MAPPING DIGITAL MEDIA:
INDIA

OPEN SOCIETY
FOUNDATIONS

Mapping Digital Media: India

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics, and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic, and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: India Executive Summary

India probably provides the most striking evidence that the changes wrought by digitization are filtered through a country's political, administrative, and business culture. In the highly fragmented and unevenly regulated Indian media industry, decisions tend to stumble through extra-constitutional maneuvers and corridors of patronage, irregularly endorsed by formal democratic procedures and mostly driven by vested business, and often allied, political interests.

The United Nations pointed out in 2010 that more Indians have access to a mobile phone than to a toilet, a fact confirmed by the latest official census.[1] There are over 800 million mobile connections, although the number of unique users (excluding inactive connections) is estimated at around 600 million; the interesting thing about their usage pattern is that news alerts via SMS messages comprise the third most popular content accessed on mobile phones.[2] Add the fact that 60 percent of all households have cable and satellite (C&S) television, providing access to many of the 700-plus television channels licensed to broadcast, and it becomes clear that in garrulous India, mass poverty and marginalization do not result in a perfect "digital divide." This, together with the fact that the public broadcaster's prime terrestrial channel, DD National, covers about 92 percent of the 1,200 million-plus population, clearly suggests that the users of digital technologies in India include many of the 300 million still below the official poverty line.

Digitization and lower entry costs have led to a huge growth in private C&S news channels, especially in regional languages. Unlike in many countries where a multi-channel terrestrial TV landscape existed before the advent of private and trans-border C&S channels, in India a genuinely multi-channel landscape emerged only with the advent of private C&S channels. Moreover, while readership over newer platforms—mobile and internet—has also risen, the choice of news is not wider than that in the traditional media. At the same

1. See http://www.un.org/apps/news/story.asp?NewsID=34369; http://articles.timesofindia.indiatimes.com/2012-03-13/telecom/31159179_1_open-defecation-mobile-phone-households (accessed 5 December 2012).
2. A. Prabhudesai, "How and What Mobile Services Does India Use: Report," Track.in, 23 June 2009, at http://trak.in/tags/business/2009/06/23/report-onhow-what-indian-mobile-phone-services-vas (accessed 28 February 2012).

time this is one of the few countries whose newspaper industry is growing, thanks mainly to the launch of many vernacular language titles, or regional and sub-regional editions of existing newspaper chains.

While numerical choices have increased for audiences due to digitization and other factors, the race to chase margins and profits has hindered improvements in news quality. Media executives are being disingenuous when they justify such practices as "paid news" (positive coverage of companies or political parties in exchange for a fee) and "private treaties" (whereby a media house is given a share in the equity of a company in exchange for favorable news coverage).

Competitive imitation in the practice of "breaking news" and of sensationalist aesthetics of reportage is, inter alia, contributing to deteriorating quality, accuracy, and diversity of television news. On the internet and mobiles, news content mostly comprises web or app manifestations of the content of traditionally dominant news organizations. Print and television journalists have yet to fully realize the significance of being present—and presenting news—online. Although digitized and converged newsrooms have just about taken off, the idea behind them has been understood more in infrastructural, perhaps even financial, terms rather than in leveraging specific, and even specialized, content and audiences.

Nevertheless, digital tools have enabled journalists to don the mantle of crusaders and even of active participants in political events. There are numerous instances where media activism has successfully forced authorities to act on issues uncovered by news reportage. Here again, however, the glut of news outlets has put pressure on journalists to be first with the news—another dimension of the "breaking news" syndrome. Hence, even in the case of investigative journalism, particularly those stories based on sting operations (secretly recorded or videoed assignations), the noticeable increase in unsubstantiated or unbalanced reportage has tarnished the image of the profession, further fueling concerns about the ethics and values prevailing in the private-sector media.

The government has decided to digitize terrestrial transmissions of the state-owned broadcaster, Prasar Bharati (Broadcasting Corporation of India), in a phased manner by 2017. But Prasar Bharati is a large, under-funded bureaucracy, by and large providing soft propaganda for whichever political party/coalition is in power. In the past decade, the number of households accessing private satellite channels via cable and direct-to-home (DTH) services has grown substantially, with the share of DTH in the last five years rising exponentially. To ensure this does not incrementally dent Doordarshan ("Distant Sight"), or DD for short, which is Prasar Bharati's television arm, a string of policy protocols has been introduced over the years—including must-carry provisions, mandatory sharing of sports feeds (very important in the world's most cricket-crazy country), and first-mover advantage in adopting technologies. While the number of television channels in existing and additional languages transmitted by Prasar Bharati will continue to grow, its significance is likely to decline as more terrestrial households are becoming C&S households. How many of these will be able to afford set-top boxes (STBs) for digital cable will be worth watching.

Following the digitization of terrestrial transmission, however, access to Prasar Bharati's terrestrial channels may decline, as viewers from the weakest economic strata may be unable to purchase the STBs required to access digital terrestrial television (DTT). Those who muster the resources may find it more fruitful to invest

in STBs that either access Doordarshan's DTH service (it being rent-free) or the very basic tier of private DTH services, since both provide more channels than Doordarshan's DTT service.

Doordarshan's competitors—the more energetic privately owned C&S broadcasters—are owned by a variety of conventional and unexpected proprietors, including traditional business families, first-generation media entrepreneurs, politicians or their family members, political parties, and real-estate developers. Their content and news slant frequently reflect these general and sometimes specific interests. The potential of internet and mobile media to facilitate and voice alternative interests is substantial, but hitherto has been felt most in the arena of social and political activism. Indeed, digital tools have helped some marginalized groups to voice their views and concerns; various factions in Kashmir, for example, have their own websites, as do advocacy groups of Dalits (the caste once known as "untouchables") and sexual minorities. Although their immediate efficacy is limited by abysmally low internet connectivity—and potential multiplier effect largely limited to urban areas where broadband connections are concentrated[3]—such online efforts have tended to, in turn, increase the presence of marginal concerns in mainstream news.

The legal and regulatory environment in which all this has unfolded is labyrinthine. Despite digitization having hastened the convergence of various media platforms, there are no specific laws on ownership, cross-ownership, or concentration; nor is there an overarching regulatory framework—either for media infrastructure or news content—except for licensing norms for broadcasters and distribution, and foreign investment caps in news media. Policy is conducted mostly through ordinances and guidelines that have occasional loophole clauses pertaining to ownership. This has in part led to hefty media conglomerates such as India's largest news media company, Bennett, Coleman and Company Ltd (BCCL), whose diversified portfolio comprises *The Times of India* and *The Economic Times* (market leaders among English daily and English business daily newspapers), the Times Now news channel (with the highest viewership among the English-speaking channels), and Indiatimes.com, which has emerged as a leading website for news and other online content. Loopholes in cross-ownership guidelines have also enabled major broadcasters such as Zee and SUN to have analog and digital distribution interests through sister or other promoter-group companies in the cable and DTH business.

Newspaper content has long been overseen by the Press Council of India (PCI), which has a code of conduct for newspapers and journalists. But the PCI can only act on complaints and demand an apology or impose a fine of less than US$ 200; nor are PCI norms, strictly speaking, applicable to the online content of newspapers. However, the government can indirectly influence content in, particularly, small and medium-sized newspapers by managing its advertising spending to discourage criticism and/or garner positive reportage.

News on private satellite channels is overseen, rather than regulated, by a combination of a government-created code and a self-regulatory industry body, neither of which have any real teeth. The *Programming and Advertising Code* evolved in 1975 by the Ministry of Information and Broadcasting (MIB) for Doordarshan

3. At the end of the last decade, the ten largest cities in India were estimated to host 60 percent of all broadband digital subscriber line (DSL) connections: Telecom Regulatory Authority of India (TRAI), "Consultation Paper on National Broadband Plan," Consultation Paper No. 09/2010, TRAI, New Delhi, June 2010, p. 24.

and All India Radio—and with phrasing wide open to different interpretations—was extended and included in the Cable Act 1995 governing private channels. Over the last decade, MIB twice sought unsuccessfully to introduce a Broadcasting Bill in parliament to strengthen the content code, in addition to other matters of television governance. These efforts, together with crises in reporting standards, pushed the trade association of private news channels to create the News Broadcasting Standards Authority (NBSA); however, this self-regulatory body can only penalize those channels that are members of the association, such membership being purely voluntary.

There is no specific regulation of news on the internet and mobiles, since "news" is not legally defined as a separate content category, as it is in television and print. However, a 2008 amendment to the Information Technology Act 2000, introduced after terror attacks in parts of Mumbai, established a Computer Emergency Response Team (CERT) with the power to intercept emails, block websites/web content, and force compliance by service providers, intermediaries, and data centers. A further amendment proposed to make such intermediaries liable for all content they carry has been hotly debated over the last two years.

The one sector that saw a formal regulator being established was the telecoms industry, with the creation of the Telecom Regulatory Authority of India (TRAI) in 1997. While its mandate expanded in 2004 to include broadcasting, its legal mandate has remained that akin to a mere advisor. Its recommendations are unevenly, and sometimes partially, accepted by the concerned ministries; sometimes key decisions are taken and revised by various ministries totally without regard to TRAI's recommendations—which themselves, it must be mentioned, have not always been in the public interest. The result has been an institutional framework dogged by political favoritism, bureaucratic partisanship, legal loopholes, and corporate malpractice.

Likewise, the two digital switch-overs under way in the television industry—in terrestrial broadcasting and cable distribution—are bereft of any direct, immediate, and equitable acknowledgment of the public interest. Much like spectrum auctions in the telecoms industry, these seem to be immediately aimed at enhancing government revenues—by enabling the sale of lucrative spectrum vacated by the terrestrial broadcaster, and by hoping to increase tax collections, since digitization will enable closer monitoring of revenues across the value chain of cable distribution. However, an argument can be made that such digitization may provide competition among and operational viability of broadcasters and, hence, ultimately serve public interest.

For instance, the commercial advantages of a transparent digital distribution value chain most immediately accrue to C&S broadcasters, namely higher subscription revenues, improved quantifying of viewers, and less manipulation by distributors. Some of these and their resulting advantages could serve the public interest, albeit indirectly and over the ensuing 5–10 years, assuming broadcasters plough back a productive share of their incremental revenues into programming, especially news gathering. But the cost will be high: of the estimated US$ 4,400 million to be spent on cable digitization, MIB finds exactly half will be "going to be spent by the people of India on buying set-top boxes."[4]

4. "Set top box: China gains from our digitisation project," PTI, Daily Bhaskar.com, 13 January 2013, at http://daily.bhaskar.com/article/NAT-TOP-set-top-box-china-gains-from-our-digitisation-project-4147339-NOR.html (accessed 5 December 2012).

While the freeing-up of terrestrial spectrum will surely enhance the prospects of providing 4G services, the price of such services will largely limit them to the upper strata of society, as was the case during the first 5–7 years of mobile telecoms in the 1990s. There is no administrative blueprint, clear-cut government plan, or legal protocol to suggest that these expensive digital switch-overs, whose costs are borne by viewers, will foster either a greater diversity or plurality of voices; nor are they sure to lower entry barriers for new broadcasters, as carriage fees will not only persist but may become the crucial revenue stream for distributors, as subscription revenue shares are re-jigged in favor of broadcasters.

It is broadly in this area of public interest that most attention needs to be focused—be it in the area of greater accountability and autonomy of the state broadcaster, the governance of private media infrastructure, transparency and equity in licensing criteria and in mechanisms of allocating resources, and compliance with global standards of professional journalism. These values will go some way toward giving India a plurality of voices and media outlets that would properly reflect what may be the most diverse social and political landscape on the planet.

Context

India is a constitutional republic and multi-tier representative democracy, the smallest unit of elected representatives being at the *panchayat* (village council) level. There are 22 official languages,[5] most of which have separate scripts. There are broadly six religious groups.[6]

Over the last 20 years there has been a marked rise in different kinds of conflict, be it violence precipitated by religious fundamentalism, attacks on makers of "speech" (reporters and editors, professional and amateur artists, media producers, writers and even teachers), insurgency in and along frontline states in the north and the east, and between armed militia and local and regional administrations in pockets of mainland India.

The early 1990s brought economic liberalization and deregulation, which together saw the entry of a variety of private, and subsequently foreign, entrepreneurs into commercial arenas de-monopolized by the government. Compared with the average growth rate of just over 5 percent a year during the 1980s, the Indian economy has grown at more than 8 percent a year in the past decade, though it has slowed over the past couple of years. While average income per head quadrupled between 1980 and 2010, the rise of the middle class has propelled consumption, especially of cars, television sets, and white goods.

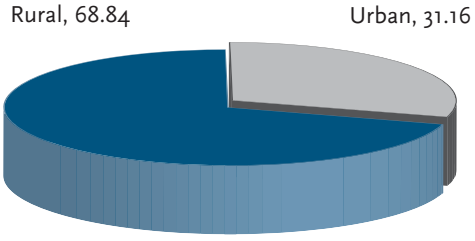
The urban–rural and rich–poor divides have become wider: farm incomes have grown by half the national average, and between almost 300 million and 400 million people still live below the poverty line.[7]

5. Census of India (2001), Ministry of Home Affairs, New Delhi, at http://censusindia.gov.in/Census_Data_2001/Census_Data_Online/Language/Statement4.htm (accessed 8 December 2012).
6. Census of India (2001), Ministry of Home Affairs, New Delhi, at http://censusindia.gov.in/Census_Data_2001/Census_data_finder/C_Series/Population_by_religious_communities.htm (accessed 8 December 2012).
7. Defined as income below Rupees (Rs) 28.65 (around US$0.50) a day in urban areas, and below Rs22.43 (around US$0.40) in rural ones.

Social Indicators

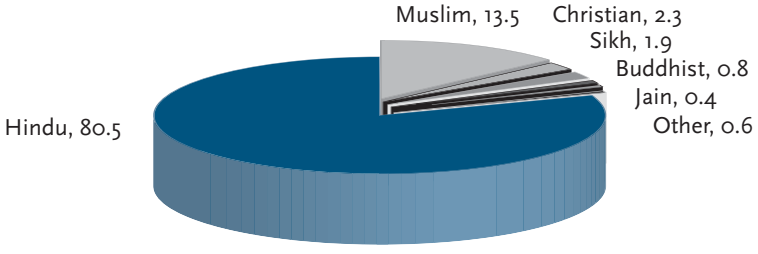
Population (number of inhabitants): 1,210 million (2011)[8]
Number of households: 246.69 million (2011)

Figure 1.
Rural–urban breakdown (% of total population), 2011



Source: Census of India, Ministry of Home Affairs, New Delhi, 2011, at http://www.censusindia.gov.in/2011-prov-results/paper2 vol2/data_files/India2/Table_1_PR_Districts_TRU.pdf (accessed 3 December 2012)

Figure 2.
Religious composition (% of total population), 2011

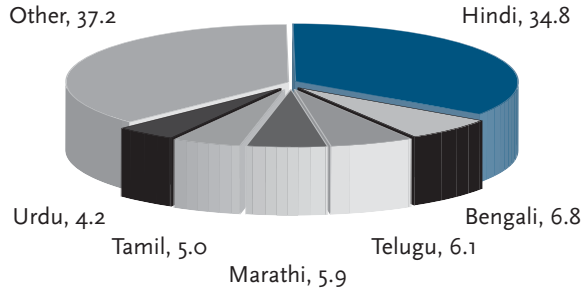


Source: Census of India, Ministry of Home Affairs, New Delhi, 2011[9]

8. Census of India, Ministry of Home Affairs, New Delhi, 2011, at http://www.censusindia.gov.in/2011-prov-results/paper2 vol2/data_files/India2/Table_1_PR_Districts_TRU.pdf (accessed 3 December 2012).

9. See http://censusindia.gov.in/census_data_2001/india_at_glance/religion.aspx; and http://www.censusindia.gov.in/Census_Data_2001/Census Data_Online/Language/Statement1.htm (accessed 8 December 2012).

Figure 3.
Linguistic composition (% of total population), 2001



Note: "Other" includes among others: Gujarati (3.8 percent), Kannada (3.1 percent), Malayalam (2.7 percent), Oriya (2.7 percent), Punjabi (2.4 percent), Assamese (1 percent), Maithili (1 percent), and the following groups with under 1 percent: Kashmiri, Nepali, Sindhi, Konkani, Dogri, Manipuri, and Bodo

Source: Census of India, Ministry of Home Affairs, New Delhi, 2001[10]

10. See http://censusindia.gov.in/Census_Data_2001/Census_data_finder/C_Series/Population_by_religious_communities.htm; and http://www.censusindia.gov.in/Census_Data_2001/Census_Data_Online/Language/Statement1.htm (accessed 8 December 2012).

Economic Indicators

Table 1.

Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012°
GDP (current prices, in US$ billion)	808.7	908.5	1,152.5	1,262.5	1,266.2	1,630.4	1,826.8	1,946.7
GDP (current prices, US$) per head	728.5	806.9	1,009.2	1,090.2	1,078.5	1,369.5	1,513.60	1,591.5
Gross National Income (current US$) per head	2,190	2,440	2,720	2,840	3,070	3,340	3,620	n/a
Unemployment (% of total labor force)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Inflation (average annual rate, % against previous year)	5.3	6.7	5.5	9.7	14.9	9.4	6.4	12.9

Notes: °: outlook; n/a: not available

Sources: International Monetary Fund (IMF) (GDP and inflation figures); World Bank (GNI)

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

The reach of cable and satellite (C&S) television is far greater than that of other news media or any other digital technology. For instance, by 2010, while over 60 percent of households had access to television sets, just over 6 percent of households had personal computers. In fact, despite the expansion of digital cable in major cities, there has not been a proportional increase in the penetration of PCs. Except for neighborhood markets in the richer pockets of cities, almost all shopping complexes in India are teeming with internet cafés. Thus, because the PC is the least domesticated of all digital media, the internet has yet to be regarded as something accessed by "households."

Table 2.

Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH	No. of HH (million)	% of THH
TV set	90.46	44.7	94.23	45.9	107.62	50.2	119.63	55.0	132.78	60.2	134.34	60.0
Radio set	67.14	33.1	66.52	32.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PC	4.05	2.0	6.16	3.0	7.97	3.7	9.66	4.4	11.71	5.3	13.68	6.1

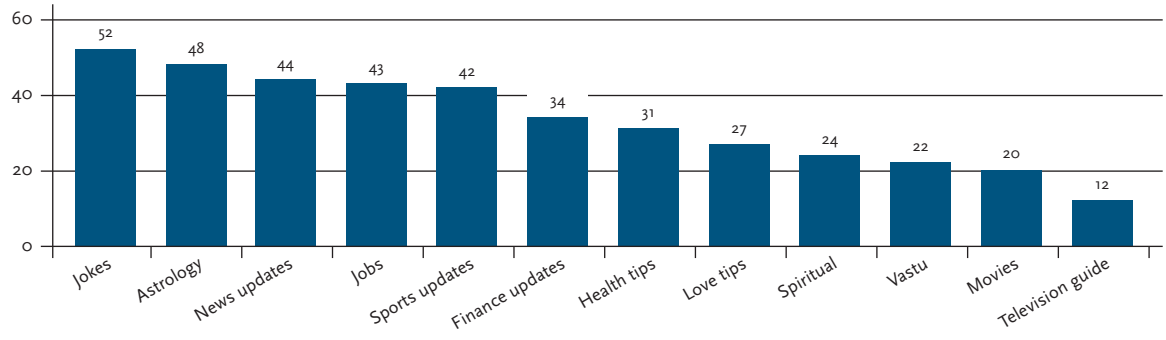
Notes: HH: Households with equipment; THH: Total households in India; n/a: not available

Source: ITU

The most recent device, mobile phones, has achieved the highest penetration among digital media. News alerts via SMS messages form the third most popular content accessed, and news sites the second most popular sites accessed on mobile phones. For most of the telecoms boom years, feature phones—commonly referred to here as smartphones—priced at around Rs 15,000 (US$ 274) and above and capable of accessing

newspapers, news websites, and television news channels, constituted a small portion of mobile phones; even in 2012, they were owned by less than 5 percent of all mobile users.[11] This is gradually changing with the spread of cheaper (less than Rs 5,000 (US$91) feature phones capable of internet access.

Figure 4.
SMS services used by urban Indians (%), 2009



Source: A. Prabhudesai, "How and What Mobile Services Does India Use: Report," Track.in, 23 June 2009[12]

1.1.2 Platforms

Newspapers have long been in private hands in India, most being owned by pure-play media houses, industrialists, and trading houses. In contrast, the electronic news media were, until the turn of this century, in government hands. It was after almost two decades of initial deregulation in the television industry and the rise of the earliest Indian proprietors of C&S television that news broadcasting from within India gained regulatory consent. The launch of television news channels started in the early 2000s and picked up rapidly around 2003–2004, which is also when the earliest policy interventions in the digitization of cable distribution occurred. The mid-2000s saw a proliferation in news channels in various languages, followed by a series of business news channels, first in English and subsequently in Hindi.

While terrestrial television remains the state's preserve, cable transmission never caught the government's fancy.[13] This left cable in the hands of sub-regional and local entrepreneurs—many of the earliest ones, much like some newspaper proprietors, having other business interests. For most of the 1990s, cable remained under-capitalized, fragmented, and technologically stunted; by the end of the decade, the earliest Multiple System Operators (MSO) had emerged, both nationally and regionally, who owned and invested in a web of "last-mile" networks—although most still held on to analog systems.

11. Based on an estimated 35 million smartphone users; "Some bizarre numbers on smartphones in India!" 1 August 2012, at http://techcurry.co/some-bizarre-numbers-on-smartphones-in-india/ (accessed 28 December 2012).
12. See http://trak.in/tags/business/2009/06/23/report-onhow-what-indian-mobile-phone-services-vas/ (accessed 28 February 2012).
13. Tamil Nadu was the exception, but under peculiar conditions (see sections 5 and 7).

Besides cable, there are two other technological platforms for accessing news on C&S television. Direct-to-home (DTH) eliminates the need for last-mile cable operators, but requires viewers to invest in two types of hardware, namely a mini-dish antenna and a set-top box (STB). DTH was initially proposed in the late 1990s by Rupert Murdoch's STAR network, already a prominent broadcaster in India, but the government put it on the back burner after intense lobbying from domestic cable operators. The first permission was finally granted in 2006 to the DTH service of the state broadcaster's (Doordarshan, or DD for short) DD Direct Plus. Soon thereafter the first private DTH operators emerged (Dish TV and Tata Sky); subsequently, Sun Direct, Reliance Digital TV, and Airtel Digital TV entered the fray, as did many others. By 2009, there were more than 14 million DTH subscribers; the figure was up to over 48 million by June 2012.[14]

Table 3.

Platform for the main TV reception and digital take-up, 2006–2011

	2006		2007		2008		2009		2010		2011	
	No. of HH (million)	% of TVHH	No. of HH (million)	% of TVHH	No. of HH (million)	% of TVHH	No. of HH (million)	% of TVHH	No. of HH (million)	% of TVHH	No. of HH (million)	% of TVHH
Terrestrial reception	42	37.5	41.5	36.1	38	32.2	38	28.6	30	21.7	27	18.5
– of which digital							n/a					
Cable reception	68	60.7	70	60.9	71	60.2	73	54.9	73	52.9	74	50.7
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	4	3.0	5	3.5	6	4.1
DTH (satellite)	2	1.8	3.5	3.0	9	7.6	22	16.5	35	25.4	45	30.8
IPTV	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	112	100.0	115	100.0	118	100.0	133	100.0	138	100.0	146	100.0
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	16	19.5	40	28.9	51	34.9

Notes: The variance in data, such as number of TV households, across the tables in this Report is due to the varying methods of enumeration or estimation used by different agencies, since there is no single central agency in the country systematically collecting and making available data based on a range of metrics in media industries. It is therefore common that, say, the number of subscribing households varies not only between figures or estimates provided by government and private agencies (usually reports by trade bodies or consultancy firms like the ones cited here), but sometimes also varies among various private agencies.

HH: Households owning the equipment; TVHH: Total number of TV households in the country; n/a: not available.

Sources: For 2006–2008, estimates reported in "FICCI-KPMG Indian Media and Entertainment Industry Annual Report," Federation of Indian Chambers of Commerce and Industry and KPMG-India, New Delhi, 2010 (hereafter FICCI-KPMG, 2010).

For 2009–2011, estimates reported in "Digital Dawn—The metamorphosis begins: FICCI-KPMG Indian Media and Entertainment Industry Annual Report," Federation of Indian Chambers of Commerce and Industry and KPMG-India, New Delhi, 2012 (hereafter FICCI-KPMG, 2012).

14. TRAI, "The Indian Telecom Services Performance Indicators," TRAI, New Delhi, various years, at http://www.trai.gov.in/Content/PerformanceIndicatorsReports.aspx?ID=1&qid=1 (accessed 8 December 2012).

The other platform is Internet Protocol (IP) television, which delivers television signals over a broadband network. IPTV delivers specialized services such as time-shift television, movies on demand, and live sports feeds without advertisements. However, it calls for heavy last-mile investments and the availability of PCs in subscribing households, both of which limited IPTV subscriptions to at best 1 million users by 2011.[15]

Compared with C&S television, internet penetration is extremely limited given the national population—around 20 million connections in 2011—with even the sectoral trade body suggesting that the eight largest cities account for over half of all connections.[16] There is also an understandable skew toward English, with a relatively low proportion of users in regional languages, including for social media sites. While public access terminals (be they *panchayats* or commercial cyber-cafés) are said to have, at least on paper, 100 percent broadband connection levels, less than 10 percent of schools, colleges, and institutions have them.[17] While official figures peg overall broadband connections at 60 percent of total connectivity, industry estimates find only 12 percent of these enjoying speeds of 1 Mbps or higher.[18]

Table 4.

Internet and mobile penetration rates, 2007–2012

	2007	2008	2009	2010	2011	2012
Internet subscribers (% of total population)	0.82	0.97	1.16	1.37	1.64	2.03
– of which broadband subscribers (% of total population)	0.21	0.34	0.53	0.74	0.99	1.23
Mobile subscribers (% of total population)	14.56	22.70	33.59	49.43	67.76	81.60
– of which 3G subscribers (% of total population)	n/a	n/a	n/a	n/a	n/a	n/a

Notes: Penetration rates for respective years are based on annual population figures—as per mid-year (July) estimates—by the Ministry of Statistics and Programme Implementation, Government of India. Data provided by the TRAI pertain to the total number of mobile subscribers rather than to the total number of active SIM cards

Sources: TRAI, "Annual Report 2011–12," TRAI, New Delhi, 2012, at http://www.trai.gov.in/Content/Annual_Reports.aspx (accessed 29 December 2012); Ministry of Statistics and Programme Implementation, Government of India

The number of mobile connections grew from just under 100 million in 2006 to over 900 million in 2012, thanks to an increase in the number of service providers and the resultant competition, which has led to lower tariffs. Mobile usage has been driven by, initially, the local manufacturing of handsets by leading firms, such as Nokia India Pvt Ltd, and subsequently by large imports of not only cheap handsets, but also cheap components assembled into phones in India. However, delays in the allocation of 3G and broadband spectrum in telecoms has impeded the potential expansion of internet usage via mobile phones.

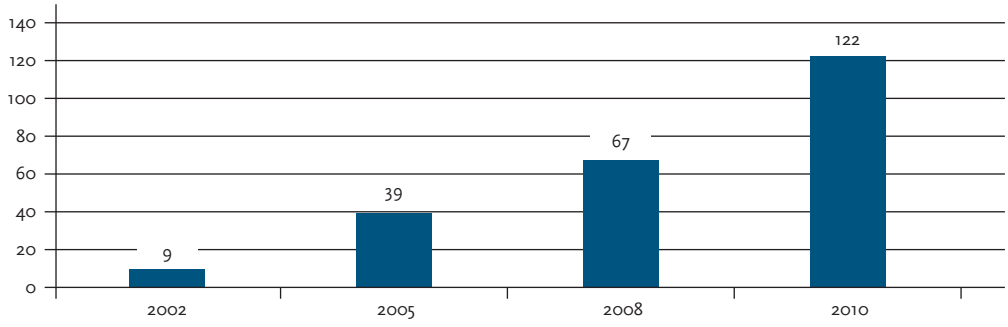
15. TRAI, "The Indian Telecom Services Performance Indicators 2011," TRAI, New Delhi, October 2011, p. 2, at http://www.trai.gov.in/Content/PerformanceIndicatorsReports.aspx?ID=1&qid=1 (accessed 8 December 2012).
16. Internet and Mobile Association of India (IAMAI), "Report on Internet in India (I-Cube) 2011," IAMAI and e-Tech Group, IMRB, Mumbai (internet and broadband connection details as of March 2011) (hereafter IAMAI, 2011).
17. IAMAI, 2011.
18. IAMAI, 2011.

1.2 Media Preferences

1.2.1 Main Shifts in Media Consumption

The rapid growth of television news channels during the 2000s was unforeseen by both industry and government and has shown no signs of waning, let alone declining, during the recent global recession. The genre share of news channels spiked in 2008, a year marked by many "newsworthy" events, including the terrorist attacks in Mumbai. In 2009, both Hindi and English news channels lost share—for example, Hindi viewership fell from 4.6 percent to 3.8 percent—despite the steep rise during the coverage of national elections in May that year.[19] However, news channels in other regional languages rose from 2.6 percent of all Indian viewership in 2008 to 3.4 percent in 2009. This was largely propelled by the rise in the share of news viewership in South India in the same period, from 4.4 percent to 5.8 percent of the total viewership in the four large southern states.[20] This is largely due to a number of regional news channels, especially in south India, launched since 2007; that many of these were launched by political interests (both individuals and parties), which enabled pre-existing loyalties to be transformed into immediate and avid audiences, further contributed to such enhanced viewership.

Figure 5.
Growth in number of C&S TV news channels, 2002, 2005, 2008, and 2010*



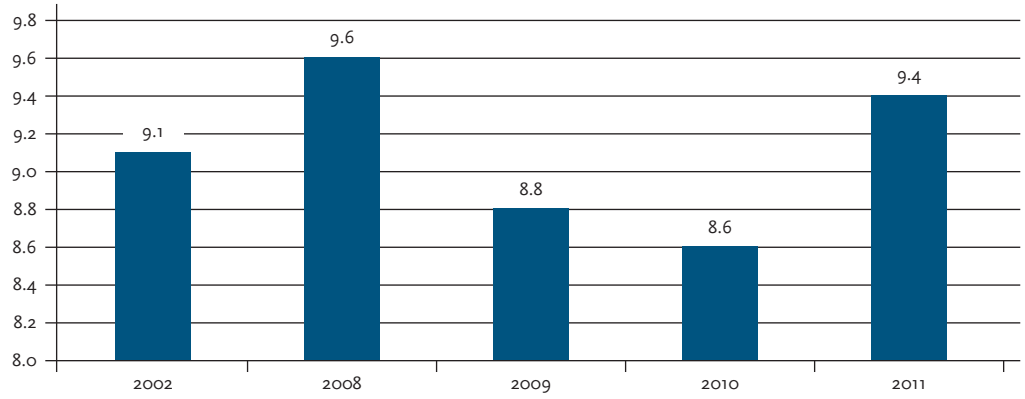
Note: * A C&S TV "news channel" is defined by its licensing stipulations that require it, unlike entertainment, sports, or movie channels, to maintain foreign direct investment below 26 percent and have only Indian citizens in decision-making positions

Source: TRAI, various years

19. FICCI-KPMG, 2010, p. 56.
20. FICCI-KPMG, 2010, p. 55.

Figure 6.

Changing genre share* of TV news channels (% of all news channels), 2002, 2008, 2009, 2010, and 2011



Notes: * "Genre share" is the combined viewership of all channels in a particular genre (in this case, viewership of all news channels) as a percentage of the total viewership of all genres. "Viewership" is calibrated as the size of the audience watching a particular program (in this case, news) as a percentage of the total number of viewers watching TV in the particular market (in this case, all homes with Peoplemeters)

Source: TAM Media Research (Target Group: cable and satellite channels, 15+ years; market: all India; period: all years (week 1 to week 52))[21]

Among the news channels in regional languages, the numbers worthy of note are in Telugu, spoken in the geographically largest southern state of Andhra Pradesh. Following the commencement of ETV2 in 2003 and TV9 in 2004, several news channels were launched during the last five years: NTV and TV5 in 2007, Zee 24 Ghantalu and HMTV in 2008, Saakshi TV 2009, and I-News in 2010. Padmaja Shaw of the Faculty of Journalism at EFL University, Hyderabad, finds that with 16 news channels, the Telugu segment forms the biggest news market in South India, with TV9 and TV5 leading the pack.[22]

Across languages, the growth in the number of paid C&S news channels (called pay-TV for short, as opposed to free-to-air C&S news channels) over the last five years is noteworthy. Before the advent of digital platforms such as C&S and DTH, subscribers had to be content with the channels made available by cable operators, who charged Rs 50–200 (roughly US$1–4) for a bundle of anywhere between 50 and 200 channels. With the spread of digital distribution, L.V. Krishnan, CEO of TAM Media Research, finds, "to some extent, the scene has changed with the customer exercising the option of watching what he wants to see."[23] That audiences could pay for news on TV is reflected by the presence of pay channels such as Zee News, ETV2,

21. Additional notes to Figure 6, and Tables 5–6. Viewership figures are gathered by placing meters in sample locations chosen by the ratings measurement agency, TAM Media Research (www.tamindia.com), a joint venture between Nielsen Company and its Indian partner, Kantar Media Research. The data cannot be (cross) verified due to the absence of rival/multiple measuring agencies, the limits on the availability and reliability of the raw data, and other limitations inherent in statistical surveys.

    Despite the annotation "all India" in the source, TAM TV viewership data represent only those cities and towns with a population of more than 100,000 and hence are not representative of rural audiences.

22. Interview with Padmaja Shaw, Associate Professor, EFL University (at the time of interview; subsequently Professor, Osmania University), Hyderabad, July 2011. Besides news bulletins, most of these channels air successful current affairs programs, such as "*Ghantavaram*" and "*Andhravani*" on ETV2, "*Prajapaksham*" and "*Naveena*" on TV9, and "*Dasa Disa*" on HMTV.

23. CEO of TAM Media Research, Mumbai, July 2011.

and CNN-IBN among the top five channels of their respective language segments, namely Hindi, Telugu, and English. One of the reasons for this trend may be that these particular pay news channels—part of large, multilingual and multi-genre networks—are often bundled with other channels, including the more popular entertainment channels, from the same broadcasters.

Table 5.

Top news channels across languages, 2010

No.	Channel	Language	Absolute share* (%)
1	Aaj Tak	Hindi	0.51
2	India TV	Hindi	0.45
3	Star News	Hindi	0.44
4	DD News	Hindi	0.38
5	TV9 Karnataka	Kannada	0.36
6	TV9 Telugu	Telugu	0.29
7	Zee News	Hindi	0.29
8	IBN 7	Hindi	0.26
9	NDTV India	Hindi	0.22
10	News 24	Hindi	0.17
11	Star Majha	Marathi	0.16
12	TEZ	Hindi	0.16
13	TV5 Telugu News	Telugu	0.16
14	Live India	Hindi	0.13
15	SUN News	Tamil	0.13
16	IBN Lokmat	Marathi	0.13
17	24 Ghanta TV	Bengali	0.12
18	Samay	Hindi	0.12
19	Suvarna News 24x7	Kannada	0.11
20	Star Ananda	Bengali	0.10

Note: * Absolute share is the viewership of a specific channel as a percentage of the viewership of all channels

Source: TAM Peoplemeter System (Target Group: cable and satellite channels, 4+ years; market: all India; period: 2010—week 1 (27 December 2009) to week 52 (25 December 2010))

In urban areas, the viewership shoots up on digital platforms such as private C&S television during national and state elections, terror attacks, social/political protests, and for crime stories. This spike is undoubtedly driven by the constant flurry of news updates and bulletins on these private C&S news channels compared with those on Doordarshan—and not necessarily due to greater trust in newer entrants. However, this spike also reflects the calibration of viewership. This is evident from the TAM data, whose sample, small as it is, is limited to cities with populations of over 100,000. Perhaps the earliest such instance was on 16 May 2008, with the news of the murder of a girl that soon enveloped her well-to-do family. According to TAM, the

Television Rating Points (TRP) of Hindi news channels jumped by about two points, which was confirmed by Audience Measurement & Analytics Limited (aMap).[24] Not surprisingly, the movement against corruption in Delhi during spring 2011, and again in August of that year, got round-the-clock coverage. Viewership went up by 40 percent in the two weeks of the agitation in August 2011, and peaked when anti-corruption activist Anna Hazare was arrested on 16 August; it waned the day after he broke his fast on 28 August.[25]

Table 6.

