XII Five Year Plan
(2012-17)

Report of the Working Group

on

Information & Broadcasting Sector

Government of India
Ministry of Information & Broadcasting

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Volume-I

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Preface

In the context of the formulation of XII five year plan 2012-17, the Planning Commission had constituted a Working Group (Annexure-I) with certain terms of reference for Information & Broadcasting sector. The Working Group met on 21st July 2011 and deliberated the issues threadbare and constituted three Sub Groups with defined terms of reference - one each for

Broadcasting Sector, (Annexure-II)

Film Sector (Annexure-III)

Information Sector (Annexure-IV)

The three Sub Groups have since submitted their reports. Having due regard to the terms of reference of the Working Group, the reports of the Sub Groups, the deliberations made in the Working Group meeting, the written suggestions given by some Members, and the feedback received from the Minister of Information & Broadcasting from time to time, the report of the Working Group has been finalized.

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Summary of Recommendations

Keeping in view the vision defined by the Ministry, the growth potential of Media & Entertainment sector, the benefits likely to accrue due to convergence of technologies in telecom, broadcasting and IT sectors; the policy initiatives taken by the Government; and the strategy set out for the Ministry of Information & Broadcasting in its Strategic Plan, during the 12th Plan, the following recommendations are made:

Broadcasting Sector

(i) As digitization continues to be a key growth driver for the Indian broadcasting sector, the digitalization of AIR, Doordarshan, Cable sector should be completed as per the sunset dates fixed by the Ministry;

(ii) To ensure that the digitalization with addressability is implemented in the broadcasting sector as per the time table defined by the Ministry, the fiscal incentives such as income tax holiday , zero custom duty on all digital headend and networking equipments should be implemented on priority. All service providers (cable TV, DTH, HITS, IPTV) who set up a digital addressable distribution network before the sunset date(s), be treated as infrastructure service providers similar to telecom services and be eligible for benefits under section 80-IA and section 72A of the Income Tax Act;

(iii) All the benefits and incentives, as are available for infrastructure industry, should be extended to the Broadcasting, Cable, and DTH sector including the availability of finance at concessional rate of interest to give boost to digitalization process in the country;

(iv) Prasar Bharati should undertake a comprehensive programme audit of Doordarshan and AIR and devise new programme manuals for DD and AIR;

(v) DD and AIR should earmark some frequencies /channels for niche programmes;

(vi) Prasar Bharati should take urgent steps to improve the content being telecast by DD/AIR. public private partnership model should be explored for improving programming and services;

(vii) AIR and Doordarshan should identify areas for maximization of revenue and up-gradation of network and services. Prasar Bharati should explore the feasibly of generating revenue using the archives of DD and AIR;

(viii) Prasar Bharati should set up an interactive broadcast museum of historic and contemporary radio and television equipments and content;

(ix) Prasar Bharati should optimally utilize new media technologies for delivering its programmes and channels;

(x) Broadcast coverage in boarder areas and North Eastern areas should be enhanced. A permanent strategy for planning, development and management of broadcasting infrastructure

and services in the border areas of the country is required to be devised. A separate strategic broadcasting services Division should be established for planning, development and management of broadcasting infrastructure and services in the border and insurgency infested areas of the country;

(xi) The Government should pay special attention to improve FM coverage in the 12th plan. At least one dedicated nationwide news and current affairs FM channel should be implemented under 12th plan. The feasibility of having dedicated FM channels for classical music and other cultural programmes needs to be explored;

(xii) The Government should strengthen the capacity of EMMC for monitoring broadcast content. The EMMC should also monitor Private FM Channels and Community Radio services;

(xiii) The Government should set up a corpus fund for promoting community radio movement in the country;

(xiv) The Government should accord priority for sensitizing consumers on the benefits of digitalization. A comprehensive manpower development and training program should be designed to support and facilitate digitalization programme;

(xv) The Government should explore the feasibility of making India teleport hub;

(xvi) Various processes/activities in different sections of the Ministry should be fully computerized and automated to cut down the time required for processing so as to facilitate the speedy clearance and grant of various permissions and approvals etc.;

(xvii) The Government should address various regulatory issues so as to ensure the growth and development of the broadcasting and content distribution sector;

(xviii) The Government should bring out policy on Mobile TV enabling private players to provide services both at the terrestrial and satellite route;

(xix) The Government should identify the factor as to why private operators are not interested in operating HITS and amend the policy, if necessary. In the meantime, Doordarshan should explore the feasibility of operating a common HITS platform which should be combined with the teleport facility;

(xx) The Government should set up a Media Council of India on the lines of the All India Council of Technical Education (AICTE) for electronic media to govern media education and research in the country; and

(xxi) The Government should set up a Center for the promotion of excellence in the electronic media.

Film Sector

(i) The Government should take appropriate policy initiatives to create an enabling environment conducive to the growth of film sector;

(ii) The Government should review the existing regulatory mechanisms and bring out recommendations that would facilitate the growth of film sector;

(iii) The Government should put in place appropriate mechanism for capacity building, employment generation, increased revenue generation, and preservation and sustenance of the film heritage of India;

(iv) The Government should simplify the procedure for clearance for setting up of film theatres;

(v) The Government should ensure that a single window clearance system exists for film shooting in India, for both domestic and international film production houses;

(vi) Keeping in view the fact that India produces more than 1000 plus films annually in India, the Government should promote India as a film destination in film market and film festivals;

(vii) The film sector would greatly benefit if the entertainment fax and service tax are subsumed in Goods & Services Tax (GST);

(viii) The Government should take appropriate steps to make SRFTI & FTII as centres of excellence in film & TV education; and

(ix) Keeping in view the fact that Film Division has practically lost its significance now, the Government should set up an expert committee to suggest as to how it can be relevant to the present day need.

Information Sector

(i) The Government should examine the feasibility of aligning the DAVP print advertisement rate to the market rate and withdraw the agency commission of 15% currently in vogue;

(ii) There is a need for rationalization of all duty structure on capital goods and components of print media industry;

(iii) The Government should take judicious decision on wage board recommendations so that it does not affect the growth of the print media;

(iv) The small and medium newspapers are the catalyst for innovation in the print industry in carrying local news to the local people and in one way satisfies the concept of inclusive growth. Over the time, the number of small and medium newspapers has increased leaps and bounds. The preferential treatment of earmarking 35% of the print advertisement budget of DAVP to the small and medium newspapers has served a very useful purpose. It would be in the interest of achieving inclusive growth if the Government enhances the current percentage of

35% to 50% as the number of such newspapers have increased over the years;

(v) In a country like India, the role played by traditional media, like Song & Drama, has a positive impact on the society. It is in this context that there is a need to increase the outlay for traditional media spend by the Government during XII plan. Also, the Government should examine the feasibility of encouraging traditional media through PPP mode for intensive campaign at village fairs, festivals and social gatherings; and

(vi) The Government should examine the feasibility of strengthening DFP to encourage inter-personal communication in the rural areas.

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Chapter-I

Overview of Sectoral Industry

(A) Broadcasting Sector

1.1 The Indian Media and Entertainment Industry has evolved significantly over the last few years and the pace of this evolution is only expected to increasingly going forward. According to "Indian Entertainment and Media Outlook 2011" published by Price Waterhouse Coopers (PwC) in July 2011, the overall Indian entertainment media industry is expected to grow at an annual average rate on 13.2% in the next five years to reach Rs 1.19 trillion in 2015. The television industry has witnessed aggressive growth as this medium overshadowed all the other available media platforms. India is the world's third largest TV market with close to 138 million TV households next to China and USA. Television is projected to command half of the entertainment pie by 2015 as it is estimated to grow at a robust 14.5% cumulatively over the next five years, from an estimated Rs 306 billion in 2010 to Rs 602.5 billion by 2015.

1.2 The FM Radio sector is also on the positive growth trajectory. For radio, the PwC report predicts a compound annual growth rate of 19.2% over 2011-15, reaching Rs 26.0 billion in 2015 from Rs 10.8 billion in 2010. Radio's share of media ad spends is expected to increase from around 4.4 % currently to approximately 6.83 % by 2015. Radio is increasingly gaining acceptance among advertisers, which is expected to result in higher ad spends on radio. As per the recent Universe Update study conducted by Radio Audience Measurement (RAM), FM listenership

in four metros (Mumbai, Delhi, Bangalore and Kolkata) has crossed 70 percent.

1.3 India today has a large broadcasting and distribution sector comprising around 730 satellite TV channels, 100 Multi System Operators (MSO), 6000 Independent Cable operators, around 60,000 Local Cable Operators (LCO), 7 DTH operators and several IPTV service providers. As per industry reports, out of a total of 138 million TV homes, about 30 million are dependent on Doordarshan's terrestrial broadcast services and 74 million are covered by cable services and the rest by Direct to Home (DTH) and Internet Protocol Television Services (IPTV) services. However while DTH and IPTV are digital services, the cable TV sector is predominantly analog in nature and nearly 68 million i.e. over 93 % of the cable homes receive TV signals though analogue mode. As per industry estimates, India is the only country in the world with 88 million non TV households, indicating the potential for growth in the market. Television industry is more and more getting localized in nature with the spurt of regional channels over the last few years. With the media landscape changing day by day, the industry has immense opportunities to gather huge subscriber base in India.

Table-1: Size of Television and Radio industry in India

(Rs. in billion)

Industry/ Year	2005	2006	2007	2008	2009	2010
Television	163	183	211	241	257	306.5
Radio	4.9	6	7	8	8	10.8

Source: FICCI- KPMG Indian Media & Entertainment Report for the year 2009, 2010 and Indian Entertainment and Media Outlook 2011, PwC

Table-2: The projected growth of the Television and Radio sector

Segment (Rs. in billion projected	2010	2011	2012	2013	2014	2015	CAGR* (2010-15)
Television	306.5	353.0	404.0	465.0	532.5	602.5	14.5%
Radio	10.8	13.5	16.5	19.0	22.0	26.0	19.2%

Source: Indian Entertainment and Media Outlook 2011, PwC, July, 2011

Table-3: Broadcasting Sector in India At a Gland

1.	Total Number of TV channels (as on 19.7.2011	759
	a) Indian	637
	b) Foreign	87
	c) Doordarshan	35
2.	News and Current Affairs TV Channels (as on 19.7.2011)	395
	a) Indian	342
	b) Foreign	18
	c) Doordarshan	35
3.	Pay TV Channels (as on 31.3.2011)	155
4.	Total number of Cable operator	60000
5.	Total number of Independent Cable Operators	7000
6.	Total number of Multi System Operators	100
7.	Total number of Teleports (as on 19.7.2011)	87
8.	Total number of Households in India (in Millions)	225
9.	Total TV households (in Millions)	138
10.	Total Pay TV Subscribers (in Millions)	109.5
11.	Cable TV subscribers (in Millions)	73
12.	CAS households opted for STB (in lakhs) (as	8

	on 31.03.2011)	
13.	Total Digital Cable subscribers (in Millions)	5
14.	Total DTH subscribers (In millions) (as on 31.03.2011)	35.56
15	Total IPTV subscribers (in millions)	0.5
16.	Total number of Operational Community Radio Stations	111
17.	Number of Private FM Channels Operational	245
18.	Number of cities where Private FM Channels are operational	85
19.	Number of Direct to Home (DTH) Operators $	7
20.	Total Number of All India Radio Stations	237

Source: (*1) Ministry of Information and Broadcasting*

(2) FICCI-KPMG Indian Media & Entertainment Report-2011

(3) Performance Indicator Report, Telecom Regulatory Authority of India

(4) Population Census 2001, Registrar General, India

Note : $This includes Doordarshan's DD Direct Plus

Cable Television

1.4 Cable TV forms the back bone of the broadcasting distribution industry. According to industry reports, there are presently about 74 million Cable TV subscribers in India. The cable industry has played predominant role in the growth of the electronic media sector in the past 20 years. However, this platform has a number of limitations. Riddled with rampant under-reporting and limitations of carriage under analogue distribution, business transactions in the cable service chain are conducted on a "negotiated" subscriber base. Lack of transparency with regard to the subscriber base has given rise to frequent disputes between service providers at various levels of distribution chain, differential pricing for the same content, incidence of carriage and placement fee due to capacity constraints, and the

advertisement-centric market strategy of broadcasters. These factors have resulted in a lack of collaboration amongst various stakeholders and as business models come into conflict, litigation has become more common. The subscribers, on the other hand, are, denied a wide and a-la-carte choice (individual) of TV channels with an enhanced audio and video quality with a number of value added services and, as a result, he is forced to pay for those channels which he does not want to watch as the channel are being provided to him in bouquet.

Direct to Home (DTH)

1.5 The DTH sector is rapidly becoming a key player in the distribution sector **.** Apart from Doordarshan's DD Direct Plus, DTH service is being provided by six private players. The DTH sector has seen exponential growth with almost 1 million subscribers being added each month. According to latest TRAI's performance indicators, as on 31.3.2011, there are about 36 million DTH subscribers in the country. FICCI-KPMG Media Entertainment Report 2011 estimates that DTH subscriber base could reach 70 million by 2015. As per the Media & Entertainment Report (FICCI – KPMG Report 2011), subscriber acquisition costs, which were initially as high as Rs 6,000, have now stabilized at somewhere between Rs 3,000 and 4,000 and should fall further because of stabilization in price wars, reduction in the cost of STBs and expected consolidation in the industry. The Average revenue per user (ARPU) still hovers around Rs 160 in 2010 (equal to analogue cable), and is expected to remain almost flat with only inflation led growth witnessed in the short to medium term. The TAM Annual Universe Update 2010 has shown that the share of pay DTH service providers in the digital growth is higher in rural areas.

1.6 In view of the rapidly expanding DTH subscriber base, TRAI, with a view to protecting the interest of DTH subscribers, has issued the Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulation, 2007, which essentially covers regulatory provisions relating to protection of the interests of DTH subscribers. The TRAI, in its Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 dated 21st July 2010 , had mandated all DTH operator to offer all its pay channels on a-la-carte basis to its subscribers and in case DTH operator is fixing a minimum monthly subscription amount, the same cannot exceed Rs. 150/- . The said tariff order also provides for protection of consumers against increase in prices. TRAI's regulatory measures enables DTH consumers to exercise their choice for acquisition of STB (outright purchase basis, hire-purchase basis and rental basis) as well as choose and pay for channels which they want to watch in DTH sector.

1.7 Despite the phenomenal growth story, the DTH industry is also facing a host of challenges. Carriage of channels in DTH though higher that analogue cable is limited to 200 to 220 channels due to limited transponder capacity. Shortage of transponder space is likely affect the future expansion of DTH sector in India. Interactivity is limited to one way in DTH while digital cable can have two way interactivity providing triple play services. Besides, the grievance of the DTH operators has been that they are burdened with multiple taxation.

Internet Protocol Television Services (IPTV)

1.8 Internet protocol television (IPTV) provides live television over the internet. This segment is still nascent in India. Though broadband connectivity has improved and the number of broadband users has increased, the connection speed is still not upto the level desired for seamless viewing. Industry estimates suggest that there will be less than one million IPTV users across India, which is negligible when compared with the current reach of television. IPTV also has constraints like digital cable in terms of last mile connectivity and hence infrastructure is a limiting factor. With the widespread adoption of broadband in the country and the growing techno savvy population, IPTV has a potential to become huge success in India.

Mobile Television

1.9 Mobile screen is becoming the fourth screen to the consumers after cinema, TV and computers across the world. The emerging technologies would effectively expand the universe for television by allowing it to become more than just a stationary activity, one that lets consumers view while on the move. This is the best platform for delivering the benefits of television and mobile communications in one device. The TV content on mobile is an example of the convergence not only at the level of handset device but also at the level of networks which provide this service. The key to making mobile TV a reality lies in combining traditional broadcast standards with features specific to handheld devices: mobility, smaller screens and antennas, indoor coverage, and reliance on battery power. Two forces are currently driving mobile TV development and its commercialization: network providers/ mobile

TV service providers see it as additional possible revenue over and above voice income flow; and cell phone manufacturers see an opportunity to sell new, more expensive TV-capable handsets. Subsequent to the recommendation of TRAI on Mobile TV Services in India, the Ministry is presently in process of laying down a suitable regulatory framework for enabling the private players to provide mobile TV services. Doordarshan has already launched its mobile TV services in Delhi. Certain spectrum issues are to be resolved before introduction of Mobile TV services in India. With the advent of mobile TV services, the consumer will get more choice in watching television in terms of what they watch how they watch and when they watch.

Headend-in-the-sky (HITS)

1.10 Headend-in-the-sky (HITS) broadcasting service refers to the multi-channel downlinking and distribution of television programmes in C-Band or Ku-band. Here, all pay channels are downlinked at a central facility (hub/teleport) and again uplinked to a satellite after encryption of channels. HITS policy allows MSOs/HITS operators to distribute multiple channels digitally via satellite to cable operators for further distribution to subscribers. This expands the reach of an MSO for delivery on a pan India basis and enables reduction in the cost of digitalization for the LCO and has made cable operations viable in rural areas. This service was introduced in November 2009, but never really took off. The TRAI's latest tariff order for digital addressable systems is also applicable to HITS as well. It is expected that in view of the digitalization of cable TV there will be significant interest in the setting up of this platform.

Terrestrial Television

1.11 Doordarshan is the world's largest terrestrial broadcaster with over 1400 terrestrial TV transmitters. The reach provided by this route is phenomenal with DD covering 88% of India's geographical areas and these transmitters provide coverage to about 92% population of the country. In India, terrestrial TV broadcasting has so far not been thrown open to private players. The TRAI in its recommendations on "Issues relating to Private Terrestrial Broadcasting "dated 29.8.2005 had recommended that besides DD, terrestrial broadcasting should also be thrown open to private players.

FM Radio

1.12 Radio broadcasting has been the main medium for entertainment, information and education amongst the masses in India. Presently, radio coverage is available in Short Wave (SW), Medium Wave (MW) and FM in analogue mode. The All India Radio, the public broadcaster, has a the network comprises of 237 stations & 380 transmitters-149 MW, 54 SW & 177 FM, which provide radio coverage to 99.14 % of the population and reaches 91.79 % area of the country. FM radio sector was opened up for private participation in the year 1999.The scheme to rope in private broadcasters for FM radio has not only resulted in providing good quality of reception to radio listeners, but has also gone a long way in encouraging local talent and generating employment to large number of people in various cities. Private FM Radio services have made rapid strides in the recent past, particularly since the launching of Phase-II. The policy has been well received and presently, a total of 245 channels are operational, including 21 channels of Phase-I, in 86 cities. The Government has recently announced policy guidelines on expansion

FM Radio broadcasting (Phase-III). Phase-III will extend radio's reach to 294 towns and 839 stations.

