions of these Guidelines will be applicable to the existing permission holders subject to the provisions contained herein and subject to payment of all outstanding dues pertaining to the Government, Prasar Bharati and BECIL in relation to existing FM radio permissions/operations. The existing permission holders will be required to sign a fresh grant of permission agreement on the prescribed format within a given time frame. In case any existing permission holder does not execute the fresh Agreement within the given time frame it shall be construed to mean that he does not want to migrate to the FM Phase III regime, and therefore shall continue to be governed by the FM Phase II policy provisions.

31.2 In the event of any existing permission holder of Phase II declining to opt for automatic migration, it shall continue to be governed by the terms and conditions of its original license under FM Phase II Policy regime, as modified from time to time.

31.3 The period of permission of existing FM Phase-II broadcasters/permission holders shall be governed by the provisions contained in FM Phase-II Policy.

31.4 Subject to the provisions of para 6.1 (b), annual fee payable by existing permission holders of Phase-II shall continue to be determined as 4% of Gross Revenue or 10% of Reserve OTEF for the city determined for the city during Phase-II bidding.

31.5 The date of issuance of these guidelines should be taken as the cut off date for automatic migration to Phase-III.

ANNEXURE-I

FORMAT FOR CERTIFICATION OF NET WORTH BY STATUTORY AUDITORS.

We have audited the Books of Accounts of _____ for the financial year/period ended month-day-year and certify that the "Net Worth" of M/s _____ the Applicant Company as on _____ is Rupees _____ lacs (rupees in words lacs). We further certify that the Net Worth of the Applicant Company is computed as follows:

Sl.No.	Particulars	Amount in Rupees-lacs
1.	Book Value of assets	
2.	Book Value of fictitious and intangible assets	
3.	Liabilities other than owner's funds	
4.	Net Worth {1-(2+3)}	

Place/Date

Statutory Auditors

Note:

NET WORTH

The excess of the book value of assets (other than fictitious and intangible assets of an enterprise over its liabilities. This is also referred to as Net assets or shareholder's funds

Book Value of assets

The amount at which an item appears in the books of account or financial statement. It does not refer to any particular basis on which the amount is determined. Eg. Cost, replacement value etc

Fictitious assets.

Items grouped under the assets in a balance sheet which has no real value (eg. The debit balance of the profit and loss account)

Liabilities

The financial obligation of an enterprise other than owner's funds.

ANNEXURE-II

Statement of Gross Revenue forming part of the Final Accounts of M/s the fm permission holder

sl.no	INCOME HEADS	Tariff rate/ rate card	Discounts		Agency commi- ssion	Taxes	Net as per P&L a/c
			trade	others			
(Amount Rupees in lacs)							
		A	B	C	D	E	F
1	Advertisement						
2	Promotional Events						
2.1	Musical/Star Events						
2.2	<i>Sponsored Programmes</i>						
3	Marketing Rights						
4	Commission						
5	Royalties						
6	Sale of recorded cassettes, CDs etc						
7	Rent –Premises						
8	Rent-Equipment						
9	Interest/Dividend						
10	Related Party Transactions						
10.1	Goods Sold						
10.2	Services rendered						
10.3	Production						
10.4	Marketing						
10.5							
10.6							

Notes.

1. **The income heads are only indicative and illustrative and the Auditor would include all the relevant Heads of the FM Permission Holder.**

The income from the Related Parties shall tally with the Related Parties schedule as per accounting standards no 18.

Additional columns may be introduced in appendix D if required.

Column F is the total revenue as per profit and loss account. To arrive at the gross revenue as per column the taxes, agency commission as applicable are to be added.

Gross Revenue (A) = B + C + D + E + F

Gross Revenue for Annual Fee @ 4% = [A –(B + C)] x 4%

ANNEXURE-III

City-wise list of available Channels for Phase-III

S No	Name of City	State	Total Number of Channels proposed	Existing Channels	Channels available for Phase III
Category "A+"					
1	Chennai	Tamil Nadu	9	8	1
2	Delhi	Delhi	9	8	1
3	Kolkatta	West Bengal	9	9	0
4	Mumbai	Maharashtra	9	7	2
Category "A"					
5	Ahmedabad	Gujarat	6	5	1
6	Bangalore	Karnataka	8	7	1
7	Hyderabad	Andhra Pradesh	8	4	4
8	Jaipur	Rajasthan	6	5	1
9	Kanpur	Uttar Pradesh	6	3	3
10	Lucknow	Uttar Pradesh	6	3	3
11	Nagpur	Maharashtra	6	4	2
12	Pune	Maharashtra	6	4	2
13	Surat	Gujarat	6	4	2
Category "B"					
14	Amritsar *	Punjab	4	3	1
15	Agra *	Uttar Pradesh	4	2	2
16	Allahabad *	Uttar Pradesh	4	2	2