News viewership connected to events: spike observed during anti-corruption agitation, August 2011

Channels	Average daily reach* ('000)	
	14–20 August	21–23 August
Times Now	651	685
CNN-IBN	490	519
NDTV 24x7	595	574
Headlines Today	389	422
News X	156	182

Note: * Average daily reach is defined as the total number of viewers, projected from a sample's metered viewing activity, who have watched a channel for at least a minute a day.

Source: TAM Peoplemeter (6 metros, CS Male AB 25+ years)

Abbreviations are qualifiers on the Peoplemeter homes' Target Group (TG, see previous table) which comprise a particular table's/sample's data; so, here—

- "Metros" refer to the largest metropolitan cities, which in some reports and data encompass the four cities of New Delhi, Kolkata, Chennai, and Mumbai, while some others, like here, add Bangalore and Hyderabad. For this table, only those Peoplemeter homes located in the six metros have been considered. Some tables later in this report refer to "All India", which means that the Table considers data from all cities with populations over 100,000—and not literally all Indian TV homes, as explained in the running text while talking about the drawbacks of the TAM sample.
- CS refers to the fact that only C&S TV homes (in the above six metros) form the universe considered (i.e. DD-only TV homes in these metros are not considered)
- AB refers to the fact that here only those Peoplemeter homes (in the six metros, having C&S access) that fall in the top two socio-economic categories (SEC) A and B (based on income and other factors as defined by marketing companies, not government) are considered for this table
- 25+ refers to the fact that here only viewers in Peoplemeter homes (in the six metros, having C&S TV, in the SEC A&B categories) older than 25 years considered

The relationship between digitization and newspapers is complex and less direct than in the case of television. Although readership of online editions/sites of newspapers has increased, as R. Rajmohan, publisher of the weekly magazine *Open* emphasizes, so has the number of first-time readers of newspapers in small cities (thanks to literacy, urbanization, and an increase in living standards), who graduate toward print publications first.[26] Therefore, readership of print has risen, even as digital migration of existing readers, confined to English titles read by the urban elite, has increased. Consequently, understanding the relationship between changes in newspaper consumption and digitization over the past five years necessitates a look at trends in the readership, circulation, and pricing of dailies.

24. PCI, "Annual Report (April 1, 2008–March 31, 2009)," PCI, New Delhi, 2009, p. 27.

25. Anuradha Raman, "Examining The Lens," *Outlook*, 12 September 2011, at http://www.outlookindia.com/article.aspx?278180 (accessed 8 December 2012).

26. Interview with R. Rajmohan, Publisher, *Open* Magazine, New Delhi, March 2012.

The average cover price of newspapers was flat before 2009 (i.e. in the years of expansion into fresh pockets of the country), since entries into new territories were usually led by price reductions.[27] Despite low cover prices, circulation, which has climbed over the last five years, remained a fraction of overall readership.[28] This trend has been most prominent among Hindi dailies, relatively less so in southern-language newspapers, and least among the English dailies. So, over the last five years, while the top five dailies by readership included four Hindi newspapers, the top five by circulation included just two Hindi papers—the others being English (two) and Malayalam (one).

Table 7.

Total readership* of newspapers (million), 2010

Top 5 English-language dailies	
The Times of India	13.468
The Hindustan Times	6.288
The Hindu	5.270
The Telegraph	2.958
Deccan Chronicle	2.877
Top 5 Hindi dailies	
Dainik Jagran	54.184
Dainik Bhaskar	33.727
Hindustan	30.918
Amar Ujala	28.982
Rajasthan Patrika	14.684
Top 10 dailies in all languages	
Dainik Jagran	54.184 (H)
Dainik Bhaskar	33.727 (H)
Hindustan	30.918 (H)
Amar Ujala	28.982 (H)
Lokmat	23.653 (Ma)
Daily Thanthi	20.651 (Ta)
Dinakaran	16.989 (Ta)
Ananda Bazar Patrika	15.446 (B)
Eenadu	15.038 (T)
Rajasthan Patrika	14.684 (H)

Note: * Readership is the number of people from a sample who read a newspaper for at least two minutes in the last 12 months, or once in six months

H: Hindi; Ma: Marathi; Ta: Tamil; B: Bengali; T: Telegu

Source: Indian Readership Survey (IRS), Q2, 2010, cited in Media Research Users Council[29]

27. FICCI-KPMG, 2010, p. 73.

28. "Total readership" constitutes those who have read any of the last six issues of a newspaper, as opposed to "average issue readership," which constitutes those who read the last issue.

29. See http://www.mruc.net/images/stories/IRS2010Q2 percent20Topline.pdf (accessed 11 August 2011).

Digitization has led to benefits for, among other things, the operational cycle of advertising, which is directly connected to readership. Previously, dailies and weeklies had to wait for the advertisement to arrive in hard format and perhaps also courier it to the head office. Mr Rajmohan says ad sales departments are now able to receive ready-to-print material as digital files, which saves time and allows newspapers to wait until later to receive ads.[30] But Mr Rajmohan also notes a bigger benefit: "Digitization has allowed innovations in terms of printing odd-sized ads. Earlier, ad sizes had to be confined to fixed column sizes; but now, since editorial content can run around the ad, one can use polygonal and circular ads. There is flexibility on sizes."[31]

This is significant since the economic slowdown had put pressure on advertising, which generally brought in around 70 percent of newspapers' total revenues.[32] This, in turn, forced most outlets in 2009 to increase their cover prices, by 15–20 percent on average for major newspapers, with a few by almost 40 percent in some regions.[33]

And yet there has been an increase in newspaper consumption, as indicated by rising circulation. In fact during 2009, when the slowdown resulted in an overall thinning of corporate advertising, growth in revenues was driven by circulation—perhaps also buttressed by the windfall from advertising for the national elections in April–May 2009, where print received around 40 percent of the estimated Rs8 billion (US$ 144 million) spend, as well as from advertisement spend during subsequent state elections.[34] It must be borne in mind that annual advertising revenues are higher for print (newspapers and periodicals) compared with all genres of television channels put together (see Table 33). Moreover, within television advertising, the share of news channels, across all languages, is far less compared with that of non-news channels; money-spinner genres like sports channels (propped up exponentially by live cricket) and entertainment channels (driven by soaps and, recently, reality shows) in Hindi and regional languages all together mop up close to 70 percent of television advertising revenues.

What may appear to be a rebalancing within the print sector in favour of advertising is actually its recovery from the small bump in the wake of the downturn—such wider dynamics in general not affecting newspaper sales, given their extremely low cover price.

30. Interview with R. Rajmohan, Publisher, *Open* Magazine, New Delhi, March 2012.
31. Interview with R. Rajmohan, Publisher, *Open* Magazine, New Delhi, March 2012.
32. The remainder accruing from circulation; see FICCI-KPMG, 2010, p. 71.
33. FICCI-KPMG, 2010, p. 73.
34. FICCI-KPMG, 2010, p. 72.

Table 8.

Print* revenue, 2005–2011[35]

Stream	2005	2006	2007	2008	2009	2010	2011
Advertising (Rs billion)	69	85	100	108	110	126	140
Circulation (Rs million)	48	54	60	64	65	67	69
Total	117	139	160	172	175	193	209

Note: * Includes newspapers and magazines

Rs 100 = US$1.80

Sources: FICCI-KPMG, "Hitting the High Notes: FICCI-KPMG Indian Media and Entertainment Industry Annual Report," FICCI and KPMG-India, New Delhi, 2011, p. 38 (hereafter FICCI-KPMG, 2011); FICCI-KPMG, 2012, p. 37

Digitization of the internal working of newspapers has enabled the more efficient launch of multiple editions, now a key feature in India, especially in regional markets. Since every district and town within the district is connected, it is possible to deliver content faster. Also, explains Ajay Upadhayaya, former Editor of *Amar Ujala*, a leading Hindi daily, film-making has been eliminated at the press stage, so printing is faster and facilitates multiple editions[36]—as does the possibility to transmit pages to distant/multiple printing centers, allowing for several district- and city-level editions.

In the case of news consumption via the internet, data on the purpose of internet access suggest news (categorized as "Information of Addresses, Numbers, News") is the third most popular category, after "Music/Videos/Photos," and "Online Communication/Email/Chat." At 25 percent, it is a notch above "Education information search," at 24 percent.[37]

Compared with dedicated news websites, daily newspapers have been slow off the mark. Here, however, English dailies are far ahead, having started internet platforms over ten years ago, led by the top two dailies, *The Times of India* and *Hindustan Times*. The Malayalam daily *Malayala Manorama* has been quicker than other non-English titles, and the leading Hindi newspaper *Dainik Jagran* partnered with Yahoo! to launch its news portal In.jagran.yahoo.com in late 2008, claiming 95 million page views per month, including from mobile devices.[38] Moreover, it also started a video sub-site, Videos.Jagran.com, to overcome limitations of featuring videos hosted on the Yahoo-Jagran site. Following this partnership, in summer 2011 Yahoo! India Ltd partnered with the third-largest Tamil daily, *Dinamalar*—with a total readership of all editions at 9.47 million according to IRS, 2010, Q2—to launch its news portal Tamil.yahoo.com.[39]

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35. Although this includes both daily newspapers and weekly magazines and newspapers, over 90 percent consists of newspapers. Among the English-language news-weeklies, *India Today* has been the leader for nearly three decades, followed by *Outlook*, *Frontline*, and finally, *The Week*. As per IRS, Q1, 2011, of the six metro cities, Chennai is the only one where a sports magazine (*Sportstar* by the Hindu Group, which also publishes *Frontline*) features among the top three weeklies; only Mumbai has a business magazine (*Business World* by the ABP Group) in the top three.

36. Interview with Ajay Upadhayaya, Former Editor, *Amar Ujala*, New Delhi, 21 March 2012.

37. PwC, *India Entertainment and Media Outlook*, Mumbai, July 2011, p. 96.

38. J. Preethi, "Jagran Ramping Up Digital Biz; Will Its Bilingual Strategy Work?" Techcircle.in, 25 March 2011, at http://techcircle.vccircle.com/500/jagran-ramping-up-digital-biz-will-its-bilingual-strategy-work/ (accessed 8 December 2012).

39. Bhavya Arora, "Dinamalar collaborates with Yahoo! to launch Tamil news portal," MediaNama, 6 July 2011, at http://www.medianama.com/2011/07/223-dinamalar-collaborates-with-yahoo-to-launch-tamil-news-portal/#more-32752 (accessed 8 December 2012).

1.2.2 Availability of a Diverse Range of News Platforms

The correspondence between the expanding news landscape and the diversity of news content is complicated in India, as it needs to account for diversity among outlets both within any one language and across languages. On the face of it, the plethora of C&S news channels in different languages and within a language segment itself has increased the multiplicity of voices and sources. For instance, news channels in Assamese and Oriya have contributed to freeing them from the shadow of Bengali, the traditionally dominant regional language. In other instances, the sheer number of channels within a language segment, as within Hindi, Tamil, Telegu, and Malayalam, provides a multiplicity of news outlets.

The multiplicity of C&S news channels along the axis of language, which itself tends to overlap with administrative geographies (states), has been more prominent in the economically better-off states, since they are primarily sustained by advertising markets. For precisely this reason, some states do not have any C&S news channels in the language(s) spoken there, such as in north-eastern states (besides Assam). This creates a peculiar scenario wherein amid the boom in digital news platforms, voices and issues from the north-east remain scarce.

Whether the multiplicity of news channels has enhanced the diversity of viewpoints within any of these language segments has yet to be systematically addressed. Nevertheless, distinctions in viewpoints are perceptible among channels owned by political interests (individual politicians or political parties)—be it in emergent language markets of C&S television news such as Assamese, established ones likes Tamil and Telegu,[40] or even in news relayed on local cable networks owned by politicians. Furthermore, since language markets tend to overlap with political or administrative geography, variance in viewpoints sharply play out in the states: Tamil channels carry different viewpoints reflecting their owners' rivaling political interests in the state of Tamil Nadu; in contrast, Telegu channels editorialize or emphasize news depending on their proprietors' sub-regional political affiliations within the state of Andhra Pradesh. The last is reiterated by similar tendencies observed among newspapers from this state, as explained in section *4.3.2*.

What makes it difficult to construe such blatant partisanship as diversity in news content is that such distinctions are predominantly limited to political reportage, while most other news and programming remain strikingly similar despite different politician-proprietors and/or party loyalties.[41] A similar cloud of "diversity" is created by "private treaties," which result in different reportage on the business environment, and varied emphases on companies, across newspapers (see section *6.1.3*). This gains further significance from the suggestion in sample surveys that the leading English newspapers provide more business and economic coverage than political coverage, which is diametrically opposite to regional-language newspapers, with the exception of *Gujarat Samachar*.[42]

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40. P. Shaw, "News television and democracy," *Revista de Economia Politica de la Tecnologias de la Informacion y Comunicacion* 11(2), 2009 at http://www.eptic.com.br/arquivos/Revistas/vol.XI,n2,2009/09-PadmajaShaw.pdf (accessed 13 January 2012).

41. "In Credible India: Multitude & Diversity in the Indian News Landscape," Presentation at Keynote Lecture "12: Finnish Conference of Communication Research," Jyväskylä, 30–31 August 2012, at https://dl.dropbox.com/u/2427442/InCredibleIndia.pdf (accessed 13 January 2012).

42. "What Makes News: A Content Study of Regional Media," TheHoot.org, 2011. This surveyed the highest circulated English and regional dailies from the north, south, east, and west of the country for 30 days across 60 days between mid-September and mid-November 2010, whereby all stories in the main editions of each paper, minus the sports, editorial, and supplement pages, were considered.

The availability and diversity of news play out differently in a niche segment of the news genre, business news, which has witnessed a boom over the last five years. This began effectively as a monopoly of TV18 Group, first as CNBC-India (1999–2004) and subsequently as CNBC-TV18. Competition came in the form of NDTV-Profit in 2005, followed by Bloomberg India in 2008 and ET Now in 2009. By contrast, no sooner did TV18 start a Hindi business news channel—CNBC-Awaaz in 2003—a rival emerged in the form of Zee Business in 2004. Consequently, expansion in this niche segment has been groomed not only by the growing middle-class audience, excited by prosperity since the late 1990s, but specifically by their desire to participate in and further benefit from such prosperity by actively consuming news about stock markets and personal finance. Not surprisingly, content and viewpoints across business channels focus more on the financial sector than, say, the agrarian sector, despite the latter constituting a geographically larger and demographically greater part of the country.

Table 9.

Average weekly channel share* of English-language business news channels, 2010 and 2011

Channel	2010	2011	Change
CNBC-TV18	52.9	45.4	↓
NDTV-Profit	22.0	19.8	↓
ET Now	14.8	26.5	↑
Bloomberg India	10.2	8.4	↓

Notes: * Average weekly channel share is the viewership of a channel in a particular genre (here, business news channels) as a percentage of the total viewership in that particular genre during a week; it is expressed in percentages.

All caveats on the methodology described in the Note to Table 3 apply

Source: TAM Media Research (Target Group: cable and satellite channels, 25+ years; market: all India; period: both years (week 1 to week 52))

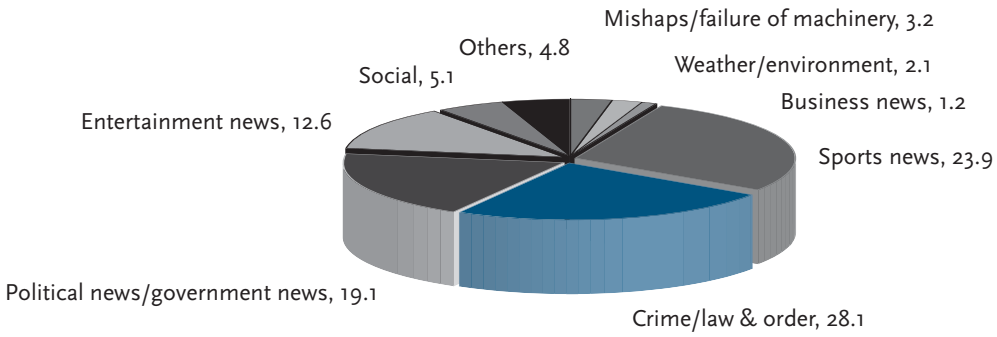
In its overview of news channels in 2009, the FICCI-PwC annual report on the media industry said: "One of the challenges faced by the general news channel was the lack in differentiation of content across channels."[43] Nevertheless, there are discernible differences in the presence and/or emphasis of news themes across channels in Hindi and English. There are differences over time as well. According to the CMS Media Lab, political news coverage by Hindi news channels dipped from 23.1 percent in 2005 to 10.09 percent in 2007, while coverage of sports, entertainment, crime, and human interest news grew from 27.9 percent in 2005 to 53.1 percent in 2007.[44]

43. FICCI-KPMG, 2010, p. 55.

44. Nasrin Sultana, "Where is the 'News'?," Indiatelevision.com, 8 March 2008, at http://www.indiantelevision.com/special/y2k8/hindi_news_specialreport.php (accessed 8 December 2012).

Figure 7.

Proportion* of news themes in leading English TV channels (%), 2010



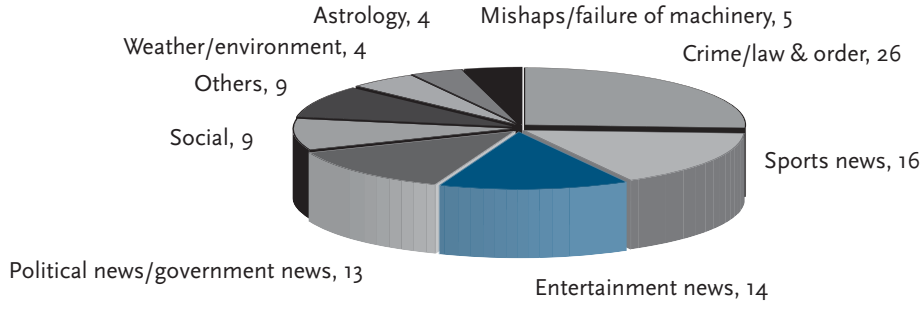
Notes: * Proportion is based on airtime for comparable programs across channels

All caveats on the methodology described in the Note to Table 3 apply

Source: News Content Track—A Service of TAM Media Research (period: January–December 2010; English channels considered: CNN-IBN, Times Now, NDTV 24x7, Headlines Today; Hindi channels considered: Aaj Tak, India TV, Star News, Zee News, IBN 7, NDTV India)

Figure 8.

