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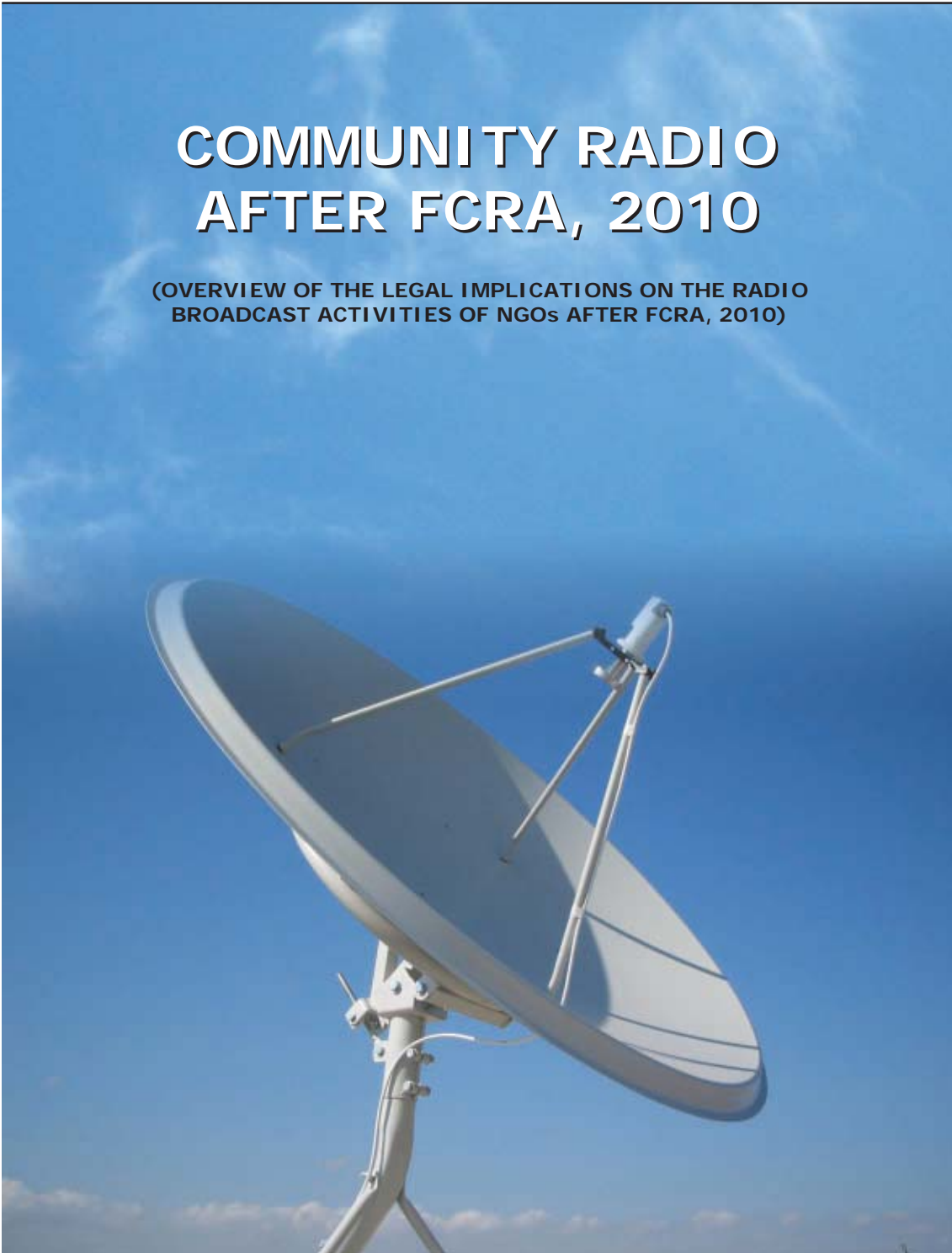
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COMMUNITY RADIO AFTER FCRA, 2010

(OVERVIEW OF THE LEGAL IMPLICATIONS ON THE RADIO
BROADCAST ACTIVITIES OF NGOs AFTER FCRA, 2010)



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INTRODUCTION

1.01 The *Foreign Contribution Regulation Act, 2010* (hereinafter referred to as *FCRA*), has brought many radical changes in the law pertaining to the receipt and use of foreign contributions. One of such changes is the prohibition of organisation engaged in audio visual broadcast of public news or current affairs related programmes. It may be noted that earlier only the print media was prohibited. This amendment may affect many NGOs who have obtained licenses to run "Community Radio Services". In this issue we shall analyse and understand the law and its implication in this regard.