17	Asansol	West Bengal	4	2	2
18	Bhopal	Madhya Pradesh	4	4	0
19	Cochin	Kerala	4	3	1
20	Coimbatore	Tamil Nadu	4	4	0
21	Dhanbad	Jharkhand	4	0	4
22	Indore	Madhya Pradesh	4	4	0
23	Jabalpur	Madhya Pradesh	4	4	0
24	Jamshedpur	Jharkhand	4	3	1
25	Ludhiana	Punjab	4	0	4
26	Madurai	Tamil Nadu	4	3	1
27	Moradabad	Uttar Pradesh	4	0	4
28	Patna	Bihar	4	1	3
29	Rajkot	Gujarat	4	3	1
30	Vadodara	Gujarat	4	4	0
31	Varanasi *	Uttar Pradesh	4	3	1
32	Vijayawada	Andhra Pradesh	4	2	2
33	Visakhapatnam	Andhra Pradesh	4	4	0
Category "C"					
34	Ahmednagar*	Maharashtra	4	2	2
35	Ajmer *	Rajasthan	4	2	2
36	Akola*	Maharashtra	4	1	3
37	Alappuzha (Alleppey)	Kerala	4	0	4
38	Aligarh	Uttar Pradesh	4	1	3
39	Amravati	Maharashtra	4	0	4

40	Aurangabad	Maharashtra	4	2	2
41	Bareilly	Uttar Pradesh	4	2	2
42	Belgaum	Karnataka	4	0	4
43	Bellary	Karnataka	4	0	4
44	Bhagalpur	Bihar	4	0	4
45	Bhavnagar	Gujarat	4	0	4
46	Bhubaneswar	Orissa	4	3	1
47	Bikaner	Rajasthan	4	1	3
48	Bilaspur*	Chhatisgarh	4	1	3
49	Chandigarh	Chandigarh/UT	4	2	2
50	Dehradun	Uttarakhand	4	0	4
51	Devengeri	Karnataka	4	0	4
52	Dhule	Maharashtra	4	1	3
53	Erode	Tamil Nadu	4	0	4
54	Gaya	Bihar	4	0	4
55	Gorakhpur	Uttar Pradesh	4	1	3
56	Gulbarga *	Karnataka	4	1	3
57	Guwahati	Assam	4	4	0
58	Gwalior	Madhya Pradesh	4	4	0
59	Hubli-Dharwad	Karnataka	4	0	4
60	Jalandhar	Punjab	4	4	0
61	Jalgaon*	Maharashtra	4	2	2
62	Jammu	J&K	4	1	3
63	Jamnagar	Gujarat	4	0	4

64	Jhansi	Uttar Pradesh	4	1	3
65	Jodhpur *	Rajasthan	4	3	1
66	Kakinada	Andhra Pradesh	4	0	4
67	Kannur	Kerala	4	4	0
68	Kolhapur	Maharashtra	4	2	2
69	Kota	Rajasthan	4	3	1
70	Kozhikod	Kerala	4	2	2
71	Kurnool	Andhra Pradesh	4	0	4
72	Malegaon	Maharashtra	4	0	4
73	Mangalor *	Karnataka	4	3	1
74	Muzaffarnagar	Uttar Pradesh	4	0	4
75	Muzzaffarpur	Bihar	4	1	3
76	Mysore	Karnataka	4	2	2
77	Nanded*	Maharashtra	4	1	3
78	Nasik	Maharashtra	4	2	2
79	Nellore	Andhra Pradesh	4	0	4
80	Patiala *	Punjab	4	3	1
81	Pondicherry	Pondicherry	4	3	1
82	Raipur	Chhatisgarh	4	4	0
83	Rajamundry*	Andhra Pradesh	4	1	3
84	Ranchi	Jharkhand	4	4	0
85	Rourkela	Orissa	4	2	2
86	Sagar	Madhya Pradesh	4	0	4
87	Saharanpur	Uttar Pradesh	4	0	4

