

# entertainment network (India) limited

Corporate Office: 14<sup>th</sup> Floor, Trade World, D-Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, India. Tel: 022 6753 6983.

## Via Email

June 28, 2022

To,

**Shri Anil Kumar Bhardwaj**

Advisor (B&CS)

**Telecom Regulatory Authority of India**

Mahanagar Doorsanchar Bhawan

Jawaharlal Nehru Marg,

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**Sub: Response to the Consultation Paper dated 12 April 2022 on “Issue relating to Media Ownership”**

Dear Mr. Bhardwaj,

At the outset, We, Entertainment Network (India) Limited (**‘We’/ ‘ENIL’**), would like to commend TRAI for the participative approach in discussing issues of cross media ownership. The consultation paper meticulously sets out the present media composition scenario as well as media regulations in India and abroad with relevant statistics. We hope that this paper like the previous consultation papers issued by the TRAI would lead to recommendations that would best suit the interests of all stakeholders.

We reiterate our fundamental belief, that growth of media in a democracy as vibrant and heterogeneous as India is possible only if the industry is allowed to grow to its full potential; governed by market forces and not burdened with overbearing regulations. The role of regulation should be to foster competition and ensure a level playing field for all. A fair and healthy competition in the media sector is enough to ensure that the content quality stays high, a diversity of viewpoints is available, and any abuse of dominance is prevented. It is with this basic belief that we would like to share ENIL’s thoughts on the consultation paper.

Before we answer the specific questions asked in the consultation, we would like to highlight certain realities of the Indian media landscape:

**1. Growth of Digital Media – the biggest game changer:**

- The facts and statistics captured in the consultation paper itself bring out clearly how the composition, reach and consumption of media and entertainment in India has evolved on an unprecedented scale. The market

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scenario has completely changed from the days of the previous consultation in 2013, most obviously due to the tremendous pace at which Digital media (including Social Media) has spread across the country.

- With almost 800 million internet users\* now, India has the second largest user base in the world.
- With the vision of providing e-services, communication facilities, and digital resources to the rural population on par with their urban counterparts, the government through the Union Budget 2022 announced the laying of optical fibers in all villages under the Bharatnet project. This will undoubtedly expand the reach of internet-based news platforms as well as social media to the farthest corners of the country, ensuring that people even in rural areas have access to diverse viewpoints.
- Digital Media has been instrumental in providing easy access to consumers to a wide variety of news and entertainment content in real time. At the same time, it has threatened the very existence of traditional media like Radio, Print and Television. This is mainly because traditional media, in addition to being already heavily regulated and riddled with compliances under various laws and license restrictions and infrastructure costs, are also struggling with inherent in-built technological and distribution limitations and challenges compared to the free or very low-cost, Digital alternatives.

The impact of Digital Media on traditional media can be well appreciated from the perusal of the growth statistics and forecast given in the EY-FICCI report published in March 2022:

	2019	2020	2021	2022E	2024E	CAGR 2021-2024
Television	787	685	720	759	826	5%
Digital media	221	235	303	385	537	21%
Print	296	190	227	241	251	3%
Online gaming	65	79	101	120	153	15%
Filmed entertainment	191	72	93	150	212	32%
Animation and VFX	95	53	83	120	180	29%
Live events	83	27	32	49	74	32%
Out of Home media	39	16	20	26	38	25%
Music	15	15	19	21	28	15%
Radio	31	14	16	18	21	9%
<b>Total</b>	<b>1,822</b>	<b>1,386</b>	<b>1,614</b>	<b>1,889</b>	<b>2,320</b>	<b>13%</b>

All figures are gross of taxes (INR in billion) for calendar years | EY estimates

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\* As per EY FICCI report published in March 2022.