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PERSONS SPECIFICALLY DEBARRED FROM RECEIVING FOREIGN CONTRIBUTION

1.02 Section 3(1) of the FCRA, 2010 specifically debars a group of persons from receiving foreign contributions. The text of section 3(1) is provided as under:

3. (1) No foreign contribution shall be accepted by any—
- (a) candidate for election;
 - (b) correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper;
 - (c) Judge, Government servant or employee of any corporation or any other body controlled or owned by the Government;
 - (d) member of any Legislature;
 - (e) political party or office-bearer thereof;
 - (f) organisation of a political nature as may be specified under sub-section (1) of section 5 by the Central Government;
 - (g) association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in clause (r) of sub-section (1) of section 2 of the Information Technology Act, 2000 or any other mode of mass communication;
 - (h) correspondent or columnist, cartoonist, editor, owner of the association or company referred to in clause (g).

1.03 It may be noted that the last 3 clauses have been inserted by the new FCRA, 2010. It may further be seen that clause (g) debars association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode from receiving foreign contribution. This amendment will affect the NGOs engaged in Community Radio activity. Here it is pertinent to mention that the amendment is not about use of FC funds for 'Community Radio Purposes', rather the amendment implies that anybody engaged in such activity cannot receive foreign fund for any purposes. In other words, an NGO cannot claim that since FC funds were not used for such activity, it would not result in violation of FCRA.

DOES COMMUNITY RADIO FALL UNDER THE PURVIEW OF PUBLIC NEWS OR CURRENT AFFAIRS BROADCAST

1.04 The Community Radio Guidelines of Government of India, do not permit broadcast of any public news or current affairs programme (section 5 (vi)). It

only allows broadcast programs on developmental, agricultural, health, educational, environmental, social welfare, community development and cultural issues. A copy of the guideline is provided in *Annexure 1*. Therefore, it seems that the amendments made by the FCRA, 2010 should not directly apply to such activities. However, the said guidelines in clause 8 (i) further mandates the organisation to take special clearance if they want foreign contribution for Community Radio. In this context it may be noted that prior to FCRA, 2010 even though there was no bar on use of FC funds for audio visual broadcast of public news, the government guidelines required a special clearance from the FCRA department.

IS FC APPROVAL NECESSARY FOR ORGANISATION ENGAGED IN COMMUNITY RADIO

- 1.05 Now after FCRA, 2010 the possibility of using FC funds for any kind of audio visual broadcast of public news or current affairs programme is ruled out. The issue is whether prior approval from FCRA would be necessary to conduct permissible activities under Community Radio. To our understanding, all NGOs having Community Radio related activity should apply for clearance of FCRA department even if the entire Community Radio related activity is being done through local funds. It is a question whether an organisation falls into the debarred category or not. **If it falls into the debarred category, then it cannot receive foreign funds for any purpose.**
- 1.06 As discussed above, the Community Radio Guidelines restrict news or current affairs. In other words, NGOs engaged in Community Radio cannot do any activity prohibited under FCRA, 2010. Therefore, such radio activity should not fall under the purview of FCRA, 2010. However, the restriction by Government on the content comes under the clause '*Content regulation & monitoring*' (see *the policy in Annexure 1*). In other words, these are content regulations subject to monitoring by the government. Therefore, the government had put a condition of FCRA clearance even when the activity was permissible under FCRA. In such circumstances, it seems that NGOs have to apply for prior approval or clearance of such activity in order to receive FCRA for any purpose. Otherwise Community Radio activity should not be conducted through an organisation accessing FC funds. **If the radio activity is cleared by the FCRA department, then FC fund can be used even for such activities.**
- 1.07 The FCRA 2010 prohibits such category of organisations from receiving Foreign Contribution. **It is not relevant whether such activity is carried out by FC or Local Funds.** Either such organisation may come into the eligible category through prior approval or cannot receive FC for any purpose.