88	Salem	Tamil Nadu	4	0	4
89	Sangli	Maharashtra	4	2	2
90	Shahjahanpur	Uttar Pradesh	4	0	4
91	Sholapur	Maharashtra	4	2	2
92	Siliguri	West Bengal	4	4	0
93	Srinagar	J&K	4	1	3
94	Tiruchy	Tamil Nadu	4	2	2
95	Tirunelveli*	Tamil Nadu	4	2	2
96	Tirupati	Andhra Pradesh	4	2	2
97	Tiruvananthapuram	Kerala	4	4	0
98	Trissur	Kerala	4	4	0
99	Tuticorin*	Tamil Nadu	4	2	2
100	Udaipur	Rajasthan	4	3	1
101	Ujjain	Madhya Pradesh	4	0	4
102	Vellore	Tamil nadu	4	0	4
103	Warangal*	Andhra Pradesh	4	1	3
Category "D"					
104	Abohar	Punjab	3	0	3
105	Achalpur	Maharashtra	3	0	3
106	Adilabad	Andhra Pradesh	3	0	3
107	Adoni	Andhra Pradesh	3	0	3
108	Agartala	Tripura	3	1	2
109	Aizwal	Mizoram	3	1	2
110	Alipurduar	West Bengal	3	0	3

111	Alwal	Andhra Pradesh	3	0	3
112	Alwar	Rajasthan	3	0	3
113	Ambala	Haryana	3	0	3
114	Anantpur	Andhra Pradesh	3	0	3
115	Arrah	Bihar	3	0	3
116	Azamgarh	Uttar Pradesh	3	0	3
117	Baharampur	West Bengal	3	0	3
118	Bahraich	Uttar Pradesh	3	0	3
119	Baleshwar	Orissa	3	0	3
120	Ballia	Uttar Pradesh	3	0	3
121	Balurghat	West Bengal	3	0	3
122	Bands	Uttar Pradesh	3	0	3
123	Bangaon	West Bengal	3	0	3
124	Bankura	West Bengal	3	0	3
125	Bardhaman	West Bengal	3	0	3
126	Baripada	Orissa	3	0	3
127	Barshi	Maharashtra	3	0	3
128	Basti	Uttar Pradesh	3	0	3
129	Beawar	Rajasthan	3	0	3
130	Begusarai	Bihar	3	0	3
131	Bettiah	Bihar	3	0	3
132	Bhadurgarh	Haryana	3	0	3
133	Bharatpur	Rajasthan	3	0	3
134	Bharuch	Gujarat	3	0	3

135	Bhatinda	Punjab	3	0	3
136	Bheemavaram	Andhra Pradesh	3	0	3
137	Bhilwara	Rajasthan	3	0	3
138	Bhiwani	Haryana	3	0	3
139	Bidar	Karnataka	3	0	3
140	Bihar Shareef	Bihar	3	0	3
141	Bijapur	Karnataka	3	0	3
142	Bokaro Steel City	Jharkhand	3	0	3
143	Botad	Gujarat	3	0	3
144	Brahmapur	Orissa	3	0	3
145	Budaun	Uttar Pradesh	3	0	3
146	Burhanapur	Madhya Pradesh	3	0	3
147	Chapra	Bihar	3	0	3
148	Chhattarpur	Madhya Pradesh	3	0	3
149	Chhindwara	Madhya Pradesh	3	0	3
150	Chikmagalur	Karnataka	3	0	3
151	Chirala	Andhra Pradesh	3	0	3
152	Chitradurga	Karnataka	3	0	3
153	Chittoor	Andhra Pradesh	3	0	3
154	Churu	Rajasthan	3	0	3
155	Coonoor	Tamil Nadu	3	0	3
156	Cuddapah	Andhra Pradesh	3	0	3
157	Daman *	Daman & Diu	3	0	3
158	Damoh	Madhya Pradesh	3	0	3