Community Radio Stations

1.13 The radio sector in the country witnessed another expansion with the opening up of Community Radio Stations which enable the Government to reach out more beneficiaries. There is a huge potential in India for establishment of Community Radio stations given the vast landscape of this country, numerous languages, various cultures and diverse social stratification. Community Radio broadcasting serves the purpose of networking small communities with a view to focusing on the common man's day-to-day concerns and helps them realize local aspirations. Given the vast landscape of the country with a multitude of languages, cultures and social stratification, Community Radio Services have an effective presence. CRS is set up with the involvement of various educational institutions and civil society organizations. Presently 113 CRS have been operationalized.

(B) Film Sector

1.14 The Indian Film Sector has to be seen in the context of the overall Media and Entertainment sector of the Indian economy. Its role and importance has to be gauged not by the size of the industry vis-à-vis the entire M&E Space, but also the fact that film entertainment in India is a key driver for content on television, music, radio, animation & VFX, and advertising. While the overall industry size attributed to the film industry is only a small proportion of the M&E sector[1], there can be no denying the impact

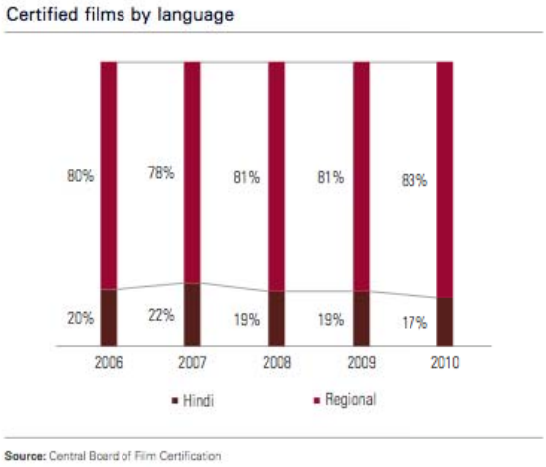
[1] FICCI-KPMG Indian Media & Entertainment Industry Report 2011

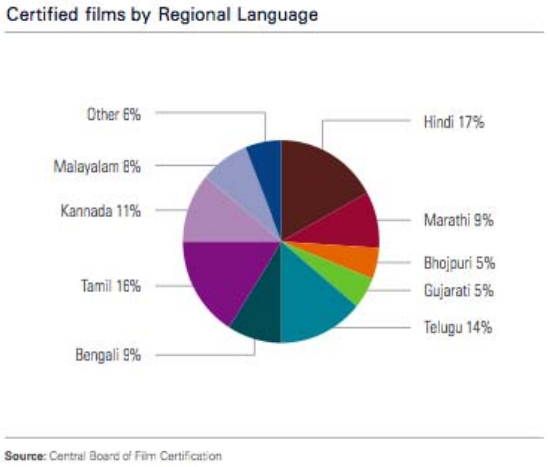
that film content has on the size and growth of other segments of the M&E Sector, given that the popularity of film, as a means of entertainment, is unmatched in India by any other source of entertainment.

1.15 The film industry in India essentially comprises regional segments of filmmaking all over the country with films being made in more than 25 Indian languages. The biggest filmmaking centers in India in terms of language films are the Hindi, Tamil, Telegu, and Malayalam industries. Also prominent are Bengali and Bhojpuri films, with the latter having gained significant commercial success in recent years. It can safely be said that the film industry in India is not one cohesive whole, but is instead an amalgamation of several cinemas produced all over the country that aim to reflect their socio-cultural and economic aspirations.

1.16 There is no measurable database in India to estimate the actual size, annual production investments, accurate box office returns, etc. relating to film industry in India. This makes the task of facilitating the growth of the Indian film industry more challenging and there is an urgent need to put in place appropriate mechanisms that ensure maintenance of certain quantifiable parameters of performance of the film sector, as also a data bank of industry professionals across various streams of filmmaking. At present data available on film personnel is confined to industry personnel who are members of various film industry associations such as Film Federation of India, Film Producers' Guild, Indian Motion Pictures Association, South Indian Film Chamber of Commerce, East India Motion Pictures Association and many more. None of these organizations can claim to represent the interests of the entire Indian film sector and as such cannot provide accurate figures for the film sector.

1.17 The only measurable data in India in the film sector is the number of films that are certified by the Central Board of Film Certification each year for public exhibition:





Structure of Film Industry

Film Production

1.18 Film production ranges from small-scale films of independent filmmakers based on personal finance and private backing to large-scale productions by corporate entities and financial investors. The number of feature films made each year consistently continue to be in the range of 800 to 1000 approximately in more than 25 languages. On the other hand, the documentary film movement is almost non-existent in India, with the bulk of documentary films being in the nature of films commissioned by government departments and ministries. There is thus a huge gap in the documentary film sector of the industry, unlike in other developed and developing countries, where

documentaries are recognized as a medium of change, opinion making, and documentation of events. The production segment of the industry, as is the case of other sections of the film industry, is almost entirely driven by private enterprise, which lacks organizational structures and also does not institute best practices of film production in a uniform manner, unlike in the west where norms of film production are fairly well established. For instance, it is not recognized in India that film producers have a specific role and function to perform and more often than not, a filmmaker in India dons many hats for his film – that of producer, writer, director, and often editor as well. This impacts the final output of the film as the element of objectivity and professional skill sets required for the final product is often eroded.

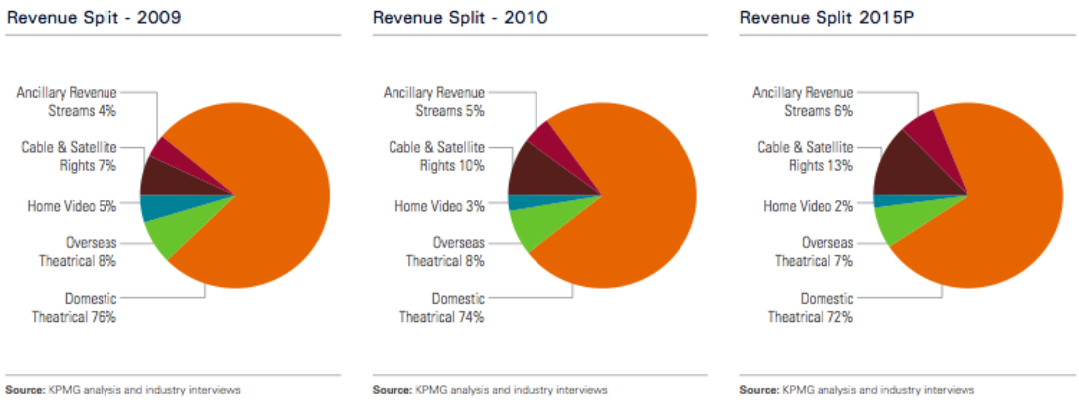
Film Distribution

1.19 The distribution space has undergone several substantial changes in the past decade or more. The practice of purchase of films by distributors on a minimum guarantee basis has declined in recent years, and more often than not, the distributor is no longer a financial investor in the film. Distribution has also changed with fragmentation of markets between multiplex and stand-alone theatres and selective exhibition and release of films is being carried out increasingly. Sale of secondary or ancillary rights of films such as television, cable, and video is driven largely by the success of a film on a theatrical circuit, making the latter a crucial link in the film business.

Film Exhibition

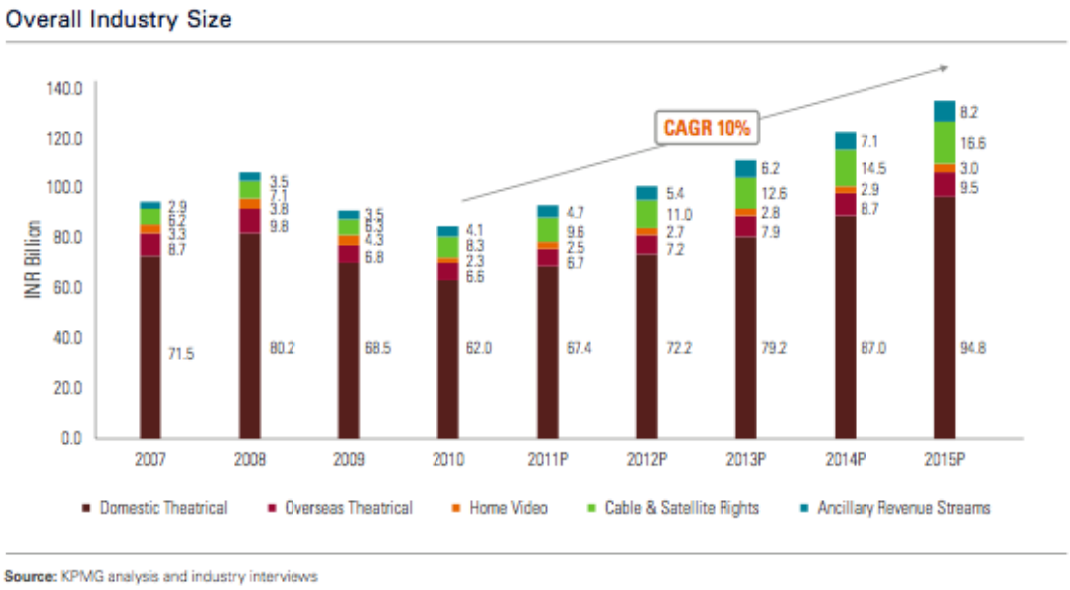
1.20 It has been roughly estimated that the Indian exhibition sector is equipped with roughly 10000-14000 theatres, including moving theatres (temporary structures that are moved from place to place in rural areas). However, there is no accurate recorded data in India about the actual number of theatres across the country. Notwithstanding that, it is a fact that the numbers of theatres in India are grossly disproportionate to population of the country when compared to screens available to audiences in other countries. Further, the exhibition space has undergone a marked fragmentation in the past decade after the influx of multiplexes. While multiplexes largely cater to urban audiences, high-ticket prices in a price sensitive economy have resulted in limited occupancy rates for the bulk of films released in the multiplexes. On the other hand, the proportionately extremely low ticket prices of stand alone theatres in Grade B and C centers do not make distribution of films in these centers a viable proposition for film distributors, thereby escalating the fragmentation of film audiences and non-availability of film content in smaller centers. A possible solution that is emerging in the scenario is digital exhibition.

1.21 The film business culminates in the sale of rights of films for exhibition purposes. As per the analysis contained in the FICCI-KPMG report, revenue streams in the film sector can be split up as given below:



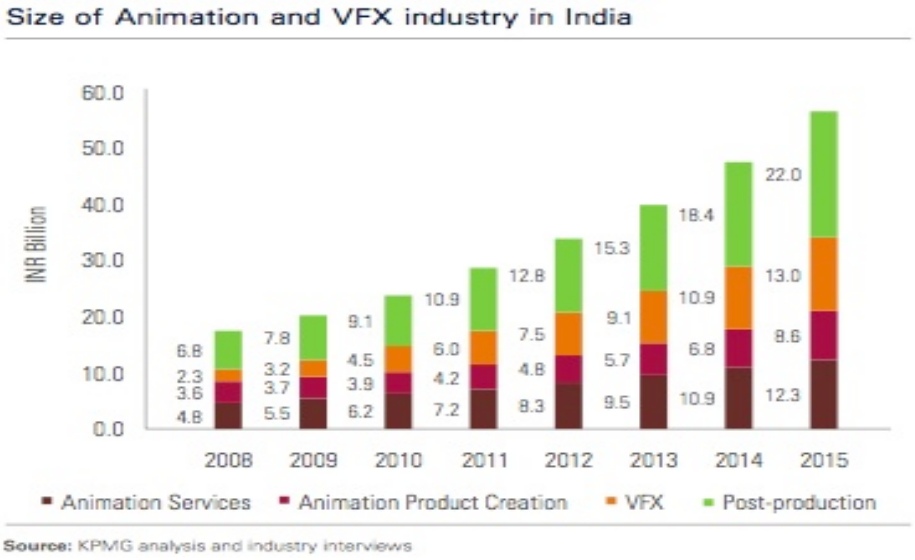
However, taking into account the data limitations as outlined above, the size of the Indian film industry in all segments is estimated at Rs. 8330 crore in 2010 (KPMG/ ACCI).

1.22 As per the FICCI-KPMG report for 2011, projections of the film sector in the next five years are as under: [2]



[2] FICCI-KPMG Indian Media & Entertainment Industry Report 2011

1.23 The size of the Animation and VFX industry in India, and the anticipated growth is estimated by FICCI-KPMG as under:



Problems faced by Film Industry

1.24 The common perception in the minds of people is that the film industry is a huge player in the national economy. However, compared to other sectors, the film business in India is essentially a conglomeration of small individual driven enterprises and does not have the scale and bandwidth possessed by other corporate sectors. The film industry in India essentially has the soft amorphous structure of a cultural enterprise. Given the disorganized and fragmented nature and growth of the industry, the problems faced are manifold.

1.25 Lack of talent, across several realms of the film business, is a problem that will need to be redressed if the industry is to institute best practices and skill sets at par with international standards. As mentioned earlier, filmmaking continues to be largely an individual driven enterprise in India, and roles of specific

functionaries such as producer, writer, editor etc. are not clearly defined. Likewise, in terms of skill sets, some of the areas where there is a crying need for trained manpower is in animation and DI colorists. With the Government planning to embark upon an ambitious program to restore and resurrect the film heritage of this country, training to lab technicians and DI colorists will be crucial to effective restoration.

1.26 Lack of content development and the absence of trained story telling have had a telling impact on Indian cinema in the past couple of decades. Premier international film festivals, through their selections, aim to document films that would in time form a part of global film history, and the films that reflect the growth of cinema as a medium of expression. Unlike in the past, up to the 1980s, when Indian films used to regularly compete internationally with the best films across the world, films from India have virtually disappeared from the premier international film festival circuit and there is an urgent need to redress this.

1.27 Given the absence of established uniform structures and mechanisms for production, institutionalization of best practices in the film business will need to be addressed through training both at entrant level, and mid-career professional levels. Another area where Indian cinema has suffered immensely for want of internationally established practices is the area of film preservation and a substantial part of the Indian film heritage is lost forever due to the same.

1.28 Fragmentation of audiences and lack of low cost theaters to cater to specialized cinema and to low-income group audiences need to be addressed.

1.29 At present, there are no avenues for exhibition of alternative content – unlike in other film producing countries, India lacks specialty theatres that cater to exhibition of art-house/ acclaimed/ award-winning Indian and world cinema. When NFDC was set up in 1980, one of the main objectives of the company laid down in the Memorandum of Association of the company was the setting up of small theatres for this purpose. The theatre-financing scheme of NFDC however failed and was abandoned in the 1990s. It is recognized that to be a success, this initiative will have to be supported and backed by the Government. This needs to be looked at by the Government.

1.30 Digital exhibition is yet to establish uniform technical standards – the exhibition space is being facilitated in its growth by the emergence of small digital theatres across the country. However, these theatres do not maintain uniform standards of projection with UFO Moviez, Real Image and larger multiplexes offering differing standards of projection and sound in theatres.

1.31 The growth of the exhibition sector is impeded by lack of space, high land and rental costs, and multiple clearances required from state and local administration.

1.32 Piracy has been the single largest reason for the decline of the home video market. At the same time, the problem of piracy needs to be addressed in the context of a price-sensitive economy. With the emergence and growth of digital platforms, internet and web-based piracy is rapidly growing in India.

1.33 Inadequate investment in infrastructure across all gamut of the film business ranging from studios, training facilities,

theatres etc. continues to impede the growth of film industry.

1.34 Lack of single-window clearance for film shooting, for both Indian and foreign film producers, is the single important reason responsible for Indian films with Indian stories, are being shot outside India where outdoor locations are required. This has a dual negative effect – on the one hand, the potential for generation of revenue and employment in the film sector diminishes, and on the other, the immense benefits that accrue to the tourism sector through portrayal of specific locations in films invariably passes on to other countries whose locations appear in films. This problem needs to be addressed urgently by the Government.

(c) Information Sector

1.35. The Print Industry is declining all over the world primarily due to huge in roads of internet and TV channels in media industry. India, however, have weathered the storm so far because of professionally managed domestic industry. As per industry report, the Indian Print market is well off in comparison to the global market, which is witnessing a decline in print resources over the past few years. Developed regions, such as North America and Europe, are witnessing a significant decline in newspaper circulation while India defies the trend. Rather it has been further established that in contrast to the US, Europe print circulation in India continues to be on increasing trend. Given the fact that literacy level in India is rising, no immediate threat of new media platforms is expected to depress the trend in the medium term scenario. It will

be appropriate to presume that the print media in India for 12th Five Year Plan will remain in state of buoyancy.

1.36 The outlook of the print industry is corroborated with the industry assessment. During 2006-10, it has been estimated that the size of the print industry at Rs. 44020 crore in 2006, has grown to Rs. 64600 crore in 2010, ie, at an average rate of 10.10 percent per annum. The projection for the next five years indicate that the size of the industry is likely to reach at Rs. 1,19,900 crore by 2015 which means the average growth rate of 13.20 percent per annum.

1.37 The buoyancy of print media industry is mainly accounted for the increasing share of advertising revenue, which reckons at almost 76% per cent of the total revenue income; the balance being the subscription revenue. With the growth of the Indian economy, the dominance of advertizing revenue in the print media sector is likely to continue.

1.38 Hindi dailies continue to rule the roost with the highest growth in readership as compared to 2009. In the readership scenario across India, English dailies account for only nine per cent of the average issue readership (AIR) in the country but command over 40 per cent of the advertising revenues. Hindi dailies on the other hand, have 35 per cent of the AIR but command around 30 per cent of the advertising revenues. Regional players are expected to grow at a brisk rate, both in terms of advertising revenue as well as market expansion.

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Chapter-II

Regulatory Reforms & Policy Assessment

(A) Broadcasting Sector

Policy Issues

2.1 The Ministry has taken a number of initiatives in the recent past with the objective to create an enabling environment in the broadcasting sector.

Policy on Headend In The Sky (HITS)

2.2 In 2009, the Government has laid down a policy framework in consultation with TRAI for introduction of Headend-In-The-Sky (HITS) mode of delivery of content to the cable operators. The policy guidelines provides for a framework within which the HITS service providers have to provide services in the country. The policy does not mandate the cable operators to necessarily obtain signals from a HITS platform. The cable operators can continue with the existing system. HITS serves the whole country providing its signals through satellite to many MSO/ cable operators who can further send the signals to the customers using their cable network. The essential difference between a HITS operator and a Multi System operator (MSO) is that the former transmits the bundle of channels to the cable operators using a satellite, whereas the latter does the same through cable. HITS is a digital delivery mode of distribution of TV channel and it would speed up the process of digitalization of cable services located in Non-CAS areas of the country.