- 1.08 It is also pertinent to mention that the Form no. 4 under FCR Rules, 2011 which is for 'prior permission' under clause 8 requires a declaration regarding Audio Visual broadcast, the said clause is as under :

"8. I affirm that the applicant association is not engaged in the production or broadcast of audio/visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in clause (r) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000) or any other mode of mass communication."

CONCLUSION

- 1.09 FCRA, 2010 prohibits any person engaged in audio/visual broadcast of public news or current affairs, from receiving FC funds.
- 1.10 The NGOs engaged in Community Radio activity should carefully understand and act upon the implication of the amendment.
- 1.11 Technically FCRA, 2010 should not apply to Community Radio activity as it is not permitted to broadcast public news or current affairs programme.
- 1.12 However, the access and discretion to broadcast programme in air is subject to government monitoring. Therefore, even under the old FCRA (where there was no bar on audio/visual broadcast of public news or current affairs), the Government Radio guidelines required clearance from FCRA department for use of FC funds for Radio activity.
- 1.13 All NGOs engaged in Radio activity should apply for FCRA clearance. Once it is received then they can receive FC funds for all purposes.
- 1.14 However, if the Radio activity of an NGO is not approved or cleared, then it should not receive FC funds for any purpose. NGOs should either conduct Community Radio activity in an independent legal entity or should apply for FC clearance.
- 1.15 It is not relevant whether such activity is done through FC funds or local funds. The issue is whether it is cleared by the FCRA department or not.

POLICY GUIDELINES FOR SETTING UP COMMUNITY RADIO STATIONS IN INDIA

FOREWORD

In December 2002, the Government of India approved a policy for the grant of licenses for setting up of Community Radio Stations to well established educational institutions including IITs/IIMs.

The matter has been reconsidered and the Government has now decided to broad base the policy by bringing 'Non-profit' organisations like civil society and voluntary organisations etc under its ambit in order to allow greater participation by the civil society on issues relating to development & social change. The detailed policy guidelines in this regard is given below:

1. BASIC PRINCIPLES

An organisation desirous of operating a Community Radio Station (CRS) must be able to satisfy and adhere to the following principles:

- a) It should be explicitly constituted as a 'non-profit' organisation and should have a proven record of at least three years of service to the local community.
- b) The CRS to be operated by it should be designed to serve a specific well-defined local community.
- c) It should have an ownership and management structure that is reflective of the community that the CRS seeks to serve.
- d) Programmes for broadcast should be relevant to the educational, developmental, social and cultural needs of the community.
- e) It must be a Legal Entity i.e. it should be registered (under the registration of Societies Act or any other such act relevant to the purpose).

2. ELIGIBILITY CRITERIA

- (i) The following types of organisations shall be eligible to apply for Community Radio licences:
 - a) Community based organisations, which satisfy the basic principles listed at para 1 above. These would include civil society and voluntary organisations, State Agriculture Universities (SAUs), ICAR institutions, Krishi Vigyan Kendras, Registered Societies and Autonomous Bodies and Public Trusts registered under Societies Act or any other such act relevant for the purpose. Registration at the time of application should at least be three years old.
 - b) Educational institutions
- (ii) The following shall not be eligible to run a CRS:
 - a) Individuals;

- b) Political Parties and their affiliate organisations; [including students, women's, trade unions and such other wings affiliated to these parties.]
- c) Organisations operating with a motive to earn profit;
- d) Organisations expressly banned by the Union and State Governments.