159	Darbhanga	Bihar	3	0	3
160	Darjiling	West Bengal	3	0	3
161	Deoghar	Jharkhand	3	0	3
162	Deoria	Uttar Pradesh	3	0	3
163	Dharamavaram	Andhra Pradesh	3	0	3
164	Dibrugarh	Assam	3	0	3
165	Dimapur	Nagaland	3	0	3
166	Dingdigul	Tamil Nadu	3	0	3
167	Dohad	Gujarat	3	0	3
168	Durg-Bhillainagar	Chhatisgarh	3	0	3
169	Eluru	Andhra Pradesh	3	0	3
170	English Bazar (Maldah)	West Bengal	3	0	3
171	Etah	Uttar Pradesh	3	0	3
172	Etawah	Uttar Pradesh	3	0	3
173	Faizabad/Ayodhya	Uttar Pradesh	3	0	3
174	Farrukhabad cum Fatehgarh	Uttar Pradesh	3	0	3
175	Fatehpur	Uttar Pradesh	3	0	3
176	Gadag Betigeri	Karnataka	3	0	3
177	Ganganagar	Rajasthan	3	0	3
178	Gangtok	Sikkim	3	3	0
179	Ghazipur	Uttar Pradesh	3	0	3
180	Giridih	Jharkhand	3	0	3
181	Godhra	Gujarat	3	0	3
182	Gonda	Uttar Pradesh	3	0	3

183	Gondiya	Maharashtra	3	0	3
184	Guna	Madhya Pradesh	3	0	3
185	Guntakal	Andhra Pradesh	3	0	3
186	Haldwani-cum Kathgodam	Uttaranchal	3	0	3
187	Hanumangarh	Rajasthan	3	0	3
188	Hardoi	Uttar Pradesh	3	0	3
189	Hardwar	Uttaranchal	3	0	3
190	Hassan	Karnataka	3	0	3
191	Hazaribag	Jharkhand	3	0	3
192	Hindupur	Andhra Pradesh	3	0	3
193	Hissar *	Haryana	4	3	1
194	Hoshiarpur	Punjab	3	0	3
195	Hospet	Karnataka	3	0	3
196	Imphal	Manipur	3	0	3
197	Itanagar	Arunchal Pradesh	3	1	2
198	Itarsi	Madhya Pradesh	3	0	3
199	Jagdalpur	Chhatisgarh	3	0	3
200	Jaunpur	Uttar Pradesh	3	0	3
201	Jetpur Navagadh	Gujarat	3	0	3
202	Jhunjhunun	Rajasthan	3	0	3
203	Jind	Haryana	3	0	3
204	Jorhat	Assam	3	0	3
205	Junagadh	Gujarat	3	0	3
206	Kaithai	Haryana	3	0	3

207	Kanhangad (Kasargod)	Kerala	3	0	3
208	Karaikkudi	Tamil Nadu	3	0	3
209	Karimnagar	Andhra Pradesh	3	0	3
210	Karnal	Haryana	3	2	1
211	Karur	Tamil Nadu	3	0	3
212	Kavaralli	Lakshadweep	3	0	3
213	Khammam	Andhra Pradesh	3	0	3
214	Khandwa	Madhya Pradesh	3	0	3
215	Kharagpur	West Bengal	3	0	3
216	Khargone	Madhya Pradesh	3	0	3
217	Kohima	Nagaland	3	0	3
218	Kolar	Karnataka	3	0	3
219	Korba	Chhatisgarh	3	0	3
220	Kothagudem	Andhra Pradesh	3	0	3
221	Krishnanagar	West Bengal	3	0	3
222	Lakhimpur	Uttar Pradesh	3	0	3
223	Lalitpur	Uttar Pradesh	3	0	3
224	Latur	Maharashtra	3	0	3
225	Machilpatnam	Andhra Pradesh	3	0	3
226	Madanapalle	Andhra Pradesh	3	0	3
227	Mahbubnagar	Andhra Pradesh	3	0	3
228	Mahesana	Gujarat	3	0	3
229	Mainpuri	Uttar Pradesh	3	0	3
230	Mancherial	Andhra Pradesh	3	0	3

231	Mandsaur	Madhya Pradesh	3	0	3
232	Mathura	Uttar Pradesh	3	0	3
233	Maunath Bhajan (Distt. Mau)	Uttar Pradesh	3	0	3
234	Mirzapur cum Vindhyachal	Uttar Pradesh	3	0	3
235	Moga	Punjab	3	0	3
236	Motihari	Bihar	3	0	3
237	Munger	Bihar	3	0	3
238	Murwara (Katni)	Madhya Pradesh	3	0	3
239	Nagaon (Nowgang)	Assam	3	0	3
240	Nagarcoil/Kanyakumari	Tamil Nadu	3	0	3
241	Nalgonda	Andhra Pradesh	3	0	3
242	Nandyal	Andhra Pradesh	3	0	3
243	Neemuch	Madhya Pradesh	3	0	3
244	Neyveli	Tamil Nadu	3	0	3
245	Nizamabad	Andhra Pradesh	3	0	3
246	Ongole	Andhra Pradesh	3	0	3
247	Orai	Uttar Pradesh	3	0	3
248	Palakkad	Kerala	3	0	3
249	Palanpur	Gujarat	3	0	3
250	Pali	Rajasthan	3	0	3
251	Panipat	Haryana	3	0	3
252	Pannaji	Goa	3	3	0
253	Patan	Gujarat	3	0	3
254	Pathankot	Punjab	3	0	3