2.3 HITS would not only help increase the penetration of cable market further into rural areas where it has been absent because of un-viability but will also help in further reduction of prices of Set Top Boxes and will also lead to further consolidation of the cable market. HITS would enable a subscriber to enjoy a wide choice of digital channels, better picture quality and value added services at affordable price. HITS would provide greater channel capacity from the present limited capacity of channels placed in prime/non prime band. HITS policy has been a step in the right direction and is capable of bringing down the investments required at the level of the last mile operator thereby enabling further and deeper penetration of cable services into rural areas. There is some constraint with regard to availability of transponder capacities but it is expected that with greater demand will also come the supply. With the finalization of the sunset dates for digitalization of cable services, it is expected that interest in setting up this platform will increase.

Policy on IPTV Service

2.4 The Government on 08.09.2008 has put in place the policy on IPTV enabling another mode of distribution of permitted satellite TV channels the Telecom and cable Networks. This is bound to give not only a new digital visual experience to the Indian viewer with various value added and interactive services to cater to the ever persisting demand of the subscriber for new and interactive services but is also providing increasing opportunities to create diverse business models not only for the broadcasters but also for the platform service providers. The policy on IPTV now offers greater clarity on the issues involved and both the telecom operators as well as the cable operators will be able to provide IPTV

services and will be regulated as per their respective licensing conditions. The content will be regulated as per the Programme and Advertisement Codes as prescribed under the Cable Act which takes care of several apprehensions including those with respect to provisioning of obscene content. It defines the liability for violations of content codes and how they will be dealt with and takes care of the concerns relating to national security. The policy also enables MSOs and Cable operators along with broadcasters to provide content to Telecom licensees providing IPTV services. The policy enables IPTV service provider to create its own content except for the news and current affairs. The policy does not require a separate permission for providing IPTV services for the defined Telecom and cable operators. However it requires a self declaration on the prescribed format to be made. The format for such a declaration has also been notified.

2.5 Clause 5.6 of the Downlinking Guidelines has also been modified to enable broadcasters to provide content to IPTV service providers. The policy also enables the cable operators and multi-system operators having relevant rights from the broadcasters to provide aggregated content to telecom IPTV service providers. This provision also enables the franchisee model as adopted by MTNL/BSNL for provisioning of IPTV services. However since the policy does not recognize a franchisee as a separate entity, a franchisee for being able to receive and aggregate the broadcast signals will have to register himself as a cable operator. The advantage of IPTV Services platform is that it allows providing specialized services, catering to niche audiences. Animation and gaming industry is also likely to see a bigger market as a result of such services. One of the key determinants of the growth of the IPTV services however is the extent/reach of broadband penetration and quality of broadband connectivity.

2.6 As on 31.3.2011 as per TRAI report, there were 11.89 million broadband subscribers. As per FICCI-KPMG 2011 report the IPTV subscriber base is around 0.5 million. It is hoped that the diversity of services enabled by the IPTV platform will give a further boost to the subscriber demand for broadband connectivity. Globally IPTV has emerged as a serious competing pay TV platform for the Cable and DTH services. It is expected to generate additional revenue streams both for content providers and the IPTV service providers and simultaneously reducing the cost for the subscribers giving them a variety of content and services. It is expected that with clarity on the IPTV regulatory framework and growth of broadband connectivity India will emerge as a leading player in IPTV market. IPTV in India is currently being offered **by several players, including MTNL, BSNL and Bharti Airtel.** The technology is promising due to its superior quality and interactive service but the reach is limited to households having broadband connections. Once broadband penetration in rural India improves, IPTV would stand a better chance of success. IPTV is expected to capture the Indian houses once the price difference between DTH connections and Internet services individually and IPTV as a service reduces to minimal and users are offered trial services. However IPTV will experience a slow take-off as compared to the other services in the broadcasting space since IPTV has had limited success globally and it is likely to take some time before the service makes inroads in the market.

Policy on Mobile TV Services

2.7 The Government, in consultation with the stakeholders, is working presently on laying down a suitable policy framework for enabling the private players to provide mobile TV services. The

proposed policy for mobile TV would be based on the recommendations of TRAI on "Issues Relating to Mobile Television Service "dated 23.01.2008 and. The recommendations of TRAI which *inter-alia* include the nature of technology to be used, the license area, allocation of spectrum, tenure of license, cross-holding restrictions, FDI limits, content regulation mechanism etc. would form the basis of the proposed mobile TV policy. The TRAI has recommended that Chosen technology should be digital and a technology neutral policy to be followed for the provision of mobile TV services. In the first phase of mobile TV licensing, it has been recommended that every application and its related entities should be allowed to bid for only one license per service area in order to prevent monopolies . Licenses for the terrestrial transmission route only should be offered for the time being. The TRAI had also recommended that the Ministry of Information & Broadcasting should co-ordinate with the Department of Space and Department of Telecom regarding availability of satellite capacity and frequency for satellite based mobile television services and recommended that as and when such satellite capacity is available and if the Government intends to issue such licenses, then the matter may be referred again to the Authority for its recommendations. TRAI also recommended that licenses for the terrestrial transmission route should only be offered for the time being and Sharing of terrestrial transmission infrastructure of Doordarshan should be permitted on mutual agreement basis in a non-discriminatory manner.

2.8 This Ministry had examined the recommendations of TRAI; and, while agreeing to majority of the recommendations of TRAI on mobile services, certain issues were referred back for clarification/ views of TRAI. The most important unresolved issues were identifying spectrum within 585-806 MHz band recommended by TRAI for mobile operators, determining the service area of

licenses and number of service providers / licenses in each service area and determining the roll out obligation. The finalization of Mobile TV policy has been hanging fire for some time primarily due to non-availability of adequate spectrum in Band V. TRAI, in its recommendations on Mobile TV services, had suggested that spectrum for Mobile TV services be identified in Band V (585-806 MHz). The Ministry had set up a Committee under the then Engineer–in –Chief (Doordarshan) comprising members from Department of Telecommunications, WPC and BECIL to identify spectrum requirement for mobile TV ; however no consensus has been arrived on the issue. Identification of spectrum for mobile TV further got complicated with TRAI having earmarked 585-698 MHz in UHF Band V exclusively for broadcasting services in its recommendations on" spectrum management and licensing framework" since DD require at least eight channels in Band-V (582-646 MHz**)** for its digitalization of terrestrial networks . Leaving aside requirements of DD, there will be only 52 MHz left in 585-698 MHz band and there are already allocations to Defence, PSUs and other security agencies within 52 MHz. The Ministry has taken up the matter with the Department of Telecommunications. Presently, a Committee under the chairmanship of Wireless Adviser, WPC is resolving the spectrum issues.

2.9 TRAI had recommend closed tender process, as followed in FM Phase-II, for award of Mobile TV license. However, the Cabinet, while approving the policy guidelines for the expansion of FM Radio broadcasting services (Phase-III), had directed the Ministry to adopt ascending e-auction for award of license of FM channels. In view these developments, the Ministry proposes to follow the e-auction process in awarding Mobile TV license, after consulting with TRAI .

Digital Addressable System (DAS) in the Cable TV Sector

2.10 As already mentioned, over 93 % of the cable homes receive TV signals though analogue mode. The analogue cable distribution in currently replete with several maladies such as the practice of under-reporting of true subscriber base by LCOs which results in inequitable distribution of value in the distribution chain; capacity constraints; and depriving consumers of their choice of channels . These inherent limitations not only impede the growth of the sector but also give rise to number of disputes amongst the stakeholders. Therefore, the single most effective step that can be taken to resolve the problems of the broadcasting industry would be the implementation of digitalization of cable TV system with addressability.

2.11 Digitalization enables efficient utilization of the spectrum bandwidth available on the cable and thereby drastically enhances the capacity to carry channels on cable, and thus takes care of all the problems arising from limited capacities. Addressability means that the signals of cable operators will be encrypted and can only be received through a Set Top Box after due authorization from the service provider. This would enable identification and maintenance of data base for each subscriber, would bring in transparency and prevent piracy. With digitalization, the consumers would be empowered to exercise *a-la-carte* choice of channels. They can choose the channels depending up on his budget and his choice. It also makes Triple Play that is, provisioning of TV, telephony and internet services possible through cable. Digitalization of Cable sector is also urgently required if it is to give an effective competition to the DTH services, the subscriber base of which has already touched 36 million with the presence

now of six private DTH operators apart from the DD Direct plus services. In the above background there is an urgent need for the digitalization of Cable services not only for the future growth and modernization of the industry per se but also for harvesting the benefits of digital delivery for the benefit of the subscribers. Though both the DTH services with their fast growth rate and IPTV with the expansion of the broadband network are likely to take the process of digitalization forward but going by the experience worldwide such services are not likely to replace cable services which will have to digitalise inevitably to be able to survive.

2.12 Digitalization of Cable Services is capital intensive and requires heavy investment not only to upgrade the Cable Headend but also the Cable Network and supply of digital STBs especially if it is to enable communication of signals both ways to facilitate triple play. The industry estimates for cost of conversion of one way analog cable network to one way digital cable network are in the range of Rs 15000 crore to Rs 20000 crore. In case of two way capability the estimation varies from Rs 40000-60000 crore. The cost of STB varies from Rs 1500 to Rs 3000 for one with advanced features. The small cable operators can only be expected to switch over to digital delivery in case they receive digital signals from an MSO or another service provider like the Headend In The Sky (HITS) operator. HITS policy allows MSOs/HITS operators to distribute multiple channels digitally via satellite to cable operators for further distribution to subscribers. This expands the reach of an MSO for delivery on a pan India basis and has enabled reduction in the cost of digitalization for the LCO and has made cable operations viable in rural areas. The HITS services have not yet taken off since setting up of a HITS platform for a 150 channel capacity requires an investment of about Rs 110 crores and without being ensured of the market there is a lack of interest. It is expected that with the

setting up of a time frame for digitalization there will be significant interest in the setting up of this platform.

2.13 Realizing the capacity crunch and non-addressable nature of analogue cable TV system which is coming in the way of orderly growth of the cable TV sector in India, TRAI, in its recommendations on "Restructuring of Cable Services", dated 25th July, 2008 and more recently in its recommendations on "Implementation of Digital Addressable Cable Systems in India" dated 5.8.2010, had recommended that digitalization with addressability be implemented on priority. The TRAI had suggested a number of changes in present legal provisions and regulatory framework including the system of registration and renewal of cable operators, introduction of provisions for suspension and revocation, enhancement of FDI limits and need for making provisions for granting Right of Way to Cable operators. TRAI has also recommended a slew of fiscal incentives for digitalization and a timeframe for digitalization. These include all service providers (cable TV, DTH, HITS, IPTV) who set up a digital addressable distribution network before the sunset date(s), be treated as infrastructure service providers similar to Telecom services and be eligible for benefits under section 80-IA and section 72A of the Income Tax Act as also income tax holiday from 1.06.2011 (or the date of setting up of the network whichever is later) to 31.03.2019 and basic custom duty on all digital headend and networking equipments as also on the STBs, is to be reduced to Zero till complete sunset is achieved.

2.14 Subsequent to the recommendations of TRAI , the Ministry has held a series of consultations with concerned stakeholders and has , finally , arrived at the following time

schedule in four phases for introduction of DAS in cable services in the country :

(i) Phase-I: Four Metros of Delhi, Mumbai, Kolkata and Chennai by 31st March,2012

(ii) Phase-II: Cities with a population more than one million by 31st March, 2013

(iii) Phase-III: All urban areas (Municipal Corp./ Municipalities) by 30th September,2014

(iv) Phase-IV: Rest of India by 31st Decemeber,2014

2.15 The Ministry will formulate appropriate policy for the implementation of digital addressable system in the cable TV segment and also to bring about much needed regulatory reforms in cable services for better regulation and management thereof and for attracting much needed investment for the up-gradation of cable services. The Cable Act will also be amended comprehensively for implementing various recommendations issued by TRAI with respect to cable sector from time to time. The Ministry has also set up a Task Force, headed by Additional Secretary, Ministry of Information and Broadcasting comprising members of all concerned stakeholders to spearhead the digitalization process.

2.16 For the successful implementation of DAS, availability of STBs plays a critical factor. It is estimated that around 68 million STBs will be required in the next three years to complete the proposed digitalization in cable sector. Any delay in procurement of STBs will adversely affect the DAS implementation schedule**.** Available information indicates that indigenous manufactures are not equipped to manufacture such a huge volumes of STBs within the time frame fixed by the Ministry for digitalization.

FM Radio (Phase III)

2.17 The Government has recently approved the policy guidelines on FM Phase-III. FM Phase-III Policy extends FM radio services to about 227 new cities, in addition to the present 86 cities, with a total of 839 new FM radio Channels in 294 cities. Phase –III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels. Phase-III policy permits the radio operators to carry news bulletins of All India Radio only in an unaltered form. FDI+FII limit in a private FM radio broadcasting company has been increased from 20% to 26%. Private operators have been allowed to own more than one channel but not more than 40% of the total channels in a city subject to a minimum of three different operators in the city. The limit on the ownership of Channels, at the national level, allocated to an entity has been retained at 15%. However channels allotted in Jammu & Kashmir, North Eastern States and island territories will be allowed over and above the 15% national limit to incentivize the bidding for channels in such areas. Networking of channels will be permissible within a private FM broadcaster's own network across the country instead of in 'C' and 'D' category cities only of a region allowed at present.

2.18 One of the trust areas of FM Phase-III policy is to promote private FM broadcasters in J&K and NE regions. The FM Phase-III Policy provides for special incentives for extending the reach to NE states, J&K, Island territories for making the operations viable in these areas. Private FM Radio broadcasters in North East (NE) Region, Jammu & Kashmir (J&K) and Island territories will be required to pay half the rate of annual license fee for an initial period of three years from the date from which the annual license

fee becomes payable and the permission period of ten years begins. The revised fee structure would also be made applicable for a period of three years, from the date of issuance of FM Phase-III policy/Guidelines, to the existing operators in these States to enable them to effectively compete with the new operators. Apart from the fee relaxation, Prasar Bharati infrastructure would be made available at half the lease rentals for similar category cities in such areas. Allocation of channels in these areas has been exempted from the 15% over all cap on ownership of FM radio channels.

2.19 As per FM Phase-III policy, permission for the channels will be granted on the basis of Non-Refundable One-Time Entry Fees (NOTEF) i.e Successful Bid Amount arrived at through an ascending e-auction process. A total of 839 new FM radio Channels in 294 cities will be available for auction under FM Phase-III. The auction for the channels will be held in batches and will be conducted by an independent expert agency to be appointed by the Ministry of I&B. The Ministry will also put in place a proper governance structure for the conduct of e-auction of FM channels.

Enhancement of FDI Limits in the Broadcasting Sector

2.20 Rationalization of Foreign Investments (FI) limits in various segments of broadcasting sector has been under consideration of the Ministry for quite some time. The TRAI, in its various recommendations with respect to the broadcasting sector, has been reiterating the need for a holistic review of the existing FI limits for different segments of broadcasting sector such as teleport, DTH, HITS, cable operators, FM Radio, Mobile TV, and downlinking/uplinking of TV channels in order to bring consistency in policy and the level playing field between competing technology in view of convergence of technologies of

telecommunication and broadcasting services. After consulting with TRAI, the Ministry has finalized its views of the FDI limits in the broadcasting sector, which, *inter-alia*, include:

(i) uniform FDI limit of 74% for all carriage services, including, DTH, IPTV, Mobile TV, HITS and Teleport services;

(ii) 74% FDI limit for Multi System Operators (MSOs) in the cable sector taking up digitalization with addressability operating at the National or State or District levels, and 49% FDI limit (status quo) for other MSOs and Local Cable Operators;

(iii) no restriction on foreign investment for unlinking of non-news and current affairs channels and downlinking of TV channels uplinked from aboard;

(iv) 26% for foreign investment for news and current affairs TV channels and FM Radio; and

(v) permitting FDI upto 49% though automatic route for all carriage services and no automatic route for content services such as uplinking, downlinking and FM Radio.

2.21 The Ministry, in consultation with TRAI, has also formulated certain terms and conditions to take care of security related and other concerns in view of the enhanced FDI level. These revised FDI limits will come into force after the approval of the cabinet. Further, the relevant scrotal guidelines will also be amended to incorporate the security conditions.

Amendment to the Guidelines on Uplinking /Downlinking of Channels

2.22 The Ministry, in consultation with TRAI , is also proposing to make changes in the existing policy on uplinking /downlinking of Channels and teleports which, *inter-alia*, includes uniform permission period of 10 years for uplinking /downlinking of channels and teleports , stipulating time frame for operationalization, enhancement of permission fee , mandatory submission of performance Bank Guarantee for fulfilling the roll out obligations . The proposed policy also provides for Transfer of permission in case of merger /demerger /amalgamation with the approval of the Government.

Regulatory Issues

Content Regulation and Broadcasting Regulator

2.23 Regulation of content of Television channels and setting up an independent regulator for the broadcasting sector has been a much debated issue. There are already 730 television channels in India out of which 359 are news and current affairs channels. Though Direct to Home (DTH) services have also experienced a rapid growth, the distribution of these channels is still by and large through the cable operators which are largely in analog mode and have limited carrying capacity. Hence, the competition to get carried becomes further intensified. Moreover, the heavy dependence of channels on advertisement revenues puts pressure on channels to produce and carry such content which catches maximum eyeballs. In this background, TV Channels are experimenting with different kinds of content including reality shows, crime based programmes, soap operas, Bollywood based

programme etc. There has been a substantial growth in the regional language channels also in the past few years as the competition among Hindi and English channels is becoming tougher and the market is saturating. While the channels are experimenting with different content formats in an effort to retain eyeballs, concerns on the content continue to be expressed by various sections of society, including various reports of Parliamentary Committees and judicial pronouncements to make the system more effective.

2.24 The proposal to have an independent Regulatory Authority for the Broadcasting Sector has been under consideration since 1997 and the latest attempt towards this end was made with the formulation of the draft Broadcasting Service Regulation Bill, in 2007. The Ministry in the year 2008 put up a draft 'Self Regulation Guidelines for the Broadcasting Sector' to replace the existing Programme and Advertising Codes. Concerns have been expressed by various sections in the media over proposed Regulator, as well as the mechanism of dealing with complaints relating to content issues as proposed in the Draft Guidelines. The Ministry has been in constant dialogue with broadcasting industry to take them on board in respect of the broad structure of the regulatory framework envisaged in the draft Bill as also on the issue of regulation of content. However, there has been stiff opposition from the broadcasters and others, on the issue of regulation of content and very little progress was made. One of the major apprehensions of the broadcasters is that such a regulator will not be allowed to function independently and the Government was likely to interfere with the content in one way or the other. The view of the broadcasters is that the issues relating to content should be left to self-regulation.