Proportion* of news themes in leading Hindi TV channels (%), 2010



Notes: * Proportion is based on airtime for comparable programs across channels

All caveats on the methodology explained in the Note below Table 3 apply

Source: News Content Track—A Service of TAM Media Research (period: January–December 2010; English channels considered: CNN-IBN, Times Now, NDTV 24x7, Headlines Today; Hindi channels considered: Aaj Tak, India TV, Star News, Zee News, IBN 7, NDTV India)

1.3 News Providers

1.3.1 Leading Sources of News

Print Media

Over the last five years, print has been marked by a dynamic expansion in regional markets. Despite this, the same four newspapers have filled the top circulation ranks. Based on readership, the top five newspapers saw one new entrant in 2009, compared with the ranking in 2005; and the top 10 saw one new entrant in the same period—in both cases the entrant being a Hindi daily.

Table 10.
Changing ranks of largest circulated dailies (including multiple editions), 2005 and 2009

Rank 2005	Title	Rank 2009
1	*Dainik Jagran*	3
2	*Times of India*	1
3	*Dainik Bhaskar*	2
4	*Malayalam Manorama*	4
5	*Hindustan Times*	*The Hindu* 8*

Note: * Indicates 2005 rank of that newspaper

Sources: World Association of Newspapers (WAN), World Press Trends, 2005, at http://www.wan-press.org/rubrique75.html, cited in "World's 100 Largest Newspapers," at http://www.wan-press.org/article2825.html (accessed 29 June 2011); Audit Bureau of Circulations (ABC), New Delhi, 2009

While Hindi and other-language newspapers dominate readership and circulation, English dailies dominate advertising revenues—45 percent of total newspaper revenues across all languages—since they cater to households with higher purchasing power.[45] Despite this, the overall rankings, across languages, have not seen any major changes.

45. FICCI-KPMG, 2011, p. 79. Advertising rates in English dailies are between five and ten times greater than those of non-English dailies.

Table 11.

Shift in total readership* of top 10 dailies across languages (million), 2007 and 2010

Rank 2007	Newspaper (language)	2007 R2	2010 R2	Rank 2010	Change
1	*Dainik Jagran* (Hindi)	53.61	54.184	1	↑
2	*Dainik Bhaskar* (Hindi)	30.58	33.727	2	↑
3	*Hindustan* (Hindi)	28.22	30.918	3	↑
4	*Amar Ujala* (Hindi)	23.53	28.982	4	↑
5	*Daily Thanthi* (Tamil)	20.88	20.651	6	↓
6	*Lokmat* (Marathi)	20.66	23.653	5	↑
7	*Dinakaran* (Tamil)	16.08	16.989	7	↑
8	*Ananda Bazar Patri* (Bangla)	15.75	15.446	8	↑
9	*Eenadu* (Telegu)	14.22	15.038	9	↑
10	*Times of India* (English)	13.48	13.468	11	↓
11	*Rajasthan Patrika* (Hindi)	13.19	14.684	10	↑

Note: * Readership is the number of people from a sample who read a newspaper for at least two minutes in the last 12 months, or once in six months

Source: Based on IRS, 2010, R2, at http://www.scribd.com/doc/46559667/IRS2010Q2-Topline (accessed 7 June 2011)

Television

In the case of news television, rankings of English and Hindi channels have been more fluid. In English, the pioneer, NDTV 24x7, has steadily lost market share with the consolidation of late entrants—and dropped to third place over the past five years. The emergent leaders Times Now and CNN-IBN pulled further ahead in terms of average market share in 2011, compared with 2010.

Table 12.

Average channel share*—leading English news channels,** 2007–2011

Channel	2007	2008	2009	2010	2011
Times Now	27.1	25.4	30.7	28.1	29.5
CNN-IBN	27.6	27.4	26.3	25.3	26.5
NDTV 24x7	31.4	28.7	24.0	24.5	24.4
Headlines Today	10.3	12.3	10.8	13.3	9.9

Notes: * Average channel share is the viewership of a channel in a particular genre (here, English news channels) as a percentage of the total viewership in that particular genre over a period of time; it is expressed as a percentage.

** Leading channels are those with an average viewership of at least 10 percent in the specified years.

All caveats on the methodology described in the Note to Table 3 apply.

Source: TAM Media Research (TG: CS 25+; market: all India; period: January–June 2007–2011)

Among Hindi channels, Aaj Tak remained the market leader from 2007 through 2011, though it has lost viewership—like its established rivals—in this fiercely competitive and expanding market. Meanwhile, the relegation of public broadcaster DD News to the bottom speaks less of its popularity and more of the

overall viewership sample contributing to Table 13 (below): the "all India" TAM Media Research viewership numbers do not consider either rural India or towns with fewer than 100,000 people—both constituencies with less C&S television penetration, and hence relatively more viewers of Doordarshan's terrestrial signal. Even in this universe, the sample size of TAM Media Research is abysmal: its Peoplemeters are installed in a mere 8,000 homes, out of over 100 million C&S television homes in India. A shocking scandal erupted in August 2012 when the news network NDTV filed a suit in a New York court against Nielsen and its Indian partner, TAM, for rigging viewership ratings in India.[46] Some quarters of the industry tried to sidestep this controversy by arguing that rating protocols and methods would improve with complete digitization—an argument that would have potentially ignored lawsuits involving Nielsen in digitized countries, including the United States.[47] In fact, the NDTV-TAM scandal led the public broadcaster, Prasar Bharati, to move the Competition Commission of India against TAM three months later for abusing its dominant position by failing to conduct audience measurement in a fair manner[48] (see section *2.1.1*).

Table 13.

Average channel share*—Hindi news channels, 2007–2011

Channel	2007	2008	2009	2010	2011
Aaj Tak⊕	21.0	18.8	19.6	17.7	15.6
India TV	12.2	17.0	16.4	15.4	15.4
Star News	16.7	16.8	15.5	15.4	13.8
Zee News	12.9	10.1	10.0	10.8	10.3
IBN 7	11.0	8.0	8.8	8.4	9.3
Live India	1.7	4.0	2.2	3.8	8.1
NDTV India	11.1	7.6	7.5	7.7	6.9
News 24**	—	5.2	5.0	5.6	6.2
TEZ⊕	4.4	5.2	4.4	5.4	5.5
Samay	5.4	4.1	4.3	3.0	4.3
P7 News**	—	—	0.1	1.7	2.0
DD News	3.6	2.9	3.6	3.3	1.9

Notes: * Average channel share is the viewership of a channel in a particular genre (here, Hindi news channels) as a percentage of total viewership in that particular genre over a period of time; it is expressed as a percentage.

** Indicates channels that did not exist in all years: News 24 launched in 2007 and P7 News in 2009. All caveats on the methodology described in the Note to Table 3 apply.

⊕ Sister channels of the TV Today network operating in the same language segment.

Source: TAM Media Research (TG: CS 25+; market: all India; period: January–June 2007–2011)

46. S.N. Vikas, "NDTV Files Lawsuit Against Nielsen For Manipulating TV Ratings," Medianama.com, 31 July 2012, at http://www.medianama.com/2012/07/223-ndtv-files-lawsuit-against-nielsen-for-manipulating-tv-ratings (accessed 10 December 2012).

47. See http://audienceevolution.wordpress.com/2012/08/03/an-international-nielsen-scandal (accessed 10 December 2012). Previously in India, in the early 2000s, a smaller scandal erupted when a newspaper released the list of homes in Mumbai where Peoplemeters were placed, information normally held in confidence by ratings agencies.

48. See http://news.outlookindia.com/items.aspx?artid=781031; https://www.competitionpolicyinternational.com/india-tam-complaint-considered-by-cci-for-abuse-of-dominance-in-tv-sector (accessed 10 December 2012).

The numbers for English and Hindi news channels may indicate the national picture, but they tend to completely bypass regional trends and specificities. Take the Marathi (spoken in the western state of Maharashtra) segment, where five years ago there were just two news channels. The then leader, Zee 24 Taas, faced challenges from three entrants: first, Star Majha (part of Newscorp's erstwhile TV news operations under Star India) launched in mid-2007; then IBN Lokmat (sister channel of the CNN-IBN and IBN-7 family) started in early 2008 in partnership with a leading Marathi newspaper, *Lokmat*. Later that year, the rival and much older Marathi news group known by its eponymous daily, *Sakaal*, started Saam TV, essentially an entertainment channel but with a large dose of news. Thus, with competition from domestic and foreign-supported existing news outlets, the first entrant in Marathi news—like that for English news—was pushed to third spot.

Table 14.

Average news share*—Marathi news channels, 2007–2011

Channel	2007	2008	2009	2010	2011
Star Majha	2.9	54.1	39.0	44.1	42.3
IBN Lokmat**	—	13.9	30.5	31.9	33.1
Zee 24 Taas	77.9	32.0	30.5	24.1	24.7
Saam TV**	—	—	15.7	14.8	14.8

Notes: * Average channel share is the viewership of a channel in a particular genre (here, Marathi news channels) as a percentage of total viewership in that particular genre over a period of time; it is expressed as a percentage.

** Indicates channels that did not exist in all years: IBN Lokmat launched in week 15, 2008, and Saam TV in week 33 of 2008.

All caveats on the methodology described in the Note to Table 3 apply

Source: TAM (TG: CS 15+; market: Maharashtra; period: January–June, 2007–2011)

Comparing news outlets across mediums, television dominated and increased its reach from 54.7 percent in 2006 to 56.8 percent in 2010, while print continued to hold its ground—a slight decline from 38.7 percent in 2006 to 38.4 percent in 2010.[49] The internet showed a slight increase, from 1.5 percent in 2006 to 2 percent in 2010. Indians use all these news providers at different points in time, instead of migrating significantly to one. Yahoo! editor Prem Panikkar explains:

> What has happened, and this is anecdotal, is that people balance their media consumption differently. Thus, earlier you had the newspaper and TV, and you used the paper for explanatory journalism, essays and opinion, while you relied on TV for breaking news and updates. Today, since the internet gives you both breaking and explanatory/long form, your usage patterns change. You use the newspaper as a quick morning reference to the last 24 hours; the TV as a guide to what's breaking where; and the internet, thanks to its mobility, as a means of keeping abreast of everything while on the go and/or while at work.[50]

49. Reach is the percentage of the total of readers/audience under measurement who viewed content for at least a minute; reach figures for TV and newspapers come from TAM and IRS, respectively.

50. Interview with Prem Pannikar, Editor, Yahoo!, Mumbai, July 2011.

News Websites

Analyzing top news brands in India, comScore Inc. found that traffic to online news sites had reached a record 15.8 million visitors (aged 15 and older) in October 2009, up 37 percent year on year, and representing 44 percent of the online population in India.[51]

In an otherwise news-hungry country, among the top 10 sites attracting traffic from India, none is a dedicated news site—Rediff.com ranking 10th, is a portal that also carries news. Subhash Rai, a seasoned web editor, observes that while social media, RSS, and mobile devices have allowed news consumption to be different, continuous, and perhaps participatory, the overall news agenda and consumption continues to be dominated by traditional media outlets:[52]

> In the independent media space there are attempts at offering an alternative journalistic ethos, even technically a preference of open source. But if you look at the overall pages on a pan-India scale, it looks like traditional media outlets and big new media businesses get the bulk of the traffic.[53]

Among the top 10 news-providing sites, all but two are online platforms of established newspapers or television news channels—and only two of these are in languages other than English. Among these, two—Espncricinfo.com (from the Murdoch-Disney JV of sports channels, which de-merged last year) and Moneycontrol.com (from the TV18 Group of business news channels)—represent specialist news interests, i.e. cricket and business, respectively.

Table 15.

Leading news-providing sites and their absolute India traffic rank, July 2011

Website	India rank
Rediff.com	10
Indiatimes.com	11
Espncricinfo.com	22
Moneycontrol.com	46
Ndtv.com	50
Bhaskar.com	84
Sify.com	86
Bbc.co.uk	96
Dinamalar.com	137
Hindustantimes.com	140
Thehindu.com	164
Intoday.in	165

Source: Alexa.com (accessed 6 July 2011)

51. Figures based on accessing ComScore in September 2011. Measurements of traffic by ComScore do not include visits from public access computers, such as internet cafés, mobile phones, or PDAs.

52. Interview with Subhash Rai, Web Editor, *Economic and Political Weekly*, Bangalore, March 2012.

53. Interview with Subhash Rai, Web Editor, *Economic and Political Weekly*, Bangalore, March 2012.

1.3.2 Television News Programs

The leading television ratings in 2009 were all from Aaj Tak, the foremost Hindi news channel. The top three ranked programmes concerned a bunch of news headlines and updates on the national elections, held in May 2009. Not only did the special program on the solar eclipse on 22 July 2009 gain high viewership numbers (rank 5) but so did the daily weather report on that day (rank 8)! Two programs on the victories by the Indian cricket team complete the top 10 ranked news programs of 2009 (ranks 7 and 10). Of these, significantly, only the TVRs ranked 1 and 10 were from daily primetime news bulletins.

Table 16.

Top 10 programs on Hindi news channels, 2010

Rank	Channel	Date	Day	Start time	End time	Program	TVR*
1	Aaj Tak	30 Sept.	Thursday	15.28	15.53	"*Ayodhya sabse bada faisla*" (Ayodhya, The biggest judgment)	1.96
2	Aaj Tak	30 Sept.	Thursday	15.53	15.54	"*Aaj Tak news update*"	1.57
3	India TV	30 Sept.	Thursday	15.27	15.53	"*Ayodhya par sabse bada faisla*" (The biggest judgment on Ayodhya)	1.27
4	Star News	30 Sept.	Thursday	14.29	20.24	"*Star News ke law chamber se li*" (Taken from Star News' law chamber)	1.06
5	India TV	22 Sept.	Wednesday	21.57	22.16	"*Non stop superfast*"	0.89
6	Aaj Tak	15 Jan.	Friday	13.29	13.53	"*Dhyana rakho grahan hai*"[54] (Be careful, it's an eclipse)	0.80
7	Aaj Tak	30 Sept.	Thursday	21.29	21.58	"*Vishesh-ayodhya sabse bada faisla*" (Special—biggest judgment on Ayodhya)	0.78
8	IBN 7	30 Sept.	Thursday	15.59	16.00	"*IBN 7 headlines*"	0.74
9	Zee News	30 Sept.	Thursday	14.26	19.00	"*Ayodhya 30 September*"	0.68
10	Aaj Tak	30 Sept.	Thursday	21.59	22.29	"*10 Tak-ayodhya sabse bada faisla*" (Until 10—biggest judgment on Ayodhya)	0.68

Note: * TVR is television viewership rating. A TVR measures the audience watching a particular program as a percentage of the total actual audience watching all TV programs at that time in the particular market—defined by language (e.g. all Hindi channels) or territory (e.g. the entire audience in New Delhi). Again, the universe of audience constitutes the number of houses with viewership meters.

Source: TAM

All but two top ranked programs on news channels in 2010 were concerned with the Supreme Court's verdict on the razing of the Babri Mosque at Ayodhya in 1992. Unlike in 2009, in 2010 programs from all the principal rivals of Aaj Tak—India TV, Star News, Zee News (the only pay-TV channel), and IBN7—also crept into the top 10 TV rankings, thereby signaling a loss in viewership for the market leader (see Table 16, above). Moreover, many of these programs across news channels were specials—in the early afternoon when the Court's verdict was announced—indicative of the breaking news practice in Indian news broadcasting (see section *4.1.1*). In this context, it must be mentioned that Zee News is the only pay-TV channel among all these Hindi news channels.

54. "*Be careful, it's an eclipse*."

Table 17.

Top 10 programs on Hindi news channels, 2011

Rank	Channel	Date	Day	Start time	End time	Program	TVR*
1	Aaj Tak	30 March	Wednesday	22.44	23.57	"*India manao jashan*" (India, go celebrate)	1.69
2	Aaj Tak	2 April	Saturday	22.49	00.29	"*Vishwavijeta*" (World winner)	1.39
3	Aaj Tak	20 March	Sunday	21.46	21.55	"*Vishesh-jeet ki holi*" (Special: celebration of victory)	1.10
4	Aaj Tak	27 August	Saturday	20.57	21.55	"*Anna zindabad*" (Hail Anna)	1.07
5	Star News	30 March	Wednesday	23.27	23.55	"*Balle balle*"	0.97
6	Star News	2 April	Saturday	23.59	00.27	"*Jeet li duniya*" (Won the world)	0.87
7	Aaj Tak	24 March	Thursday	22.29	23.25	"*India mange Cup-diya ghumake*" (India is asking for the cup—what a hit)	0.85
8	Aaj Tak	16 August	Tuesday	21.56	22.56	"*10 Tak*" (Until Ten)	0.84
9	Zee News	16 August	Tuesday	21.29	21.59	"*Zee News*"	0.78
10	Star News	30 March	Wednesday	22.29	23.22	"*Balle balle*"	0.77

Note: * TVR is television viewership rating. (See note to Table 16.)

Most top programmes on Hindi news channels in 2011 concerned with reports on the cricket World Cup: either the build-up to the semi-final (ranks 1, 3, 5, 7, and 9) or India's victory in the final (ranks 2 and 6), as per Table 17, above). The exceptions were news bulletins and programs concerning the Anna Hazare-inspired agitation against corruption (ranks 4, 8, 9). While programs and bulletins from Aaj Tak's rivals continued to feature in the top 10, unlike in the previous year there were none from India TV—despite its remaining second to Aaj Tak in the overall viewership numbers for 2011 (Table 17).