255	Porbandar	Gujarat	3	0	3
256	Portblair	Andman & Nikobar	3	0	3
257	Proddatur	Andhra Pradesh	3	0	3
258	Pudukkottai	Tamil Nadu	3	0	3
259	Puri	Orissa	3	0	3
260	Purnia	Bihar	3	0	3
261	Puruliya	West Bengal	3	0	3
262	Rae Bareilly	Uttar Pradesh	3	0	3
263	Raichur	Karnataka	3	0	3
264	Rajapalayam	Tamil Nadu	3	0	3
265	Rajgarh	Chhatisgarh	3	0	3
266	Ramagundan	Andhra Pradesh	3	0	3
267	Raoganj	West Bengal	3	0	3
268	Ratlam	Madhya Pradesh	3	0	3
269	Rewa	Madhya Pradesh	3	0	3
270	Rewari	Haryana	3	0	3
271	Rohtak	Haryana	3	0	3
272	Saharsa	Bihar	3	0	3
273	Sambalpur	Orissa	3	0	3
274	Sasaram	Bihar	3	0	3
275	Satna	Madhya Pradesh	3	0	3
276	Sawai Madhopur	Rajasthan	3	0	3
277	Shilong	Meghalaya	3	2	1
278	Shimla	Himachal Pradesh	3	3	0

279	Shimoga	Karnataka	3	0	3
280	Shivpuri	Madhya Pradesh	3	0	3
281	Sikar	Rajasthan	3	0	3
282	Silchar	Assam	3	0	3
283	Singrauli	Madhya Pradesh	3	0	3
284	Sirsa	Haryana	3	0	3
285	Sitapur	Uttar Pradesh	3	0	3
286	Siwan	Bihar	3	0	3
287	Sultanpur	Uttar Pradesh	3	0	3
288	Surendranagar Dudhrej	Gujarat	3	0	3
289	Thanesar	Haryana	3	0	3
290	Thanjavur	Tamil Nadu	3	0	3
291	Tinsukia	Assam	3	0	3
292	Tiruvannamalai	Tamil Nadu	3	0	3
293	Tonk	Rajasthan	3	0	3
294	Tumkur	Karnataka	3	0	3
295	Udupi	Karnataka	3	0	3
296	Vaniyambadi	Tamil Nadu	3	0	3
297	Veraval	Gujarat	3	0	3
298	Vidisha	Madhya Pradesh	3	0	3
299	Vizianagaram	Andhra Pradesh	3	0	3
300	Wadhwan (Surendernagar)	Gujarat	3	0	3
301	Wardha	Maharashtra	3	0	3
302	Yavatmal	Maharashtra	3	0	3

TOTAL	1052	246	806
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* Licence revoked in Phase-II

(c) Cities in Border Areas of J&K and NE States					
1	Kargil	J&K	3	0	3
2	Leh	J&K	3	0	3
3	Katua	J&K	3	0	3
4	Poonch	J&K	3	0	3
5	Bhaderwah	J&K	3	0	3
6	Dubhari	Assam	3	0	3
7	Haflong	Assam	3	0	3
8	Jowai	Meghalaya	3	0	3
9	Lung-lei	Mizoram	3	0	3
10	Mokukchung	Nagaland	3	0	3
11	Belonia	Tripura	3	0	3

GOVERNMENT OF INDIA
Ministry of Information & Broadcasting
'A' Wing, Shastri Bhawan, New Delhi-110 115

No. N- 38014/4/2014-FM

Dated: 21st January, 2015

ORDER

In pursuance of the Cabinet decision taken on 16th January, 2015 regarding modification of policy guidelines on 'expansion of FM Radio Broadcasting services through Private Agencies (Phase-III)', the existing Para 31 (Migration to Phase-III) of the FM Phase-III Policy notified on 25.07.2011 has been amended as under:-