2.25 With a view to taking up this issue in a conclusive manner, the Ministry constituted a Task Force in 2009 under the chairmanship of Secretary, Information and Broadcasting to evolve a broad consensus on the issue, particularly on the mechanism envisaged for content regulation. The Task Force consisting of representatives of the Ministry and the broadcasting industry, held wide ranging consultations with different stakeholders. A number of diverging views emerged during its consultations. However, within the industry, the preponderant view is that self-regulation is the best way to regulate the media and no purpose would be served by introducing any other measures to regulate content. The industry has no objection to other issues like carriage and tariff being regulated, which is presently being done by TRAI.

2.26 The News Broadcasters Association (NBA), representing the News and Current Affairs Channels, has already established a self-regulatory mechanism through a body called the News Broadcasting Standards Authority (NBSA). They have also formulated a Code of Ethics and Broadcasting Standards covering a wide range of principles to self-regulate news broadcasting. The NBSA is a nine member body with 4 members representing eminent persons and 4 members representing Editors and is headed by Justice J.S. Verma, former Chief Justice of India. It has been argued by NBA that their self regulatory system has been working well and that in view of the various initiatives taken by the NBSA since its inception, there has been improvement in broadcasting standards resulting in the reduction in complaints. NBA felt that their existing mechanism of self regulation and complaint redressal mechanism will get stabilized and mature over a period of time and will be adequately effective in addressing the concerns of the consumers.

2.27 Similarly, the Advertising Standards Council of India (ASCI) is a body comprising advertisers, advertising agencies and media owners which have developed a code for self regulation in advertising. ASCI has set up a Consumer Complaints Council (CCC) to examine complaints which has 9 members from within the advertising industry representing advertisers ,advertising agencies, media owners and allied professions and 12 members from society consists of eminent consumer activists, educationalists , prominent journalists, lawyers, engineers, doctors , etc. In case an advertisement is found offending, CCC directs the concerned advertisers to withdraw or modify the advertisement suitably so as not to contravene the ASCI code.

2.28 The Indian Broadcasting Foundation (IBF), taking a cue from NBA's self regulation and in consultation with the Ministry, has also set up a mechanism for self-regulation in case of general entertainment channels. As part of this, IBF has laid down Content Code & Certification Rules 2011 covering an entire gamut of content-related principles and criterion for television broadcast. Briefly, IBF's self regulatory framework includes a two tier mechanism with the broadcaster being the first tier and the Broadcasting Content Complaints Council (BCCC) at the second tier. The BCCC is a thirteen (13) Member body consisting of a Chairperson being retired Judge of the Supreme Court or High Court and 12 other Members from various spheres of expertise. The BCCC has been made operational from 1.7.2011.

2.29 The self-regulation mechanism for content regulation by the IBF in case of non-news channels is an important milestone. If self-regulation gathers momentum and becomes credible, it would be a positive development in the growth and regulation of content on TV channels. The view of the Ministry is that its role in content

regulation should be barest minimum and the monitoring of the content should be left to the industry to decide. The Ministry would rather like to act a facilitator to ensure an orderly growth in the sector with diversity of players. It is felt that a fair opportunity can be given to the self regulation mechanism set up by the IBF to prove its efficiency and credibility in view of the fact that two models of self regulatory mechanisms – one set up by NBA and other set up by ASCI- are available and working reasonably well.

2.30 The self-regulation mechanism put in place by the broadcasters will, however, not replace the existing regulatory function of the Government, arising out of the extant statute, namely, Cable Television Networks (Regulation) Act, 1995 and Rules framed thereunder. While the self-regulation is aimed at facilitating better content regulation at broadcasters' level, it does not mean that the Government will abdicate its overall statutory functions. If the industry's self regulation mechanism becomes successful and if all the stakeholders are satisfied, the Government's role in content regulation in due course perhaps will be limited to only issues involving national security, law and order, communal harmony and other issues of national importance. If it succeeds and live up to the expectations of pubic as well as the government, self–regulation will be a unique model amongst democracies of the world. In view of this, the strategy for the Ministry in the context of content regulation is to put in place a self mechanism which is acceptable to all stakeholders.

Tariff Issues in Addressable System

2.31 TRAI also regulated the tariff of all addressable TV systems. According to TRAI's Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010,

dated 21st July 2010, operators of the addressable platforms have been mandated to provide pay channels on an a-la-carte basis to subscribers and the broadcasters are required to publish the channel rates every three months. In case the service provider fixes any minimum monthly subscription amount, the same could not exceed INR 150. Broadcasters have been mandated to make available TV channels to distributors with addressable system (DTH, HITS, IPTV and digital addressable cable TV) on an a-la-carte and optionally on bouquet basis at a maximum of 35% of the corresponding rates for non-addressable systems (Cable operators with analogue systems). However, the Telecom Disputes Settlement Appellate Tribunal (TDSAT) in its order dated 16.12.2010 had set aside proviso to Clause 4 of the said Tariff Order which is mandating broadcasters to offer all their pay channels with an a-la-carte/bouquet rate not more than 35% of the corresponding a-la-carte/bouquet rate under non addressable systems and ordered TRAI to start the process of Tariff fixation upon taking the relevant factors into consideration afresh. TRAI had filed an appeal in SC aganist this order which came up for hearing on 18.04.2011. SC has granted interim stay of TDSAT order. However, SC had fixed a rate of 42% instead of 35% fixed by TRAI in its order .

Regulatory Issues in Digital Addressable Systems (DAS)

2.32 Industry is of the view that the existing regulations of TRAI for the cable sector are not conducive for the successful implementation of digital addressable system in the cable segment. They are of the view that application TRAI's latest Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 dated 21st July 2010, digital cable sector will not be practicable as certain provisions in

the said order is not in sync with what is envisaged for the digital Cable TV addressable system. Besides connected tariff issues , the cable industry feels that TRAI may also have a re-look at the other regulatory aspects concerning Cable TV such as revenue sharing between Broadcasters , MSOs and LCOs; reference interconnection agreement, the method and process by which Quality of Service to be administered by MSOs and LCOs etc.

2.33 The Ministry has also examined provisions contained in the DAS tariff order vis-à-vis the amendments proposed under section 4A of the Cable Television Networks (Regulation) Act, 1995 for traducing digital addressable system. It is observed that a few clauses in the tariff order which will also be applicable to digital addressable Cable TV system is not in line with what is proposed in the amendments to the Act. The reason being as in CAS notified areas, it is proposed to retain basic service tier (BST) provision in the DAS areas as well. The Government /TRAI will be empowered to specify the number of FTA channels to be included in the package of channels forming basic service tier and the maximum amount which a cable operator can demand from the subscriber for receiving BST. The present DAS tariff order, per se, does not have provision for basic service tier and so is its price fixation. This contradicts with the proposed amendments in the Cable Act under section 4A wherein the provision for BST and its pricing has been provided for. The Ministry is in consultation with TRAI on these issues.

Interoperability of DTH Set-Top-Boxes

2.34 Interoperability of the STBs has been a long pending issue in the DTH sector. Technical interoperability essentially protects the interest of the subscribers by enabling them to shift from one DTH operator to another without having to buy a new

STB. The requirement of technical interoperability of STBs of DTH is incorporated in Article 7.1 of Schedule to the DTH License Agreement. At present, none of the STBs provided by DTH operators are interoperable, though mandated in the licensing conditions. This is primarily due the fact that DTH operators are using different technologies and, over the years different standards have evolved (MPEG-2, 4 / DVB-S, DVB-S2) for signal compression and transmission. The Ministry had, in 2007, requested TRAI to examine the issue interoperability of STB and submit its recommendations to the Ministry. TRAI forwarded its recommendations on interoperability and other issues relating to DTH recommendations to the Ministry on 30th January, 2008. The TRAI, in this regard, recommended retention of existing interoperability conditions and updating the standards for STBs. The recommendations were discussed with various stakeholders in the Ministry and it was felt that for a number of reasons the recommendations need to be further examined by TRAI. Accordingly, Ministry has referred the matter to TRAI for re-examination on 11th May, 2010. TRAI has since floated a consultation paper on 20th August, 2010. Meanwhile, the issue of interoperability of DTH STBs was one of the petitions before TDSAT. The petitions have been filed on behalf of different consumer groups. The TDSAT, in its order in the matter of technical interoperability (Tamil Nadu Progressive Consumer Center Vs MIB &Ors) dated 3rd June 2011, opined that TRAI should consider the desirability to complete the consultation process on technical interoperability within three months and make its recommendations within six weeks thereafter. The Government of India should take a decision in this behalf within two months after the receipt of recommendations from TRAI. The Ministry is awaiting the recommendations of TRAI before firming up a view on whether the requirement of technical compatibility and effective interoperability

among different DTH service providers needs to be continued with as it is, or in a modified form or should be dispensed with entirely.

License fee computation in DTH Sector

2.35 Presently, the license fee collected by the Ministry of Information and Broadcasting from DTH operators is based on the Gross Revenue, as defined in the Article 3 of the Schedule to the DTH License Agreement. As per this definition, taxes revenue earned from the sale of Set Top Box, installation, commissions , content cost , subscription and service is required to be included for the purpose of calculation of annual license fee. The TDSAT has, however, in its orders dated 26.8.2008 and 28.5.2010, applied the principle of Adjusted Gross Revenue (AGR) for determination of annual license fee, removing majority of components such as installation charges, taxes, commissions, content cost, sale of STBs etc. The Government has filed an appeal in the Supreme Court against these TDSAT orders. As of now, the DTH operators are paying license fee as per adjusted gross revenue which is less than according to gross revenue computation.

Rationalization of Taxes in broadcasting sector

2.36 A long standing demand of the broadcasting sector has been for DTH, Cable Services, IPTV services, HITS services and for similar content distribution services, the Service Tax, Entertainment Tax and VAT be subsumed under the proposed Goods and Services Tax regime (GST) and only a single/unified GST rate be notified for these services. Both DTH services and cable services are at present reeling under the heavy burden of multiple taxation and levies such as license fee, service tax, entertainment tax, VAT on customer premises equipment (STB, Dish Antenna etc.)

, which are acting as an impediment to the growth and development of these services. Such high multiple taxation and other levies *vis-a- vis* other sectors has resulted in these services becoming costlier and unaffordable for the masses. Accordingly, to ensure proper growth and development of this sector, the multiple levies/ taxation structure needs to be rationalized. Increased penetration of STB's in Digital Services would bring in transparency in the cable sector leading to better tax compliance and increased revenue from GST as the leakage of revenue which is prevalent in analogue regime would disappear with digitalization. This would offset the likely decrease in the collection by the States on account of Entertainment tax and VAT and in fact the States would gain more from the new GST regime. Ever since the announcement of GST, broadcasting industry, including DTH, have been taking up this matter with Ministry of Finance

Music royalty in FM Radio

2.37 Music royalty issue is a major bone of contention between radio and music players and the royalty rates have been one of the problems affecting the viability of the private FM industry. The Copyright Board, which was given powers by the Supreme Court of India to decide in the matter of radio companies versus music rights owners on the issue of royalty payment, has decided to reduce the royalty payment to two per cent of their net advertising revenues . This has provided a major relief to the private radio industry and has created conducive atmosphere for further expansion of the industry. This matter is still not settled as music companies have challenged this order in court and the industry will need to wait for a final decision; however no stay has yet been granted.

Promotion of Indigenous Manufacturing Capacity

2.38 A concern has been raised by various quarters that there is lack of indigenous manufacturing capacities for broadcasting equipments in India. With digitalization being one of the priority agenda for all the stakeholders, there is a need to enhance domestic manufacturing capabilities for production of STBs and other digital equipments. Appropriate policies need to be put in place to ensure that indigenous manufacturing capacity is enhanced to support to the growing demand for digital equipments.

Recommendations

2.39 The following recommendations are made by the Working Group in respect of Broadcasting Sector:

(i) As digitization continues to be a key growth driver for the Indian broadcasting sector, the digitalization of AIR, Doordarshan, Cable sector should be completed as per the sunset dates fixed by the Ministry;

(ii) To ensure that the digitalization with addressability is implemented in the broadcasting sector as per the time table defined by the Ministry, the fiscal incentives such as income tax holiday , zero custom duty on all digital headend and networking equipments should be implemented on priority. All service providers (cable TV, DTH, HITS, IPTV) who set up a digital addressable distribution network before the sunset date(s), be treated as infrastructure service

providers similar to telecom services and be eligible for benefits under section 80-IA and section 72A of the Income Tax Act;

(iii) All the benefits and incentives, as are available for infrastructure industry, should be extended to the Broadcasting, Cable, and DTH sector including the availability of finance at concessional rate of interest to give boost to digitalization process in the country;

(iv) Prasar Bharati should undertake a comprehensive programme audit of Doordarshan and AIR and devise new programme manuals for DD and AIR;

(v) DD and AIR should earmark some frequencies /channels for niche programmes;

(vi) Prasar Bharati should take urgent steps to improve the content being telecast by DD/AIR. public private partnership model should be explored for improving programming and services;

(vii) AIR and Doordarshan should identify areas for maximization of revenue and up-gradation of network and services. Prasar Bharati should explore the feasibly of generating revenue using the archives of DD and AIR;

(viii) Prasar Bharati should set up an interactive broadcast museum of historic and contemporary radio and television equipments and content;

(ix) Prasar Bharati should optimally utilize new media technologies for delivering its programmes and channels;

(x) Broadcast coverage in boarder areas and North Eastern areas should be enhanced. A permanent strategy for planning, development and management of broadcasting infrastructure and services in the border areas of the country is required to be devised. A separate strategic broadcasting services Division should be established for planning, development and management of broadcasting infrastructure and services in the border and insurgency infested areas of the country;

(xi) The Government should pay special attention to improve FM coverage in the 12th plan. At least one dedicated nationwide news and current affairs FM channel should be implemented under 12th plan. The feasibility of having dedicated FM channels for classical music and other cultural programmes needs to be explored;

(xii) The Government should strengthen the capacity of EMMC for monitoring broadcast content. The EMMC should also monitor Private FM Channels and Community Radio services;

(xiii) The Government should set up a corpus fund for promoting community radio movement in the country;

(xiv) The Government should accord priority for sensitizing consumers on the benefits of digitalization. A comprehensive manpower development and training program should be designed to support and facilitate digitalization programme;

(xiv) The Government should explore the feasibility of making India teleport hub;

(xv) Various processes/activities in different sections of the Ministry should be fully computerized and automated to cut down the time required for processing so as to facilitate the speedy clearance and grant of various permissions and approvals etc.;

(xvi) The Government should address various regulatory issues so as to ensure the growth and development of the broadcasting and content distribution sector;

(xvii) The Government should bring out policy on Mobile TV enabling private players to provide services both at the terrestrial and satellite route;

(xviii) The Government should identify the factor as to why private operators are not interested in operating HITS and amend the policy, if necessary. In the meantime, Doordarshan should explore the feasibility of operating a common HITS platform which should be combined with the teleport facility;

(xix) The Government should set up a Media Council of India on the lines of the All India Council of Technical Education (AICTE) for electronic media to govern media education and research in the country; and

(xx) The Government should set up a Center for the promotion of excellence in the electronic media.

(B) Film Sector

Policy Issues

2.40 Currently, a film producer runs pillar to post seeking clearances for film shooting in India. A policy decision will need to be taken by the Government of India jointly with state government to introduce a system of single window clearances for film shooting, both for Indian and foreign productions. This issue should be placed for consideration in the forthcoming State Information Ministers Conference (SIMCON) to be held by the Ministry of Information & Broadcasting in December 2011.

2.41 The film industry has been representing to the Ministry of Finance, directly and through the Ministry of Information & Broadcasting, for the adoption of GST and subsuming of all service tax and entertainment tax under GST. The Ministry has also taken up the matter with Finance Ministry. It is expected that entertainment tax is going to be subsumed under GST.

2.42 To enable expansion of the exhibition sector, the issue of simplification of regulatory clearances for setting up exhibition outlets will need to be addressed and should be taken up with the State Governments in the forthcoming SIMCON. State Governments will need to be asked to explore possibility for granting exemption from entertainment tax to low cost theatres with tickets priced at below Rs. 50 to Indian and world award winning cinema.

2.43 In order to meet current requirements of film certification and to enable greater transparency in the processes of film certification, the Ministry is taking up revision of the Cinematograph Act, 1952. The revised act is presently under examination in the Ministry of Law and is expected to be placed before the Union Cabinet for approval in the current financial year itself. The Working Group appreciates the steps taken by the Government.

2.44 Diplomas offered by the Film & Television Institute of India and by the Satyajit Ray Film & Television Institute of India are not recognized by other educational institutions, impeding pursuance of further film studies by students of these institutes. There is a need to notify these institutions as national schools of excellence enabled by an Act of Parliament.

2.45 It is the intension of the Government to review and reinvent the functioning of Film Division in the forthcoming years and it is proposed to set up a Committee of Experts to examine the functioning of the organization and suggest steps to reorient the institution to make it relevant to contemporary requirement of the documentary film sector.

Tax Issue

2.46 Specific rules have been provided under the Income Tax Rules, 1962 (Rule 9A & 9B) in relation to deduction of expenditure incurred on production of films/ acquisition of distribution rights therein. These expenses are allowed as a deduction based on when the copyright/ distribution rights to the films are exploited and on

the date of release of the film. Based on the facts of the case, the expenditure is allowed as deduction either in first year or over a period of two years. There are certain controversial interpretations surrounding applicability of Rule 9A/9B which need to be addressed by the Ministry of Finance, as highlighted below:

- Whether Rule 9A/9B is directory or mandatory.
- Whether Rule 9A/9B overrides all other provisions of the Income-tax Act, 1961 e.g. capital v. revenue expenditure, disallowance of expenditure on which tax has not been deducted, etc.
- Deductibility of expenses not covered by Rule 9A/9B.

2.47 High rates of entertainment tax and lack of uniformity in tax structure, across States, have impeded the growth prospects of film industry. The Government has been repeatedly taking up this matter with State Governments, and while entertainment tax has been modified to some extent in the past, the country still continues to have one of the highest entertainment tax rates in the world. It is expected that once entertainment tax is subsumed under GST, the problem will be addressed.

2.48 In some states, exemption from entertainment tax is being given to multiplexes to facilitate the growth of the multiplex exhibition space. However, this benefit does not get percolated to the audiences with multiplexes continuing to demand high tickets rates, resulting in a fragmentation of the theatre audiences. Given

the urgent need to build theatre infrastructure that caters to lower income group audiences as also to acclaimed and award-winning cinema, the issue of exemption from entertainment tax for small digital theatres needs to be taken up with state governments by the Govt.

2.49 Recognizing the benefits of film tourism, whereby locations are shown in films which attracts tourists with consequential effect on economic development, governments across the world are offering subsidies to film producers for shooting films in their countries. India is one of the few countries with an active film making culture that is not availing of the immense economic potential of film tourism and there is a need to incorporate a mechanism for subsidies or incentives to attract more foreign productions into India. The Ministry of Tourism needs to be consulted by the Ministry of I&B.