- It can be clearly seen from the above table (“Column CAGR 2021-2024”), that the future growth rates of traditional media viz. Print, Television and Radio are much lower than that of Digital Media. This is despite the fact that while traditional media struggled during the Covid pandemic (2020 and 2021), Digital Media grew handsomely.
- Most importantly, Digital Media, by its very nature, has made the concept of geographical monopoly i.e., a few media houses dominating a certain state/area and therefore creating a barrier for entry for other entities, a completely obsolete concept. Digital platforms are available across geographies without any distribution restrictions.
- In addition to digital distribution breaking all geographical barriers, even digital content creation has become a widely spread-out democratic affair. User Generated Content (UGC) is the biggest source of content on digital platforms. Such content, available freely on the internet, competes against studio-produced content on traditional media outlets. With respect to video content, what the consumer sees is no longer only what the broadcasters produce. The popularity of platforms like YouTube, WhatsApp, Instagram, Facebook etc., indicates just how strong UGC has become. Likewise in the text domain, blogging is a huge phenomenon online, and bloggers are starting to shape public opinion more than many established media outlets. How does one control such bloggers? And what is the need for controlling traditional media outlets in such an environment?
- Access to Digital media is nearly impossible to restrict: Almost all traditional media outlets around the world have launched their digital avatars. **There are no boundaries, no licenses, no content restrictions in the digital world.** All global newspapers are available to Indian audiences, as are many TV channels. In an environment like this, where is the possibility of any abuse or dominance by any media entity?
- On Digital platforms, traditional differences between text, video and audio have disappeared: Online platforms combine all three into a single offering. Online newspapers now feature video clips, as well as audio bytes. TV News channels are now available live online. Global radio stations are available on a computer or a mobile phone with just a few clicks. Audio Podcast platforms are emerging with the likes of Spotify and Amazon providing audio fiction/non-

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fiction content worldwide. Given this, even thinking of cross-media ownership restrictions reflects thinking of an earlier era. In today's world, it is totally irrelevant.

## **2. Telecom players have emerged as the biggest nationwide content owners and distributors: Need for regulation strongly being felt**

- The Telecom Service Providers have benefitted immensely from the Digital revolution that has changed the landscape of media and entertainment distribution.
- The Telecom players have the unique advantage of being: (i) the providers of mobile communications (ii) ISPs i.e., internet service providers, (iii) Creators and owners of entertainment content (iv) Distributors of the content via OTT/IPTV platforms and (v) Advertising platforms.
- As per EY FICCI 2022 report, India is the world's second largest smartphone market behind China with 954 million users. India has a user base of 1.18 billion telecom subscriptions and of this, approximately 68% subscribers use 4G technology, which is an indicator of how easy, access to digital content on mobile phones has become. These numbers show just how strong the telecom service providers are when it comes to distribution of news and general content. No traditional media platform reaches as many people. In fact, telecom companies are amongst the biggest media players today.
- If these telecom service providers are provided unfettered rights to own and also distribute content, then this could become a huge problem. It is generally acknowledged that companies that own "pipelines" (distribution platforms) should not be allowed to own the content that is ploughed into these pipelines. Earlier experience in India itself in the Cable TV business has shown that this leads to abuse of power. This situation must be prevented on the Digital platforms as well.
- Further enhancing the risk of domination is the fact that there are only three telecom service providers nationally (compared to hundreds and thousands of media providers in traditional media). Each one has more than 250 million subscribers. Such user numbers are vastly higher than what most traditional media companies have.

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- It can clear from the aforesaid facts, that telecom service providers need to be restricted. “Vertical” integration in the telecom sector (same company owning pipelines and content) can create a monopolistic situation with abuse a distinct possibility. Hence, in order to ensure a level playing field for all players, there is a clear need to have water-tight restrictions on vertical integration. To reiterate, companies which own the pipelines should not be allowed to own the content.

### 3. Heterogeneity of Indian Market

India’s heterogeneity ensures that there is no dominance: As we know, India is a highly heterogeneous country. There isn’t perhaps any other country in the world which has the diversity of languages and cultures that India has. In most other countries, there is one dominant national language. Cross media regulations in those countries were created in the past to ensure plurality of content in that single language environment.

