

POLICY ON EXPANSION OF FM RADIO BROADCASTING SERVICES THROUGH PRIVATE AGENCIES (PHASE-II).

New Delhi

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The Government of India, Ministry of Information & Broadcasting has formulated a policy on expansion of FM radio broadcasting services through private agencies (Phase-II). As in the Phase-I policy, the objectives of Phase-II shall be to attract private agencies to supplement and complement the efforts of All India Radio by operationalizing radio stations that provide programmes with local content and relevance, improve the quality of fidelity in reception and generation, encouraging participation by local talent and generating employment.

The salient features of the Policy are given below:

1. Process of granting permission:

1.1 Permission shall be granted on the basis of One-Time Entry Fees (OTEF) quoted by the bidders (Closed Tender System). The Ministry of I&B would separately issue detailed tender notice in due course enabling the interested parties to participate.

2. Eligibility Process:

2.1 The process of granting permission for new participants under Phase 2 shall consist of two rounds. The first round shall be for pre-qualification and only applicants qualifying in accordance with prescribed eligibility criteria given at item no. 3 below will proceed to the next round for making financial bids for specific channels in different cities.

2.2 Participants of Phase 1, who exercise their option to be considered for Phase 2, including those licensees who are eligible for automatic migration for channels already operationalised by them, shall be eligible to be considered for the pre-qualification round for fresh tendering under Phase 2, subject to their fulfilling the prescribed eligibility criteria.

3. Eligibility Criteria:

3.1 Only Companies registered under the Indian Companies Act, 1956 shall be eligible for bidding and obtaining permission for FM Radio channels. The following disqualifications shall apply to these companies:

- ○ Not registered in India.
- ○ Controlled by persons convicted of certain offences.
- ○ Subsidiary of the applicant company.
- ○ Companies with same management.
- ○ Companies of the same group or inter-connected companies.
- ○ Religious bodies or their controlled/associated companies.
- ○ Political bodies or their controlled/associated companies.
- ○ Advertising agencies or their controlled/associated companies.
- ○ Trusts, Societies, Non-Profit Organizations controlled/associated companies.

3.2 Financial Competence:

3.2.1 Bidding will be conducted at Delhi, Mumbai, Kolkata and Chennai for the respective four regions of the country with dates fixed at weekly intervals. Since companies will be eligible to participate in bidding for channels in all the four regions, their financial competence shall be assessed on the basis of the following indicative criteria:

- Minimum Net Worth required for one channel per center in all regions:
 - ▪ D category Centers: Rs. 50 Lakhs.
 - ▪ C category Centers: Rs. 1 Crore.
 - ▪ B category Centers: Rs. 2 Crore.
 - ▪ A or A+ category Centers: Rs. 3 Crore.
 - ▪ All Centers: Rs. 10 Crore.
- However, each company may intimate in writing the maximum number of channels in different categories of cities it desires to bid for and its eligibility will be determined accordingly. In case the applicant does not wish to intimate these details, the applicant company should have the minimum net worth of Rs. 10 Crore.

3.2.2 The applicant company would be required to furnish Annual Reports and Audited Accounts for the last three years, or in the case of a newly incorporated company, Balance Sheets from the date of incorporation till 31st March, 2005, certified by a Chartered Accountant, to support its claim of financial competence.

3.3 Managerial Competence:

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

- Names of Directors with evidence of their commercial or managerial competence.
- 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

- 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.

3.4 The applicant company will have to conform to foreign investment and other related stipulations as prescribed in Para 8.1 below.

4. Process of granting permission:

4.1 **SEPARATE FINANCIAL BID FOR EACH CHANNEL:** Every pre-qualified applicant may apply for allotment of only one channel in each city through a separate financial bid for payment of OTEF for each channel.