Other Issues

2.50 Film Production, Distribution and Exhibition have undergone tremendous changes with the advent of digital technology. On the positive side, for example, digital cameras have emerged as an alternative to filming on celluloid, theatrical exhibition is no longer driven by analog projection. New and ancillary streams of revenue have emerged for content distribution, and cheaper technology has enhanced accessibility of content to a larger percentage of potential viewers. On the other hand, issues that will need to be addressed as digital technology and broadband infrastructure include:

i. Establishment of uniform standards of technology for theatres;

ii. An effective preservation and archiving of films in digital formats vis-à-vis traditional forms of storage; and

iii. Internet and web-based piracy of films.

The Government should take necessary steps to address these issues.

Royalty / Copyright Issues

2.51 Music plays an integral and critical role in Indian films, and a substantial part of the Indian music industry relates to film music. The Copyright (Amendment) Bill, 2010 proposes to align the country's copyright laws with WIPO compliant international standards whereby lyricists and composers will retain rights to royalties from their music compositions. This would change the dynamics of revenue arrangements between producers and composers/ lyricists and has resulted in a standoff between them, with producers opposing the proposed amendment on the grounds that it will dilute the concept of "work for hire" wherein work is commissioned by the producer and people contracted to deliver the same. The Standing Committee has cleared the proposed amendment. The matter needs to be taken to logical conclusion.

Countering Piracy

2.52 Piracy continues to be a key challenge for the Indian film sector and has been a prime reason for decline of the Home Video market in India. It is estimated by the FICCI-KPMG report for

2011 that the piracy market accounts for 600-700 million unit sales of DVDs each year with more than 10000 vendors operating in the illegitimate DVD market. With increased competition within this sector as well, prices of pirated DVDs are also declining when compared to prices in previous years.

2.53 At the same time, a new emerging threat to legitimate exhibition of films is illegal downloads of films available on websites. The magnitude of this problem and the potential for it to acquire dimensions of mammoth proportions, given the expansion and availability of broadband infrastructure across the length and breadth of the country as envisaged by the Government, is evident from the chart below. Thus, while emerging digital technology will on the one hand play a significant role in accessibility of content across various new media platforms, the film sector also faces the massive challenge of grappling with pirated software on web-based platforms in the current Indian environment where mechanisms for regulation of content on the Internet are non-existent.

Recommendations

2.54 The following recommendation are made by the Working Group in respect of Film Sector:

(i) The Government should take appropriate policy initiatives to create an enabling environment conducive to the growth of film sector;

(ii) The Government should review the existing regulatory mechanisms and bring out recommendations that would facilitate the growth of film sector;

(iii) The Government should put in place appropriate mechanism for capacity building, employment generation, increased revenue generation, and preservation and sustenance of the film heritage of India;

(iv) The Government should simplify the procedure for clearance for setting up of film theatres;

(v) The Government should ensure that a single window clearance system exists for film shooting in India, for both domestic and international film production houses;

(vi) Keeping in view the fact that India produces more than 1000 plus films annually in India, the Government should promote India as a film destination in film market and film festivals;

(vii) The film sector would greatly benefit if the entertainment fax and service tax are subsumed in Goods & Services Tax (GST);

(viii) The Government should take appropriate steps to make SRFTI & FTII as centres of excellence in film & TV education; and

(ix) Keeping in view the fact that Film Division has practically lost its significance now, the Government should set up an expert committee to suggest as to how it can be relevant to the present day need.

(C) Information Sector

Regulatory Issues

2.55 RNI allocates titles to the newspapers across the country in terms of Section 6 of the Press and Registration of Books Act 1867. It provides that a title allotted to newspaper in a particular language in a State would not be allotted to anyone else in that State in any language, and in that particular language to anyone else across the country. Even titles similar to the titles already given are not given to anyone other than the owner of the title. Thus, RNI is record keeper of all newspapers published in the country.

2.56 Besides statutory functions, RNI performs the non-statutory function of issuing eligibility certificates to newspapers for import of standard and glazed newsprint. At present there is no import duty on the newsprint, but these two categories of newsprint can be imported on actual user basis. There is another category of newsprint called light weight coated (LWC) paper which is used by the magazines for printing and on this also there is no import duty at present on import of such paper. However, no eligibility certificate is issued by RNI for LWC as Ministry of Commerce has not categorized it as newsprint like standard and glazed.

2.57 Foreign Direct Investment (FDI) is allowed up to a ceiling of 26% of paid up equity capital, in Indian entities, publishing newspapers and periodicals dealing with news and current affairs subject to certain conditions Foreign investment upto 100% is allowed in Indian entities publishing scientific/technical and specialty periodicals. 100% investment is also allowed in case of foreign publishing houses bringing out

facsimile editions of their newspapers through wholly owned subsidiaries set up in India. Liberalization of the Print media policy has not only attracted FDI but has also led to phenomenal increase in the availability of foreign scientific and technical magazines in our country. Availability of Indian editions of foreign scientific, technical and specialty periodicals at an affordable cost has benefited the students, professionals and the scientific/technical community greatly. After liberalization of the policy, permission has been given to 19 proposals for FDI in Indian entities in the news and current affairs sector. The Ministry has allowed publication of facsimile edition of 2 foreign newspapers whereas 3 proposals for publication of Indian edition of foreign magazine dealing with news and current affairs sector have been approved. Further, permission has been given for publication of 259 Indian editions of foreign specialty, technical and scientific magazines and journals.

Policy Issues

2.58 Directorate of Advertisement and Visual Publicity (DAVP), a nodal multi-media advertising agency of the Government, carries information on policies, programmes and achievements of various Ministries and Departments to masses through various media. During the eleventh five year plan, it focused on the technological upgradation of its communication equipments and modernization of its programme designs as per the contemporary needs. The Govt also carried out amendment to the Audio Visual Policy incorporating objective criteria for empanelment of TV/Radio. As a result, large number of TV and Radio stations have been empanelled. In order to disseminate information on flagship programme of the Government, the plan period witnessed a substantial enhancement in the outlay for the scheme. Further, in DAVP, on-line billing has been

introduced, which has substantially raised the transparency level of its functioning. There is a need to take the matter forward by making DAVP's operation entirely online. That would further improve the transparency level. CDC, an autonomous body under Ministry of Science & Technology, has studied the problem of DAVP for online operation and has submitted a report. There is a need to implement the recommendations of the report for online operation of DAVP on priority basis.

2.59 DAVP, as part of Audio Visual policy implementation, has been using different media vehicles such as, print media, TV, Radio, Community Radio, digital film media. There is a pilot project under implementation regarding use of new media vehicles. The experience of the past few years has established that the expenditure on electronic media has been rapidly increasing as Ministries/ Departments have been opting this media vehicle to disseminate information of the Govt programmes/ schemes. A couple of policy questions would arise in this context; such as, which vehicle is most effective in making impact of the Government message on the people; Is DAVP mobilizing its efforts to optimize the use of that media vehicle? How does DAVP integrate its media plan involving various modes of communication to ensure that the Government realizes its value for money?

2.60 Over the years, the number of TV channels and radio stations have been added to the C&S network of the country. As a result, the market is getting fragmented day by day due to competition. As market gets fragmented, the average TVR of the channel tends to fall.

Therefore, there is a need to periodically review the pricing of the Govt. spot in various channels in order to ensure that Govt spots reach the maximum viewers and particularly at the regional channels catering to niche viewers.

2.61 While the Govt. has been spending a large sum of its publicity budget through DAVP, there is a need for periodical evaluation of the campaigns to ascertain their impact. For the XII plan, DAVP should selectively carry out third party evaluation of the campaigns so that based upon the feedback/ inputs, the media campaigns are re-designed in future.

2.62 Public Information Campaigns (PICs) is one of the important components of the Media Outreach strategy to raise awareness on flagship programmes of the Government. PIC is organized by PIB in joint collaboration with fellow media units of Ministry of Information & Broadcasting, namely, Directorate of Field Publicity (DFP), Directorate of Advertising and Visual Publicity (DAVP) and Song and Drama Division (SDD) and supported by other attached/ autonomous organizations of the Ministry like Prasar Bharati (Doordarshan & AIR), Films Division, etc. This programme has been well appreciated. However, consistent with increasing demand for PIC, there is a need to expand it gradually during plan to cover all districts of the country during the plan period.

2.63 Song and Drama Division (S&DD) through the traditional media of folk music, dance, theatre and puppetry targets

people to educate them regarding Govt message. Its impact is deep routed. The Eleventh Five Year Plan by and large focused on the border areas, hilly & tribal areas to communicate to the people through traditional media. Song and Drama Division has mounted a new Sound & Light Programme titled "Jamuniya" based on a multi media theatrical format involving more than 100 artists and technical crew. This has been well received by the people. The Government should support expansion of 'Jamunia' in all regional languages of the country.

2.64 Directorate of Field Publicity (DFP) was playing a positive role earlier in the country. Based on interpersonal communication, it conducts programmes, public opinion gatherings, oral communication programmes, photo exhibitions which are effective way of mass communication. However, due to several reasons, this organization could not perform as expected and currently, it is positioned in a very poor state. However, the importance of inter-personal communication in the contemporary society remains useful with potential wider social impact. Considering this, the Working Groups feels that even today some efforts could be made to rejuvenate it. The Government should take appropriate steps to make DFP effective. A proper plan programme should be designated for it to discharge its mandate.

2.65 Information dissemination, with different modes of communication, has been the main mandate of the media units under Information Sector. Be it PIB, DAVP or DFP or S&DD, each media unit is engaged in information dissemination. In this context, a set of policy related questions would arise. Is there any integrated approach

being adopted by the Ministry for information dissemination? Has the Ministry adopted any basis to allocate resources among the competing units for fund alloction that maximizes impact. The Working Group would recommend that the media plans/ campaigns undertaken by the Government should have integrated approach to ensure maximum impact of the Government information campaign on the people.

2.66 The regional press and regional electronic media has a key role to play in disseminating information to the people about the Government It is, therefore, essential that the Government should focus the far of the regions of the country - remote, difficult, inaccessible, in its media design for information dissemination. Such an approach, if properly adopted and implemented, would certainly act as a game changer in information campaign.

2.67 Inter Media Publicity Coordination Committee (IMPCC), at the State capital level duly constituted by the Ministry needs to be strengthened and rejuvenated through appropriate policy direction to regularly meet, assess and refocus its media campaign with a view to making good impact at the regional level. PIB should make use of the forum regularly for focused regional media campaign on Govt programmes and policies.

2.68 With respect to Indian Institute of Mass Communication (IIMC), efforts were being made to strengthen its infrastructure at its main campus at New Delhi and also at branch at Dhenkanal in Orissa. Its expansion through establishment of four Regional Centres of IIMC in the States of Jammu & Kashmir, Kerala,

Maharashtra and Mizoram has since been approved. In addition to this, there is a proposal to upgrade the present One-year PG Diploma courses of IIMC to Two-year Advanced PG Diploma courses or equivalent to MA Degree. The Government should take appropriate steps making IIMC as a reputed institute to address the need for higher level research in media education.

2.69 As per 2011 census India's total population stands at 1.21 billion and almost 70% live in rural areas. The literacy rate, which was around 17% at the dawn of independence, has gone upto 74.04 per cent (2011 census). With the passage of time, more literate and educated people with reasonable economic growth are expected. This change is bound to impact the reading habit of the people. Literacy and consequential growth of potential readers backed by economic growth is likely to help the small press. The small and medium newspapers are likely to become catalyst of socio-economic change and may extend constructive co-operation in the development of the country. However, small and medium press faces strong competition from the big newspaper. The local newspapers, however, have an edge in coverage of local news. It a fact that the small and medium press faces severe handicap in the form of technological advancements and non-availability of the best of personnel due to financial constraints. Their growth is inhibited due to limited availability of advertizing revenue. The Working Group feels that these disadvantages can be overcome to some extent by correct planning for growth, allocating more resource by offering favorable DAVP rates. Though, the DAVP adopts a preferential treatment to small and medium newspapers and in earmarking 35 per cent of its print advertising budget, it will be in the interest of inclusive growth that the current provision of

35% print budget is enhanced to 50%, as large number of small and medium newspapers have come up over the years. This would push up the growth momentum small and medium newspapers.

2.70 The industry associations have presented their view that the print industry, despite the surface data of circulation/readership going up in India, and many more titles being published, is on its death path due to steep competition from electronic and new media. The industry views that the print industry may soon face the problem of declining number of titles, rendering thousands of journalists and other staff, jobless as it has faced in the developed countries, due to onslaught of electronic media. The print industry pays 10-27% duties on capital goods and components including the high-speed newspaper printing presses. Even accessories and consumables like printing ink attract a whopping 25% duty. All these push up the cost of the newspaper. The print industry voices that the import duty structure on newspaper presses and Mailroom need to revised down to support the newspaper industry. Moreover, though zero duty is levied on newsprint, to support and encourage the re-cycle and for using more and more Indian newsprint by the newspaper industry, reasonable incentives to both the industries are needed. Keeping in view the scenario, all duty structures on capital goods and components of print media industry, including the high-speed printing presses, should be rationalized.

2.71 Besides the higher advertising rates, the Industry represents that there is also need to withdrawal of the DAVP agency commission of 15 per cent. The Working Group feels that

the DAVP policy may be re-looked at in this context by the Ministry.

2.72 The Wage Board for working journalist and non-journalist newspaper employees of newspaper establishment and news agencies have recommended steep increase in wages for newspaper employees and similar hike in interim relief. There are some views that the award is going to adversely affect the growth prospects of the industry. The Working Group believes that the Govt will take a judicious decision in this regard and it would certainly ensure that the growth of the industry is not affected.

2.73 Print advertising is one of the preferred choice by the advertisers. Advertisements continue to be the major source of revenues for both newspapers and magazines contributing roughly 65 per cent of total revenues for the print industry in 2010(KPMG analysis). However, at the same time it is also facing headwinds due to growth in TV and internet penetration throughout the country. Print's share of advertising has been severely hit by the phenomenal growth of TV. The other challenge is the Internet, which has started taking away major chunks of advertising. This is especially the case with Classifieds Advertising (jobs, property, matrimonial, etc) which was the mainstay of Print newspapers.

2.74 Today the availability of quality power in metros and cities have been somewhat established, but in the nearby industrial areas, the power availability throughout the day is still an issue. Abrupt voltage fluctuation beyond the standard limits (+/-10%) causes failure of sophisticated modern equipments used by newspaper industry. Peak time during 12 midnight to 4.00 am is

critical and irrecoverable for newspaper industry. The print industry feels that there should be special incentive for Newspaper industry for using power in the non-peak hours(12 midnight to 5.00 am) unlike other industries.

2.75 The professionalism of IIS cadre needs to be developed in order to make the officers to manage the complexity of the media and entertainment sector in the changing global scenario. Currently, the Govt focuses on short and capsule training programmes on various aspects of industry for IIS officers to improve their professionalism. There is a need to evaluate as to whether the short courses help improve professionalism. The Working Group suggests that the Government should create a pool of trained officers on various aspects of media and entertainment sector to impart training to the new entrants and middle level officers.

Recommendations

2.76 The following recommendations are made by the Working Group in respect of Information Sector:

(i) The Government should examine the feasibility of aligning the print DAVP advertisement rate to the market rate and withdraw the agency commission of 15% currently in vogue;

(ii) There is a need for rationalization of all duty structure on capital goods and components of print media industry;

(iii) The small and medium newspapers are the catalyst for innovation in the print industry in carrying local news to the local people and in one way satisfies the concept of inclusive growth. Over the time, the number of small and medium newspapers has increased leaps and bounds. The preferential treatment of earmarking 35% of the print advertisement budget of DAVP to the small and medium newspapers has served a very useful purpose. It would be in the interest of achieving inclusive growth if the Government enhances the current percentage of 35% to 50% as the number of such newspapers have increased over the years;

(iv) In a country like India, the role played by traditional media, like Song & Drama, has a positive impact on the society. It is in this context that there is a need to increase the outlay for traditional media spend by the Government during XII plan. Also, the Government should examine the feasibility of encouraging traditional media through PPP mode for intensive campaign at village fairs, festivals and social gatherings; and

(v) The Government should examine the feasibility of strengthening DFP to encourage inter-personal communication in the rural areas.

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Chapter-III

Outlay Recommended for XII Plan

3.1 The outlay for the XI five year Plan of the Ministry of Information & Broadcasting was of the order of Rs. 5439 crore. Keeping in view the cost escalation and the need to realize the projected growth potential of the sector, the Sub Groups had recommended investment of the order of Rs 20,400 crore to be funded from budgetary resources, without IEBR, as per the sectoral distribution given below:

(Rs. Crore)

Broadcasting	16,415
Film	1,704
Information	2,281
Total	20,400

3.2 The Working Group has further scrutinized the schemes and the outlay proposed by the Sub Groups. The Group considers that the total number of schemes proposed by the Sub Groups at 121, with outlay of Rs. 20,400 crore is too unwieldy to have command and control over implementation. Ideally, the number of schemes should be reasonably small for a Ministry so that per capita cost of handling the schemes becomes low. Besides, the implementation and monitoring the progress of the schemes becomes easy.

3.3 Apart from that, a realistic projection of resource requirement is essential for good planning process. Keeping this in view, the Working Group has carried out 'Zero Base Budgeting' exercise after scrutinizing minute details of each scheme - its scope, utility and core minimum requirement of outlay for XII plan in view the policy decisions taken by the Government, statutory requirement, etc.. As part of the process of rationalization, the schemes, having similar objectives, have been merged together to form an umbrella scheme. In this process, the number of new schemes has been reduced to 9.

3.4 The on-going schemes, where the approval was accorded by the Competent Authority during XI plan, and the schemes are yet to be completed, have been retained as it is, purely to maintain accounting consistency. Thus, a total number of 20 schemes for Prasar Bharati and 7 schemes for Information (3), and Film (4) have been retained.