31. Migration to Phase-III

31.1 The provisions of these Guidelines will be applicable to the existing permission holders subject to the provisions contained herein and subject to payment of all outstanding dues pertaining to the Government, Prasar Bharati and BECIL in relation to existing FM radio permissions/operations. The existing permission holders will be required to sign a fresh grant of permission agreement (GOPA) on the prescribed format within a given time frame in order to automatically migrate to Phase-III regime. In case any existing permission holder does not execute the fresh Agreement within the given time frame it shall be construed to mean that he does not want to migrate to the FM Phase III regime, and therefore shall continue to be governed by the FM Phase II policy provisions.

31.2 In the event of any existing permission holder of Phase II declining to opt for automatic migration, it shall continue to be governed by the terms and conditions of its original license under FM Phase II Policy regime, as modified from time to time.

31.3 The cut-off date for automatic migration to Phase-III shall be taken as March 31, 2015.

31.4 Each existing permission holder of Phase-II, who is eligible for automatic migration to Phase-III, shall pay Non Refundable One Time Migration Fee (NOTMF) amount which shall be calculated as given in paragraph 31.4.1 below. For the purposes of calculation, the existing Phase-II cities have been classified into three groups, namely Group X having 17 cities, Group Y having 26 cities and Group Z having 43 cities. Each existing city of Phase-II has been shown in the Table below along with its Group, category and the region to which it belongs. The words 'target city' means the city in Group X or Y for which the NOTMF is being determined, while the words 'reference city' refer to the city in Group Z where auction results of FM Phase-III are considered for determining the NOTMF.

31.4.1 NOTMF for

(a) Group X cities shall be

Higher of –

• Phase-II average bid of the target Group X city multiplied by a factor of 1.5; or

• Phase-II highest bid of the target Group X city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.

(b) Group Y cities shall be

Higher of-

- Phase-II average bid of the target Group Y city multiplied by a factor of 1.5; or
- Phase-II highest bid of the target Group Y city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.

...but, the lower of

- The above; and
- Phase-III auction price obtained in the target Group Y city.

(c) Group Z cities shall be

- The actual auction price obtained in Phase-III.

Categories A+ and A are deemed to be alike and therefore, considered together.

In the above formulation, 'average bid' for a city shall mean the average of all successful bids in Phase-II in that city while 'highest bid' or 'reserve price' for a city shall mean the highest successful valid financial bid in Phase-II in that city.

Table

CATEGORY	REGION	GROUP X	GROUP Y	GROUP Z
	CITIES			
A+	E	KOLKATA		
	W		MUMBAI	
	N		DELHI	
	S		CHENNAI	
A	E			
	W		AHMEDABAD NAGPUR PUNE SURAT	
	N		JAIPUR	KANPUR LUCKNOW
	S		BANGALORE	HYDERABAD

CATEGORY	REGION	GROUP X	GROUP Y	GROUP Z
	CITIES			
B	E		JAMSHEDPUR	ASANSOL PATNA
	W	BARODA BHOPAL INDORE JABALPUR	RAJKOT	
	N		AMRITSAR VARANASI	AGRA ALLAHABAD
	S	COIMBATORE VISHAKHAPATNAM	KOCHI MADURAI	VIJAYAWADA
C	E	RANCHI	BHUBANESHWAR GUWAHATI SILIGURI	MUZAFFARPUR ROURKELA
	W	GWALIOR RAIPUR		AHMEDNAGAR AKOLA AURANGABAD BILASPUR DHULE JALAGAON KOLHAPUR NANDED NASIK SANGLI SHOLAPUR

C	N	JALANDHAR	JODHPUR KOTA PATIALA UDAIPUR	AJMER ALIGARH BAREILLY BIKANER CHANDIGARH GORAKHPUR JAMMU JHANSI SRINAGAR
	S	KANNUR TRICHUR TRIVANDRUM	MANGALORE PUDUCHERRY	GULBARGA KOZHIKODE MYSORE RAJAHMUNDRY TIRUCHI TIRUNELVELLI TIRUPATI TUTICORIN WARANGAL
D	E	GANGTOK		AIZWAL AGARTALA ITANAGAR SHILLONG
	W	PANAJI		
	N	SHIMLA	KARNAL HISSAR	
	S			
		17 cities	26 cities	43 cities