4.2 **TENDER DEPOSIT:** Each such financial bid shall be accompanied with a demand draft for an amount equal to 50% of the financial bid and unconditional and irrevocable Performance Bank Guarantee (PBG) for an amount equal to 50% of the financial bid valid for one year from the date of closure of the bidding process.

4.3 **STAGGERED TENDERING:** The venue, date and time for submission and opening of the sealed tenders will be staggered region-wise.

4.4 **RESERVE OTEF:** Reserve OTEF limit for each city shall be 25% of the highest valid bid in that city. All bids below the reserve limit shall be summarily rejected.

4.5 **WAITING LIST:** Channels available for Private Agencies in Phase 2 in each city shall be allocated in accordance with descending order of valid financial bids received. In the event of the number of valid bids being more than the available number of frequencies, those unsuccessful valid bidders, who are above the Reserve OTEF limit, and who are willing to continue the deposit of their PBG for the amount equal to 50% of their respective financial bids, will be placed in a waiting list in accordance with the descending order of their financial bids for a period of two years.

4.6 **BALANCE BID PAYMENT:** Every successful bidder shall be asked to deposit the balance 50% of his financial bid through a demand draft within a period of seven days of being declared a successful bidder.

4.7 **BLACKLISTING AND FORFEITURE:** Any successful bidder, who fails to deposit the balance 50% of the bid amount within the prescribed period, shall be immediately disqualified to take part in any fresh bidding anywhere in the country for a period of five years. Further, the original payment made through demand draft for 50% of the bid amount shall be forfeited immediately.

4.8 **LETTER OF INTENT:** On deposit of the balance 50% of the bid amount within the stipulated time, and fulfillment of other eligibility conditions, 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 DD/AIR/BECIL 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 a period of nine months from the date of issue of LOI.

4.9 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 of nine months from the date of issue of LOI, 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. The frequency so released may be allotted to the next highest bidder from the waiting list.

4.10 GRANT OF PERMISSION AGREEMENT: On complying with all the requisite conditions of eligibility, and furnishing a PBG for an amount equal to the **annual fee (10% of Reserve OTEF)**, 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 operationalise the channel within a period of one year from the date of signing the Grant of Permission Agreement. The period of permission shall be reckoned from the date of operationalisation or one year from the date of signing of the Grant of Permission Agreement, whichever is earlier.

4.11 In the event of the failure of the permission holder to operationalise the channel within the stipulated period, the permission holder shall become liable to pay the annual fee, which shall be recovered in one lump sum from the PBG furnished by the permission holder and the permission holder asked to furnish a fresh PBG to cover next year’s fee. In the event of the permission holder failing to operationalise the channel within a period of eighteen months from the date of signing the Grant of Permission Agreement, or failing to furnish PBG for the next year’s annual fee within a period of three months from the date of invoking the PBG, whichever is earlier, the Grant of Permission Agreement shall be revoked and the permission holder debarred from bidding for the same city for a period of five years from the date of revocation of permission.

5. Fee and duration:

5.1 Annual Fee shall be charged @ 4% of gross revenue, for the year or @ 10% of the Reserve OTEF limit for the concerned city, whichever is higher. Gross Revenue for this purpose would be the gross revenue without deduction of taxes.

5.2 The first year from the date of signing the Grant of Permission Agreement shall be reckoned as the commissioning period. The first year’s fee shall become payable with effect from the date of operationalisation of the channel or expiry of one year from the date of signing the Grant of Permission Agreement, whichever is earlier. The permission holder shall initially pay advance quarterly installments on the basis of the Reserve OTEF formula till the end of the financial year. Once the final fee for the financial year is determined on the basis of gross revenue share formula, the permission holder shall pay the balance in one lump sum within a period of one month from the date of such determination, in any case not later than 30th September of the following year.

5.3 From the second year onwards, the permission holder shall pay advance license fee on the basis of 4% gross revenue share of the first year or 10% of reserve OTEF, whichever is higher, within the first fortnight of each quarter, and balance due of final annual fee by 30th September each year.