Looking across the years 2009–11, whose top TVRs are analysed in section *1.3.2*, it is difficult to attribute the loss in the complete dominance of Aaj Tak in TVRs to digital migration—since the channel continues to lead all its rivals in the overall viewership for 2011, as per Table 17. Loss in audiences can only be attributed to digitization in general, i.e. since digital technologies have made it cheaper to launch news channels, this has led to more channels and therefore a greater fragmentation of audiences. Having said this, it must be clarified that TVR, being a time-weighted metric accounting for the time spent by each viewer (rather than only viewership), is not the best measure to gauge the (net) loss in audiences, if any.

1.3.3 Impact of Digital Media on Good-quality News

There are still conflicting views on whether news has become better in terms of trust, credibility, investigative approach, and in-depth analysis due to digital media. For example, the Annual Edelman Trust Barometer for 2010–2011 showed a declining trust in the media in India that year; what makes this grave is that feedback from India was based on surveys carried out between 11 October and 24 November 2010, before the 2G telecoms scam had further dented public perceptions.[55] However, the same organization's 2012 survey ranked India quite high.

55. For a detailed account of the scam, see Jyoti Thottam, "War of Words Escalates in India's Telecom Scandal," *Time Magazine,* 15 December 2010, at http://www.time.com/time/world/article/0,8599,2036867,00.html (accessed March 2012).

Sundeep Khanna, editor of Livemint.com (the online version of *Mint*, the second-largest selling business daily), felt that although the sheer volume of news content has multiplied, the proportion of credible and investigative pieces is still as low, if not lower, than before the expansion of digital media.[56] Simon Denyer, India correspondent for the *Washington Post*, expressed much the same argument:

> In China, where the newspaper and television media are so closely controlled by the state, digital media, especially blogs, are important sources of news and help give a useful insight into popular opinion. However, in India—despite some significant flaws in newspaper and television media—I can get most of what I need from the traditional media. Digital media in India, especially social media, is sometimes interesting to track, but there is a danger of too much opinion and not enough analysis.[57]

Readers of news on digital formats (tablets and online) expect more improvisation in editorial content, according to Mr Rajmohan: "Editorial content on digital platforms has to include audio and video clips."[58] English news websites (such as Indiatimes.com, but also those of leading Hindi dailies such as *Dainik Jagran*) have video clips of news as it breaks; the weekly *Tehelka*, for example, features video clips of its editor explaining issues covered in the magazine. However, it is on small websites and some independent blogs that such features reflect qualitative changes in news—especially with video clips, short features, and/or video interviews on issues not carried in, or emphasized by, mainstream media. One such site is NewsClick.com; Prabir Purkayastha, from its editorial team, sees blogs and internet-based news sites playing a very important role in providing niche and/or different kind of news. Emphasizing that NewsClick.com is financed through donations from individuals—no ads or corporate donations—he explains:

> … it is the power of crowd sourcing which by definition cannot be matched by top-down corporate media. In a broadcast form of media, corporations are much more powerful—they control the broadcast channels: newspapers, radio and TV. In the multicast form of communication, which is internet, top-down approach is not as effective. That is why internet based media is inherently more diverse and non-monopolistic.[59]

One problem with mainstream websites or popular blogs, as opposed to smaller sites and blogs, is that they tend to proactively monitor their readership/viewership. Mr Khanna described this mindset succinctly:

> As the editor of the online version, my job is to consistently track the hits on each article/opinion/blog on the website. The moment we notice that a piece is not getting enough readership, we immediately take it off the home page, and shift it to the inside pages or archives. So even if a piece is important, crucial and excellent as per investigative standards, it

56. Interview with Sundeep Khanna, Executive Editor, Livemint.com, New Delhi, September–October 2012.
57. Interview with Simon Denyer, South Asia Bureau Chief, *Washington Post*, New Delhi, October 2012.
58. Interview with R. Rajmohan, Publisher, *Open* Magazine, New Delhi, March 2012.
59. Interview with Prabir Purkayastha, Editorial Team, NewsClick.com, New Delhi, January 2012.

does not get the coverage it deserves if enough visitors are not interested in it. Thus, quality becomes peripheral to the demands of reader traffic.[60]

1.4 Assessments

News channels continue to be mainly financed by advertising; though niche news channels like Biz News have been pay from the beginning, few leading general news channels have turned pay. In the advertising-driven milieu of private news broadcasting, audience numbers hold the key.

Nevertheless, all this does not dilute the fact that over the past few years, as the number of news channels (in all languages) has increased, so has their viewership (though not so consistently in the past few years). In specific South Indian languages, the trend has been more visible; for example, there are 16 news channels in Telugu. Digitization has enabled print media to launch more editions and garner more readership. Television channels and print formats now deliver news (both published/aired and new content) through the internet and mobiles, thereby expanding their offers. The print media, especially regional ones, have expanded their base, as new readers tend to gravitate toward print versions, while the older and more literate move on to online and mobile formats.

Thus, digitization has impacted choice, especially in television and the internet. Viewers on digitized reception platforms can demand channels and pay for them. Similarly, Twitter, social networks, and blogs have allowed internet users, limited as their present number is, to watch and follow news. This has been aided by news outlets, through their various platforms, offering particular news in different forms, namely blogs, SMS updates, opinions, large explanatory pieces, videos, audios, etc. In fact, consumers have begun to exercise choice; although long used to free-to-air news channels, they have begun to pay for them in certain geographies. The continued expansion in the number of DTH homes at a blistering pace is another indicator of this trend.

However, the relationship between more offers, additional choice, and diversity of news is still unclear. Some experts feel that the multiplicity of television channels has not directly resulted in differing content, as most channels air similar content. Other studies have shown some variations among channels, websites, and other news platforms.

News offerings on mobile digital media, though on the rise, have yet to make a mark on the overall news ecology and news audience or readers; despite having opened another platform for news delivery, the choice of news on offer is not wider than that of other platforms—mobile digital media have not been able to develop niche content for specific audiences. Leading language news outlets have ventured into the online space, but besides enrichment of media content with audio and video clips, there has been no dividend in terms of news quality or variety. Mass market, rather than niche, news themes like elections, sectarian conflict, and scandal remain the biggest drivers of viewership on all platforms. Updates from financial markets and sporting events are the only kinds of news mobile users are willing to pay for, though here again customization of content is limited.

60. Interview with Sundeep Khanna, Executive Editor, *Live*, New Delhi, September–October 2012.

2. Digital Media and Public or State-administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

India's public service broadcaster Prasar Bharati was established in 1997 as a statutory autonomous body to oversee All India Radio (Akashvani, AIR) and National Television (Doordarshan, DD).[61] Today it comprises a network of 31 television channels and 232 radio stations, and is among the largest terrestrial networks in the world.[62]

However, editorial independence has always been in debate, and media observers often cite examples of how DD and AIR news favors the position of the incumbent government. Paranjay Guha Thakurta, an experienced print journalist who also hosts a program on Lok Sabha TV, says Prasar Bharati has become poorly managed, mediocre, highly bureaucratic, and remains a de facto propaganda division of the ruling party. The Ministry of Information and Broadcasting (MIB) thus indirectly controls its day-to-day functioning (especially news broadcasts). It is, he says, appalling that India remains one of the few democracies where radio news is tightly controlled by a state-sponsored organization.[63] This is also evident from the administrative structure that controls and manages decisions taken by Prasar Bharati.

Its current 13-member board is responsible for the supervision and management of its affairs, as mandated by the Prasar Bharati Act, 1990. The chairman and most members are appointed by the President of India, on the recommendation of a committee comprising the chairman of the Council of States, the chairman of the PCI, and one nominee of the President. In principle, the board's autonomy is guaranteed, by having only one MIB representative on it; however, since the broadcaster depends on the government for at least

61. The Prasar Bharati Act of 1990 was finally passed in 1997 to grant autonomy to public broadcasting.

62. Radio broadcasting came to India in the 1920s, and AIR was established in 1936. The first television studio was set up in Delhi in 1959 under AIR, and was funded by UNESCO to telecast educational programs. It was only in 1976 that an independent directorate of DD became functional.

63. Interview with Paranjay Guha Thakurta, independent journalist and author, 10 May 2011.

half its budget, this makes it vulnerable to political interference in management and editorial matters. Of the board members, three are representatives of the government, i.e. Director General (AIR), Director General (Doordarshan), and an official of MIB; several other members, including the board's chairman, are appointed by a three-member committee, which includes the President's nominee and the Vice-president.[64]

DD broadcasts in the terrestrial mode, mostly analog, and has a three-tier programming service: national channels—DD National,[65] DD News,[66] DD Sports,[67] DD Bharati,[68] DD Gyandarshan,[69] DD Urdu[70]—regional channels[71] (11 regional language satellite channels[72] and 12 state networks[73]), and an international channel, DD India.[74] All the channels are also available on cable and satellite. DD was the first to offer a DTH service, in 2004; DD Direct Plus, a rent-free service, has 58 private television and radio channels, 21 DD channels, and 21 AIR channels.

In the national terrestrial mode, DD transmits DD National and DD News through its 1,416 transmitters. DD National covers about 92 percent of the population and 82 percent of the country's territory, and has the largest potential reach among all Indian channels. DD News covers about half the population and 25.6 percent of the country's area.

DD News content is produced by the News Center in Delhi, supported by 24 Regional News Units (RNUs), and telecast through 87 daily bulletins in 19 languages. About 60 percent of content is entertainment-oriented. News and current affairs constitute 8 percent of airtime on DD National, about 18 percent on DD India, 8 percent on DD Urdu, and 12.5 percent on DD Regional (terrestrial).[75] While no news is broadcast on DD Bharati, generally the number of bulletins on regional satellite channels varies.[76]

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64. See http://prasarbharati.gov.in/Corporate/pb+act (accessed 9 December 2012).
65. DD National (also called DDI) is the flagship channel on which national, regional, and local programs are broadcast on a time-sharing basis; it is available in both terrestrial and satellite modes.
66. DD News was started in November 2003 and is the only 24-hour bilingual terrestrial news channel.
67. Launched in March 1999, this dedicated sports channel covers national and international sporting events.
68. DD Bharati is a 24-hour infotainment channel started in January 2002.
69. Gyandarshan is a 24-hour educational channel launched in 2000 as a collaboration between the Ministry of Human Resource Development, Prasar Bharati, and the Indira Gandhi National Open University (IGNOU).
70. The channel was launched in 2006 to cater to the Urdu-speaking population.
71. The regional language satellite services and regional state networks broadcast a wide range of programs in regional languages, produced largely in the 66 DD studio centers across the country.
72. These include DD Malayalam, DD Podhigai (Tamil), DD Saptagiri (Telugu), DD Chandana (Kannada), DD Sahyadri (Marathi), DD Girnar (Gujarati), DD Kashir (Kashmiri), DD North East, and DD Punjabi.
73. The networks are available in the states of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Himachal Pradesh Jharkhand, Chhatisgarh, Haryana, Uttaranchal, Tripura, Mizoram, Meghalaya.
74. DD India is a 24-hour international channel for Indians living abroad launched in 1995.
75. Prasar Bharati (2008), "Annual Report (2007–08)," Government of India, New Delhi.
76. For example, the 24-hour channel DD Bangla (Bengali language service) has 15 news bulletins of 10 minutes each; interview with Ashok Jailkhani, Additional Director General (Programme), Doordarshan, New Delhi, 15 April 2011.

AIR is among the world's largest radio networks. Terrestrially, its geographic reach covers 99.18 percent of the population with 232 radio stations. Twenty-one AIR channels are also available on DD Direct Plus. The AIR offering includes the national channel,[77] primary channels,[78] local radio stations,[79] Vividh Bharati,[80] Rainbow,[81] and Gold,[82] external services broadcast,[83] and other niche channels[84] covering 24 languages and 146 dialects in home services and 27 languages (17 national and 10 foreign) in its external services. AIR FM channels, which cover about 31 percent of the urban population, face competition from 245 private FM channels (allowed phased operations since 2000).

AIR's News Services Division (NSD) and its RNUs together produce current daily news broadcasts totaling 54 hours and 32 minutes in 89 regional languages and dialects, including Hindi and English.[85] On the AIR primary channels, news and current affairs programs constitute about 24 percent of the content; on local radio stations the news content is about 17.1 percent and entertainment 50.1 percent.

Prasar Bharati is largely dependent on government funding according to Article 17 of the Prasar Bharati Act 1990.[86] Its budget is allocated by the Planning Commission of India[87] and comes via the MIB in the form of equity, grant-in-aid, or loans.[88] Special budgetary allocations are also made, for instance in the case of the Commonwealth Games as well as for digitization.[89]

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77. Launched in 1988 as a night service, the national channel covers about 76 percent of the population with content in Hindi, Urdu, and English.
78. The primary channels are available mostly on the MW frequency and are the most accessible AIR channels across regions; they broadcast mainly "infotainment" content.
79. Local radio is a relatively new broadcasting concept in India, where each station serves a small community.
80. This commercial channel of AIR began in October 1957 and has mostly film music-based programs.
81. FM Rainbow started in 1995 for urban areas and broadcasts English and Hindi music, chat shows, and phone-ins.
82. FM Gold, born in 2001, operates from Delhi, Mumbai, Kolkata, and Chennai. It offers classical and film music.
83. The external service was started in 1939 for the Indian diaspora and now reaches 100 countries.
84. This includes the classical music channel, Amrutha Varshini.
85. Prasar Bharati (2009), "Annual Report (2008–09)," Government of India, New Delhi.
86. The Act states that "the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Corporation in each financial year
    (i) the proceeds of the broadcast receiver license fees, if any, as reduced by the collection charges; and
    (ii) such other sums of money as the Government considers necessary,
    by way of equity, grant-in-aid or loan."
87. The Planning Commission makes five-year plans for all sectors; the 11th Plan ran from 2007 to 2012.
88. Equity consists of investment in public enterprises; grant-in-aid comprises plan and non-plan funds that do not have to be paid back. The non-plan outlay allocated to Prasar Bharati is used for meeting operating expenses and augmentation, replacement and maintenance of capital assets of AIR and DD, along with shortfalls in salaries.
89. For instance, Rs9.34 billion (US$ 167 million) was set aside for AIR and Rs6.2 billion (US$ 111 million) for DD for digitization under the 11th Plan scheme; and Rs4.15 billion (US$74 million) sanctioned for the coverage of the 2010 Commonwealth Games, equally divided as a grant and a loan.

Table 18.

Financial status of Prasar Bharati (Rs million), 2006–2010

	2006–2007	2007–2008	2008–2009	2009–2010
Income	9,830.5	10,358.6	10,967.8	11,190.0
Expenditure	19,546.7	20,579.2	25,188.8	30,980.0
Deficit	9,716.2	10,220.6	14,221.0	19,790.0

Source: Lok Sabha, starred Question No. 166, answered 9 March 2010

Prasar Bharati has reaped revenues from commercial programming and enjoys certain competitive advantages over private broadcasters, such as through the Sports Broadcasting Signal Act of 2007, which allows DD and AIR to share telecasts of major sports events hosted by private channels and including at least 25 percent advertising revenue share in television and 50 percent in radio.[90]

A Group of Ministers (GoM) report from April 2010 on the financial restructuring of Prasar Bharati recommended converting outstanding government loans to grants, waiving interest, and scaling down support. It called for Plan funding to be given only in the form of grants, and a cap on the government's annual financial support at 50 percent of its operating expenses for the next five years. The committee rejected a license fee proposal, arguing it would be difficult and costly to administer.[91] In the light of objections, the committee later recommended that the government should meet employees' salaries and expenses related to pay, while other expenses should come from internal revenue.[92] Prasar Bharati subsequently revised its funding plans, including an active marketing strategy,[93] e-auctions of channel slots on its DTH services (see section *2.1.2*) and prime-time slots on DD National to production houses, cross-channel advertising from private broadcasters,[94] and the launch of over 200 AIR FM stations to tap local advertisers.[95]

Questions have often been raised in parliament about the declining popularity of DD channels. Trends in digital take-up in Table 3 signal a visible decline in terrestrial-only households; this is explained by both the migration of existing households to C&S, and the propensity of fresh television households, especially in scattered rural areas, to "leapfrog" to DTH services, including those from private vendors.[96]

90. Since 2007, Doordarshan has also had sole broadcasting rights for major sporting events including the 2007 World Military Games, the 2008 Olympics Games in Beijing, and the 2010 Commonwealth Games in New Delhi.

91. According to Mr Jailkhani, Prasar Bharati has at various times proposed a license fee, but the government is resistant to implementing this, as it might affect its mass political support.

92. "GoM for govt meeting salary of Prasar Bharati employees," at http://articles.economictimes.indiatimes.com/2011-08-16/news/29892257_1_prasar-bharati-goms-public-broadcaster (accessed 2 January 2012).

93. Marketing divisions have been established in nine cities to sell commercial time. While DD hopes to garner revenues by airing popular films and commissioning professional production houses for prime-time programs, AIR has plans for more interactive programs, local variation, and dedicated time slots for target audiences.

94. Prasar Bharati had until then barred the airing of commercials from private media firms, including those of DTH operators.

95. In 2011, Prasar Bharati approved the expansion of AIR's FM stations to 313 cities under an MIB scheme.

96. Thinly scattered populations make it near impossible, and hardly lucrative, to extend cable relays; FICCI-KPMG, 2012, p. 15.

But DD has always maintained that its in-house Audience Ratings System[97] gives a different picture of audiences, and that TAM's urban-centric sample does not adequately capture the public broadcaster's viewership. MIB has maintained, using both DART and TAM data, that most viewers still prefer DD. In March 2010, the Minister said that out of the top 20 programs across terrestrial and C&S channels, 11 were from DD National. Also, the TVR of DD News outstripped all others except Aaj Tak and Star News. In late 2011, referring to the latest TAM report, the Minister again stressed[98] that DD ranked second in overall viewership and that according to a DART week-long survey it ranked first when the comparative ratings of DD and private channels were considered.[99]

Table 19.