India has at least 30 major languages spoken by more than 1.3 billion people and more than a hundred spoken languages in all. Additionally, India has over 1500 dialects. There are plentiful media options in all languages. And in most cases, there is a different media player in each language. While Ananda Bazaar Patrika leads in West Bengal, an entirely unrelated Eenadu group leads in Andhra Pradesh.

Further, most people in India speak and consume media in multiple languages. It is therefore unlikely that any single media voice can dominate the opinions of the masses.

### 4. International Scenario – Indicator of movement towards de-regulation

Taking a broader international perspective, it can be observed that the issue of concentration of power and problem of viewpoint plurality typically existed in the past in case of countries like Japan, UK, Australia, which had only a handful of newspapers or TV channels or radio stations and had hence raised fears of monopoly or control. In most countries globally, where cross media restrictions exist, these are now being rolled back. As Digital media has grown, the whole concept of cross media restrictions has become irrelevant.

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Many countries like US, Hong Kong, South Africa, Australia etc. have moved towards de-regulating the media sector. Let's take example of economies like Australia and US:

## **Australia:**

The ban on cross-ownership of Print and electronic media was introduced by the Labour government in 1987, forcing the country's multimedia owners to choose between their television and newspaper holdings.

However, the Australian government under Prime Minister John Howard enacted a broad package of reforms in July 2006. It abolished restrictions on foreign ownership and permitted cross-ownership starting in 2007, subject to a "diversity test" to ensure a minimum of five owners in metropolitan markets and four in regional markets.

Further, to this, the Turnbull Government in Australia announced on 1 March 2016 its proposed package of changes to Australia's media ownership laws including the repeal of the 75% reach rule and "2/3" cross-media ownership rule. The Government said that the changes recognize the growing importance of online and other digital forms of media as compared with traditional media platforms.

**More fundamentally, the Government said that the changes recognize that traditional media platforms need to have greater freedom to restructure and rescale the ownership of their businesses to respond to competition from these new forms of media,** which is having an increasing impact on advertising revenues, particularly in regional areas.

[Source:<https://www.claytonutz.com/knowledge/2016/march/government-announces-media-ownership-law-changes>]

As acknowledged and mentioned in the consultation paper, presently only the 4/5 rule exists in Australia.

## **USA:**

As per the article published by New York Times on April 01, 2021, the U.S. Supreme Court allowed the Federal Communication Commission (FCC) to

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loosen local media ownership restrictions, handing a victory to broadcasters in a ruling that could facilitate industry consolidation as consumers increasingly move online. In a 9-0 ruling authored by Justice Brett Kavanaugh, the justices overturned a lower court decision that had blocked the FCC's repeal of some media ownership regulations in 2017. The associations for other broadcast networks' local affiliates, including ABC, NBC, and CBS, backed the appeals, arguing that consolidation would help ensure the economic survival of local television amid heavy competition from internet companies that provide video content. Broadcast television stations have said they are increasingly losing advertising dollars to digital platforms." (Source:<https://www.reuters.com/article/us-usa-court-fcc-idUSKBN2BO5S4>)

The Supreme Court unanimously ruled that the Federal Communications Commission could relax rules limiting the number of newspapers, radio stations and television stations that a single entity may own in a given market. The decision is likely to prompt further consolidation among broadcast outlets, some of which say they need more freedom to address competition from internet and cable companies." (Source:<https://www.nytimes.com/2021/04/01/us/supreme-court-media-ownership.html>)

**With the aforesaid background, we now attempt to address the specific points for consultation as follows:**

**Q1. Media industry has expanded in an unprecedented manner. In addition to conventional television & print medium, the industry now comprises news & media-based portals, IP based website/ video portals (including You-tube/ Facebook/ Twitter/ Instagram/ Apps other OTT portals etc.). Considering overall scenario, do you think there is a need for monitoring cross media ownership and Control? Please provide detailed reasoning to support your answer.**

**ENIL Response:**

The need for monitoring cross media ownership would only arise if the market was monopolized by a few large corporations owning all the available media outlets, thus restricting viewpoint plurality. This is clearly not the case in India as mentioned earlier in this document.