5.4 Gross revenue shall be calculated on the basis of billing rates, which shall include discounts, if any, given to the advertisers and any commissions paid to the advertising agencies. Barter advertising contracts shall also be included in gross revenues of either licensee on the basis of their respective relevant billing rates.

5.5 Every permission holder shall furnish a bank guarantee for the amount of annual fee calculated on the basis of Reserve OTEF formula, and maintain its validity throughout the currency of the permission. Any default in payment of determined annual fee shall be recovered from the bank guarantee and if the amounts due are more, the permission holder shall be asked to furnish additional bank guarantees to cover the balance.

5.6 Every permission holder shall maintain separate financial accounts for each channel, which shall be audited by chartered accountants. In the case of a permission holder providing or receiving goods and services from other companies that 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.

5.7 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 financial results determined by the chartered accountant and the government appointed auditors, the views of the government appointed auditor shall prevail to the extent of determining gross revenues of the permission holder.

5.8 Every permission under Phase 2 shall be valid for a period of ten years from the date of operationalisation of the channel. There shall be no provision for its extension and it shall automatically lapse at the end of the period and the permission holder shall have no rights whatsoever to continue to operate the channel after the date of expiry. Government at the appropriate time shall determine procedure for issue of fresh permissions and no concessional treatment shall be afforded to the permission holders in the allotment of channels thereafter.

6. No Multiple permissions in a city:

6.1 Every applicant shall be allowed to run only one channel per city provided the total number of channels allocated to the entity is within the overall ceiling of 15% of all allocated channels in the country.

6.2 No permission holder shall outsource, through any long-term production or procurement arrangement, more than 50% of its total content, of which not more than 25% of its total content shall be outsourced to a single content-provider.

6.3 No permission holder shall hire or lease more than 50% of broadcast equipment on long-term basis.

6.4 No permission holder shall enter into any borrowing or lending arrangement with other permission holder or entities other than recognized financial institutions, which may restrict its management or creative discretion to procure or broadcast content.

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

7.1 No entity shall hold permission for more than 15% of all channels allotted in the country. In the event of allotment of more channels than prescribed, the entity will have the discretion to decide which channels it would like to surrender and the government shall refund its OTEF for these channels in full.

8. Foreign Investment:

8.1 Total Foreign Investment, including Foreign Direct Investment (FDI) as defined by RBI, including FDI by OCBs/NRIs/PIOs etc., Portfolio Investments by FIIs (within limits prescribed by RBI) and borrowings, if these carry conversion options, is permitted to the extent of not more than 20% of the paid up equity in the entity holding a permission for a radio channel, subject to the following conditions:

- One Indian individual or company owns more than 50% of the paid up equity excluding the equity held by banks and other lending institutions.
- The majority shareholder exercises management control over the applicant entity.
- Has only Resident Indians as Directors on the Board.
- All key executive officers of the applicant entity are resident Indians.

8.2 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.

8.3 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, which shall not be granted for a period of five years from the date of operationalization of the permission, subject to the condition that the new shareholders conform to all the prescribed eligibility criteria. However, requests for transfer of shares for the purpose of creation of a subsidiary company, amalgamation of companies of the same group, de-merger of company etc. may be allowed within the period of five years also subject to the fulfillment of the following conditions : -

- (a) The majority shareholders/promoters would continue to remain as majority shareholders/promoters and together should hold at least 51% of the total shares.
- (b) The new corporate entities would maintain their FDI component within the prescribed limit and would not violate the terms and conditions of the Tender Document and Grant of Permission Agreement.
- (c) The new corporate entities should have minimum prescribed net worth and adhere to all the terms and conditions of the Tender Document and the provisions of the agreement.
- (d) 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.
- (e) Such transfer of shares would be permitted only once during the first five years period from the date of operationalization.
- (f) No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/demerger, amalgamation of FM Broadcasting companies.
- (g) 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.
- (h) 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.