3.5 The details of the schemes and the recommended outlay have been reflected in a separate volume (Vol.II - Schemes/ Programmes for XII plan 2012-17). Here the summary is given below:

(Rs. Crore)

Information & Film Sector		
Scheme		**Outlay Recommended**
Scheme I	Media Infrastructure Development Programme	403
Scheme II	Development Communication & Dissemination	1287
Scheme III	Human Resource Development	69
Scheme IV	Mission/ Special Projects	510
	Total:	**2269**
Scheme V	Ongoing scheme Information Film **Total**	 51 180 **231**
	Total I- V	**2500**
Broadcasting Sector		
Prasar Bharati		
Scheme I	Broadcasting Infrastructure Network Development	9546
Scheme II	Content Development & Dissemination (To be fully funded by IEBR of Prasar Bharati). However, PSB component for NE, J&K, Urdu & International Channel which will be met from budgetary resources) is not included here.	5000

Scheme III	Human Resource Development	175
Scheme IV	Special Project	120
Total (I-IV – New Schemes of Prasar Bharati)		**14,841**
Scheme V	On-going schemes AIR Doordarshan **Total Ongoing schemes**	 1240 1215 **2455**
Total of Prasar Bharati		**17296**
Scheme VI	Main Secretariat (Broadcasting)	572
Broadcasting SectorTotal (I-VI)		**17,868**
Aggregate Plan Size (21468+2500)		**20368**
Funding pattern (i) Budgetary Resource (ii) IEBR		 **15,368** **5,000**

3.6 The total plan size for XII plan recommended for the Ministry is Rs. 20368 crore, which is proposed to be funded by budgetary support of Rs. 15,368 crore and by IEBR of Rs. 5000 crore. Keeping in view the fact that Broadcasting sector requires high capital investment, to meet the digital dateline of 2017, about 88% of the total projected outlay has been allocated to it. Unlike XI plan, plan funding from IEBR amounting to Rs. 5000 crore (net) by Prasar Bharati has been taken into account. Thus, funding from budgetary resources for Broadcasting

sector plan would work out to 84% followed by Information & Film at 8% each. This is, by & large, the same pattern as adopted during XI plan.

Some Game Changers

3.7 The Working Group, while recommending such an order of outlay for I&B sector through budgetary sources, expects that given allocation of budgetary support to I&B sector, and the Ministry ensuring removal of systemic bottleneck standing before speedy implementation of projects/ programmes, the present scenario in Information & Broadcasting sector in the country will have major face-lift by the end of XII plan, which can be compared with that of developed world in this sector. Some of the game changers in bringing out change will be as follows:

Going digital in TV & Radio

3.8 The Government is committed to adhere to the date-line already notified for Cable TV digitalization. DTH is already digital. New technology, like HITS, is likely to be an alternate platform to the cable sector. Prasar Bharati has designed plan of action to expand its DTH network, which will provide free to air channels with comparative advantage over the paid channels enhancing consumer welfare. Terrestrial transmission will be fully digital during XII plan adding to the digital network capacity in the country. All these will bring sea change to the TV viewing experience in the country.

3.9 In the radio sector, particularly, MW, SW and FM, the All India Radio, which has the largest network capacity, is going to be digital during XII plan. Prasar Bharati has designed plan of action to go digital through adoption of DRM+ technology to replace existing analogue FM transmission and DRM technology to replace analogue MW and SW transmission. This is going to place AIR in higher pedestal, in terms of technology adoption, as compared to private sector FM network. The technology imbalance in radio transmission will force revenue to flow to AIR and this will work as a kind of compelling factor for the private FM sector to quickly upgrade their technology in order to survive in the competition. By end of XII plan, radio listening through digital mode will be the preferred consumer choice.

Community Radio Expansion and Community Empowerment

3.10 Currently the total number of functional community radio stations is little over 100. Some estimate places that in India, the total number of CRS could go upto 4000. XI plan started with a modest outlay of Rs. 5 crore or so for popularizing CRS through seminars and workshop. That has worked well and the number of applications for CRS has been rising. Two main factors are inhibiting the growth (i) NGOs do not have adequate funds to initially set up a station, though many are genuinely interested to do so. There is a need for some support for initial establishment. This has been addressed through XII plan programmes. And, (ii) there still exists a policy constraint which places CRS at

comparatively disadvantaged position to mobilize revenue from local areas for its sustenance. Currently CRS is entitled to go for 5 minutes per hour commercial airtime as compared to 10 minutes for FM station. Allowing CRS 10 minutes commercial airtime will enable this sector to sustain their day to day community broadcasting in most effective way. The policy needs to be amended to enable this sector to grow. It is understood that the Empanelment Advisory Committee has also recommended this. Given this support, this sector is going to be the most vibrant medium in the local area spurring content innovation and carrying message from the Government to the local people.

Content Revolution by Prasar Bharati

3.11 Diversity is key to promote innovation. Cultural diversities of India are incubators of content innovation. AIR and Doordarshan once upon a time, had reached its pinnacle of golden era providing new TV and radio content to the people. However, due to some systemic problem and more so, due to lack of adequate investment in content creation, Prasar Bharati, over the years, has lost its position. However, during XII plan, an estimated investment of about Rs. 5000 from IEBR of Prasar Bharati has been earmarked for content creation etc. by AIR and Doordarshan. It is expected that Prasar Bharati will regain its lost position through this investment, providing immense opportunities to the people through public service broadcasting.

Integrated Approach to Media Campaign

3.12 The Ministry of I&B is charged with the responsibility to keep people informed about the plan programmes of the Govt. This is a very stupendous task before the Government. Earlier, the Ministry was organized with various media units who were engaged in information dissemination. Over the years, private sector particularly the electronic media has been competing to carry information to the people with faster speed as compared to the Government network. While the issue, in this context, is not as to how quickly Government machinery should carry information to the people, the more important issue is as to how unbiased information is taken to the people so that the people build an objective image of the Government and access to its services for maximizing their welfare. Negative image about the Government not only reduces the welfare of the people, but also weakens the democratic institutions. Keeping this in view, XII plan has been designed for information dissemination with a more integrated way so as to strengthen the democratic spirit of people through sustained information campaigns. DAVP is projected to take a lead role utilizing print, electronic and new media vehicles to achieve this objective during XII plan.

3.13 A couple of policy initiatives would act as game changer in print and audio visual advertizing sector on Government's information campaign. The implementation of the reports of the Empanelment Advisory Committee with respect to TV, Radio, Community Radio and new media would set the benchmark practice in advertising sector in

carrying out Government advertising with better impact on the people and, at the same time, the Government will realize its return on investment on social messaging.

Film Heritage Mission

3.14 In the film sector, the proposed Mission on Film Heritage with a proposed outlay of Rs. 500 crore will not only consolidate and add value to the cultural assets but also will act as a game changer in converting thousands of films to digital format enabling them for cyber distribution across countries. One way, if properly implemented, this Mission will help propagate India's cultural values to different countries across globe.

3.15 A statement showing the scheme-wise recommended outlay is at Annexure-V.

xxx

Annexure - I

F.No-M-13040/28/2011-CIT&I-WG (I&B)
Planning Commission
(CIT & I Division)

Yojana Bhawan, Sansad Marg
New Delhi-110001
Dated 22nd June, 2011

OFFICE MEMORANDUM

Subject: Constitution of Working Group on Information & Broadcasting Sector for Twelfth Five Year Plan (2012-17).

In the context of preparation of the Twelfth Five Year Plan (2012-17), it has been decided to constitute a Working Group on Information & Broadcasting Sector to make recommendations on the various policy matters relevant to the formulation of the Twelfth Five Year Plan for Communications, Information Technology and Information (CIT&I) Sector. The composition and ToR for the Working Group on Information & Broadcasting Sector is indicated below:-

Composition and ToR for Working Group on Information & Broadcasting Sector

1. Composition

1.	Shri Raghu Menon, Secretary (I&B)	Chairman
2.	AS & FA (I&B)	Member
3.	AS (I&B)	Member
4.	Joint Secretary (P&A), Ministry of I&B	Member
5.	Joint Secretary (Film), Ministry of I&B	Member
6.	Joint Secretary (Broadcasting), Ministry of I&B	Member
7.	CEO, Prasar Bharati	Member
8.	DG, AIR	Member
9.	DG, Doordarshan	Member
10.	Principal DG, M&C, Press Information Bureau	Member
11.	Senior Adviser (C&I), Planning Commission	Member
12.	Wireless Adviser, Govt of India	Member
13.	DG, IIMC	Member
14.	Representative of Finance Ministry	Member
15.	Economic Adviser	Member-Secretary
Non-Official Members		
16.	Shri Vineet Jain, Chairman India Times Ltd	Member
17.	Shri Shekhar Gupta, Editor-in-Chief, Indian Express	Member
18.	Shri Sanjay Gupta, Dainik Jagran	Member
19.	Shri Rajiv Mehrotra, Managing Trustee, PSBT	Member
20.	Shri Shyam Benegal	Member
21.	Shri Saeed Mirza, Chairman, FTII, Pune	Member
22.	Shri Mike Pandey, President, Indian Documentary Producers' Association	Member

23.	President, Film &Television Producers Guild of India	Member
24.	President, Film Federation of India	Member
25.	Shri Jawahar Watal, Consultant, Ministry of I&B	Member
26.	Secretary General, Indian Newspaper Society	Member
27.	President, Indian Broadcasting Foundation	Member
28.	President, FICCI Entertainment Committee	Member
29.	President, CII Entertainment Committee	Member
30.	President MSO Alliance	Member
31.	President, Cable Operators Federation of India	Member
32.	President, Association of Radio Operators of India	Member
33.	Shri Shyamal Ghosh, Chairman, IPTV Forum	Member

2. The Terms of Reference to the Working Group

i. To evolve an approach for formulation of plans and programmes for the Information and Broadcasting sector during the 12th Plan period, keeping in view the emerging trends in radio, television, films, non-electronic media and IT enabled media applications.

ii. To recommend a policy framework for streamlining and restructuring of public broadcasting services in India in order to strengthen and develop this sector of Broadcasting.

iii. To put in place the policy framework, fiscal incentives and operational strategies in a mission mode for moving from Analogue Transmission to Digital Transmission as per the time schedule drawn up.

iv. To recommend appropriate policy framework for multi-media delivery services through wireless and focus on the expansion of Community Radio/Satellite Radio Services and FM Radio Services.

v. To devise appropriate policies and strategies for optimally using India's soft power in the film and broadcasting sectors on a global scale.

vi. To recommend measures for the production and exhibition of value based and aesthetic cinema and to provide impetus to the documentary film movement and films for children in partnership with the industry, organizations and stakeholders.

vii. To suggest measures for digitalization, restoration and archiving of India's film heritage and improve the standards of film school's to international levels.

viii. To recommend appropriate strategies for developing human resources to meet the growing demands of the media and entertainment sector by upgrading the standards of film and television schools and mass communication training institutions and establishing institutions in emerging areas like animation, gaming and visual effects.

ix. To evolve appropriate strategies and measures for disseminating information across the country, particularly in rural and remote areas with special focus on the flagship programmes of Government.

x. To suggest measures for creating synergies among various non-electronic media units including restructuring and modernization of the organizations in accordance with the emerging needs and `technologies.

xi. Any other item concerning this sector that the Working Group deems necessary for inclusion in its report.

3. The Working Group on Information & Broadcasting Sector may set up Sub Groups to go into specific issues/areas in the sector and or for detailed information gathering and analysis. The Chairman of the Working Group may co-opt any person whose knowledge or expertise is considered to be useful to the Working Group or the Sub Groups and may invite any such person to specific meetings.

4. The expenditure towards TA/DA in connection with the meetings of the Working Group on Information & Broadcasting in respect of the official members will be borne by Ministry of Information & Broadcasting. Expenditure towards TA/DA of non Official Members of the Working Group will be met by the Planning Commission as admissible to the Class I officers of the Government of India.

5. The Working Group shall be serviced by Ministry of Information & Broadcasting and Economic Advisor will be the coordinating Officer for the work relating to the Working Group and may be contacted at.

Economic Advisor,
Ministry of Information & Broadcasting
Shastri Bhavan, New Delhi – 110001
Tel: 011-23383374

6. The Working Group shall submit its report by 31st August, 2011.

(S.Bose)
Under Secretary (CIT & I)
Tel.No:- 23096513

To
The Chairman and all Members of the Working Group

Copy for information to:-

1. PS to Deputy Chairman, Planning Commission
2. PS to Minister of State (Planning, Parliamentary Affairs, Science & Technology and Earth Sciences)
3. PS to all Members, Planning Commission
4. PS to Member Secretary, Planning Commission
5. All Principal Advisors/ Sr. Advisors/ JS (Admin.)/ HODs
6. Director(PC)
7. IF Cell/ Admin-1/ Accounts-I/ General I&II Section, Planning Commission
8. Assistant Information Officer, Planning Commission - For uploading in the website of Planning Commission

(S. Bose)
Under Secretary (CIT & I)
Tel.No:- 23096513

Annexure-II

No. 4/19/2010-PC
Ministry of Information and Broadcasting
(PC Cell)

New Delhi, the 26th July, 2011

Subject: Constitution of Sub-Group for formulation of 12th Five Year Plan in respect of Broadcasting Sector.

The Working Group for 12th Five Year Plan in respect of Information and Broadcasting sector has since been issued by the Planning Commission for preparation of 12th Five Year Plan (2012-2017). In this context, it has been further decided to constitute a Sub Group on Broadcasting Sector as per the composition and terms of reference given below:

I. **Composition of Sub Group on Broadcasting (Sub-Group III)**

1.	Additional Secretary, Ministry of I&B	Chairman
2.	Senior Adviser (CIT & I), Planning Commission, New Delhi.	Member
3.	Joint Secretary (Broadcasting), M/o I&B	Member
4.	Economic Adviser, Ministry of I&B	Member
5.	Consultant, MIB (Shri Jawahar Wattal)	Member
6.	DG (AIR)	Member
7.	E-in-C, AIR	Member
8.	DG (DD)	Member
9.	E-in-C, DD	Member
10.	CMD, BECIL	Member
11.	Secretary, TRAI	Member
12.	Wireless Adviser, Ministry of Telecommunication	Member
13.	Dr. R Sreedher, Director, Commonwealth Educational Media Centre for Asia (CEMCA)	Member
14.	Prof. N. S. Gopalakrishnan, Centre for IPR Studies, Cochin University	Member
15.	Prof M. Kashim, Prof. of Media Technology, AKJ Centre for Mass Communication, Jamia Millia Islamia University	Member
16.	Sh. Amit Khanna, Chairman CII National Committee of Media & Entertainment	Member
17.	Sh. Vineet Jain, MD, The Times of	Member

	India Group	
18.	President, Cable Operators Federation of India	Member
19.	President, IBF	Member
20.	President, AROI	Member
21.	President, NBA	Member
22.	President, Community Radio Forum	Member
23.	President, DTH Association	Member
24.	President, MSO Alliance	Member
25.	President, Consumer Electronics Appliances Manufacturers Association	Member
26.	Deputy Secretary (BPL), Ministry of I&B	Member-Secretary

II. ***Terms of Reference***

(i) To identify the areas and the extent of need for Govt funding to be made available to Prasar Bharati for modernization and upgradation of its network and services;

(ii) To explore the areas in which Prasar Bharati can resort to PPP model for meeting its fund requirement for upgradation of its network and services;

(iii) To recommend policy changes, if any, for inviting pvt participation for enhancement of Prasar Bharati's revenue and upgradation of its network and services;

(iv) To examine the extent of coverage of Doordarshan and AIR signals in border areas and identify gaps and recommend measures to tackle both infrastructure and content, for better delivery and improved quality of programming in such areas;

(v) To recommend measures to provide, facilitate, and strengthen and develop various distribution platforms - DTH, cable, IPTV, HITS in the country, including the measures required to draw investment in the sector especially for digitalization of cable services in time bound manner and to enable them to provide triple play;

(vi) To recommend policy framework for multi-media delivery service through wireless;

(vii) To recommend measures for promoting, strengthening, developing the community radio services in India and examine the need for public funding for strengthening of Community Radio Stations;

(viii) To recommend appropriate measures for expansion and strengthening of Pvt FM Radio Services in India;

(ix) To take stock of the technological development in areas of Broadcasting services and recommend policy measures required to promote the growth of broadcasting services through private participation;

(x) Any other issue deemed necessary with permission of the Chairperson.

III. The Sub-Group shall submit its report to the Working Group on I&B Sector by 16th August, 2011 for consideration.

(B. Brahma)
Economic Adviser
& Member-Secretary of the Working Group

To

The Chairman and all Members of the Sub Group.

Annexure-III

No. 4/19/2010-PC
Ministry of Information and Broadcasting
(PC Cell)

New Delhi, the 26th July, 2011

Subject: Constitution of Sub-Group for formulation of 12th Five Year Plan in respect of Film Sector.

The Working Group for 12th Five Year Plan in respect of Information and Broadcasting sector has since been issued by the Planning Commission for preparation of 12th Five Year Plan (2012-2017). In this context, it has been further decided to constitute a Sub Group on Film Sector as per the composition and terms of reference given below.

I Composition of Sub Group on Films Sector (Sub-Group II)

1.	AS & FA, Ministry of I&B	Chairperson
2.	Senior Adviser (CIT & I), Planning commission	Member
3.	Joint Secretary (Films), Ministry of I&B	Member
4.	Economic Adviser	Member
5.	Consultant, MIB (Shri Jawahar Wattal)	Member
6.	DG, Film Division	Member
7.	Director, NFAI	Member
8.	Director, FTII	Member
9.	Director, SRFTI	Member
10.	Director, DFF	Member
11.	Director, IFFI	Member
12.	MD, NFDC	Member
13.	CEO, CBFC	Member
14.	CEO, CFSI	Member
15.	Co-Chairman, FICCI Entertainment Committee	Member
16.	Sh. Amit Khanna, Chairman, CII National Committee of Media & Entertainment	Member
17.	Sh. Sidharth Roy Kapur, CEO, UTV	Member

	Motion Pictures	
18.	President, Film & Television Producers Guild of India	Member
19.	President, South Indian Film Chamber of Commerce	Member
20.	President, East India Motion Pictures Association	Member
21.	President, Film Federation of India, Chennai	Member
22.	Shri Rajesh Rao, CEO, Dhruva Games, Bangalore	Member
23.	Shri Ashish Kulkarni, CEO, Big Animation	Member
24.	Shri Uday Singh, Country Head, MPAA	Member
25.	DS (Films), M/o I&B	Member
26.	Director (Films), Ministry of I&B	Member-Secretary

II. Terms of Reference

- A five year plan for enabling all round development of the Indian film sector encompassing training, production, distribution, exhibition, content creation, emerging technologies with a view to making it a global player, while maintaining the cultural and linguistic diversity inherent to the Indian film sector.
- To encourage production and exhibition of value based and aesthetic cinema for providing wholesome entertainment for people of all ages;
- To review policy on participation of Indian films in international film festivals with a view to increasing exports of Indian films and winning accolades in the competition sections of International Film Festivals.
- To devise course curriculum for film schools in consonance with the international standards and to take a view on whether the number of film schools could be increased to cater to the growing need of manpower in film industry;
- To expand scope of film education to Schools;

- To review policy and to devise scientific methodology for digitalization, restoration and archiving of India's film heritage;
- To make appropriate policy to encourage a vibrant film culture through promotion of film clubs and film festivals across the country;
- To suggest measures for strengthening and expanding the documentary film movement in the country;
- To promote development of IPR in the Animation and Gaming Industry;
- To recommend appropriate changes in the mandate of various organizations in the film sector, i.e., FD, NFDC, DFF, NFAI and CFSI so as to make them relevant to contemporary requirements;
- To celebrate the centenary of Indian Cinema in 2013 both nationally and internationally in a befitting manner;
- To launch, inter-alia, a multi-media campaign against piracy and give impetus for setting up digital theatres as a means to combat piracy;
- To upgrade infrastructure of Film Schools, FD, NFAI and CBFC;
- To suggest measures for promoting India as a preferred film shooting destination;
- To give impetus to children films/entertainment and defining the role of CFSI in achieving this objective;
- Enhancing distribution potential of Indian cinema internationally & domestically;
- Impetus to industry by facilitating introduction of new talent;
- Any other issue deemed necessary with permission of the Chairperson.

