

Listeners need more options on FM radio: Rajyavardhan Singh Rathore

About 45% of India is covered by FM, and in about two years' time, the intention is to cover about 60-65%, says minister of state for I&B Rajyavardhan Singh Rathore



Minister of state for information and broadcasting Rajyavardhan Singh Rathore. Photo: Pradeep Gaur/Mint

As the information and broadcasting (I&B) ministry prepares for the upcoming auction of 266 private FM radio frequencies in 92 cities, several big FM radio operators have refrained from participation. In a list of participants released last month, seven of the 14 potential bidders are newcomers.

Rajyavardhan Singh Rathore, minister of state for I&B, believes that it is good to have debutants to increase competition. In an interview, Rathore talks about the FM auction, direct-to-home (DTH) licensing norms, public broadcaster Prasar Bharati and paid news. Edited excerpts:

Why has the second batch of Phase 3 radio auctions elicited a poor response from leading FM players?

It all depends on their strategy and the availability of funds with them. We have helped them in a manner by enhancing the FDI limits from 26% to 49%. We also want newer companies to come in to have more competition. A lot of these big companies are present in metro cities and a lot of them have even gone in some of the smaller cities. But I think competition will become broad-based when newer companies also come in. At present, for this auction, 14 applications

have come in—of which seven are newcomers, which is good.

Have you decided on a date?

The consultation process is going on. We also want all the stakeholders to be comfortable with the process and the terms and conditions. The stakeholders' meetings are going on and we don't want to hurry.

How much is the government expecting to fetch from these auctions?

The reserve price is about Rs951 crore, somewhere around that. Our intention is not so much as to earn revenue but to be able to have wide dissemination of the FM stations—that a wide variety of companies come in and that as many (frequencies in) cities get sold out so that people have more options to listen to on FM radio.

You have spoken about the centre's plans to have at least three FM radio stations in all towns with a population of more than 100,000. What is the timeline for this?

Presently, about 45% of the country is covered by FM. In about two years' time, the intention is to cover about 60-65%. We have already started the Phase 3 policy. We are taking the FM stations to a large number of cities—mostly to places where FM is not there. In Phase 3, the first auction has already taken place. The second auction will take place soon. Perhaps, we are looking at about 92 cities, of which there are a few FM channels which didn't find a buyer earlier and a lot of them are the new ones.

Is there a role for All India Radio in this plan?

All India Radio is also expanding in the areas within the country where FM needs to come up, in some north-eastern areas and some of the border areas. The last government had sanctioned about a 100 FM stations and obviously there was a certain budget sanctioned for it. We realized that the transmitters that they had for these 100 stations were only of 100 watts. 100 watts gives us only a coverage of about 7km, which is very little. So, we will now use the same budget to have at least 10 kilowatts.

The number of stations has reduced, but the transmission power has increased. So, we are covering a larger area. But our intention is to do 100 stations. So, we are now looking for new funds. We are going back to the finance ministry asking for more funds.

Has the I&B ministry accepted the recommendations submitted by the Telecom Regulatory Authority of India (Trai) on DTH licensing, including increasing the validity period of the licence and reducing the annual fee?

Yes. We want to be helpful in expansion, firstly in the digitization of the cable. The cable services which are reaching every home... a large portion of it is still analog. We want it to get digitized. We have already set the limits and we are following the deadlines. In a consultative process which we had with the DTH operators, we felt that they would be forthcoming in investing their profits into making this digitization process a success. We are in agreement with Trai recommendations, which include reducing the licence fee. We are bringing it down from 10% of the gross revenue to 8% of adjusted gross revenue. I don't think it has been finalized, but we are going by the recommendations.

Prasar Bharati CEO Jawhar Sircar recently announced that he might leave earlier than his retirement, which is due in February. Has the ministry already started the process to appoint a new CEO?

We will only start the process when there is a vacancy. He might have communicated things to (the) media, but there is no official intimation to us of anything of this sort.

How far do you think is Prasar Bharati from administrative and financial autonomy, which was recommended by the Sam Pitroda committee in 2014, given its accumulated losses of Rs2,000 crore?

I think the priority of the government is that citizens of our country are provided with information and entertainment in the languages that they feel comfortable in. Therefore, the role of Prasar Bharati is a lot more different than any other commercial media house.

Keeping that objective in mind, (the) government's focus remains better efficient communication of all information and entertainment. Following that objective, there is a need for better efficiency with better revenues in a scenario where economically, companies are doing well. We are passing through a period where things are a little tough economically and, therefore, the revenues will automatically shape up in times to come.

How?

Prasar Bharati is coming up with methods to improve their service. DD News is on app now, the quality of news is improving, the stringers are going out on the fields and getting more news, the editing has improved.

In terms of entertainment, DD National is working on improving its content—slot-sale is a part of their process. These are the various methods that Prasar Bharati is thinking of and it's their job.

As for the funding, that has to come from (the) government for Prasar Bharati; we will keep supporting Prasar Bharati since our priority remains that people are entertained and informed.

Former I&B minister Arun Jaitley recently announced that the government will keep a check on paid news, including excessive advertising. How is the ministry planning to tackle this issue?

The ministry and the government stand by the fact that paid news is an offence. The definition of paid news is something that the court needs to decide. There cannot be a sweeping statement that excessive advertisements are necessarily paid news.

Whenever there is an example or issue of paid news that comes to us, we will refer it to a committee that's going to take action on it. As far as advertisements are concerned, the Supreme Court has already appointed a three-member committee to look into advertisements. I think one of the cases of a state government is already under consideration by the three-member committee for advertising beyond the state.

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