- 31.4.2 The existing Phase-II operators who successfully bid and win additional channel(s) in an existing city, where it already has an operational FM channel, through an ascending e-auction process, shall have to migrate its existing channel in that city also to Phase-III as per the NOTMF amount mentioned in paragraph 31.4.1 above.
- 31.4.3 In all cases, the residual value of the Phase-II permission, calculated on a pro rata basis, shall be deducted from the NOTMF amount mentioned in paragraph 31.4 above for migration purpose only.
- 31.4.4 For the Group Z cities, in case of failure of the auction in a particular city, the existing Phase-II operators of that city shall pay NOTMF amount equivalent to the reserve price set for fresh channels of that city or 1.5 times the average bid of Phase-II in that city, whichever is higher.
- 31.4.5 If the auction of channels in Group Z cities fails totally, then the Government reserves the right to auction all the existing channels in Group X, Y, and Z cities afresh and no concessional treatment would be afforded to the existing permission holders in the auction process and all participants in that auction would be treated alike.
- 31.5 Upon exercising its option to automatically migrate to Phase-III, and payment of the NOTMF within the prescribed period, each eligible permission holder of Phase-II shall be issued a fresh permission with the same terms and conditions as for successful bidders of Phase-III.
- 31.6 If any existing permission holder of Phase-II, who is eligible and opting for automatic migration to Phase-III, fails to deposit the NOTMF or sign the Grant of Permission Agreement within the prescribed period, it shall not be permitted to migrate to FM Phase-III and shall therefore be governed by the terms and conditions of its existing permission under FM Phase-II Policy regime, as modified from time to time, for remaining period of his Phase-II permission.

Puneet Kansal
21/11/2015

(PUNEET KANSAL)

Joint Secretary to the Government of India

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12. Secretary, Ministry of Corporate Affairs, Shastri Bhawan, New Delhi
13. Secretary, TRAI, New Delhi

Government of India
Ministry of Information & Broadcasting
Shastri Bhawan, New Delhi-110 115

No. N-38013/1/2016-FM

Dated: 21st July, 2016

ORDER

In pursuance of Government of India decision as per communication No. DIPP File No. 5/8/2015-FC-I dated 24th November, 2015 (Press Note No. 12 [2015 series]) regarding review of Foreign Direct Investment (FDI) policy on Terrestrial Broadcasting FM (FM Radio) (para 6.2.7.2), the existing para 9.1 of the **POLICY GUIDELINES ON EXPANSION OF FM RADIO BROADCASTING SERVICES THROUGH PRIVATE AGENCIES (PHASE-III)** has been amended as under:-

"9.1 The total direct and indirect foreign investment including portfolio and foreign direct investments into the company shall not exceed 49% at the time of application and during the currency of license. The methodology of calculation of the direct and indirect foreign investments would be as per the extant policy of the Government. The company will be required to disclose the status of such foreign holding and certify that the foreign investment is within the ceiling of 49% on an yearly basis. Approval of Foreign Investment Promotion Board (FIPB) shall be required for any existing or proposed foreign investment in the company."

2. This issues with the approval of the competent authority.


(Anju Nigam)

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5. Secretary, Ministry of Corporate Affairs, Shastri Bhawan, New Delhi.
6. Secretary, Ministry of Law & Justice, Department of Legal Affairs, Shastri Bhawan, New Delhi.

GOVERNMENT OF INDIA
Ministry of Information and Broadcasting
'A' Wing, Shastri Bhawan, New Delhi- 110 115

No. N-38032/51/2019-FM

Dated: 4th October, 2022

ORDER

In pursuance of the Cabinet decision taken on 28th September, 2022 regarding amendments in Policy Guidelines on 'expansion of FM Radio Broadcasting services through Private Agencies (Phase-III)' the existing Para 2.3.1, Para 7.1, Para 8, Para 9.4(d) and Para 15 of the FM Phase-III Policy notified on 25.07.2011 have been amended as under: -

2.3 Financial Competence:

2.3.1 Add a proviso [1] to Para 2.3.1 as under:

" [1]: Net worth requirement for two or more B category cities in one region will suffice the net worth requirement for a combination of two or more B category or lower category cities {i.e. cities in C, D and J&K/ Ladakh/ NE (border) categories} also in the same region. Similarly, for other categories."