TAM rating of DD News and some private C&S news channels, 2006, 2008, and 2010

Channel	TVR 2006	TVR 2008	TVR 2010
DD News	0.13	0.07	0.04
Aaj Tak	0.06	0.07	0.07
Star News	0.05	0.06	0.05
Zee News	0.04	0.04	0.04
NDTV India	0.04	0.03	0.03
NDTV 24x7	0.01	0.01	0.01
CNN-IBN	0.01	0.01	0.01

Sources: Reply to Parliament Question No. 1168 in Lok Sabha (2008 data until November) and Parliament Question No. 1887 in Rajya Sabha (2010 data until February)

TAM calculates Television Ratings Points (TRPs) via Peoplemeters installed in sample homes. The average for a 30-day period gives the viewership data per channel. DART uses a system whereby selected viewers note down programs they watched, with these diaries collected weekly to analyze viewership data. One can, however, argue that despite the controversies about the methodologies, urban television audiences turn to private news channels for two reasons: because DD is perceived to air government viewpoints, especially during critical events such as elections and conflict scenarios; and because C&S channels provide continuous updates and unscheduled, special bulletins as compared with DD, which although also broadcasting live, does not tend to tamper with its regular news cycles.

97. The DART (Doordarshan Audience Ratings) system is based on data collected by 40 DD and 100 AIR stations from 3,600 rural and 1,600 urban households.

98. Rajya Sabha, Question No. 1168, answered 7 March 2011.

99. "DD India's most watched TV channel," at http://www.hindustantimes.com/News-Feed/SectorsInfotech/DD-Indias-most-watched-TV-channel/Article1-731835.aspx (accessed 26 December 2011).

2.1.2 Digitization and Services

Since 2002, the public broadcaster has started direct-to-home (DTH), high definition television (HDTV), and mobile broadcasting services, and it has also introduced news websites and SMS-based news content. The satellite transmission of all DD channels is digital. Digitization of production centers was part of the 10th Plan outlay, and of the total 66 Doordarshan Kendras (Doodarshan Centers) 21 have been made fully digital, including the Central News Division in Delhi. The current (11th) Plan lays emphasis on digital terrestrial television (DTT) and DTH services, and no further expansion of DD's terrestrial network.[100]

DTT started in January 2003, when DVB-T transmitters were installed in New Delhi, Mumbai, Kolkata, and Chennai. The process is due to be completed by 2017. For the first phase ending in 2013, DD is to digitize 40 transmitters for which procurement of DVB-T2 transmitters is under way.[101] However, all throughout the process until 2017 terrestrial transmission will be in simulcast mode.[102]

DD launched its DTH service DD Direct Plus in September 2004 with 33 television channels, now increased to 58.[103] DD Direct Plus does not charge subscribers; it raises revenues through carriage fees charged from private broadcasters. It therefore has a bigger market in smaller towns and rural areas, and it is a cheaper distribution platform for the private broadcasters. Ashok Jailkhani, Additional Director General of DD, states, "DD Direct Plus is popular in smaller towns and remote areas such as Ladakh and the North East, where people cannot afford (private) pay channels. A conservative estimate says that DD Direct is number two in the DTH market."[104] As such, there is no system of quantifying DD Direct Plus receivers/viewers, since its signals are unencrypted, and it has no branded STBs;[105] any STB based on open DVB standards can receive and be used for free-to-air channels offered by other DTH platforms. DTH has expanded the broadcaster's services by offering a diverse range of public and private channels. DD Direct Plus provides all language channels, nationwide.

When DD Direct Plus was launched, no specifics were set out for including private broadcasters. However, these were included "in order to reach out to a wider audience and make the service popular."[106] Selection was made on "factors such as genre of the channel, its popularity and conformity with the Prasar Bharati mandate, as well as to maintain regional balance covering different languages to make the bouquet attractive and wholesome."[107]

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100. Planning Commission of India, "11th Five-Year Plan (2007–12)," Government of India, New Delhi, p. 448.
101. Interview with Archana Gupta, Director (Engineering) of Transmitter Design, Doordarshan, New Delhi, 22 April 2012. See also "DVB-T2 Tender in India," at http://www.dvb.org/news_events/news/dvb-t2-tender-in-india/index.xml (accessed 28 December 2012).
102. While TRAI recommended that 31 December 2013 should be the sunset date for analog transmission, the government stated that digitization of both DD and AIR can only be completed by 2017.
103. At present, DD Direct Plus has 58 TV channels (36 private and 22 DD) and 24 AIR stations.
104. Interview with Ashok Jailkhani, Additional Director General (Programme), Doordarshan, New Delhi, 15 April 2011.
105. TRAI, "Consultation Paper on Issues relating to DTH," Government of India, 2 March 2007, at http://www.trai.gov.in/trai/upload/ConsultationPapers/110/cpaperDTH.pdf (accessed 10 April 2011).
106. Rajya Sabha, Question No. 2740, answered 22 August 2005.
107. Lok Sabha, unstarred Question No. 22, answered 23 February 2010.

With the growing presence of DD's DTH service,[108] by 2005 about 80 Indian and foreign channels were set to join the platform. So in 2006 the government permitted Prasar Bharati to raise the number of television channels in its DTH line-up from 33 to 50.[109] The proposed annual carriage fee of Rs10 million (US$ 181,000)[110] from existing and new broadcasters[111] led to almost all news and entertainment channels quitting the platform,[112] so in 2007 the carriage fee was reduced to Rs2.5 million (US$ 44,000).[113]

In June 2011, Prasar Bharati decided to expand the DTH platform to 200 channels via e-auctions[114]—after legal battles with private broadcasters, following which the Telecom Disputes Settlement Tribunal (TDSAT) directed it to adopt a transparent allocation system.[115] It fixed the minimum reserve price of Rs15 million (US$ 262,000) per channel slot.[116] In e-auctions in July and August, 26 slots were sold to private broadcasters for Rs 763 million (US$13.4 million)—over three times the price fixed in June.[117]

However, the 100 channel target has not been met, due to lack of transponders on satellites—despite Prasar Bharati having initiated steps for efficient spectrum management by moving to MPEG-4 compression technology, which translates into more channels per satellite transponder, and using a new GSAT 8 satellite with 24 Ku band transponders.[118] It now has 36 private channels, each of which paid Rs20–30 million (US$ 350,000–525,000) for one year. More e-auctions were planned for 2012; while full details about these auctions, including the outcomes, are not known, the channel slot auction revenue is expected to meet nearly a third of budget allocations for DD.[119]

To augment the capacity of its DTH platform from 59 to 200, on 13 May 2011 the board also cleared a proposal to outsource its operational and technical management to private DTH operators.[120] But this drew

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108. According to industry estimates, DD Direct Plus had almost 1 million subscribers in 2005.

109. Rajya Sabha, Question No. 275, answered 12 December 2005.

110. 1 US$ = Rs55.24.

111. "DD DTH to charge fee from pvt broadcasters," at http://articles.economictimes.indiatimes.com/2006-04-05/news/27449447_1_dd-channels-tv-channels-dd-dth (accessed 10 December 2011).

112. Except MH1, Smile TV, and Kairali TV.

113. Foreign broadcasters, however, had to pay a carriage fee of Rs5 million (US$ 87,500): see http://www.saveondish.com/forum/T-doordarshan-targets-100-channels-on-dth-platform (accessed 1 December 2011).

114. "Prasar Bharati board gives nod to DTH expansion," at http://www.indiantelevision.com/headlines/y2k11/june/june54.php (accessed 10 December 2011).

115. An auction was also seen as a chance to make the broadcaster financially independent and use additional resources to meet operational costs, create more content, and expand its reach via DTH services.

116. Ashish Sinha, "PSUs line up to hold DD's DTH e-auction," at http://www.financialexpress.com/news/PSUs-line-up-to-hold-DD-s-DTH-e-auction/816558 (accessed 5 January 2012).

117. "Doordarshan Reaps Rs 763 Million from DD Direct Plus DTH Auction," at http://www.rapidtvnews.com/index.php/rtvn-india/news/doordarshan-reaps-inr763mn-from-dth-slot-auction.html (accessed 24 December 2011).

118. "DD's DTH arm slot auction set to fetch R400 cr," at http://www.financialexpress.com/news/dds-dth-arm-slot-auction-set-to-fetch-r400-cr/796908 (accessed 24 December 2011).

119. "Doordarshan to e-auction slots in DTH arm from today," at http://www.dddirectplus.info/2011/07/doordarshan-to-e-auction-slots-in-dth-arm-from-today (accessed 26 December 2011).

120. Under the proposed arrangement, private operators will manage the entire technical back-end of DD Direct Plus, including uplink and downlink of channels, quality control, expansion, and subscriber management.

protests from DD and AIR employee unions,[121] who argue that it would incur losses and violates a Union Cabinet decision on the DTH expansion plan,[122] so the government has yet to clear it.[123]

Table 20.
Private channels on DD Direct Plus, 2004, 2007, 2010, and 2011

September 2004	May 2007	May 2010	December 2011
Aaj Tak	9XM	9X	9X
Akash Bangla	Aastha TV	9XM	9XM
BBC World	Amrita TV	AasthaTV	Aalami Sahara
ETC Punjabi	B4U Music	Amrita TV	Aastha TV
ETV Marathi	Bhakti Mosaic	Azad News	B4U Movies
Headlines Today	Care world TV	B4U Music	B4U Music
Jain TV	Chardikla TIME TV	Care World TV	B4U Music
Kairali TV	DW-TV ASIA	Chardikla TIME TV	Channel Divya
MH1	E 24	DW-TV	Chardikla TIME TV
STAR Utsav	Enterr10	E 24	Day & Night News
Sun TV	ETC India	Enterr10	DW-TV ASIA
TV9	India TV	ETC	Enterr10
Zee Music	Jaihind TV	ETC Punjabi	ETC
Zee Smile	Kairali TV	IBN Lokmat	Kairali TV
	Kalaignar TV	India TV	Katyayani TV
	KBS World	Jaihind TV	Mega TV
	Makkal TV	Kairali TV	MH1 Music
	MEGA TV	Kalangar TV	MH1 Shraddha
	MH1 Shraddha	Makkal TV	News Express
	Music India	MEGA TV	NHK WORLD TV
	News Live	MH1	P7 News
	News24	MH1 Shraddha	PTC News
	NHK WORLD TV	Music India	Russia Today
	PTC News	News Live	Sadhna TV
	Shakti TV	News24	Sahara Firangi
	STAR Utsav	NHK WORLD TV	Sahara Samay

121. The employee unions are the Association of Radio and Television Engineering Employees (ARTEE) and the National Federation of Akashvani and Doordarshan Employees (NFADE).

122. In August 2010, the government approved the DTH expansion plan for DD Direct Plus by increasing the number of channels offered from 59 to 97; Yatish Yadav, "Scam hits Doordarshan's direct-to-home service expansion plan," at http://indiatoday.intoday.in/story/dth-scam-prasar-bharati-ceo-doordarshan/1/158998.html (accessed 12 December 2011).

123. "DD DTH scam out, No 200 channel due to transponder shortage," at http://sattvupdate.blogspot.com/2011/12/dd-dth-scam-out-no-200-channel-due-to.html (accessed 14 December 2011).

Table 20. (continued)

Private channels on DD Direct Plus, 2004, 2007, 2010, and 2011

September 2004	May 2007	May 2010	December 2011
	Zee Jagran	PBC TV	Sanskar TV
	Zee Smile	PTC news	Shakti TV
		Shakti TV	Star Utsav
		Star Jalsa	SVBC TV
		SVBC	Test 410
		Total TV	TV 24
		Zee Jagran	What's On India
		Zee Smile	Zee Jagran
			Zee Salaam
			Zee Smile

Sources: Various, and see http://www.dddirectplus.info/channels-list/ (accessed 28 December 2012)

As with DTH, Prasar Bharati was also the first provider of mobile television services, which started in New Delhi in May 2007 with eight DD channels. It has now grown to 16 channels (including DD News), which are received free of cost.[124] The pilot was carried out in collaboration with Nokia, so transmission was only available on Nokia high-end mobiles; now any DVB-H enabled phone can get free access to television channels via any service provider. DD has no approved scheme to start mobile television elsewhere, mainly due to the costs.[125]

In April 2010, TRAI recommended opening the mobile television sector to private players (MIB has yet to act),[126] calling for sharing terrestrial transmission infrastructure among DD, private players, and television operators for better spectrum utilization. Broadcasters reject many clauses and want the terrestrial spectrum opened to private players since it is cheaper than using telecom spectrum. Pulak Bagchi of Star India says, "In a country where the average mobile user has a prepaid connection … paid mobile television is unlikely to work. Private players are therefore not keen on it."[127]

Prasar Bharati was appointed broadcasting host of the 2010 Commonwealth Games in New Delhi, giving it exclusive telecast rights for television/radio coverage within India.[128] All events were covered in HDTV.[129] Since then, DD HDTV runs as a channel on DD Direct Plus with 4–6 hours of content that comprises capsules of Commonwealth Games events (no specific content has been planned). DD plans HDTV studios

124. These include DD National, DD Bangla, DD Chandana, DD Oriya, DD News, DD Urdu, DD Gujarati, DD Sahyadri, DD Sports, DD Punjabi, DD Malayalam, DD Saptgiri, DD Bharati, DD India, DD Podhigai.

125. Interview with R.R. Prasad, Ex-Chief Engineer, Doordarshan, New Delhi, 5 April 2011.

126. TRAI submitted its final recommendations to the government on 14 April 2010, accepting most of the government views on a previously circulated draft.

127. Interview with Pulak Bagchi, VP, Legal and Regulatory Affairs, Star India, New Delhi, 22 April 2011.

128. No public consultation preceded the decision to grant hosting rights to the public broadcaster.

129. Prasar Bharati could not manage such an event in HDTV and thus partnered with international companies.

in New Delhi and Mumbai, and terrestrial transmitters, production, and post-production facilities in India's four largest cities, to be fully operational in the 12th Plan period. Prasar Bharati introduced the website Ddinews.gov.in in July 2001 to provide news in English and Hindi. In 2006, Doordarshan also launched an SMS-based news service, providing the top four news headlines and cricket score updates on days of live match telecasts on DD Sports.

Digitization of production, transmission, and uplinking facilities has been undertaken at over 70 AIR stations under the 11th Plan. Digitization of news gathering, production, and broadcast has been introduced at the NSD in New Delhi and at RNUs.[130] Plans are under way to introduce Digital Radio Mondale (DRM) transmission below the 30 MHz MF and HF bands by upgrading or replacing old transmitters.[131] All digital transmission will be in simulcast mode for about 10 years.[132]

The websites Newsonair.com and Newsonair.nic.in, launched in late 2007, carry daily and weekly news bulletins and news-based AIR programs. One can access 40 regional bulletins from 22 RNUs in 14 regional languages and 32 language bulletins in 13 languages.

2.1.3 Government Support

Since 2002, digitization has become a priority for the government. While there is no separate legislation passed to this effect, the Planning Commission's 11th Plan document[133] states:

> Digitization of satellite transmission, production centers/studios, and terrestrial transmission needs to be undertaken in a mission mode along with introduction of HDTV, IPTV, mobile television, and other value-added services. For the entire broadcasting sector "Going Digital" and "Farming out Excess Bandwidth" need to be taken up expediently to ensure switching over to digital transmission by 2015 and optimal use of scarce bandwidth.[134]

In 2006, the Planning Commission's Sub-Committee on Digitization of Electronic Media recommended phased digitization for the public broadcaster and private companies. It stated: "Digital technology is spectrum efficient and has been a factor to promote digital revolution. Digital Terrestrial TV … needs to be promoted and incentivized in the light of its obvious potential and advantages."[135]

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130. Many program archives of AIR, such as classic music recordings, have also been brought out as DVDs.

131. AIR conducted trial transmissions of the DRM service on short wave in January 2007 and launched it in January 2009.

132. Sujit Chakraborty, "AIR's Digitization to stretch beyond 2015," at http://www.indiantelevision.com/headlines/y2k7/feb/feb130.htm (accessed 5 April, 2011).

133. Planning Commission of India, "11th Five Year Plan (2007–11)," Government of India, New Delhi, p. 449.

134. In April 2010, the government approved Rs15.4 billion (US$ 270 million) for the first phase of digitization. Earlier in 2008, it lent Rs3.26 billion (US$57 million) to Prasar Bharati toward setting up an International Broadcasting Center and other facilities as a host broadcaster for the Commonwealth Games 2010. See Planning Commission (2006), *Report of the Sub-Group on Going Digital under the Chairmanship of Member Secretary Planning Commission*, Planning Commission, Government of India, New Delhi, October, p.19, at http://planningcommission.nic.in/plans/planrel/goingdig/drft_gdig.pdf (accessed 13 December 2012).

135. Planning Commission (2006), *Report of the Sub-Group on Going Digital under the Chairmanship of Member Secretary Planning Commission*, Planning Commission, Government of India, New Delhi, October, p. 19, at http://planningcommission.nic.in/plans/planrel/goingdig/drft_gdig.pdf (accessed 13 December 2012). (Hereafter, *Going Digital*.)

Political support for the public broadcaster's digitization plans extends to privileged allocation of spectrum, for example, that is given to high-priority areas such as defense and space exploration.[136] Competitive advantages also exist for its DTH service. Although proposed back in 1996, DTH satellite broadcasting was not approved for private broadcasters due to national security concerns, and in 1999 the government decided to give the first DTH license to DD.[137] Under the 11th Plan scheme, Rs 754 million (US$13.2 million) has been approved for upgrading its capacity from 59 to 97 television channels. Free DTH receivers will be given to people in border, remote, and tribal areas.

Digitization has helped to expand the broadcaster's reach, but it has not necessarily affected output diversity. While DTH carries regional channels nationwide, the choice of channels offered on this and the mobile platform is the same as on C&S. Owing to advertising and ratings pressures, the content is similar to that of private broadcasters. According to Mr Jailkhani,[138] "a few years back DD had commissioned serials based on classic texts from notable Indian film directors. But those serials did not produce audience ratings and were taken off prime time, only to be replaced by the staple fare of soaps."

Dr H.O. Srivastava, retired Engineer-in-Chief, Doordarshan, points out: "Although the PSB fulfills certain universal service obligations by having educational and development content in diverse languages, altogether it is short of quality content […] Further, digital opportunities are yet to be used for niche or local TV channels or for development of exclusive web-based content."[139]

2.1.4 Public Service Media and Digital Switch-over

Digitization of DTT platforms is still at the pilot stage. The first was installed in 1984 at AIR's New Delhi headquarters, with receiver sets there and with the Secretary of the MIB. Five years later, the transmitter was shut down. A digital television transmitter was installed in New Delhi in 2003, but its receiving sets have had no takers. The cost of sets and STBs for DTT remains prohibitive, though engineers in DD expect prices will be lowered by manufacturers once demand picks up.[140] In contrast, and quite apart from the price of STBs, investing in DD's own DTH service would enable viewers to access a higher number of channels from both DD and private broadcasters. While DTT does offer the potential for more localized channels, this has not been exploited hitherto.[141]

Plans and pilots are under way to digitize SW and MW transmissions of AIR, but a listener would currently need receivers for MW, SW, and FM.[142] The government plans for a simulcast, especially for MW services,

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136. Interview with Abhishek Agarwal, Deputy Director (Engineering), Doordarshan, New Delhi, 15 April 2011.