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In our opinion the need for monitoring cross media ownership in a vast and heterogeneous country like India is superfluous and unwarranted for the following reasons:

(a) TRAI's consultation paper itself gives the statistics which bring out the wide variety of options available to Indian audiences in various languages. As mentioned, there are around 901 Television Channels owned by 350 broadcasters plus Doordarshan operated by Prasar Bharti, which is a Government Entity. Further, there are 1,40,000 plus registered publications including 14,508 newspapers in various Indian languages owned by different entities. There are 34 private FM Radio broadcasters in 112 cities in addition to the national Radio Broadcaster i.e. All India Radio.

(b) Apart from the traditional media, there are innumerable digital/social media platforms like Twitter, Facebook, You-Tube etc. and independent digital news channels as well. There is clearly no dearth of plurality of views in the country.

(c) As regards Radio, private FM broadcasters are not allowed to carry any news. Resultantly, any large corporation owning Print, Television as well as FM Radio platforms, cannot use their Radio arm to propagate same news.

(d) There are enough Regulatory Bodies and mechanisms in place to ensure that there are checks on any anti-competitive or monopolistic practices, e.g.-

- I. Competition Commission of India (CCI) -The Competition Act enjoins CCI powers to regulate combinations which cause or likely to cause an appreciable adverse effect on competition.
- II. Securities and Exchange Board of India (SEBI) - which regulates the market through SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which provide the procedure in case the acquirer acquires 25% or more of voting rights or acquires Control over the target company.

(e) There are adequate number of Self-Regulatory Bodies existing like - Indian Digital Publishers Content Grievance Council (a body of IAMA) and Professional News Broadcasting Standards Authority (a body of NBF). In



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addition to these, Indian Broadcasting and Digital Foundation with its independent self-regulatory body, Broadcasting Contents Complaint Council (BCCC) also act as an industry-based grievance redressal mechanism. These mechanisms help to put in place adequate checks on the content being broadcast through various media.

(f) The government has prescribed the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 with the object of creating level playing field for print, television, and digital media. The rules provide for setting up of three tier grievance redressal mechanism with self-regulation by the digital platforms (OTT and other media) at the first level, independent self-regulatory body at the second level and oversight by MIB at the third level. Any complaints of abuse made against a media owner can be handled under this mechanism.

**Q2. Media has the capacity to influence opinion of masses, more so the news media. Should there be a common mechanism to monitor ownership of print, television, radio, or other internet-based news media? a. If yes, elaborate on the Authority, structure, and mechanism of such monitoring mechanism/ regime? b. If no, should there be a self-regulatory mechanism by the industry? What should be the mechanism for defining and implementing such industry based self-regulatory regime? In case some players do not follow the self-regulation, what should be the procedure for enforcing such regulations?**

## **ENIL Response:**

As mentioned earlier, we do not believe there is any need to monitor ownership of media outlets. By extension, we also do not think that there is need for any common mechanism to monitor the ownership of print, television, radio, or other internet-based news media.

As regards self-regulatory mechanism, the same is already in place for Print, Television, Radio as well as OTT platforms. As far as FM Radio is concerned, the broadcasters strictly follow the AIR programming code and restrictions under the Grant of Permission Agreement signed with the Government.

In view of the aforesaid, there is no requirement for any additional industry-based self-regulatory body to be formed.

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**Q3. There are regulatory agencies like CCI and SEBI among others that monitor and regulate mergers, acquisitions, and takeovers. Is there a need for any additional regulatory/ monitoring mechanism? Do you think there's a need to monitor takeovers, acquisitions of media companies, especially the news media companies?**

**ENIL Response:**

No, there is no need for any additional regulators. Any addition regulators will only burden existing companies with additional reporting and regulatory compliances and would hamper the ease of doing business, thereby deterring any new entrants to this space, and actually proving to be counter-intuitive to the idea of creating viewpoint plurality.