3. *SELECTION PROCESS & PROCESSING OF THE APPLICATIONS*

- (a) Applications shall be invited by the Ministry of I&B once every year through a national advertisement for establishment of Community Radio Stations. However, eligible organisations and educational institutions can apply during the intervening period between the two advertisements also. The applicants shall be required to apply in the prescribed application form along with a processing fee of Rs.2500/- and the applications shall be processed in the following manner:
 - i) Universities, Deemed Universities and Government run educational institutions will have a single window clearance by putting up cases before an inter-ministerial committee chaired by Secretary (I&B) for approval. No separate clearance from MHA & MHRD shall be necessary. Once the WPC Wing of the Ministry of Communication & IT earmarks a frequency at the place requested by the institution, a Letter of Intent (LOI) shall be issued.
 - ii) In case of all other applicants, including private educational institutions, LOI shall be issued subject to receiving clearance from Ministries of Home Affairs, Defence & HRD (in case of private educational institutions) and frequency allocation by WPC wing of Ministry of Communication & IT.
- (b) A time schedule for obtaining clearances as below shall be prescribed:
 - i) Within one month of receipt of the application in the prescribed form, the Ministry of I&B shall process the application and either communicate to the applicant deficiencies, if any, or will send the copies of the application to the other Ministries for clearance as prescribed in para 3(a)(i) and 3(a)(ii) above, as the case may be.
 - ii) The Ministries concerned shall communicate their clearance within three months of receipt of the application. However, in the event of the failure of the concerned ministry to grant the clearance within the stipulated period of three months, the case shall be referred to the Committee constituted under the Chairmanship of Secretary (I&B) for a decision for issue of LOI.
 - iii) In the event of more than one applicant for a single frequency at a given place, the successful applicant will be selected for issue of LOI from amongst the applicants by the Committee constituted under the Chairmanship of Secretary (I&B) on the basis of their standing in the community, the commitment shown, the objectives enunciated and resources likely to be mobilized by the applicant organisation as well as its credentials and number of years of community service rendered by the organisation.
 - iv) Within one month of the issue of the Letter of Intent (LOI) the eligible applicant will be required to apply, in the prescribed format and with the requisite fee, to the WPC Wing of the Ministry of Communication & IT, Sanchar Bhawan, New Delhi for frequency allocation & SACFA clearance.
 - v) A time frame of six months from the date of application is prescribed for issue of

SACFA clearance. In the event of non-receipt of such clearance from the Ministry of Communication & IT within the stipulated period of six months, the case will be referred to the Committee constituted under the Chairmanship of Secretary (I&B) for a decision.

- vi) On receipt of SACFA clearance (a copy of which shall be submitted by the applicant), the LOI holder shall furnish a bank guarantee in the prescribed format for a sum of Rs.25, 000/-. Thereupon, the LOI holder will be invited to sign a Grant of Permission Agreement (GOPA) by Ministry of I&B, which will enable him to seek Wireless Operating License (WOL) from the WPC Wing of the Ministry of Communication & IT. The Community Radio Station can be made operational only after the receipt of WOL from the Ministry of Communication & IT.
- vii) Within three months of receipt of all clearances i.e signing of GOPA, the Permission Holder shall set up the Community Radio Station and shall intimate the date of commissioning of the Community Radio Station to the Ministry of I&B.
- viii) Failure to comply with time schedule prescribed above shall make the LOI/GOPA holder liable for cancellation of its LOI/GOPA and forfeiture of the Bank Guarantee.

4. GRANT OF PERMISSION AGREEMENT CONDITIONS

- i) The Grant of Permission Agreement period shall be for five years.
- ii) The Grant of Permission Agreement and the Permission letter will be non-transferable.
- iii) No permission fee shall be levied on the Permission Holder. However, the Permission Holder will be required to pay the spectrum usage fee to WPC wing of Ministry of Communication & IT.
- iv) In case the Permission Holder does not commence his broadcasting operations within three months of the receipt of all clearances or shuts down broadcasting activity for more than 3 months after commencement of operation, its Permission is liable to be cancelled and the frequency allotted to the next eligible applicant.
- v) An applicant/organisation shall not be granted more than one Permission for CRS operation at one or more places.
- vi) The LOI Holder shall furnish a bank guarantee for a sum of Rs.25,000/- (Rupees twenty five thousand) only to ensure timely performance of the Permission Agreement.
- vii) If the Permission Holder fails to commission service within the stipulated period, he shall forfeit the amount of bank guarantee to the Government and the Government would be free to cancel the Permission issued to him

5. CONTENT REGULATION & MONITORING

- i) The programmes should be of immediate relevance to the community. The emphasis should be on developmental, agricultural, health, educational, environmental, social welfare, community development and cultural programmes. The programming should reflect the special interests and needs of the local community.
- ii) At least 50% of content shall be generated with the participation of the local community, for which the station has been set up.