137. In 1997, the government imposed a ban when Rupert Murdoch's ISkyB was to launch its DTH service in India.

138. Interview with Ashok Jailkhani, Additional Director General (Programme), Doordarshan, New Delhi, 15 April 2011.

139. Interview with Dr H.O. Srivastava, Engineer-in-Chief (retired), Doordarshan, New Delhi, 5 April 2011.

140. "Doordarshan can only dictate the technical specifications of such receivers and not its cost," interview with Archana Gupta, Director (Engineering) of Transmitter Design, Doordarshan, New Delhi, 22 April 2012.

141. Interview with Dr H.O. Srivastava, Engineer-in-Chief (retired), Doordarshan, New Delhi, 5 April 2011.

142. An average digital receiver costs Rs 5,000–10,000 (US$88–176).

whose radio sets are as cheap as Rs50 (US$0.90).[143] Dr Srivastava explains: "Digitization of terrestrial network is a compulsion now as there is no longer a supply of analog transmitters … Because the world is going digital, the switch-over is being forced on us, without consideration for the average viewer. What is required is a technology that allows convergence, so that a person can invest in one receiving set and access all terrestrial television and radio stations."[144]

DTT plans have yet to materialize, but the digitization process has offered ways to engage with a wider audience. Radio and television channels, including DD News, have started interactive programs, such as phone-ins and SMS contests. Digitization of AIR studios has facilitated convergence-ready content, which also supports services such as "Music on Demand." Web/mobile initiatives are targeting urban youth. DTH also has much potential for interactivity such as Video on Demand (VOD).

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

Over the last decade, the government's own perception of the public service media as an institution is almost intriguingly inconsistent, as reflected in its attitude to some of Prasar Bharati's services and infrastructure. Just before the first round of private FM radio stations were being licensed in 1999, an expert committee review of Prasar Bharati's functioning proposed that AIR's transmission, engineering, and studio capability be profitably sold to private radio operators as a means of sustaining itself.[145] While this did not happen, elsewhere this Report reiterated: "Public Service Broadcasting is essential in India and must be seen as a right for all citizens. Such a broadcasting platform must provide for free discourse and debate, while its content must empower the people."[146] Yet the very next year a committee looking into MIB as a whole, including Prasar Bharati and numerous other paragovernmental bodies, observed: "government controlled media as such does not also carry credibility amongst the people the world over who believe in the freedom of the media."[147] It argued for discontinuing Doordarshan's news channels at a time when a handful of Indian-owned private news channels and services were being beamed into the country from overseas, namely, "Continuous news channel does not seem to be necessary, considering that there has been considerable growth of private channels, which are already being accessed extensively through cable services."[148]

143. Sujit Chakraborty, "AIR's Digitization to stretch beyond 2015," at http://www.indiantelevision.com/headlines/y2k7/feb/feb130.htm (accessed 5 April 2011).

144. Interview with Dr H.O. Srivastava, Engineer-in-Chief (retired), Doordarshan, New Delhi, 5 April 2011.

145. *Report of Committee to Study the Working of the Prasar Bharati Corporation*, Government of India, 1999.

146. *Report of Committee to Study the Working of the Prasar Bharati Corporation*, Government of India, 1999.

147. Report of the Committee, "Rationalisation of the Functions, Activities and Structures of the Ministry of Information and Broadcasting" (Part 3), Government of India, 2000, p. 100.

148. Report of the Committee "Rationalisation of the Functions, Activities and Structures of the Ministry of Information and Broadcasting" (Part 3), Government of India, 2000, p. 126.

While this view was subsequently discounted, such an observation was intriguing, being made at around the same time that private C&S news channels were given licenses to uplink from within India.

Many supporting the principle and practice of public broadcasting call for it to be freed from government control and corruption.[149] B.G. Verghese, a senior journalist, notes that Prasar Bharati has never been accountable to the people, though "truly autonomous and decentralized public service broadcasting has a vital role to play in promoting dialogue and empowerment …"[150] Rajiv Mehrotra, Managing Trustee of the Public Service Broadcasting Trust, argues that DD has yet to democratize itself by ensuring participation of diverse communities, and the free flow of information.[151] Sevanti Ninan, media critic and journalist, asks: "When will some government take a firm call on whether Prasar Bharati should remain a huge liability on the exchequer, primarily engaged in creating employment, or whether it can ever play a valuable public service role in an over-commercialized broadcast space?"[152]

While there are no studies on public perception of the broadcaster, Indian blogs on media offer some indications. The non-profit lobby group (and blog) "Friends of Prasar Bharati"[153] aims to "defend and promote [AIR] and [DD] in its vital role … to inform, educate and entertain the public" and is a resource base of news related to Prasar Bharati. DD remains a focus in blogs written mostly by those who grew up watching the (then only) channel in the 1980s. Many such sites[154] provide a collection of clips from old DD serials and public service ads, rating them favorably over current soaps and reality shows.

Prominent political parties belonging to the three main ideological streams, the Center (Congress), the Right (Bharatiya Janata Party, BJP), and the Left (Communist Party of India, CPI, and Community Party of India (Marxist), CPI (M)), stress the need for a strong public service broadcaster. All supported the Prasar Bharati Bill initiated in 1989 by the National Front government.[155] However, even though the Act was ratified in 1997, its effective autonomy continues to be debated.

The CPI and CPI (M)[156] explicitly stated in their election manifestos that Prasar Bharati "must be strengthened"[157] and supported the Prasar Bharati Amendment Bill, 2010 to improve the service conditions

149. Financial irregularities by Prasar Bharati CEO B.S. Lalli were established by the Central Vigilance Commission related to contracts for managing advertising revenue arising from sporting events. He was later suspended.

150. B.G. Verghese, "Sad Story of Prasar Bharati," at http://www.thehoot.org/web/home/story.php?sectionId=14&mod=1&pg=1&valid=true&storyid=4666 (accessed 19 May 2011).

151. "At 50, Doordarshan beams to a challenging tomorrow," at http://www.deccanherald.com/content/26313/at-50-doordarshan-beams-challenging.html (accessed 10 May 2011).

152. Sevanti Ninan, "Media Matters: Can we afford Prasar Bharati?" *The Hindu*, 18 September, 2010, at http://www.thehindu.com/opinion/columns/Sevanti_Ninan/article674363.ece (accessed 10 May 2011).

153. See http://friendsofprasarbharati.org (accessed 3 December 2012).

154. See http://oldidiotbox.blogspot.com/; http://www.desidabba.org/2007/02/20/the-old-idiot-box-best-of-doordarshan-days/; http://ddnational.blogspot.com (accessed 3 December 2012).

155. The National Front was in power from 1980 to 1990, a coalition led by the Janata Dal and supported from the outside both by the left parties and the BJP.

156. The CPI and the CPI (M) have never led a coalition but have occasionally supported the Congress-led government.

157. "1998 LS Election–Joint Left Manifesto," at http://cpim.org/content/1998-ls-election-joint-left-manifesto (accessed 5 January 2012).

of its employees.[158] The Congress and BJP have also called for greater autonomy in their manifestos,[159] but in practice have used their position to contain it. The Congress government of the last eight years has been marked by revelations of political interference and financial malpractice in Prasar Bharati. The BJP, while in opposition, called for making it autonomous,[160] but when in power in 1998, its MIB minister Sushma Swaraj tried to help remove board members seen as left-leaning.

2.2.2 Public Service Provision in Commercial Media

A few public service obligations exist on the commercial media that are only partly related to digitization, such as the must-carry provision obliging cable operators to carry two DD national channels and a regional channel in the prime band and five in the non-prime band.[161] This is specified in the Cable Television Networks Act 1995 and applies to C&S and DTH services.[162] Broadcasters resent this, claiming Prasar Bharati demands a huge carriage fee for channel space on its DTH platform.[163]

Another obligation on the private television broadcaster is the mandatory sharing of special sports feeds with the public broadcaster. Only applicable to DD terrestrial/DTH[164] and not DD satellite channels, this was mandated in the public interest to provide access to viewers in poor and remote areas. The FCCI argued that it should not be enacted: "[Costs] of these anti-competitive effects outweigh any alleged benefits to the community arising from having the system in place."[165]

K. Aravamudhan, Senior Manager at Star India Private Limited, says: "Sports telecast rights are the most expensive on television … If you ask private broadcasters to include public service content, you are asking the wrong person to do the wrong thing … The public broadcaster gets a large amount of largesse to carry out this task, whereas the private broadcasters are always struggling to make revenues, especially in the non-subscription news channels."[166]

Indeed, there are no obligations on commercial broadcasters regarding content.

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158. In 2008, their unions, the Centre of Indian Trade Unions (CITU) and the All India Trade Union Congress (AITUC) actively supported the various strikes called by NFADE, an umbrella organization of 21 AIR and DD service associations, demanding amendment of the Prasar Bharati Act.

159. The BJP listed the following agenda in its policy on Media, Cinema, and Arts: "Improve the provisions of the *Prasar Bharati Act* to let Prasar Bharati organize an effective public broadcasting system accountable to Parliament but free from Government control, immune from political influence and sensitive to the diverse needs of Indian society," at http://www.indiancabletv.net/BJPmediapolicy.htm (accessed 5 January 2012).

160. "BJP says make Prasar Bharati autonomous body," at http://www.samachar.com/bjp-says-make-prasar-bharati-autonomous-body-lmiqNVajcfi.html (accessed 24 July 2011).

161. These include Rajya Sabha, Lok Sabha, DD Sports, Gyandarshan, and DD Urdu.

162. The MIB, in its notification dated 26 November 2007, named eight channels that had to be compulsorily carried as per Clause 7.8 of the DTH license. These include DD National, DD News, Lok Sabha TV, DD Rajya Sabha (now Rajya Sabha TV), DD Bharati, DD Sports, DD Urdu Channel, and Gyandarshan.

163. TRAI, "Comments on TRAI Consultation Paper on Tariff for Cable Services," June 2007, at http://www.trai.gov.in/ConsultationPapers_content.asp (accessed 2 April 2011).

164. "It has not been decided whether this Act will also apply to DTT," interview with N.V. Ramana, Director General (Engineering), Doordarshan, New Delhi, 2 May 2012.

165. FICCI, "Advocacy Note to Prasar Bharati," at http://www.indiantelevision.com/headlines/y2k5/sep/sep79.htm (accessed 17 April 2011).

166. Interview with K. Aravamudhan, Senior Manager at Star India Private Limited, New Delhi, 22 April 2011.

2.3 Assessments

Digital take-up of Prasar Bharati's terrestrial feed has yet to take off at an expected scale in television and radio, given that the sunset year for completing the switch-over is 2017. The process of setting up transmitters, which started in 2003 for DD and in 2007 for AIR, is still in a pilot phase. So it is premature to assess progress. The government hopes to bring prices down for viewers and listeners of the state-owned digitized channels, but doubts remain about demand—especially in the case of television since there seems to be no vision for having diverse or localized content on the existing channels. To augment demand, cost and convergence must be addressed along with content planning—which is intimately connected to envisioning a new role for the public broadcaster in India.

On the issue of new media, the public broadcaster has taken some initiatives (websites, mobile television services, dial-in, and SMS-based content) that could help expand its reach among a diverse constituency and improve interactivity.

Media policy in India since the 1990s reveals that the government was keen to create conducive conditions for private media, but was equally concerned about the public broadcaster's survival amid falling revenue and viewership. Many decisions were taken to ensure its health, as well as to expand access and diversity, including the launch of newer, more commercial channels, must-carry provisions, mandatory sports feeds sharing, and first-mover advantage in DTH, mobile television, and HDTV services. Still, if significance is assessed on quality and independence, then the broadcaster does not fare well; the question of autonomy also remains unresolved.

Despite occasional propositions to variously privatize, shut, or scale down particular services and/or the infrastructure of Prasar Bharati, the public broadcaster will continue to receive support from the exchequer, however haphazardly. At the dawn of 2013, the government approved a proposal for Prasar Bharati's financial restructuring while waiving a debt of over Rs13 billion, or over US$ 200 million.[167] Such generosity is not so much due to upholding the principles and values of public broadcasting as a compulsion to pander to entrenched interests, especially of its large staff—which even a decade ago was unimaginably larger than requisite.[168] Unless it is backed by a genuine political will, organizationally refurbished and editorially liberalized, as is perceived to a limited extent for Lok Sabha TV, Prasar Bharati's significance is likely to decline. Paradoxically, this possible decline in its appeal over the next few years may unfold at a time when it gets to own high-quality infrastructure for its DTT service.

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167. "Digitisation, FDI in broadcasting issues highlights of I&B Ministry in 2012," *Economic Times,* 2 January 2013, at http://economictimes.indiatimes.com/news/news-by-industry/media/entertainment-/media/digitisation-fdi-in-broadcasting-issues-highlights-of-ib-ministry-in-2012/articleshow/17854103.cms (accessed 3 January 2013).

168. *Report of Committee to Study the Working of the Prasar Bharati Corporation, Government of India*, 1999, quoted earlier, found the engineering staff employed by Doordarshan and All India Radio to be 36 times larger than needed, as per international standards.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

Census figures for 2011 show that 9.4 percent of Indian households have a computer and/or laptop, and 3 percent are connected to the internet. Moreover, urban areas continue to have an advantage, with 8.3 percent of households having a connection at home, compared with less than 1 percent of rural ones.[169] According to the The I-Cube survey 2011, commissioned by IAMAI, between 2006 and 2011 the number of internet users, who access the web from their homes in contrast to offices, has gone up, and so has the number for those who use their mobile phones to access the internet. Internet usage among youngsters has risen, and has been most pronounced in small towns with fewer than 1 million inhabitants, although the frequency and intensity of usage in these places are much less than that in the bigger cities.[170]

The I-Cube Survey also indicates that in 2011, home use overtook cyber-cafes as the most important internet access point, used by 37 percent and 27 percent of users, respectively; mobile internet touched 9 percent,[171] but only 4–5 percent of mobile devices sold are smartphones.[172] Growth continues to be driven largely by young people: an estimated 75 percent of users are school or college students and men up to 35 years.

In India, as elsewhere, websites offering extensive platforms for user-generated content (UGC), or primarily centered on such content, are among the most popular: seven of the top 10 such websites in India identified by Alexa.com on 13 July 2011 belonged to this category; of the others, one is a news outlet's site and two are portals, all additionally hosting some UGC, as explained below. Table 21 below is based on detailed country-specific information about these websites.

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169. *Census of India 2011: Mode of Communication 2001–2011*, Office of the Registrar General and Census Commissioner India, New Delhi, 2012, p. 2.

170. IMRB and IAMAI, "Report on Internet in India (I-Cube) 2011," IAMAI, Mumbai, 2011, p. 3 (hereafter, IMRB and IAMAI, "I-Cube 2011"). The definition of an "internet user" in this survey is an individual who has used the internet at least once in the last month.

171. IMRB and IAMAI, "I-Cube 2011," p. 7. Here, a "mobile internet user" refers to an individual who has accessed the internet using their mobile phones at least once in the last month.

172. FICCI-KPMG, 2011, p. 109.

Table 21.

Top 25 websites carrying UGC, as of 13 July 2011

	Name of website	UGC type	Global reach* (%)	Global reach in absolute numbers	Reach in India (% of global reach)	Reach in India in absolute numbers
1	Facebook.com	Social network	43.95	920,755,139	7.30	67,215,125
2	Yahoo.com	Web portal	24.39	510,971,965	8.60	43,943,589
3	YouTube.com	Video sharing	31.95	669,354,419	6.40	42,838,683
4	Blogspot.com	Weblog	14.17	296,862,351	10.70	31,764,272
5	Wikipedia.org	Free encyclopedia	13.72	287,434,824	6.70	19,258,133
6	Twitter.com	Social network, microblog	9.78	204,891,587	6.10	12,498,387
7	Rediff.com	Web portal, social network	0.53	11,103,532	88.50	9,826,626
8	Indiatimes.com	Existing news outlet's site	0.59	12,360,535	73.20	9,047,912
9	Orkut.co.in	Social network	0.56	11,732,034	99.20	11,638,177
10	Wordpress.com	Weblog	4.91	102,864,795	8.50	8,743,508
11	In.com	Web portal and web board	0.415	8,694,275	71.90	6,251,184
12	Orkut.com	Social network	1.32	27,654,079	33.10	9,153,500
13	Espncricinfo.com	Existing news outlet's site	0.57	11,941,534	61.80	7,379,868
14	Msn.com	Web portal	7.58	158,801,455	3.10	4,922,845
15	Imdb.com	Specialized web portal and web board	2.6	54,470,156	8.60	4,684,433
16	Stumbleupon.com	Social bookmarking	0.67	14,036,540	18.50	2,596,760
17	Oneindia.in	Web portal	0.173	3,624,360	81.60	2,957,478
18	Digg.com	Social bookmarking	0.66	13,827,040	23.20	3,207,873
19	Sulekha.com	Web portal and web board, weblog	0.187	3,917,661	86.70	3,396,612
20	Cnet.com	Specialized web portal and web board	1.32	27,654,079	12.60	3,484,414
21	About.com	Directory	1.5	31,425,090	11.80	3,708,161
22	Flickr.com	Photo sharing	2.34	49,023,141	5.80	2,843,342
23	Moneycontrol.com	Existing news outlet	0.094	1,969,306	89.10	1,754,651
24	Ndtv.com	Established media company	0.165	3,456,760	77.60	2,682,446
25	Wordpress.org	Weblog	1.25	26,187,575	9.70	2,540,195

Notes: * Reach measures the number of users, and is typically expressed as the percentage of all internet users who visit a given site daily. The numbers of total internet users worldwide is 2,095,006,005, based on world internet user figures at www.internetworldstats.com (accessed 13 July 2011).