III. The Sub-Group shall submit its report to the Working Group on I&B Sector by 16th August, 2011 for consideration.

(B. Brahma)
Economic Adviser &
Member-Secretary of the Working Group

To

The Chairman and all Members of the Sub Group.

Annexure-IV

No. 4/19/2010-PC
Ministry of Information and Broadcasting
(PC Cell)

New Delhi, the 26th July, 2011

Subject: Constitution of Sub-Group for formulation of 12th Five Year Plan in respect of Information Sector

The Working Group for 12th Five Year Plan in respect of Information and Broadcasting sector has since been issued by the Planning Commission for preparation of 12th Five Year Plan (2012-2017). In this context, it has been further decided to constitute a Sub Group on Information Sector as per the composition and terms of reference given below.

I. Composition of Sub Group on Information Sector (Sub-Group I)

1.	Additional Secretary, Ministry of I&B	Chairman
2.	Senior Adviser (CIT &I), Planning Commission	Member
3.	Joint Secretary (P&A), Ministry of I&B	Member
4.	Economic Adviser, Ministry of I&B	Member
5.	Consultant, MIB (Shri Jawahar Wattal)	Member
6.	Principal DG (M&C), PIB	Member
7.	Director General, DAVP	Member
8.	DG, DFP	Member
9.	Press Registrar, RNI	Member
10.	Director General, IIMC	Member
11.	ADG, Publication Division	Member
12.	ADG, RRTD	Member
13.	OSD (IP&C), Ministry of I&B	Member
14.	Director, S&DD	Member
15.	Director, Photo Division	Member
16.	Prof. Biswajit Das, Director, Centre for Culture, Media & Governance, Jamia Millia Islamia University, New Delhi	Member
17.	Secretary General, Indian Newspaper Society	Member
18.	Chairman, Advertising Standards Council of India	Member
19.	President, Association of Indian Magazines	Member

20.	Sh. Vineet Jain, MD, The Times of India Group	Member
21.	Ms. Amita Sarkar, Senior Director, CII	Member
22.	Director (IP), Ministry of I&B	Member-Secretary

II Terms of Reference

- To recommend strategies for effective dissemination of authentic and reliable information about events and happenings on behalf of the Government to the general public;

- To suggest measures for disseminating information through appropriate campaigns on all Government programmes with special emphasis on flagship programmes, particularly for creating awareness among potential beneficiaries of such programmes and schemes;

- To recommend steps to be taken for strengthening advocacy of Government programmes using interpersonal communication methods like performing arts, direct people-to-people contact and field visits;

- To recommend measures for capacity building of professionals in the media and communication sector;

- To strengthen the production and marketing of publications brought out by Government and preservation of valuable publications and photographs through digitalization;

- To recommend measures for creation of state-of-the-art common media facilities for use by the media personnel;

- To recommend measures to strengthen and modernize the Media Units for their efficient functioning;

- To create synergies of capacity, talent and resources among various Media Units of this Ministry;

- Any other issue deemed necessary with permission of the Chairperson.

III The Sub-Group shall submit its report by 16th August, 2011 for consideration of the Working Group of I&B.

(B. Brahma)
Economic Adviser
& Member-Secretary of the Working Group

To

The Chairman and all Members of the Sub Group.

Annexure-V

Statement showing scheme-wise outlay recommended by Working Group

Information & Film Sector

Scheme I: Media Infrastructure Development Programme

Information Sector

(Rs. Crore)

Sl. No.	Name of the Scheme	Outlay recommended
1.1	Revamping & Restructuring of DAVP	25.00
1.2	Infrastructure Development Support to NE & J&K	25.00
1.3	Modernisation of PIB (PIB)	50.00
1.4	Opening up of New Regional Centers of IIMC (IIMC)	125.00
1.5	Revitalization, up-gradation and modernization of Publication Division and Employment News (Publication Division)	16.00
1.6	National Centre of Photography and Special Drive for North Eastern States (Photo Division)	8.00
1.7	Strengthening of RNI H.Qrs.(RNI)	1.00
	Total	**250.00**

Film Sector

1.8	Establishment of computerized management and modernization of certification process	7.00
1.9	Upgradation and Expansion of Infrastructure of CBFC Offices including creation of regional offices at Ahmedaba and Patna	5.00
1.10	Upgradation of Siri Fort Complex	10.00
1.11	Upgradation of building infrastructure of Film Division	18.00
1.12	Upgradation of Infrastructure of NFAI	10.00
1.13	Development of Jayakar Bungalow into Digital Library (NFAI)	9.00
1.14	Grant-in-Aid to FTII	40.00

1.15	Infrastructure development in SRFTI	54.00
	Total	**153.00**
	Grand total	**403**

Scheme II: Development Communication & Dissemination

Information Sector

2.1	People's Empowerment through Development Communication (Conception and Dissemination) (DAVP)	700.00
2.2	Media Outreach Programme and Publicity for Special Events (PIB)	100.00
2.3	Direct Contact Programme by Directorate of Field Publicity (DFP)	80.00
2.4	Live Arts and Culture (S&DD)	50.00
	Total	**930.00**

Film Sector

2.5	Promotion of India cinema in film festivals and film markets in India and abroad.	50
2.6	Production of feature films in various Indian languages	50
2.7	Centenary Celebrations of Indian Cinema	30
2.8	Exhibition of films on TV channels	5
2.9	Promotion of film culture through film festivals in India and National Film Awards	50
2.10	Dissemination of film culture through film societies, film festivals, NGOs and educational institutions	10
2.11	Production of documentary films	32
2.12	Webcasting of Film Archives (FD to be Nodal Point)	10
2.13	Mumbai International Film Festival	25
2.14	Acquisition of current films and ancillary film material for preservation	20
2.15	Production of children's films (CFSI)	50
2.16	International Children's Film Festival (CFSI)	10
2.17	Exhibition of children's films in schools of various States.	15
	Total	**357**
	Grand total	**1287**

Scheme III: Human Resource Development

3.1	Training for Human Resource Development of Information, Film, & Broadcasting sector (excluding Prasar Bharati) including film sector Media Units (CBFC)	29
3.2	International Media Programme	2.5
3.3	Media Awards (RR&TD)	2.5
3.4	Promoting innovation in I&B Sector	25
3.5	Policy Related Studies, Seminar, Evaluation, etc. for all three sectors including media units (excluding Prasar Bharati)	10
	Total	**69.00**

Scheme IV: Missions/ Special Projects

Information Sector

	Nil	Nil
	Total	**Nil**

Film Sector

4.1	National Film Heritage Mission	500.00
4.2	Anti-Piracy initiatives	10.00
	Total	**510**
	Grand Total	**510**

Scheme V: Ongoing Schemes

Information Sector

5.1	Setting up of National Press Centre at New Delhi **(PIB)**	9
5.2	Up-gradation of IIMC to International Standards **(IIMC)**	27
5.3	Construction of Soochna Bhawan **(MS)**	15
	Total	**51**

Film Sector

5.4	Setting up a Centre of Excellence for Animation, Gaming and VFX	52
5.5	National Museum of Indian Cinema	42
5.6	Global Film School	70*
5.7	Grant-in-aid to SRFTI	16
	Total	**180**
	Grand total	**231**

* Since approval is yet to be accorded, some activities under this scheme will be adjusted in the Grant-in-Aid scheme

Broadcasting Sector

Scheme I: Broadcasting Infrastructure Network Development

A. All India Radio (AIR)

(Rs. Crore)

Sl No.	Sub-Scheme	Outlay
1.1	Digitalization of Studios	140
1.2	Digitalization of Transmitters	
(i)	Digitalization of MW Transmitters	322
(ii)	Digitalization of SW Transmitters	600
(iii)	Digital FM	300
1.3	Digitalization of Networking & Connectivity	105
1.4	AIR Network Expansion/ Replacement	
(i)	FM Expansion	1800
(ii)	FM Replacement	500
1.5	Strengthening of coverage in border areas	300
1.6	Broadcasting on alternate platforms (Webcasting/ Podcasting /SMS/Mobile services/ DTH Radio)	30
1.7	Consolidation of existing Network	200
1.8	Auditorium at Delhi	20
1.9	Disaster Management facilities	20
	Total	**4337**

B. Doordarshan

1.10	Digitalization of terrestrial transmitter network	2396
1.11	HDTV	827
1.12	Expansion of DTH	222
1.13	Modernization of Doordarshan network	643
1.14	Strengthening of Border Coverage	586
1.15	Centre of Excellence- State of Art Programme Production Centre at Delhi	175
1.16	Expansion of Mobile TV	150
1.17	Media Asset Management	115
1.18	New media technology / Alternate delivery platforms	20
1.19	Infrastructure augmentation and Misc	75

	works	
	Total	**5209**
	Grand Total:	**9546**

Scheme II: Content Development and Dissemination

All India Radio & Doordarshan

	Content Development & Dissemination (To be fully funded by IEBR of Prasar Bharati). However, PSB component for NE, J&K, Urdu & International Channel will be met from budgetary resources)	5000

Scheme III: Human Resource Development

All India Radio

3.1	Capacity Building	65
3.2	Strengthening of Research & Development Activities	10
3.3	E-Governance	70
3.4	Strengthening of Infrastructure for training of staff	30
	Total	**175**

Doordarshan

3.5	R&D Training and Capacity building	Provision of Rs. 50 crore for these scheme has been kept by AIR
3.6	Enterprise Resource Planning System (E-governance)	
	Grand Total	**175**

Scheme IV: Special projects

All India Radio

	Nil	00

Doordarshan

4.1	Global coverage of DD International Channel and PSB Component of Content Development Urdu, J&K, NE channel.	100
4.2	Broadcast Museum	20
	Total	**120**
	Grand Total:	**120**

Scheme V: Main Sectt

5.1	Strengthening of Electronic Media Monitoring Centre (EMMC)	280
5.2	Supporting Community Radio Movement in India	20
5.3	Community Radio Support Fund of India (CRSFI)	150
5.4	IEC activities for promoting Digitalization	50
5.5	Infrastructure Support Cell in the Ministry	30
5.6	Capacity building of Cable TV industry personnel in Digital Wire line Broadcasting	32
5.7	Automation of Broadcasting Wing	10
	Total:	**572**

Scheme VI: Ongoing schemes (Continuing schemes)

All India Radio

6.1	J&K Special Package(Ongoing scheme of X plan)	1240 crore
6.2	Extension of MW Services (Ongoing scheme of X plan)	
6.3	Expansion of FM Services (Ongoing scheme of X plan)	
6.4	Digitalization of Production Facilities (Ongoing scheme of X plan)	
6.5	Automation of Studio Facilities and Miscellaneous Schemes (Ongoing scheme of X plan)	
6.6	North-East Special Package(Ongoing scheme of X plan)	
6.7	Accommodation for Staff (Ongoing scheme of X plan)	
6.8	Software Acquisition (New Scheme of X plan)	
6.9	Digitalization of Transmitters, Studios, Connectivity and DTH Channel (New Scheme of XI plan)	
6.10	Strengthening of External Services by Digitalization(New Scheme of XI plan	
6.11	E-Governance, Training, Resources, Security, Additional Office Accommodation (New Scheme of XI plan)	
6.12	New Science & Technology and R&D (New Scheme of XI plan)	
6.13	Setting up HPT/LPT in border areas of J&K(special scheme introduced in 2009-10 during XI plan)	

	Total:	**1240**

Doordarshan

6.14	Digitalization of Transmitters & Studios	494
6.15	High Definition TV	128
6.16	DTH	72
6.17	Modernization, Augmentation, Replacement of Satellite Broadcast Equipment	89
6.18	Modernization, Augmentation & Replacement of Transmitter and Studio Equipment in DD Network	292
6.19	Staff quarters etc.	45
6.20	Ongoing schemes of X Plan to be spilled over to XII Plan	95
	Total	**1215**
	Grand Total	**2455**

Summary

(Rs. Crore)

Information Sector

S.No.	Scheme	Outlay
1.	Media Infrastructure Development Programme	250
2.	Development Communication & Dissemination	930
3.	Human Resource Development	69
4.	Missions/ Special Projects	00
5.	Ongoing schemes	51
	Total	**1300**

Film Sector

1.	Media Infrastructure Development Programme	153
2.	Development Communication & Dissemination	357
4.	Missions/ Special Projects	510
5.	Ongoing schemes	180
	Total	**1200**

Broadcasting Sector

1.	Broadcasting Infrastructure Network Development	9546
2.	Content Development and Dissemination (Budgetary support)	5000
3.	Human Resource Development	175
4.	Special Project	120
	Total Prasar Bhrati (New Schemes)	**14,841**
6.	On-going schemes (Prasar Bharati)	2455
	Total Prasar Bharati	**17,296**
5.	Main Secretariat	572
	Total (Broadcasting sector)	**17,868**

	Aggregate Plan Size	**20,368**
	Funding pattern: **Budgetary Support** **IEBR**	 **15,368** **5000**

A Brief on Working Group Report for Information & Broadcasting Sector for XII Plan

Recommendations of Working Group

Keeping in view the vision defined by the Ministry, the growth potential of Media & Entertainment sector, the benefits likely to accrue due to convergence of technologies in telecom, broadcasting and IT sectors; the policy initiatives taken by the Government; and the strategy set out for the Ministry of Information & Broadcasting in its Strategic Plan, during the 12th Plan, the following recommendations are made:

Broadcasting Sector

(i) As digitization continues to be a key growth driver for the Indian broadcasting sector, the digitalization of AIR, Doordarshan, Cable sector should be completed as per the sunset dates fixed by the Ministry;

(ii) To ensure that the digitalization with addressability is implemented in the broadcasting sector as per the time table defined by the Ministry, the fiscal incentives such as income tax holiday , zero custom duty on all digital headend and networking equipments should be implemented on priority. All service providers (cable TV, DTH, HITS, IPTV) who set up a digital addressable distribution network before the sunset date(s), be treated as infrastructure service providers similar to telecom services and be eligible for benefits under section 80-IA and section 72A of the Income Tax Act;

(iii) All the benefits and incentives, as are available for infrastructure industry, should be extended to the Broadcasting, Cable, and DTH sector including the availability of finance at concessional rate of interest to give boost to digitalization process in the country;

(iv) Prasar Bharati should undertake a comprehensive programme audit of Doordarshan and AIR and devise new programme manuals for DD and AIR;

(v) DD and AIR should earmark some frequencies /channels for niche programmes;

(vi) Prasar Bharati should take urgent steps to improve the content being telecast by DD/AIR. public private partnership model should be explored for improving programming and services;

(vii) AIR and Doordarshan should identify areas for maximization of revenue and up-gradation of network and services. Prasar Bharati should explore the feasibly of generating revenue using the archives of DD and AIR;

(viii) Prasar Bharati should set up an interactive broadcast museum of historic and contemporary radio and television equipments and content;

(ix) Prasar Bharati should optimally utilize new media technologies for delivering its programmes and channels;

(x) Broadcast coverage in boarder areas and North Eastern areas should be enhanced. A permanent strategy for planning, development and management of broadcasting infrastructure and services in the border areas of the country is required to be devised. A separate strategic broadcasting services Division should be established for planning, development and management of broadcasting infrastructure and services in the border and insurgency infested areas of the country;

(xi) The Government should pay special attention to improve FM coverage in the 12th plan. At least one dedicated nationwide news and current affairs FM channel should be implemented under 12th plan. The feasibility of having dedicated FM channels for classical music and other cultural programmes needs to be explored;

(xii) The Government should strengthen the capacity of EMMC for monitoring broadcast content. The EMMC should also monitor Private FM Channels and Community Radio services;

(xiii) The Government should set up a corpus fund for promoting community radio movement in the country;

(xiv) The Government should accord priority for sensitizing consumers on the benefits of digitalization. A comprehensive manpower development and training program should be designed to support and facilitate digitalization programme;

(xv) The Government should explore the feasibility of making India teleport hub;

(xvi) Various processes/activities in different sections of the Ministry should be fully computerized and automated to cut down the time required for processing so as to facilitate the speedy clearance and grant of various permissions and approvals etc.;

(xvii) The Government should address various regulatory issues so as to ensure the growth and development of the broadcasting and content distribution sector;

(xviii) The Government should bring out policy on Mobile TV enabling private players to provide services both at the terrestrial and satellite route;

(xix) The Government should identify the factor as to why private operators are not interested in operating HITS and amend the policy, if necessary. In the meantime, Doordarshan should explore the feasibility of operating a common HITS platform which should be combined with the teleport facility;

(xx) The Government should set up a Media Council of India on the lines of the All India Council of Technical Education

(AICTE) for electronic media to govern media education and research in the country; and

(xxi) The Government should set up a Center for the promotion of excellence in the electronic media.

Film Sector

(i) The Government should take appropriate policy initiatives to create an enabling environment conducive to the growth of film sector;

(ii) The Government should review the existing regulatory mechanisms and bring out recommendations that would facilitate the growth of film sector;

(iii) The Government should put in place appropriate mechanism for capacity building, employment generation, increased revenue generation, and preservation and sustenance of the film heritage of India;

(iv) The Government should simplify the procedure for clearance for setting up of film theatres;

(v) The Government should ensure that a single window clearance system exists for film shooting in India, for both domestic and international film production houses;

(vi) Keeping in view the fact that India produces more than 1000 plus films annually in India, the Government should promote India as a film destination in film market and film festivals;

(vii) The film sector would greatly benefit if the entertainment fax and service tax are subsumed in Goods & Services Tax (GST);

(viii) The Government should take appropriate steps to make SRFTI & FTII as centres of excellence in film & TV education; and

(ix) Keeping in view the fact that Film Division has practically lost its significance now, the Government should set up an expert committee to suggest as to how it can be relevant to the present day need.