**Q4. Please suggest the most suitable criteria to define and measure Ownership/Control along with suitable reasoning. Define Control and prescribe the statutory/ regulatory/ legal powers to enforce such criteria of Control.**

**ENIL Response:**

As mentioned earlier, there is more than adequate plurality of views in media businesses. As such, there is no need of measuring or controlling the ownership at all.

However, there is a need to prevent abuse emerging from vertical integration (same company owning pipelines and content). It is imperative that specific and strict measures to control vertical integration are put into place, in the absence of which vertically integrated groups/entities could dominate the market and render it uncompetitive, thus leaving the industry in bad health.

**Q5. Should the licensor, based on recommendations of the concerned monitoring agency/ regulator, restrain any entity from entering the media sector in public interest? Please elaborate your answer.**

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## **ENIL Response:**

There should be restrictions on Religious and Political entities from directly or indirectly owning any media to ensure that any polarization of opinions/views, propagation of biased political propaganda and any potential unwanted social disturbances are avoided.

**Q6. Which of the following methods should be used for measuring market concentration? (i). Concentration Ratios (ii). Lerner’s Index (iii). Hirschman-Herfindahl Index (HHI) (iv). Any other Please comment on the suitability of HHI for measuring concentration in a media segment in a relevant market. In case you support “Any other” method, please substantiate your view with a well-developed methodology for measuring concentration in a media segment in a relevant market.**

## **ENIL Response:**

In view of the reasons discussed above, use of any of these methods is unnecessary in the present market scenario.

**Q7. What all genres shall be considered for the purpose of overseeing of media ownership to ensure viewpoint plurality? Please elaborate your response with justifications.**

## **ENIL Response:**

There is adequate diversity of views available in all genres of content. Hence there is no need for overseeing media ownership at all.

**Q8. Which media segment amongst the following would be relevant for encouraging viewpoint plurality? 1. Print media viz. Newspaper & magazine 2. Television 3. Radio 4. Online media/Digital media/OTT 5. All or some of the above Please substantiate your answer with appropriate reasons.**

## **ENIL Response:**

All media segments play their unique roles in ensuring viewpoint plurality. While FM radio entertains and informs its listeners about mostly local matters, news TV and newspapers disseminate local, national, and international news

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and opinions. Digital platforms, including social media, provide a fertile ground for user generated content to be distributed and consumed widely. All media segments together ensure there is adequate plurality of views available to all people in the country.

**Q9. Should the word ‘media’ include television, print media, digital/online media, and other media entities? Alternatively, whether ‘television’ as a media segment should include only DPOs (including LCOs) or only Broadcasters or both for ensuring viewpoint plurality in the television segment? Please justify your answer.**

**ENIL Response:**

In our view the word media should also include the telecom sector. This is because the telecom players in current market scenario are not only owners of the content but also the owner of the distribution platforms (the pipelines) as explained earlier.

We are of the view that there should be restrictions placed on the ‘vertical’ integration in media including in the telecom sector. The broadcasting entity should be restricted from owning content distribution platforms (DPO/LCOs) to ensure a level playing field for all.

**Q10. What should be the basis of classification of relevant geographic markets for evaluating concentration in media ownership? Should it be aligned with state or a region/ Metro/ Non-metro cities or the whole country? Please support your answer with reasons.**

**ENIL Response:**

With digital platforms becoming omnipresent across the country, the concept of geographically restricted markets has vanished. The whole country, and indeed the whole world, is one big market now.

**Q11. Should the relevant geographic market be defined on linguistic criteria? If yes, please list the languages which may be included in this exercise, along with justifications.**

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## **ENIL Response:**

As explained above, due to the vast linguistic diversity existing in India and due to the availability of media in all languages, the defining of geographic markets on linguistic criteria is unnecessary.

