



## Expansion of Private FM Radio to 234 New Cities

### *Enhancing Local Content and Employment*

(Ministry of Information and Broadcasting)

August 28, 2024

The Union Cabinet, chaired by Prime Minister Narendra Modi, has approved a significant expansion of the Private FM Radio network across 234 new cities/towns in India. This decision is a part of the third batch of the Phase III FM Radio Policy, aimed at enhancing local content, creating new employment opportunities, and strengthening the government's outreach, especially in underserved regions. The rollout involves the introduction of 730 new FM channels in 234 new cities with an estimated reserve price of ₹784.87 crore.

Under the approved plan, the government will implement an ascending e-auction process for the new channels. An important aspect of this decision is the setting of the Annual License Fee (ALF) for FM channels at 4% of the gross revenue, excluding Goods and Services Tax (GST). This revised fee structure will apply to the new cities and towns being brought under the FM Phase III Policy.

The expansion is expected to fulfill the unmet demand for FM radio in cities and towns that currently lack such services, providing a platform for local content in native languages. It will also generate employment opportunities, particularly in aspirational districts and LWE-affected areas. Expanding FM Radio services aligns with the government's 'vocal for local' initiatives, emphasising local dialects and cultures. The initiative aims to foster a sense of community and support local economies by providing a platform for regional content.

### E-Auction of Private FM Channels

CABINET DECISION  
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#### State-wise Distribution of 234 Uncovered Cities

States	No. of Cities
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Andhra Pradesh	22
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Assam	6
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Bihar	18
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Gujarat	8
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Haryana	9
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Karnataka	16
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Madhya Pradesh	20
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Maharashtra	11
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Odisha	6
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Punjab	9
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Rajasthan	19
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Tamil Nadu	11
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Telangana	10
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Uttar Pradesh	32
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West Bengal	13
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Chhattisgarh (3), Jharkhand (6), Kerala (2), Mizoram, Meghalaya & Manipur (1 each), Nagaland (3), Tripura (1), Uttarakhand (2)  
UTs: Andaman & Nicobar (1), Daman (1), J&K (1), Lakshwadeep (1)

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## e-Auction of Private FM Channels



- Cabinet approves rolling out Private FM Radio to 234 uncovered new cities / towns
- New areas covered include many Aspirational areas, Left Wing Extremism affected areas and border areas
- Move aims boost local content in mother tongue and create new employment opportunities



**CABINET DECISION**  
28<sup>TH</sup> AUGUST, 2024





## e-Auction of Private FM Channels

Taking private FM radio to uncovered Tier II/III cities

*Cabinet accords approval to*

- Conduct of ascending e-auctions for 730 channels in 234 new cities with estimated reserve price of ₹ 784.87 crore
- Charging of Annual License Fee (ALF) of FM channel for these 234 new cities as 4% of Gross Revenue excluding Goods and Services Tax (GST)

### Benefits of Expansion of Private FM Radio Channels


**Enhanced Local Content:** Promotes content in local languages and dialects, boosting cultural representation and "vocal for local" initiatives.

**Employment Generation:** Creates new job opportunities in these regions.

**Improved Government Outreach:** Strengthens government communication, especially in aspirational districts, LWE-affected areas, and border regions.

**Unmet Demand Fulfilment:** Satisfies the existing demand for FM radio in uncovered areas.



**CABINET DECISION**  
28<sup>TH</sup> AUGUST, 2024



## e-Auction of Private FM Channels

Socio-Economic Impact of new FM coverage

- Expansion of radio services to uncovered cities in local dialect and mother tongue and enhance quality of life in smaller cities and towns
- Provision of information and entertainment on Free to Air basis
- Effective Government communication in aspirational districts & LWE affected areas
- Providing opportunities for women participation as Radio Jockey, program production etc.

# Expansion of Private FM Radio Channels



## Background of Phase III FM Radio Policy

Phase III of the FM Radio Policy was introduced to expand private FM radio broadcasting to cover more cities, especially those that remained uncovered in previous phases. The first two phases had limited reach, covering only cities with a population of over three lakh and some state capitals. Despite the growth of the FM radio industry in Phase II, Border areas, particularly in J&K, NE States and Island territories, were largely missing from the FM map. The key reasons for introducing Phase II Policy are as follows:

### Unmet Demand

There was a significant demand for FM radio in many cities that remain uncovered, especially in smaller towns and border regions.

### Promoting Radio in Border Areas

To counter cross-border propaganda and promote Indian radio channels, incentives were needed for setting up stations in border areas and islands.

### Utilization of Available Spectrum

Many frequencies remained unused from Phase II, and there was potential to generate additional revenue by using them.

## Key Reasons for Introducing Phase III Policy for FM Radio

Furthermore, a few of the Salient Features of the Phase III FM Radio Policy are as follows:

### 1. News Content

Private FM stations can broadcast news bulletins from All India Radio (AIR) in an unaltered form. However, specific content, such as sports updates, weather, cultural events, career counselling, public announcements, etc., is classified as non-news and is permissible for private broadcasters.

## **2. Ownership and Channel Limits**

Private operators have been allowed to own more than one channel but not more than 40% of the total channels in a city, ensuring at least three different operators in a city.

## **3. Networking of Channels**

Private broadcasters are now allowed to network their channels across the country, unlike the previous restriction that allowed networking only within specific cities.

## **4. Choice of Construction Agency**

A choice is proposed to be given to the private FM broadcasters to choose any agency other than Broadcast Engineering Consultants India Limited (BECIL) for the construction of Common Transmission Infrastructure (CTI) within a period of 3 months. If no choice is made within three months, BECIL will be the default integrator.

With the expansion of Private FM Radio to 234 new cities/towns, the government aims to make radio a key tool for regional engagement, fostering local culture, and enhancing communication across the country. The decision reflects a commitment to democratising access to media, empowering local communities, and supporting India's diverse linguistic and cultural landscape. The rollout is anticipated to position FM Radio as a cornerstone of India's local connectivity and information dissemination.

### **References**

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