9. Cross Media Ownership:

9.1 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 bonafide 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 and the entry fee for the remaining period, to be calculated on pro rata basis, shall be refunded to the permission holder.

10. News and Current Affairs Programs:

10.1 No news and current affairs programs are permitted under the Policy (Phase-II).

11. Code of Conduct:

11.1 Every permission holder shall follow the AIR Program and Advertising Code as amended from time to time.

11.2 In the event of the government announcing the setting up of a Broadcast Regulatory Authority, by whatever name called, and the content regulations are modified, the permission holder shall be obliged to conform to the revised guidelines.

11.3 No permission holder shall use brand names or owners' names or corporate-group names to identify its channel to gain commercial advantage over other permission holders.

11.4 The Ministry of Information & Broadcasting shall have the right to suspend the permission of one or more permission holders in public interest or national security to prevent the misuse of their respective channels and the permission holders shall be obliged to immediately comply with the directives of the Government.

12. Penalty for Non operationalisation of Awarded Licenses:

12.1 Each permission holder shall operationalise the channel within 18 months of the date of signing of the Grant of Permission Agreement, 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 will be allotted to a fresh successful bidder.

12.2 The Ministry of Information & Broadcasting may also revoke the permission if the channel is closed down for more than six months for whatever reason.

13. Networking:

13.1 An entity will be permitted to network its channels in C & D category cities within a region only.

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

14. Technical Parameters:

The details of technical parameters for each category of city is at **Annexure-I**.

15. Number of Frequencies:

15.1 A total of 336 channels in 90 cities across the country would be made available for bidding by Indian private companies, details of which are at **Annexure-II**.

16. Co-location:

16.1 It has been made mandatory for all Phase-II operators to co-locate transmission facilities in all the 90 cities, on terms and conditions to be prescribed separately. In 81 cities, the facilities would be co-located on existing AIR/DD towers, while in remaining 9 cities, new towers shall be got constructed by the Ministry, through Broadcast Engineering Consultants India Limited (BECIL), for the purpose. The details of cities where AIR/DD towers would be utilized for co-location as well as where new towers will be constructed are available at **Annexure-II**.

16.2 Pending creation of co-location facilities by BECIL in due course, the successful bidders in these 9 cities will be permitted to operationalise their channels on individual basis for a period of two years, at the end of which they shall shift their operations to the new facilities. Permission to run its individual channel will be granted to each successful bidder only after it has entered into an agreement with BECIL and made full payments towards its share in the common infrastructure. In the case of Mumbai, even the existing operators shall be permitted to migrate to Phase 2 only after they have entered into agreements with BECIL and made the required payments towards their share in the common infrastructure for co-location.

16.3 BECIL shall act as the system integrator for providing the common transmission infrastructure and 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 license, for which WPC, DOT, M/o C&IT will be requested to grant priority clearance.

17. Penalties:

17.1 In the event of a permission holder letting its facilities being used for transmitting any objectionable, unauthorized content, messages or communication inconsistent with public interest or national security or failing to comply with the directions as per para 11.4 above, the permission granted shall be revoked and the permission holder shall be disqualified to hold any such permission in future, apart from liability for punishment under other applicable laws.

17.2 Subject to the provisions contained in Para 17.1 above, 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:

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

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

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

17.2.4 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.

17.3 In the event of suspension of permission as mentioned in Para 11.4 or 17.2, the permission holder will continue to discharge its obligations under the Grant of Permission Agreement including the payment of fee.

17.4 In the event of revocation of permission, the permission holder will lose the One Time Non-Refundable Entry Fee. 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.

17.5 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.

18. Dispute Resolution Mechanism.

18.1 In the event of any question, dispute or difference arising under the Grant of Permission Agreement or in connection thereof, except as to the matter, the decision of which is specifically provided under this Grant of Permission Agreement, the same shall be referred to the sole arbitration of the Secretary, Department of Legal Affairs or his nominee.