7. Restrictions on Multiple permissions in a city and other conditions:

7.1 *"Every applicant shall be allowed to run not more than 40% of the total channels in a city subject to a minimum of three different operators in the city. However, in case the 40% figure is a decimal, it will be rounded off to the nearest whole number."*

Note(1) : The channels allotted to the following categories of companies would be reckoned together for the purpose of calculating the total channels allocated to an entity:

- (a) Subsidiary company of any applicant/ allottee;*
- (b) Holding company of any applicant / allottee;*
- (c) Companies with the Same Management as that of applicant/ allottee;*

(d) More than one Inter-Connected Undertaking with regard to the applicant/ allottee.”

Note (2) : In respect of existing license/permission/LOI holders, the license(s)/permission(s)/LOI(s) already held by them shall also be taken into consideration for calculating the 40% limit.

8. **Total number of frequencies that an entity may hold:**

Para 8 stands DELETED.

9.4(d) Any restructuring of the company / reorganization of FM radio permissions between different holding companies / subsidiaries / interconnected undertakings / companies with same management may be done anytime during the license period, only with prior approval of the Ministry of Information and Broadcasting. The Ministry may consider granting such a permission only after all the channels allotted to any of the company holding permission stand operationalised undergoing restructuring. The new permission holding entities will have to conform to the prescribed eligibility criteria and will also be subject to the fulfilment of the following conditions: -

- i. The new company shall sign a fresh agreement with Government on identical terms and conditions (except for transferability of shares as provided herein) for the remaining period of license of the original company.
- ii. No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/ demerger, amalgamation of FM Broadcasting companies.
- iii. Any tax implication arising out of such merger/ demergers or amalgamation would be governed by the provisions of the Income Tax Act, 1961 as applicable from time to time.
- iv. The processes/ action taken by the licensee companies including for formation of new companies/subsidiaries/mergers/amalgamations and/or disinvestment of undertakings/ or part thereof, of existing companies etc., need to be compliant with the Companies Act, 2013. The applicant shall not dilute such requirement through its Articles of Associations or any Agreement.”

15. Networking:

Note in para 15 amended as under:

"Note: The Categories of companies referred to in Note (1) below para 7.1 shall be treated as a single entity for the purposes of this Para.


(Sanjiv Shankar)

Joint Secretary to the Government of India

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GOVERNMENT OF INDIA
Ministry of Information & Broadcasting
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No. N-38014/3/2023-FM /463 to 477

Dated: the 10th September, 2024

ORDER

In pursuance of Cabinet decision dated 28th August, 2024 regarding 'Auction for Private FM Radio with amendments to Private FM Radio Phase-III Policy Guidelines' Para 4.6, Para 6.1 (a) & Para 6.1 (b) of the FM Phase-III Policy Guidelines dated 25.07.2011 are amended as under:-

4.6 Reserve Price:

Add a 'Note 1' below para 4.6 as under:

" Note 1. For FM channels to be taken up in uncovered new cities under Batch-III FM Phase-III, auction:

The reserve price shall be the reserve price recommended by TRAI in 2022."

6. Annual Fee:

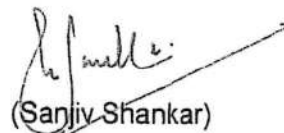
Add a para 6.1 (aa) after Para 6.1 (a) as under:

"6.1(aa). Notwithstanding the provision in Clause 6.1 (a) and subject to provision contained in 6.1 (ba); the Permission holder in uncovered new cities under Batch-III FM Phase-III auction shall be liable to pay an Annual Fee to the Government of India every year charged @ 4% of Gross Revenue of its FM radio channel for the financial year for the concerned city excluding Goods and Service Tax. Other Clauses of these policy guidelines in so far, they relate to the permission holder in uncovered new cities under Batch III FM Phase III, shall be read accordingly."

Add a para 6.1 (ba) after Para 6.1 (b) as under:

"6.1(ba). The Permission holder in the uncovered new cities in the States of North East i.e., Manipur, Meghalaya, Mizoram, Nagaland and Tripura; Union Territories of Jammu & Kashmir; and island territories (i.e, Andaman and Nicobar islands and Lakshadweep) under Batch-III FM Phase-III auction will be required to pay an Annual Fee to the Government of India charged @ 2% of Gross Revenue excluding Goods and Service tax for each year for an initial period of three years

from the date from which the annual license fee becomes payable and the permission period of 15 years begins. Other Clauses of these policy guidelines for such permission holders shall be read accordingly."


(Sanjiv Shankar)

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