



भारतीय दूरसंचार विनियामक प्राधिकरण
TELECOM REGULATORY AUTHORITY OF INDIA
भारत सरकार / Government of India



File No. R-11/3/(4)/2021-B & CS

Dated: 1st August 2022

To,

The Secretary,
Ministry of Information and Broadcasting (MIB),
'A' wing, Shastri Bhawan,
New Delhi-110001

Subject: TRAI's Recommendations on "Reserve Price for Auction of FM Radio channels"
dated 10.04.2020 – reg

Kindly refer to Ministry's reference No. 38032/43/2021-FM/13 dated 13th January 2022, on the subject mentioned above referring to TRAI's Recommendations on "Reserve Price for Auction of FM Radio channels" dated 10.04.2020 & requested TRAI to relook the certain points and provide further recommendations under section 11(1) of the TRAI Act, 1997.

2. Ministry of Information and Broadcasting (MIB) in its reference dated 13.01.2022 has not referred back any specific recommendation. MIB is seeking TRAI's views on possible impact of COVID 19 on the FM Radio industry and the future auction of FM Radio.
3. The issues have been analyzed in detail. It is observed that the FM Radio sector did see a dip in revenues during the COVID period. In this regard, the details of advertisement revenue of private FM radio broadcasters, as reported to TRAI, for last 8 quarters is available at **Annexure 'A'**. Further, the state wise Gross State Domestic Product (GSDP) per capita for the year 2018 and 2022 are available at **Annexure 'B'**.
4. The revenue trends indicate that the private FM Radio sector seems to have recovered after COVID. Quarterly revenue for QE December 2021 has reached at the pre-COVID level of March 2020.
5. The GSDP per capita has shown positive growth for all States/UTs except Uttarakhand. The Mean rate of growth across twenty-seven States/U.Ts is 33% and corresponding Median rate of growth is 36.9%.
6. While sending recommendations, FM Radio listenership data was obtained from Indian Readership Survey 2019. New data is not available as the fresh survey has not been conducted after 2019 due to covid.
7. As far as the impact of COVID-19 on radio industry in the bidding during the ensuing Batch III e-auction is concerned, it can only be gauged once the auctions are conducted by the Government.

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“प्रभावी विनियमन - सुगम संचार”

“Effective Regulation - Ease of Communication”

8. The points raised by MIB in its back reference dated 13.01.2022 do not reflect upon TRAI's recommendations dated 10.04.2020 causing any material change. Therefore, the Authority re-iterates its recommendations dated 10.04.2020 on Reserve Price for auction of FM Radio channels. The Government may decide the time for auction keeping the efficient use of available spectrum in consideration.

9. As far as the recommendation related auction of remaining channels of Phase-III should be done by delinking them from technology is concerned, for facilitating smooth transition from analog to digital radio broadcasting, radio broadcasters may be permitted to use any technology (analog or digital) for radio broadcasting on the frequency allocated to them through auction in the future, based on their business plan. A service provider has the commercial interest and will be the best judge to decide on most suitable technology. Any restrictions of choice of technology will only impair the development. Accordingly, TRAI reiterates the following recommendation given in its recommendations on "Reserve Price for Auction of FM Radio channels" dated 10.04.2020:

"The Authority recommends that the auction of remaining channels of Phase-III should be done by delinking them from technology. Broadcasters should be permitted to use any technology (analog or digital or both) for radio broadcasting on the frequency allocated to them through auction in future. In case radio broadcasters opt for digital technology, they should be permitted to broadcast more than one channel subject to technical feasibility on single frequency allocated to them."

10. The Authority reiterates each of the recommendation made vide the recommendations on "Reserve Price for Auction of FM Radio channels" dated 10.04.2020.

This issues with the approval of the Authority.

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Advertisement revenue of private FM radio broadcasters

Quarter Ending	Advertisement Revenue (Rs. in crore)
March 2020	400.64
June 2020	98.41
Sept 2020	198.53
Dec 2020	323.01
March 2021	321.52
June 2021	148.02
Sept 2021	294.78
Dec 2021	421.74

Annexure 'B'

Gross State Domestic Product (GSDP) per capita

S.No.	State	Per Capita GSDP (2018) in thousands (Rs.)	Per Capita GSDP (2022) in thousands (Rs.)	% Growth in Per capita GSDP
1	Andaman and Nicobar	199.27	281.76	41.4%
2	Andhra Pradesh	155.87	226.86	45.5%
3	Arunachal Pradesh	148.05	204.28	38.0%
4	Assam	85.06	122.65	44.2%
5	Bihar	41.17	51.57	25.3%
6	Chhattisgarh	100.28	119.21	18.9%
7	Goa	460.44	544.86	18.3%
8	Gujarat	196.19	238.17	21.4%
9	Haryana	221.49	300.10	35.5%
10	Jammu & Kashmir	103.41	145.65	40.8%
11	Jharkhand	74.93	80.33	7.2%
12	Karnataka	206.86	304.66	47.3%
13	Kerala	200.48	253.14	26.3%
14	Madhya Pradesh	89.81	136.65	52.2%
15	Maharashtra	199.29	214.42	7.6%
16	Manipur	78.00	116.39	49.2%
17	Nagaland	114.05	133.16	16.8%
18	Odisha	100.34	144.55	44.1%
19	Punjab	161.77	195.41	20.8%
20	Rajasthan	109.57	149.23	36.2%
21	Sikkim	357.61	549.40	53.6%
22	Tamil Nadu	194.03	284.44	46.6%
23	Telangana	203.91	303.92	49.0%
24	Tripura	116.70	166.87	43.0%
25	Uttar Pradesh	61.99	81.88	32.1%
26	Uttarakhand	202.34	189.71	-6.2%
27	West Bengal	103.80	142.12	36.9%
			Mean Growth rate (%)	33.0%
			Median Growth rate(%)	36.9%

Sources/ Assumptions:

1. GSDP for FY 22-MoSPI's website
2. Projected Population - Report of National Commission on Population, Ministry of Health & Family Welfare
3. The GSDP for highlighted (**in BOLD**) States/UTs for FY 22 was missing and is forecast using GSDP for FY 21 and Y-o-Y growth rate for the state from FY 20 to FY 21