18.2 There will be no objection to any such appointment that the Arbitrator is a Government servant. The award of the arbitrator shall be final and binding on the parties. In the event of such Arbitrator, to whom the matter is originally referred to, being transferred or vacating his office, or being unable to act for any reason whatsoever, Secretary, Department of Legal Affairs shall appoint another person to act as Arbitrator.

18.3 The Arbitration and Conciliation Act, 1996, the rules made thereunder and any modification thereof, for the time being in force, shall be deemed to apply to the arbitration proceedings as above. The venue of arbitration shall be New Delhi or such other place as the Arbitrator may decide. The arbitration proceedings shall be conducted in English language.

18.4 Upon any and every reference as aforesaid, the assessment of costs, interest and incidental expenses in the proceedings for the award shall be at the discretion of the Arbitrator.

MIGRATION TO PHASE 2.

1. Licensees of Phase-I, who have actually operationalized their channels would be given the option to Migrate to Phase 2 Policy Regime. They will have to exercise their initial option by the prescribed date to automatically migrate to Phase 2 Policy regime in accordance with the terms and conditions of migration or continue under Phase 1 or surrender their licenses with one month's notice.
2. In the event of surrender of channels, Government may include the surrendered channels for allotment under the Phase-II policy regime.
3. Automatic migration shall be considered for only those license holders of Phase 1 who have actually operationalised their channels, provided they have paid all their dues from the due date (after allowing for certain condonation of delay in the case of Delhi, Kolkata and Chennai due to problems of co-location) up to the cut-off date, and are not in default of any other license conditions till the date of migration to Phase 2.
4. The cut-off date for automatic migration to Phase 2 shall be taken as April 1, 2005. All payments made by operationalised license holders of Phase 1 in excess of amounts due till the cut-off date, shall be given credit and adjusted against their One-Time Entry Fee (OTEF) for Phase 2.
5. Each operationalised license holder of Phase 1, who is eligible for automatic migration, shall pay OTEF amount equal to the average of all successful bids received under Phase 2 in that city. In the event of no successful bid in the city, such OTEF amount shall be equal to the average of all successful bids received in that category of cities in that region. In the event of no successful bid in any metro city, such OTEF amount shall be equal to the average of all successful bids received in all the four metro cities.
6. On exercising its option to automatically migrate to Phase 2, and payment of the OTEF within the prescribed period, each eligible operationalised license holder of Phase 1 shall be issued a fresh permission with the same terms and conditions as for successful bidders of Phase 2.
7. If any of the operationalised license holders of Phase 1, who is eligible and opting for automatic migration to Phase 2, fails to deposit the OTEF or sign the Grant of Permission Agreement within prescribed period, its automatic migration to Phase 2 shall stand cancelled and it shall be governed by the terms and conditions of its original license under Phase 1 Policy regime, as modified from time to time.
8. In the event of any operationalised license holder of Phase 1 declining to opt for automatic migration, it shall continue to be governed by the terms and conditions of its original license under Phase 1 Policy regime, as modified from time to time.

9. In the event of opting to close down its radio station, an operationalised license holder of Phase 1 shall give a notice of termination with a minimum period of one month at the end of which the Ministry of Information & Broadcasting may cancel its license and permit it to close down the station, and may allocate the frequency so released to the next highest eligible bidder under Phase 2.

CHANGES IN PHASE 1 POLICY REGIME:

1. Keeping in view the litigation generated in Phase 1, and the need to encourage maximum number of bidders to take part in Phase 2, Government have decided to revoke the LOIs/LAs of the defaulting participants of Phase 1 who failed to operationalize their channels while granting them certain concessions in the Phase 1 policy regime.

2. Revoke LOIs: In the case of those LOI holders, who defaulted in furnishing requisite bank guarantees and fulfilling other conditions of eligibility for signing of license agreements, Government will initiate action to revoke their LOIs after giving appropriate notices with the permission of the concerned courts of law where their respective cases are pending.