- iii) Programmes should preferably be in the local language and dialect(s).
- iv) The Permission Holder shall have to adhere to the provisions of the Programme and Advertising Code as prescribed for All India Radio.
- v) The Permission Holder shall preserve all programmes broadcast by the CRS for three months from the date of broadcast.
- vi) The Permission Holder shall not broadcast any programmes, which relate to news and current affairs and are otherwise political in nature.
- vii) The Permission Holder shall ensure that nothing is included in the programmes broadcast which:
 - a. Offends against good taste or decency;
 - b. Contains criticism of friendly countries;
 - c. Contains attack on religions or communities or visuals or words contemptuous of religious groups or which either promote or result in promoting communal discontent or disharmony;
 - d. Contains anything obscene, defamatory, deliberate, false and suggestive innuendoes and half truths;
 - e. Is likely to encourage or incite violence or contains anything against maintenance of law and order or which promote anti-national attitudes;
 - f. Contains anything amounting to contempt of court or anything affecting the integrity of the Nation;
 - g. Contains aspersions against the dignity of the President/Vice President and the Judiciary;
 - h. Criticises, maligns or slanders any individual in person or certain groups, segments of social, public and moral life of the country;
 - i. Encourages superstition or blind belief;
 - j. Denigrates women;
 - k. Denigrates children.
 - l. May present/depict/suggest as desirable the use of drugs including alcohol, narcotics and tobacco or may stereotype, incite, vilify or perpetuate hatred against or attempt to demean any person or group on the basis of ethnicity, nationality, race, gender, sexual preference, religion, age or physical or mental disability.
- viii) The Permission Holder shall ensure that due care is taken with respect to religious programmes with a view to avoid:
 - a) Exploitation of religious susceptibilities; and
 - b) Committing offence to the religious views and beliefs of those belonging to a particular religion or religious denomination.

6. IMPOSITION OF PENALTY/REVOCAION OF PERMISSION AGREEMENT

- (i) In case there is any violation of conditions cited in 5(i) to 5(viii), 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.

- (ii) The penalty shall comprise of:
 - (a) Temporary suspension of Permission for operating the CRS for a period up to one month in the case of the first violation
 - (b) Temporary suspension of Permission for operating the CRS for a period up to three months in the case of the second violation depending on the gravity of violation.
 - (c) Revocation of the Permission for any subsequent violation. Besides, the Permission Holder and its principal members shall be liable for all actions under IPC, CrPC and other laws.
- (iii) In case of revocation of Permission, the Permission Holder will not be eligible to apply directly or indirectly for a fresh permission in future for a period of five years.

“Provided the penalty imposed as per above provision shall be without prejudice to any penal action under applicable laws including the Indian Telegraph Act 1885 and Indian Wireless Telegraphy Act 1933, as modified from time to time.”
- (iv) In the event of suspension of permission as mentioned in para 6 (ii) (a) & (b), the permission holder will continue to discharge its obligations under the Grant of Permission Agreement during the suspension period also.