**Q12. Should the relevant geographic market be defined uniformly for the whole country? Is there a need to adopt separate criteria for certain states and/or Union Territories in light of their peculiar circumstances such as difficult terrain, hilly region, huge distance from mainland, low media penetration etc.? In case you support the need of a separate criteria for certain states and/or union territories, please specify such states and/or union territories and the criteria suitable for them along with appropriate justifications.**

## **ENIL Response:**

No additional comment.

**Q13. Which of the following metrics should be used to measure the level of consumption of one type of media (media outlet) in a relevant market? 13.1 Volume of consumption 13.2 Reach 13.3 Revenue 13.4 Any other Please elaborate your response with justifications. In case you find “Any other” metric to be suitable for the said purpose, you are requested to support your view with a detailed methodology.**

## **ENIL Response:**

Each of the variables mentioned – volume (time) of consumption, reach, and revenue shares are relevant in defining the competitive strength of market players. Given the situation in the country, there is no worry about any media entity controlling large shares in either of these variables. The only worry is about the three telecom giants who control almost the entire 1.3 billion population of the country. It is the telecom companies that need to be regulated via restriction on ownership of content and pipeline both.

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**Q14. Whether circulation details of newspapers should be used as a proxy for readership to measure the reach of media outlet in print segment in a relevant market? In case you disagree, kindly provide a detailed methodology to measure the level of consumption of print media segment.**

**ENIL Response:**

No comment.

**Q15. According to you, what measures should be adopted to discount the impact of bouquet system of channel distribution on the viewership of television channels? Please support your suggestion with reasoning.**

**ENIL Response:**

No comment.

**Q16. Would it be appropriate to put restrictions on cross media ownership in one or more type of media segment based on mere presence of an entity in any segment in a relevant market?**

**ENIL Response:**

No comment

**Q17. In case you support the restriction based on mere presence in the relevant market, what all segments should be included for imposition of restrictions? Further, in how many segments, presence of an entity should be allowed i.e., should it be “2 out of x” or “1 out of x”, x being the total number of segments?**

**ENIL Response:**

No comment

**Q18. Would it be suitable to restrict any entity having Ownership/ Control in a media segment of a relevant market with a market share of more than a threshold level in that media segment from acquiring or retaining Ownership/ Control in the other media segments of the relevant market?**

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**Please elaborate your response with justifications. In case you support such restriction, please suggest the threshold level of market share for the purpose of imposing cross-media ownership restrictions.**

## **ENIL Response:**

Given the heterogeneity in the country, and widely distributed ownership of media outlets in the country, and the huge number of views and news available on digital platforms, we believe there is absolutely no need for any restrictions in ownership/control of any media segment at all.

The only restrictions required are to regulate vertical integration of content and distribution functions.

**Q19. Whether in your opinion, the restrictions on cross media ownership should be imposed only in those relevant markets where at least two media segments are highly concentrated using HHI as a tool to measure concentration? Please elaborate your response with justifications.**

## **ENIL Response:**

No further comments.

**Q20. In case your response to the above question is in the affirmative, please comment on the suitability of the following rules for cross media ownership: (i). No restriction on cross-media ownership is applied on any entity having Ownership/ Control in the media segments of such a relevant market in case its contribution to the HHI of not more than one concentrated media segment is above 1000. (ii). In case an entity having Ownership/ Control in the media segments of such a relevant market contributes 1000 or more in the HHI of two or more concentrated media segments separately, the entity shall have to dilute its equity in its media outlet(s) in such a manner that its contribution in the HHI of not more than one concentrated media segment of that relevant market remains above 1000 within three years.**

## **ENIL Response to Q19 and 20:**

No further comments

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**Q21. Please provide your inputs on the suitability of imposing restrictions on cross media ownership only in highly concentrated relevant markets using Diversity Index Score as a tool to measure concentration. In case you find the abovementioned criteria of restricting cross media ownership appropriate, please comment on the suitability of the following rules for cross media ownership in such relevant markets: (i) No restriction on cross media ownership is applied on the entities contributing less than 1000 in the Diversity Index Score in such a relevant market. (ii) In case any entity contributes 1000 or more in the Diversity Index Score of such a relevant market, the entity shall have to dilute its equity in the media outlets in such a manner that the contribution of the entity in the Diversity Index Score of the relevant market reduces below 1000 within three years.**

**ENIL Response:**

There is no need for any restrictions apart from those on vertical integration of content and distribution.