3. Revoke LAs of non-operationalised Channels: In the case of those License Agreement holders who failed to operationalize their channels within the prescribed time, Government will initiate action to revoke their License Agreements after giving due notice with the permission of the concerned courts of law where their respective cases are pending.

4. Without prejudice to the legal stands of either party: The revocation of LOIs/LAs shall be without prejudice to the respective stands of either party in respect of pending litigation in various courts and arbitration proceedings. Similarly, it is hereby assured that acceptance of concessions enumerated in paragraphs 5 to 8 below and exercise of options by the LOI/LA holders will also be without prejudice to their respective stands before the courts of law, whose decisions shall be binding on either party.

5. Limited Removal of 'Blacklisting': Government have decided to waive the condition of 'Blacklisting' for defaulting LOI/License holders of Phase 1 for the limited purpose of taking part in the tendering process for Phase 2, provided they exercise their options to do so and are eligible as per the prescribed eligibility criteria of Phase 2. In the event of any participant declining to exercise this option and losing its case before the competent court, the blacklisting condition would continue to be enforced.

6. Condone Delays in Operationalisation in Three Metros: In Delhi, Chennai and Kolkata, where Government insisted on co-location, the Government extended the time limit for operationalizing the channels from December 2001 to August 2002. However, in these three metros co-location could not be achieved even by the end of the extended period in August 2002. Finally Government intervened in July 2002 and appointed BECIL as a system integrator to provide co-location facilities and common transmission infrastructure in Delhi, Chennai and Kolkata. With BECIL setting up the common infrastructure, 9 channels got operationalised within nine months i.e. by the end of May 2003. Since the delay in operationalization occurred on account of bona fide reasons, Government has decided to condone delays in operationalization in the case of the nine channels in the three metros of Delhi, Chennai and Kolkata and reckon the dates of actual operationalization as due dates for liability to pay annual license fees.

7. BECIL to provide co-location facilities in Mumbai: In Mumbai, Government reviewed its policy on co-location in December 2001 and decided to grant a period of two years to achieve co-location. In the interim period, co-location was not insisted upon as a pre-condition and Government permitted the licensees to set up stations individually within a grace period of four months. Since the stations have already been operationalised without co-location within the original grace period, Government have decided not to insist on co-location after the expiry of the prescribed two year time limit. However, Government has appointed BECIL as the system integrator to provide the land and tower as well as the common transmitting infrastructure to enable co-location for Phase 1 operators along with Phase 2 applicants.

8. Reduce Surrender Notice Period to One Month: In order to facilitate unwilling participants of Phase 1 to surrender their licenses quickly and reduce their liability to pay license fees during the notice period, Government have decided to reduce the notice period of one year to only one month to enable easier exit for those who wish to opt out of running their channels.

TECHNICAL PARAMETERS.

Category	Basis (one or more of the following)	Effective Radiated Power (ERP) (kW)		Antenna Height (Mtr.)	
		Min.	Max.	Min.	Max.
A ⁺	Metro cities	25	50		
	Delhi			75	200
	Mumbai, Kolkata, Chennai			75	175
A	- - Population above 20 lakhs	10	30	75	150
B	- - Population above 10 lakhs and upto 20 Lakhs	5	15	50	100
C	- - Population above 3 lakhs and upto 10 lakhs	3	10	30	75
D	- - Population above 1 lakh and upto 3 lakhs	1	3	20	40

Annexure-II.

FM Channels to be put on bid for Phase II of private FM Radio Broadcasting.