7. TRANSMITTER POWER AND RANGE

- i) CRS shall be expected to cover a range of 5-10 km. For this, a transmitter having maximum Effective Radiated Power (ERP) of 100 W would be adequate. However, in case of a proven need where the applicant organisation is able to establish that it needs to serve a larger area or the terrain so warrants, higher transmitter wattage with maximum ERP up to 250 Watts can be considered on a case-to-case basis, subject to availability of frequency and such other clearances as necessary from the Ministry of Communication & IT. Requests for higher transmitter power above 100 Watts and upto 250 Watts shall also be subject to approval by the Committee constituted under the Chairmanship of Secretary, Ministry of Information & Broadcasting.
- ii) The maximum height of antenna permitted above the ground for the CRS shall not exceed 30 meters. However, minimum height of Antenna above ground should be at least 15 meters to prevent possibility of biological hazards of RF radiation.
- iii) Universities, Deemed Universities and other educational institutions shall be permitted to locate their transmitters and antennae only within their main campuses
- iv) For NGOs and others, the transmitter and antenna shall be located within the geographical area of the community they seek to serve. The geographical area (including the names of villages/institution etc) should be clearly spelt out along with the location of the transmitter and antenna in the application form.

8. Funding & Sustenance

- i) Applicants will be eligible to seek funding from multilateral aid agencies. Applicants

seeking foreign funds for setting up the CRS will have to obtain FCRA clearance under Foreign Contribution Regulation Act, 1976.

- ii) Transmission of sponsored programmes shall not be permitted except programmes sponsored by Central & State Governments and other organisations to broadcast public interest information. In addition, limited advertising and announcements relating to local events, local businesses and services and employment opportunities shall be allowed. The maximum duration of such limited advertising will be restricted to 5 (Five) minutes per hour of broadcast.
- iii) Revenue generated from advertisement and announcements as per Para 8 (ii) shall be utilized only for the operational expenses and capital expenditure of the CRS. After meeting the full financial needs of the CRS, surplus may, with prior written permission of the Ministry of Information & Broadcasting, be ploughed into the primary activity of the organization i.e. for education in case of educational institutions and for furthering the primary objectives for which the NGO concerned was established.

9. OTHER TERMS & CONDITIONS

- i) The basic objective of the Community Radio broadcasting would be to serve the cause of the community in the service area of the Permission Holder by involving members of the community in the broadcast of their programmes. For this purpose community shall mean people living in the zone of the coverage of the broadcasting service of the Permission Holder. Each applicant will have to specify the geographical community or the community of interest it wants to cover.

The Permission Holder shall provide the services of his CRS on free-to-air basis.

- ii) Though the Permission Holder will operate the service under these guidelines and as per the terms and conditions of the Grant of Permission Agreement signed, the permission shall be subject to the condition that as and when any regulatory authority to regulate and monitor the broadcast services in the country is constituted, the permission holder will adhere to the norms, rules and regulations prescribed by such authority from time to time.
- iii) The Permission Holder shall provide such information to the Government on such intervals, as may be required. In this connection, the Permission Holder is required to preserve recording of programmes broadcast during the previous three months failing which Permission Agreement is liable to be revoked.
- iv) The Government or its authorized representative shall have the right to inspect the broadcast facilities of the Permission Holder and collect such information as considered necessary in public and community interest.
- v) The Government reserves the right to take over the entire services and networks of the Permission Holder or revoke/terminate/suspend the Permission in the interest of national security or in the event of national emergency/ war or low intensity conflict or under similar type of situations.
- vi) All foreign personnel likely to be deployed by way of appointment, contract, consultancy etc by the Permission Holder for installation, maintenance and operation of the Permission Holder's services shall be required to obtain prior security clearance from Government of India.

- vii) The Government reserves the right to modify, at any time, the terms and conditions if it is necessary to do so, in public interest or for the proper conduct of broadcasting or for security considerations.
- viii) Notwithstanding anything contained anywhere else in the Grant of Permission Agreement, the Government shall have the power to direct the permission holder to broadcast any special message as may be considered desirable to meet any contingency arising out of natural emergency, or public interest or natural disaster and the like, and the Permission holder shall be obliged to comply with such directions.
- ix) The permission holder shall be required to submit their audited annual accounts to the Government in respect of the organization/division running the CRS. The accounts shall clearly show the income and expenditure incurred and the Assets and Liabilities in respect of the CRS.
- x) A Permission Agreement will be subject to such other conditions as may be determined by the Government.
- xi) The Government shall make special arrangements for monitoring and enforcement of the ceiling on advertisements, particularly in those areas where private FM radio stations have been granted licenses.

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