

Comments on Consultation Paper
on
Issue relating to Uplinking and
Downlinking
of
Television Channels in India

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Submitted by
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Introduction

E24 Glamour Limited a Company incorporated under Companies Act, 1956 in the year 2007 having registered office at 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096 and having its Corporate office at FC-23, Sector 16A, Film City, Noida-201301, U.P. The Company has launched its own Non-News and Current Affair Channel in the Name of **E24** and **Darshan24**. The Company has got license from Ministry of Information and Broadcasting, Government of India (MIB) in the year of 2007 for a period of 10 years.

'**E24**' a 24 hours Bollywood Entertainment channel pitched as Bollywood's direct connection and managed to attract audiences of all age groups and succeeded in creating a new genre in television entertainment. The channel had not only successfully been able to entertain its audience but had also been educating the youth by sending important messages and uplifting the lifestyle up-to the global standard at same time not forgetting its culture and traditions.

"**E24**" has consistently maintained healthy market share in Hindi Entertainment Genre and is available throughout India and also available throughout West Asia and the MENA Region on DU network.



Issues for Consultation

The Company as a Licensee of E24 and Darshan24 under Non-News & Current Affairs TV Channel hereby submitting point wise comments on following categories as given in the consultation paper:

- (i) Definition of 'News and Current Affairs channels', and 'Non- News and Current Affairs Channels';
- (ii) Net-worth of eligible companies;
- (iii) Processing fee for application;
- (iv) Grant of license/ permission for Satellite TV Channels;
- (v) Entry Fee and License Fee;
- (vi) Transfer of License;



1. Definition of 'News and Current Affairs channels' and Non-'News and current Affairs channels'

- a. Is there any need to redefine "News and Current Affairs TV Channels", and Non-News and Current Affairs TV Channels" more specifically? If yes, kindly suggest suitable definition of "News and Current Affairs TV Channels" and Non-News and Current Affairs TV Channels" with Justification.**

Comment: The current definitions, as given under existing guidelines, of the two categories of TV channels i.e. "News and Current Affairs TV channels" and "Non-News Current Affairs TV Channels" defined both the terms. It is specifically mentioned that "News and Current Affairs TV Channels" is a mix of news and non news programmes. E24 do not recommend any change in the existing definitions of "News and Current Affairs TV channels categories.

However, there is a requirement to have a broad definition of "Non-News Current Affairs" TV Channels to avoid any misinterpretation. It could be redefine as "General Entertainment & Non-Current Affair Channel" which would have any content except news and current affairs. This category of TV channel includes sports, movie, knowledge base content etc. However, there should not be any bar in terms of broadcasting of temporary live events for such a "General Entertainment & Non Current Affair Channel".

2. Net-worth of Eligible Companies

- a. Should net-worth requirement of the applicant company for granting uplinking permission and/ or downlinking permission be increased? If yes. How much should it be? Please elaborate with appropriate justification.**



Comment: As per existing policy framework, a company registered under the Companies Act, 1956 or the Companies Act, 2013 require to satisfy the following net-worth requirement for obtaining uplinking and downlinking permissions:

S. No.	Permission	Net-worth
1.	For uplinking of non-'news & current affairs TV channel	For 1st TV channel: Rs. 5 Crore For each additional TV channel : Rs. 2.5 Crore
2.	For uplinking of 'news & current affairs TV channel	For 1st TV channel: Rs. 20 Crore For each additional TV channel: Rs. 5 Crore
3.	For downlinking of TV channel	For 1st TV channel: Rs. 5 Crore For each additional TV channel: Rs. 2.5 Crore

As per our view, the existing entry fee for obtaining permission/license for uplinking or downlinking of TV channels do not need any increase. A high net-worth requirement would deter new entrepreneurs from entering into this sector. Moreover, the high net-worth criteria could also discourage the growth of local and regional channels, thereby affecting overall program diversity. Reduced competition due to very high entry barriers may also affect prices of the channels for end consumer. Increase in entry barriers may also create incentives for trading or sub-leasing of existing licenses. Therefore, to stop such practices, the entry should be easy for existing as well as for new licensees.

b. Should there be different net-worth requirement for uplinking of News and Non-News channels? Give your suggestions with justification.