Information Sector

(i) The Government should examine the feasibility of aligning the DAVP print advertisement rate to the market rate and withdraw the agency commission of 15% currently in vogue;

(ii) There is a need for rationalization of all duty structure on capital goods and components of print media industry;

(iii) The Government should take judicious decision on wage board recommendations so that it does not affect the growth of the print media;

(iv) The small and medium newspapers are the catalyst for innovation in the print industry in carrying local news to the local people and in one way satisfies the concept of inclusive growth. Over the time, the number of small and medium newspapers has increased leaps and bounds. The preferential treatment of earmarking 35% of the print advertisement budget of DAVP to the small and medium newspapers has served a very useful purpose. It would be in the interest of achieving inclusive growth if the Government enhances the current percentage of

35% to 50% as the number of such newspapers have increased over the years;

(v) In a country like India, the role played by traditional media, like Song & Drama, has a positive impact on the society. It is in this context that there is a need to increase the outlay for traditional media spend by the Government during XII plan. Also, the Government should examine the feasibility of encouraging traditional media through PPP mode for intensive campaign at village fairs, festivals and social gatherings; and

(vi) The Government should examine the feasibility of strengthening DFP to encourage inter-personal communication in the rural areas.

Basis of Recommending Outlay for XII Plan

2. The outlay for the XI five year Plan of the Ministry of Information & Broadcasting was of the order of Rs. 5439 crore. Keeping in view the cost escalation and the need to realize the projected growth potential of the sector, the Sub Groups had recommended investment of the order of Rs 20,400 crore to be funded from budgetary resources, without IEBR, as per the sectoral distribution given below:

(Rs. Crore)

Broadcasting	16,415
Film	1,704
Information	2,281
Total	20,400

3 The Working Group has further scrutinized the schemes and the outlay proposed by the Sub Groups. The Group considers that the total number of schemes proposed by the Sub Groups at 121, with outlay of Rs. 20,400 crore is too unwieldy to have command and control over implementation. Ideally, the number of schemes should be reasonably small for a Ministry so that per capita cost of handling the schemes becomes low. Besides, the implementation and monitoring the progress of the schemes becomes easy.

4 Apart from that, a realistic projection of resource requirement is essential for good planning process. Keeping this in view, the Working Group has carried out 'Zero Base Budgeting' exercise after scrutinizing minute details of each scheme - its scope, utility and core minimum requirement of outlay for XII plan in view the policy decisions taken by the Government, statutory requirement, etc.. As part of the process of rationalization, the schemes, having similar objectives, have been merged together to form an umbrella scheme. In this process, the number of new schemes has been reduced to 9.

5 The on-going schemes, where the approval was accorded by the Competent Authority during XI plan, and the schemes are yet to be completed, have been retained as it is, purely to maintain accounting consistency. Thus, a total number of 20 schemes for Prasar Bharati and 7 schemes for Information (3), and Film (4) have been retained.

6 The details of the schemes and the recommended outlay have been reflected in a separate volume (Vol.II - Schemes/ Programmes for XII plan 2012-17). Here the summary is given below:

(Rs. Crore)

Information & Film Sector		
Scheme		**Outlay Recommended**
Scheme I	Media Infrastructure Development Programme	403
Scheme II	Development Communication & Dissemination	1287
Scheme III	Human Resource Development	69
Scheme IV	Mission/ Special Projects	510
	Total:	**2269**
Scheme V	Ongoing scheme Information Film **Total**	 51 180 **231**
	Total I- V	**2500**
Broadcasting Sector		
Prasar Bharati		
Scheme I	Broadcasting Infrastructure Network Development	9546
Scheme II	Content Development & Dissemination (To be fully funded by IEBR of Prasar Bharati). However, PSB component for NE, J&K, Urdu & International Channel which will be met from	5000

	budgetary resources) is not included here.	
Scheme III	Human Resource Development	175
Scheme IV	Special Project	120
Total (I-IV – New Schemes of Prasar Bharati)		**14,841**
Scheme V	On-going schemes AIR Doordarshan **Total Ongoing schemes**	 1240 1215 **2455**
Total of Prasar Bharati		**17296**
Scheme VI	Main Secretariat (Broadcasting)	572
Broadcasting SectorTotal (I-VI)		**17,868**
Aggregate Plan Size (21468+2500)		**20368**
Funding pattern **(i) Budgetary Resource** **(ii) IEBR**		 **15,368** **5,000**

7 The total plan size for XII plan recommended for the Ministry is Rs. 20368 crore, which is proposed to be funded by budgetary support of Rs. 15,368 crore and by IEBR of Rs. 5000 crore. Keeping in view the fact that Broadcasting sector requires high capital investment, to meet the digital dateline of 2017, about 88% of the total projected outlay has been allocated to it. Unlike XI plan, plan funding from IEBR amounting to Rs. 5000 crore (net) by Prasar Bharati has been taken into account. Thus, funding from budgetary resources for Broadcasting

sector plan would work out to 84% followed by Information & Film at 8% each. This is, by & large, the same pattern as adopted during XI plan.

Some Game Changers

8 The Working Group, while recommending such an order of outlay for I&B sector through budgetary sources, expects that given allocation of budgetary support to I&B sector, and the Ministry ensuring removal of systemic bottleneck standing before speedy implementation of projects/ programmes, the present scenario in Information & Broadcasting sector in the country will have major face-lift by the end of XII plan, which can be compared with that of developed world in this sector. Some of the game changers in bringing out change will be as follows:

Going digital in TV & Radio

9 The Government is committed to adhere to the date-line already notified for Cable TV digitalization. DTH is already digital. New technology, like HITS, is likely to be an alternate platform to the cable sector. Prasar Bharati has designed plan of action to expand its DTH network, which will provide free to air channels with comparative advantage over the paid channels enhancing consumer welfare. Terrestrial transmission will be fully digital during XII plan adding to the digital network capacity in the country. All these will bring sea change to the TV viewing experience in the country.

10 In the radio sector, particularly, MW, SW and FM, the All India Radio, which has the largest network capacity, is going to be digital during XII plan. Prasar Bharati has designed plan of action to go digital through adoption of DRM+ technology to replace existing analogue FM transmission and DRM technology to replace analogue MW and SW transmission. This is going to place AIR in higher pedestal, in terms of technology adoption, as compared to private sector FM network. The technology imbalance in radio transmission will force revenue to flow to AIR and this will work as a kind of compelling factor for the private FM sector to quickly upgrade their technology in order to survive in the competition. By end of XII plan, radio listening through digital mode will be the preferred consumer choice.

Community Radio Expansion and Community Empowerment

11 Currently the total number of functional community radio stations is little over 100. Some estimate places that in India, the total number of CRS could go upto 4000. XI plan started with a modest outlay of Rs. 5 crore or so for popularizing CRS through seminars and workshop. That has worked well and the number of applications for CRS has been rising. Two main factors are inhibiting the growth (i) NGOs do not have adequate funds to initially set up a station, though many are genuinely interested to do so. There is a need for some support for initial establishment. This has been addressed through XII plan programmes. And, (ii) there still exists a policy constraint which places CRS at

comparatively disadvantaged position to mobilize revenue from local areas for its sustenance. Currently CRS is entitled to go for 5 minutes per hour commercial airtime as compared to 10 minutes for FM station. Allowing CRS 10 minutes commercial airtime will enable this sector to sustain their day to day community broadcasting in most effective way. The policy needs to be amended to enable this sector to grow. It is understood that the Empanelment Advisory Committee has also recommended this. Given this support, this sector is going to be the most vibrant medium in the local area spurring content innovation and carrying message from the Government to the local people.

Content Revolution by Prasar Bharati

12 Diversity is key to promote innovation. Cultural diversities of India are incubators of content innovation. AIR and Doordarshan once upon a time, had reached its pinnacle of golden era providing new TV and radio content to the people. However, due to some systemic problem and more so, due to lack of adequate investment in content creation, Prasar Bharati, over the years, has lost its position. However, during XII plan, an estimated investment of about Rs. 5000 from IEBR of Prasar Bharati has been earmarked for content creation etc. by AIR and Doordarshan. It is expected that Prasar Bharati will regain its lost position through this investment, providing immense opportunities to the people through public service broadcasting.

Integrated Approach to Media Campaign

13 The Ministry of I&B is charged with the responsibility to keep people informed about the plan programmes of the Govt. This is a very stupendous task before the Government. Earlier, the Ministry was organized with various media units who were engaged in information dissemination. Over the years, private sector particularly the electronic media has been competing to carry information to the people with faster speed as compared to the Government network. While the issue, in this context, is not as to how quickly Government machinery should carry information to the people, the more important issue is as to how unbiased information is taken to the people so that the people build an objective image of the Government and access to its services for maximizing their welfare. Negative image about the Government not only reduces the welfare of the people, but also weakens the democratic institutions. Keeping this in view, XII plan has been designed for information dissemination with a more integrated way so as to strengthen the democratic spirit of people through sustained information campaigns. DAVP is projected to take a lead role utilizing print, electronic and new media vehicles to achieve this objective during XII plan.

14 A couple of policy initiatives would act as game changer in print and audio visual advertizing sector on Government's information campaign. The implementation of the reports of the Empanelment Advisory Committee with respect to TV, Radio, Community Radio and new media would set the benchmark practice in advertising sector in

carrying out Government advertising with better impact on the people and, at the same time, the Government will realize its return on investment on social messaging.

Film Heritage Mission

15 In the film sector, the proposed Mission on Film Heritage with a proposed outlay of Rs. 500 crore will not only consolidate and add value to the cultural assets but also will act as a game changer in converting thousands of films to digital format enabling them for cyber distribution across countries. One way, if properly implemented, this Mission will help propagate India's cultural values to different countries across globe.

16 A statement showing the scheme-wise recommended outlay is at Annexure.

Annexure

Statement showing scheme-wise outlay recommended by Working Group

Information & Film Sector

Scheme I: Media Infrastructure Development Programme

Information Sector

(Rs. Crore)

Sl.No.	Name of the Scheme	Outlay recommended
1.1	Revamping & Restructuring of DAVP	25.00
1.2	Infrastructure Development Support to NE & J&K	25.00
1.3	Modernisation of PIB (PIB)	50.00
1.4	Opening up of New Regional Centers of IIMC (IIMC)	125.00
1.5	Revitalization, up-gradation and modernization of Publication Division and Employment News (Publication Division)	16.00
1.6	National Centre of Photography and Special Drive for North Eastern States (Photo Division)	8.00
1.7	Strengthening of RNI H.Qrs.(RNI)	1.00
	Total	**250.00**

Film Sector

1.8	Establishment of computerized management and modernization of certification process	7.00
1.9	Upgradation and Expansion of Infrastructure of CBFC Offices including creation of regional offices at Ahmedaba and Patna	5.00
1.10	Upgradation of Siri Fort Complex	10.00
1.11	Upgradation of building infrastructure of Film Division	18.00
1.12	Upgradation of Infrastructure of NFAI	10.00

1.13	Development of Jayakar Bungalow into Digital Library (NFAI)	9.00
1.14	Grant-in-Aid to FTII	40.00
1.15	Infrastructure development in SRFTI	54.00
	Total	**153.00**
	Grand total	**403**

Scheme II: Development Communication & Dissemination

Information Sector

2.1	People's Empowerment through Development Communication (Conception and Dissemination) (DAVP)	700.00
2.2	Media Outreach Programme and Publicity for Special Events (PIB)	100.00
2.3	Direct Contact Programme by Directorate of Field Publicity (DFP)	80.00
2.4	Live Arts and Culture (S&DD)	50.00
	Total	**930.00**

Film Sector

2.5	Promotion of India cinema in film festivals and film markets in India and abroad.	50
2.6	Production of feature films in various Indian languages	50
2.7	Centenary Celebrations of Indian Cinema	30
2.8	Exhibition of films on TV channels	5
2.9	Promotion of film culture through film festivals in India and National Film Awards	50
2.10	Dissemination of film culture through film societies, film festivals, NGOs and educational institutions	10
2.11	Production of documentary films	32
2.12	Webcasting of Film Archives (FD to be Nodal Point)	10
2.13	Mumbai International Film Festival	25
2.14	Acquisition of current films and ancillary film material for preservation	20
2.15	Production of children's films (CFSI)	50
2.16	International Children's Film Festival (CFSI)	10
2.17	Exhibition of children's films in schools of various States.	15
	Total	**357**
	Grand total	**1287**

Scheme III: Human Resource Development

3.1	Training for Human Resource Development of Information, Film, & Broadcasting sector (excluding Prasar Bharati) including film sector Media Units (CBFC)	29
3.2	International Media Programme	2.5
3.3	Media Awards (RR&TD)	2.5
3.4	Promoting innovation in I&B Sector	25
3.5	Policy Related Studies, Seminar, Evaluation, etc. for all three sectors including media units (excluding Prasar Bharati)	10
	Total	**69.00**

Scheme IV: Missions/ Special Projects

Information Sector

	Nil	Nil
	Total	**Nil**

Film Sector

4.1	National Film Heritage Mission	500.00
4.2	Anti-Piracy initiatives	10.00
	Total	**510**
	Grand Total	**510**

Scheme V: Ongoing Schemes

Information Sector

5.1	Setting up of National Press Centre at New Delhi **(PIB)**	9
5.2	Up-gradation of IIMC to International Standards **(IIMC)**	27
5.3	Construction of Soochna Bhawan **(MS)**	15
	Total	**51**

Film Sector

5.4	Setting up a Centre of Excellence for Animation, Gaming and VFX	52
5.5	National Museum of Indian Cinema	42
5.6	Global Film School	70*

5.7	Grant-in-aid to SRFTI	16
	Total	**180**
	Grand total	**231**

* Since approval is yet to be accorded, some activities under this scheme will be adjusted in the Grant-in-Aid scheme

Broadcasting Sector

Scheme I: Broadcasting Infrastructure Network Development

A. All India Radio (AIR)

(Rs. Crore)

Sl No.	Sub-Scheme	Outlay
1.1	Digitalization of Studios	140
1.2	Digitalization of Transmitters	
(i)	Digitalization of MW Transmitters	322
(ii)	Digitalization of SW Transmitters	600
(iii)	Digital FM	300
1.3	Digitalization of Networking & Connectivity	105
1.4	AIR Network Expansion/ Replacement	
(i)	FM Expansion	1800
(ii)	FM Replacement	500
1.5	Strengthening of coverage in border areas	300
1.6	Broadcasting on alternate platforms (Webcasting/ Podcasting /SMS/Mobile services/ DTH Radio)	30
1.7	Consolidation of existing Network	200
1.8	Auditorium at Delhi	20
1.9	Disaster Management facilities	20
	Total	**4337**

B. Doordarshan

1.10	Digitalization of terrestrial transmitter network	2396
1.11	HDTV	827
1.12	Expansion of DTH	222
1.13	Modernization of Doordarshan network	643
1.14	Strengthening of Border Coverage	586
1.15	Centre of Excellence- State of Art Programme Production Centre at Delhi	175
1.16	Expansion of Mobile TV	150
1.17	Media Asset Management	115
1.18	New media technology / Alternate delivery platforms	20
1.19	Infrastructure augmentation and Misc works	75
	Total	**5209**
	Grand Total:	**9546**

Scheme II: Content Development and Dissemination

All India Radio & Doordarshan

	Content Development & Dissemination (To be fully funded by IEBR of Prasar Bharati). However, PSB component for NE, J&K, Urdu & International Channel will be met from budgetary resources)	5000

Scheme III: Human Resource Development

All India Radio

3.1	Capacity Building	65
3.2	Strengthening of Research & Development Activities	10
3.3	E-Governance	70
3.4	Strengthening of Infrastructure for training of staff	30
	Total	**175**

Doordarshan

3.5	R&D Training and Capacity building	Provision of Rs. 50 crore for these scheme has been kept by AIR
3.6	Enterprise Resource Planning System (E-governance)	
	Grand Total	**175**

Scheme IV: Special projects

All India Radio

	Nil	00

Doordarshan

4.1	Global coverage of DD International Channel and PSB Component of Content Development Urdu, J&K, NE	100

	channel.	
4.2	Broadcast Museum	20
	Total	**120**
	Grand Total:	**120**

Scheme V: Main Sectt

5.1	Strengthening of Electronic Media Monitoring Centre (EMMC)	280
5.2	Supporting Community Radio Movement in India	20
5.3	Community Radio Support Fund of India (CRSFI)	150
5.4	IEC activities for promoting Digitalization	50
5.5	Infrastructure Support Cell in the Ministry	30
5.6	Capacity building of Cable TV industry personnel in Digital Wire line Broadcasting	32
5.7	Automation of Broadcasting Wing	10
	Total:	**572**

Scheme VI: Ongoing schemes (Continuing schemes)

All India Radio

6.1	J&K Special Package(Ongoing scheme of X plan)	1240 crore
6.2	Extension of MW Services (Ongoing scheme of X plan)	
6.3	Expansion of FM Services (Ongoing scheme of X plan)	
6.4	Digitalization of Production Facilities (Ongoing scheme of X plan)	
6.5	Automation of Studio Facilities and Miscellaneous Schemes (Ongoing scheme of X plan)	
6.6	North-East Special Package(Ongoing scheme of X plan)	

6.7	Accommodation for Staff (Ongoing scheme of X plan)	
6.8	Software Acquisition (New Scheme of X plan)	
6.9	Digitalization of Transmitters, Studios, Connectivity and DTH Channel (New Scheme of XI plan)	
6.10	Strengthening of External Services by Digitalization(New Scheme of XI plan	
6.11	E-Governance, Training, Resources, Security, Additional Office Accommodation (New Scheme of XI plan)	
6.12	New Science & Technology and R&D (New Scheme of XI plan)	
6.13	Setting up HPT/LPT in border areas of J&K(special scheme introduced in 2009-10 during XI plan)	
	Total:	**1240**

Doordarshan

6.14	Digitalization of Transmitters & Studios	494
6.15	High Definition TV	128
6.16	DTH	72
6.17	Modernization, Augmentation, Replacement of Satellite Broadcast Equipment	89
6.18	Modernization, Augmentation & Replacement of Transmitter and Studio Equipment in DD Network	292
6.19	Staff quarters etc.	45
6.20	Ongoing schemes of X Plan to be spilled over to XII Plan	95
	Total	**1215**
	Grand Total	**2455**

Summary

(Rs. Crore)

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S.No.	Scheme	Outlay
1.	Media Infrastructure Development Programme	250
2.	Development Communication & Dissemination	930
3.	Human Resource Development	69
4.	Missions/ Special Projects	00
5.	Ongoing schemes	51
	Total	**1300**

Film Sector

1.	Media Infrastructure Development Programme	153
2.	Development Communication & Dissemination	357
4.	Missions/ Special Projects	510
5.	Ongoing schemes	180
	Total	**1200**

Broadcasting Sector

1.	Broadcasting Infrastructure Network Development	9546
2.	Content Development and Dissemination (Budgetary support)	5000
3.	Human Resource Development	175
4.	Special Project	120
	Total Prasar Bhrati (New Schemes)	**14,841**
6.	On-going schemes (Prasar Bharati)	2455
	Total Prasar Bharati	**17,296**
5.	Main Secretariat	572
	Total (Broadcasting sector)	**17,868**
	Aggregate Plan Size	**20,368**
	Funding pattern: **Budgetary Support** **IEBR**	 **15,368** **5000**