**Q22. In case you consider any other criteria for devising cross media ownership rules to be more appropriate, please suggest the same with sufficient justifications.**

**ENIL Response:**

No additional comments

**Q23. Considering the fact that sectoral regulators have played important role in bringing necessary regulations to facilitate growth and competition and to promote efficiency in operations of Telecom Services (Telecommunications and Broadcasting), in your opinion, should Merger & Acquisitions in media sector be subjected to sector specific regulations? Please justify your response. Q23a. If yes, which among the following should be taken as the criteria for the same- (i) minimum number of independent entities in the relevant market (ii) maximum Diversity Index Score (iii) any other measure Q23b. If no, what mechanism would you suggest for regulator to use for ensuring smooth and equitable growth of the sector?**



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## **ENIL Response:**

In our opinion, there is no reason to introduce any specific regulations for Mergers and Acquisitions in media sector. For equitable growth of the media sector, the regulator should (i) Introduce measures to ensure ease of doing business in the sector and (ii) introducing strict ‘vertical’ integration restrictions in the telecom sector akin to those prevalent currently in the television broadcasting sector.

**Q24. In your opinion, should any entity be allowed to have an interest in both broadcasting and distribution companies/entities? Q24a. If “Yes,” how would the issues of vertical integration be addressed? Q24b. If “No”, whether a ceiling of 20% equity holding would be an adequate measure to determine “Control” of an entity i.e. any entity which has been permitted/ licensed for television broadcasting or has more than 20% equity in a broadcasting company shall not have more than 20% equity in any Distributor (MSO/Cable operator, DTH operator, HITS operator, Mobile TV service provider) and vice-versa?**

**Q25. Please suggest any other measures to determine “Control” and the limits thereof between the broadcasting and distribution entities.**

## **ENIL Response to Q24 and 25:**

It is the need of the hour to bring in transparency and non-discrimination between entities in a vertically integrated media segment, the absence of which will give rise to malpractices and discrimination by dominant entities viz-a-viz other constituents within the segment.

The MIB and the TRAI, recognizing this issue, have already imposed certain restrictions on vertical integration. The DTH Guidelines restrict broadcasting companies and/or cable network companies from owning more than 20% of the total equity of the DTH company and vice versa. Likewise, the Headend-in-the-Sky (HITS) Guidelines restricts broadcasting companies and/or DTH companies from owning more than 20% of the total equity of the HITS company and vice versa. However, there are no such restrictions on telecom companies and in order to ensure level playing field, TRAI must recommend and ensure that the telecom companies are subjected to similar restrictions.

# entertainment network (India) limited

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**Q26. Do you think that the disclosures/ compliance reports for different type of licensees as described in Part II of Chapter VI are sufficient to ascertain the media Ownership/ Control by certain entity(ies)? If no, please specify, what additional details should be sought by the licensor or the regulator for effective monitoring.**

**Q27. What additional parameters, other than those listed in this consultation paper, could be relevant with respect to mandatory disclosures for effective monitoring and compliance of media ownership rules? Further, what should be the periodicity of such disclosures? Please justify your answer.**

**ENIL Response to Q26 and 27:**

The present disclosure/compliance requirements are more than adequate to ensure effective compliance of the existing legal regime. The companies should not be burdened with any additional requirements.

**Q28. Stakeholders may also provide their comments on any other issue relevant to the present consultation.**

**ENIL Response:**

**No further comments.**

We once again thank you for the opportunity provided by your good offices to put forth our views and suggestions on the subject and hope that they shall be given due consideration.

Sincerely,

**For Entertainment Network (India) Limited**



**Prashant Ramdas**  
**Vice President & Head-Legal**