As we are aware that our television broadcast service is a capital intensive basis industry. Both News and Non-News channels required a heavy financial investment. Net worth for taking Uplinking permission for News & current affairs TV channel is already increased in compare to Non News Channels. Whereas net-worth requirements for downling permission are almost equal in both the cases.



If different net-worth requirement is proposed for News and Non-News channels, then it may affect the new entrepreneurs and also growth of TV broadcasting sector. As per our view the net worth requirement should be same as enumerated in the existing Policy Guidelines issued by MIB on December 05, 2011 and there is no need to have different net-worth for News and Non News Channels.

3. Processing fee for application

(a) Is there any need to increase the amount of non-refundable processing fee to be deposited by the applicant company along with each application for seeking permission under uplinking guidelines, and downlinking guidelines?, What should be the amount of non-refundable processing fee? Please elaborate with justification.

Comment: As per existing policy guidelines for uplinking, and downlinking of TV channels, along with each application for seeking permission, a nonrefundable processing fee of Rs. 10,000/- is required to be deposited by the applicant company. The processing fee is charged to cover the costs involved in processing the application.

As per Company view, instead of increasing the processing fee, with the use of technology, the costs involved in processing of application could be reduced by online processing of applications and introducing of "Broadcast Seva" which may reduce both cost and the time for grant of license.

4. Grant of license/ permission for Satellite TV Channels

(a) Whether auction of satellite TV channels as a complete package similar to FM Radio channels is feasible? if yes, then kindly suggest the approach.

Comment: As we know that FM Radio broadcasting is a terrestrial form of broadcasting wherein for each Radio channel bandwidth spectrum in the



frequency band is allocated and the reach of FM radio transmission is limited. Whereas TV channel broadcasters use C band of spectrum for transmission of Satellite TV channel in India. Its area of transmission is unlimited and telecast in all over India. So we can say that TV channel cannot be feasible in compare to FM Radio channel.

On the other hand, the grant of license for satellite TV channels through auction process may affect plurality of channels and create entry barriers for new broadcasters. It may also lead to increase in market concentration and have adverse consequences in terms of price of final product, market behavior etc.

5. Entry Fee and License fee

(a) If it is decided to continue granting of licenses for satellite TV channels on administrative basis, as is the case presently, what should be the entry fee for grant of license for uplinking of TV channels from India, downlinking of TV channels uplinked from India, and downlinking of foreign TV channels? Please suggest the fee amount for each case separately with appropriate justification.

Comment: Presently, for obtaining the license to uplink TV channels from India, 'NIL' amount of entry fee is prescribed. If we charge entry fee for uplinking of TV channels from India then it will increase the cost of uplinking TV channels from India, and accordingly it may divert some business of uplinking of TV channels to outside India, especially for those channels which are uplinked from India and downlinked outside India. This may adversely affect the revenue of the teleport operators and in terms of license fee of the Government also. Incentives for uplinking of TV channels from India may also encourage development of content for such channels in India. Accordingly, keeping in view the other economic gains, it may be continued at 'Nil' level only.



(b) What should be the license fees structure, i.e. fixed, variable, or semi-variable, for uplinking and downlinking of satellite TV channels? Please elaborate if any other license fee structure is proposed, with appropriate justification.

Comment: The license fee structure should be fixed as it assured amount of revenue to the Government and it will be easy to pay for existing as well as new entrants in the sector. We are of the view that no variable fee structure should be introduced.

(c) What should be the periodicity for payment of the license fee to the Government? Please support your answer with justification.

Comment: As per our views, the license fee could be paid on annual basis as we currently paid. There is no need to pay on quarterly or half yearly basis.

6. Transfer of License

(a) Whether the existing provisions for transfer of license/permission for a TV channel under uplinking guidelines, and downlinking guidelines are adequate? If no, please suggest additional terms and conditions under which transfer of license/permission for a TV channel under uplinking guidelines, and downlinking guidelines may also be permitted? Please elaborate your responses with justification.

Comment: We are of the view that the TV channel license should be transferable and simple. Policy says that company transfer its license by way of merger, demerger or amalgamation of the company. It should also give other options to company to transfer their TV license to other company. The uplinking and downlinking guidelines says that transfer of license shall be allowed on case to case basis which could lead to bias under the principle of good governance. There is a need to new provisions for transfer of license which will align the uplinking and downlinking guidelines and provisions of the Companies Act.