A. FM Channels in cities where common infrastructure will be created by the Government.

S.No.	City	State/UT	No. of Channels available for bidding
Category – A+			
1	Chennai	T.N.	6
2	Delhi	Delhi	6
3	Kolkata	W.B.	5
4	Mumbai	Maharashtra	5
Category – A			
5	Bangalore	Karnataka	7
6	Hyderabad	A.P.	7
7	Jaipur	Rajasthan	5
8	Pune	Maharashtra	3
9	Surat	Gujarat	4
	Total		48

B. FM Channels in cities where Broadcasters will share common infrastructures on Prasar Bharati towers.

S.No.	City	State/UT	No. of Channels available for bidding
Category – A			
10	Ahmedabad	Gujarat	5
11	Lucknow	U.P	2
12	Nagpur	Maharashtra	6
13	Kanpur	U.P.	3
Category – B			
14	Agra	U.P.	3
15	Allahabad	U.P.	4
16	Amritsar	Punjab	4
17	Asansol	W.B	2
18	Bhopal	M.P.	4

S.No.	City	State/UT	No. of Channels available for bidding
19	Cochin	Kerala	3
20	Coimbatore	Tamil Nadu	3
21	Indore	M.P.	3
22	Jabalpur	M.P.	4
23	Jamshedpur	Jharkhand	4
24	Patna	Bihar	4
25	Rajkot	Gujarat	3
26	Vadodra	Gujarat	4
27	Varanasi	U.P.	4
28	Vijayawada	A.P.	2
29	Vishakapatnam	A.P.	3
30	Madurai	Tamil Nadu	3
	Category – C		
31	Ahmednagar	Maharashtra	3
32	Ajmer	Rajasthan	4
33	Akola	Maharashtra	4
34	Aligarh	U.P.	2
35	Aurangabad	Maharashtra	3
36	Bareilly	U.P.	4
37	Bhubneshwar/ Cuttack	Orissa	4
38	Bilaspur	Chatisgarh	4
39	Dhule	Maharashtra	2
40	Gorakhpur	U.P.	4
41	Gulbarga	Karnataka	4
42	Guwhati	Assam	4
43	Gwalior	M.P.	4
44	Jalandhar	Punjab	4
45	Jalgaon	Maharashtra	4
46	Jammu	J&K	3
47	Jhansi	U.P.	4
48	Jodhpur	Rajasthan	4
49	Kannur	Kerela	4
50	Kolhapur	Maharashtra	2
51	Mangalore	Karnataka	4
52	Muzzafarpur	Bihar	4
53	Mysore	Karnataka	4
54	Nanded	Maharashtra	4
55	Nasik	Maharashtra	2
56	Patiala	Punjab	4

S.No.	City	State/UT	No. of Channels available for bidding
57	Pondicherry	Pondicherry	3
58	Raipur	Chattisgarh	4
59	Rajamundri	A.P.	4
60	Ranchi	Jharkhand	4
61	Sagar	M.P.	4
62	Sholapur	Maharashtra	3
63	Siliguri	W.B.	4
64	Srinagar	J&K	4
65	Tiruchy	Tamil Nadu	4
66	Tirunelveli	Tamil nadu	3
67	Tirupati	A.P.	2
68	Thiruvananthapuram	Kerala	4
69	Warangal	A.P.	4
70	Bikaner	Rajasthan	4
71	Kota	Rajasthan	4
72	Kozhikod	Kerala	2
73	Rourkela	Orissa	4
74	Sangali	Maharashtra	2
75	Trissur	Kerala	4
76	Tuticorin	Tamil Nadu	4
77	Udaipur	Rajasthan	4
	Category – D		
78	Agartala	Tripura	4
79	Aizwal	Mizoram	4
80	Gangtok	Sikkim	4
81	Hissar	Haryana	4
82	Imphal	Manipur	4
83	Itanagar	Arunachal	4
84	Kohima	Nagaland	4
85	Panaji	Goa	3
86	Shillong	Meghalaya	4
87	Shimla	H.P.	4
88	Daman	Daman & Diu	2
89	Karnal	Haryana	2
90	Port Blair	A&Nicobar	4
	TOTAL		288
	Grand Total		336