Daily unique IP visits in India have not been provided because calculating these figures with the data available at present (via Trafficestimate.com) would assume a one-to-one correspondence between a unique IP address and an individual user. As 37 percent of urban internet users rely on access via cyber-cafes, the margin of error for any conclusions based on such calculations would be too large to justify them.

Source: Alexa.com. To ensure analytical relevance, a top 25 list of sites hosting UGC (including those hosting other types of content as well) has been created, rather than an unqualified top 10 list of all sites. Moreover, since the focus of this Report is on news, sites that do not allow for such a focus—those around gaming or marriages—have not been included.

Looking at websites carrying UGC in terms of their primary types, we can see the combined strength that weblogs and sharing sites have: they claim almost a quarter of the spots in this top 25, and they have a reach in absolute numbers that slightly exceeds that of social networks. Web portals and/or web boards are the single most popular category of UGC websites. Note: the websites of all existing news outlets in the top 25 also share many characteristics of web portals and/or web boards. The combined reach in absolute numbers of these two categories, in fact, slightly exceeds that of social networks.

Table 22.

Top 25 UGC websites, grouped by type, as of 13 July 2011

Type	Top 25 UGC websites (#rank)
Web portal/web board/ directory	Yahoo.com (#2), Rediff.com (#7), In.com (#11), Msn.com (#14), Imdb.com (#15), Oneindia.in (#17), Sulekha.com (#19), Cnet.com (#20), About.com (#21)
Existing news outlet's site	Indiatimes.com (#8), Espncricinfo.com (#13), Moneycontrol.com (#23), Ndtv.com (#24)
Weblog	Blogspot.com (#4), Wordpress.com (#10), Wordpress.org (#25)
Social network	Facebook.com (#1), Twitter.com (#6), Orkut.co.in (#9), Orkut.com (#12)
Social bookmarking	Stumbleupon.com (#16), Digg.com (#18)
Sharing site	YouTube.com (#3), Wikipedia.org (#5), Flickr.com (#22)

Source: Derived from Table 21, based on Alexa.com

But the overall popularity of web portals and/or web boards as a source for UGC requires qualification: as Table 23 shows, five out of nine sites in this category function first and foremost as portals. The UGC on these sites thus remains limited to comments on news items and discussions on these comments; Espncricinfo, Moneycontrol, and NDTV websites, too, function largely in this manner. In contrast, only four out of the nine websites in this category, as well as the Indiatimes website, provide web boards where users themselves can raise issues and questions in a prominent place.

Table 23.

Importance of web portals and web boards as distinctive categories, as of 13 July 2011

Type	Websites among top 25 of this type (#rank)
Web portal/directory	Yahoo.com (#2), Rediff.com (#7), Msn.com (#14), Oneindia.in (#17), About.com (#21)
Web portal and web board	In.com (#11), Imdb.com (#15), Sulekha.com (#19), Cnet.com (#20)

Source: Derived from Table 22, based on Alexa.com

Globally, when news is shared on social networks it is often sourced from news websites: in India, print media—domestic and foreign—dominate Alexa.com's top 500 websites: 21 entries represent established newspapers or magazines. Of the country's television news channels, only NDTV makes the cut, followed by three foreign outlets: BBC Online, CNN Interactive, and Reuters. About a third of the traffic of the India Today Group, which occupies the 174th spot in Alexa.com's top 500, comes from visits to its Hindi television news channel, Aaj Tak. Despite its explicit support for citizen journalism, IBN Live has not achieved such popularity: as of 13 July 2011, its traffic rank was 12,750.

Clearly, there is a continued importance of news media outlets in the era of UGC, as an analysis of the situation in regional languages shows. Some social networks and sharing sites in the top 25 have the option to switch to a language other than English, but it is unclear how much traffic is generated by such sub-domains (except when a website caters specifically to an Indian audience). Among the top 25, figures are available for Oneindia.in, which, according to Alexa.com on 13 July 2011 drew almost 19 percent of its traffic from content in Tamil, 7.5 percent from Telegu, and 5.5 percent from Kannada. Moneycontrol.com has the option to switch to Hindi but drew less than 1 percent of its traffic from this sub-domain that day. Similarly, popular platform Indiblogger.in reports in 2009 that only 8 percent of blogs registered on it were in regional languages (Hindi, Tamil, Marathi, Telegu, etc.).[173]

Similarly, web use for news in languages other than English remains limited: only eight of the top 500 websites have a home page in a language other than English, as listed in Table 24.

Table 24.

Top 10 most popular sites in languages other than English, as of 13 July 2011

	Name of website	UGC type	Language	Global reach (%)*	Global reach in absolute numbers	Reach in India (%)	Reach in India in absolute numbers
1	Bhaskar.com	Existing news outlet	Hindi	0.06	1,319,854	93.60	1,235,383
2	Dinamalar.com	Existing news outlet	Tamil	0.06	1,173,203	77.90	913,925
3	Eenadu.net	Existing news outlet	Telegu	0.06	1,194,153	69.80	833,519
4	Webdunia.com	Web portal and web board	Hindi	0.05	984,653	85.70	843,847
5	Sakshi.com	Existing news outlet	Telegu	0.05	984,653	74.20	730,612
6	Manoramaonline.com	Established media company	Malayalam	0.04	900,853	66.90	602,670
7	Mathrubhumi.com	Existing news outlet	Malayalam	0.03	712,302	67.80	482,941
8	Divyabhaskar.co.in	Existing news outlet	Gujarati	0.02	335,201	88.40	296,318

Note: * Reach measures the number of users. It is typically expressed as the percentage of all internet users who visit a given site daily.

The same procedure was followed to construct this table as for Table 21 But only UGC websites with a landing page in a language other than English were included. As with Table 21, since the focus of this study is on news, sites not allowing for such a focus have not been included.

Source: Alexa.com (accessed 13 July 2011)

According to an IAMA-IMRB study on online vernacular content, in 2009 online regional language content was largely driven by news—the most important category of content accessed in languages other than English

173. R. Ravin and G. Mishra, "Indiblogger.in: State of the Indian Blogosphere 2009," 19 May 2009, at http://www.slideshare.net/Gauravonomics/indiblogging-state-of-the-indian-blogosphere-may-2009?type=powerpoint (accessed 16 March 2012).

after email.[174] Table 24 confirms this, and it also provides two more insights: the strong presence of South Indian languages and the overwhelming importance of established media where news consumption through UGC in Indian vernacular languages is concerned. Only Webdunia is firmly established in this space as an indigenous player that is not an established media company.

3.1.2 Social Networks

Table 25 shows the reach of the 10 most popular social media sites—i.e. those classified as weblog, social network, and sharing sites in Table 22— in India according to Alexa.com, with reach defined as the number of internet users who visit the site on any given day.[175] While India has two indigenous social networks—Bharatstudent.com, having a reach in absolute numbers of over 1 million, and Indyarocks.com, with almost 700,000—most users prefer global social media sites. Orkut, for a long time the most popular social network, was overtaken by Facebook in July 2010.[176] Between November 2009 and March 2011, unique visitors to Facebook grew from 11,243,000 to 31,593,000; for Orkut, they fell from 17,496,000 to 15,197,000.[177] India remains an important market for Orkut, with over 99 percent of Orkut.co.in visitors and around 33 percent of Orkut.com coming from India.

Table 25.

Top 10 social media sites in India, as of 13 July 2011

	Social media website	Type of social media	Global reach in absolute numbers	Reach in India in absolute numbers
1	Facebook.com	Social network	920,755,139	67,215,125
2	YouTube.com	Video sharing	669,354,419	42,838,683
3	Blogspot.com	Weblog	296,862,351	31,764,272
4	Wikipedia.org	Encyclopedia	287,434,824	19,258,133
5	Twitter.com	Social network	204,891,587	12,498,387
6	Orkut.co.in	Social network	11,732,034	11,638,177
7	Wordpress.com	Weblog	102,864,795	8,743,508
8	Orkut.com	Social network	27,654,079	9,153,500
9	Flickr.com	Photo sharing	49,023,141	2,843,342
10	Wordpress.org	Weblog	26,187,575	2,540,195

Notes: Only websites that can be primarily classified as social media have been considered; thus Rediff.com and Sulekha.com, which have a variety of functions, have not been included. As in the other tables in this section, social networks and other UGC websites that do not allow for a focus on news have not been included here

Source: Derived from data in Table 21 and typology in Table 22, based on Alexa.com (accessed 13 July 2011)

174. IAMAI and IMRB, "Report on Vernacular Content: 2009," IAMAI, Mumbai, 2010, p. 10.

175. The number of unique visitors is more reliable than the indication of reach. Unfortunately, it has not been possible to obtain these data for all the social networks listed.

176. ComScore, "Facebook Captures Top Spot among Social Networking Sites in India," 25 August 2010, at http://www.comscore.com/Press_Events/Press_Releases/2010/8/Facebook_Captures_Top_Spot_among_Social_Networking_Sites_in_India (accessed 14 July 2011).

177. E.K. Sharma, "Millions on the Wall," *Business Today*, 20 February 2011, at http://businesstoday.intoday.in/bt/story/facebook-expands-its-reach/1/12900.html (accessed 14 July 2011); K. Gavane, *State of the Internet with a Focus on India*, ComScore, 2011, p. 15 (hereafter Gavane, *State of the Internet with a Focus on India*).

Although Facebook, YouTube, Wikipedia, and Orkut allow use in select regional languages, and Blogspot and Wordpress make it possible to blog in them, Alexa.com does not provide statistics in this regard. Only 8 percent of blogs registered on Indiblogger.in in 2009 were in a regional language. On 13 July 2011, 1,271 Hindi blogs, 553 Tamil blogs, 296 Marathi blogs, and 171 Telegu blogs were listed on it, with some in Assamese, Bengali, Gujarati, Kannada, Malayalam, Punjabi, Sanskrit, and Urdu. On blogger platforms such as BlogAdda.com, blogs in regional languages comprise 12 percent of those registered; CEO Nirav Sanghavi says the percentage is rising, slowly.[178]

3.1.3 News in Social Media

According to a ComScore study, the audience for online news has grown rapidly in recent years. In October 2009, traffic to online news sites was 37 percent higher year on year. This growth in visitors (aged 15 and older) to 15.8 million was more than double the growth in total online audience in India. Some 44 percent of the online population accessed news at that time.[179] Although slowing down, robust growth continued to mark subsequent years: corresponding figures for March 2010 and March 2011 were 50 percent and 58 percent, respectively.[180] The Boston Consulting Group, India estimates the number of internet users accessing news is larger: in 2009, it found that 61 percent did so.[181] The development of online content in regional languages is believed to be driven largely by news.

Such figures, however, tell us little about the role of blogs and social networks in such consumption. Apart from news, ComScore included social networking and blogs as distinctive categories in its March 2011 data on the reach of different categories of internet use. To what extent there may be an overlap between the three, and whether ComScore's methods allowed for this, is unclear. A similar split marks IMRB's Web Audience Measurement experiment, which lists news as the fourth most important category of content in August 2010, with social networking ranking second in terms of reach.[182] Despite the considerable importance of UGC websites as news sources, studies continue to focus more on websites of traditional news outlets when assessing online consumption of news.

According to the Global Web Index, accessing news is an important aspect of the motivation of social media users: 58 percent stay up to date with news and events. With respect to this, accessing news as a motivation for social network use came only after research for work and for education, and was, remarkably, as important as staying in touch with friends. In addition, 39 percent said they wanted to share their opinions, and while 36 percent had written a blog post, 28 percent had written a news story or article in the month preceding the

178. Interview with Nirav Sanghavi, founder and CEO, BlogAdda.com, New Delhi, February 2012.

179. ComScore, "Online News Attracts Rapidly Growing Audience in India," 14 December 2009, at http://www.comscore.com/Press_Events/Press_Releases/2009/12/Online_News_Attracts_Rapidly_Growing_Audience_in_India/ percent28language percent29/eng-US (accessed 14 July 2011).

180. Gavane, *State of the Internet with a Focus on India,* p. 24.

181. Boston Consulting Group, *The Internet's New Billion: Digital Consumers in Brazil, Russia, India, China, and Indonesia, Boston Consulting Group*, Boston, MA, 2010, pp. 10, 18.

182. IAMAI, "Drivers of the Top Performing Categories on the Internet," 26 October 2010, at http://www.iamai.in/PRelease_detail.aspx?nid=2176&NMonth=10&NYear=2010 (accessed 14 July 2011) (hereafter IAMAI, "Drivers of the Top Performing Categories on the Internet").

survey.[183] On Indiblogger.in, there were 830 blogs tagged as "news" on 13 July 2011; in comparison, 5,146 blogs were tagged "personal," making this the most important tag, followed by "technology" as a distant second, with 2,675. Mr Sanghavi argued that in regional languages the importance of news varies. Among North Indian languages, its significance is striking: in the Hindi blogosphere, many blogs attract an extremely loyal readership, as seen by the large average number of comments (25–30) on posts.[184]

Since 2010, many major Hindi television channels have recognized the importance of social media for engaging young audiences.[185] News channels have started to see them as an important avenue for the consumption of news among English-speaking groups. In December 2010, the news channel CNN-IBN was found by social media users to be attributing, in one of its shows, comments consistently supportive of the legalization of lobbying to non-existent Twitter accounts. Finally, as a result of the continued pressure of social media users, CNN-IBN was later forced to air an unconditional apology.[186]

Despite these trends, it is noteworthy that according to the IMRB's Web Audience Measurement experiment, if reach is measured in terms of minutes spent on a content category in August 2010, the importance of news falls dramatically. While social networking emerged as the most important category (with 190 minutes spent on it), news fell to seventh place (16 minutes). While more users look up news online, the time they spend doing so remains limited.[187] Subhash Rai, a web editor based in Bangalore, asserts that while social media, RSS, and mobile devices have changed consumption habits, continuous and participatory traditional media outlets set the news agenda and attract user traffic.[188] Independent journalist and media activist Geeta Seshu points out that in the absence of clear business models, alternative media initiatives often struggle financially;[189] Countermedia, for example, is no longer operational.

3.2 Digital Activism

The potential of new media to make alternative voices heard remains substantial, and it is perhaps in the arena of social and political activism that this has been felt most. In the words of Shiv Bhaskar Dravid of *The Viewspaper*:

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183. T. Smith, "Today We Launch the Global Web Index LITE! Free Global Social Media Insights," Global Web Index, at http://globalwebindex.net/thinking/lite/ (accessed 14 July 2011).

184. Interview with Nirav Sanghavi, founder and CEO, BlogAdda.com, New Delhi, February 2012.

185. The marketing of reality shows such as "*Sach ka Saamna*" (Facing the truth), "*Pati, Patni aur Woh*" (Husband, Wife, and Her), "*Dance India Dance*," and "*Dance Premier League*" was augmented through Facebook by Star Plus, Imagine, Zee TV, and Sony; FICCI-KPMG, 2011, p. 22.

186. Dalamedia, "IB—Using Twitter ID's which Don't Exists," [sic] Dalalmedia.posterous.com, 16 December 2010, at http://dalalmedia.posterous.com/36632972 (accessed 4 September 2011); Dalalmedia, "Rajdeep Sardesai Shows Character," Dalalmedia.posterous.com, 20 December 2010, at http://dalalmedia.posterous.com/rajdeep-sardesai-shows-character (accessed 4 September 2011); P. Jebaraj, "Fake Tweets Aired on TV News Show," *The Hindu*, 19 December 2010, at http://www.thehindu.com/todays-paper/tpnational/article962629.ece?sms_ss=twitter&at_xt=4d0d844b06c25a81,0 (accessed 4 September 2011).

187. IAMAI, "Drivers of the Top Performing Categories on the Internet."

188. Interview with Subhash Rai, web editor, *Economic and Political Weekly*, Bangalore, March 2012.

189. Interview with Geeta Seshu, independent journalist, New Delhi, February 2012.

> What the internet has done is really questioned the concept of democracy today and how media is changing things. Representative democracy came at a time when people were not connected, so you needed a representative starting from the grass-root level. So in today's era, connectivity is the key: the internet has provided this platform where people are actually taking their decisions and voice out that "this is something that I agree with" and "this is something that I don't agree with." The mainstream media ride on the fact that they have the power of creating and distributing news. The internet kills that. So issues that mainstream media leave untouched at times are forced into mainstream debates because of the internet.[190]

A range of initiatives have emerged in various regions addressing themes the mainstream media of those regions have ignored. Examples include E-pao.net about Manipur and Manipuris, the Oriya Samadrushti.org about Orissa, and several initiatives in Kerala and Tamil Nadu. Other initiatives function as watchdogs over corporate media while retaining their own moorings in journalism—be they non-profit-making, like Thehoot.org, or otherwise, like Medianama.com. Still others offer pluralist and critical content on a rich array of contemporary society, including Indiatogether.org, Infochangeindia.org, Sanhati.com, Twocircles.net, and Roundtableindia.co.in.

3.2.1 Digital Platforms and Civil Society Activism

Online activism really started to pick up after the emergence of blogs around 2004. Today, three groups can broadly be identified among Indian online activists: social activists aligned with various movements; political activists who fight for greater regional autonomy or for independence from the Indian state; and middle-class activists defending their interests.

The greatest visibility among Indian online activists has been enjoyed by middle-class activists. Their initiatives are of a varied nature, with some centered on a specific digital platform and others on a variety of tools. For example, the now defunct Vote Report India (previously Votereport.in) was a collaborative citizen-driven platform that encouraged the public to report violations of the Election Commission of India's (ECI) Code of Conduct for the 2009 general elections. The platform found limited traction: although it continues to be referred to widely in commentaries on Indian online activism, little more than 200 reports were uploaded—despite substantial coverage online and in traditional media.[191] Initiators learned the hard way that, if implicitly or explicitly, a community of people linked by a common grievance or aspiration does not predate it, then such digital activism initiatives fizzle out.

Such a community existed in the case of the far more successful "tweet" campaign against the chain Café Coffee Day in February 2010. Using the hashtag #ccdsucks, the campaign was started after a tweet-up group of people were told to leave a Café Coffee Day outlet because they refused to pay a cover charge to use the venue for meetings. Seeing a potential PR disaster, the chain apologized the day after the incident.

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190. Interview with Shiv Bhaskar Dravid, CEO, *The Viewspaper,* New Delhi, February 2012.

191. Previously reported on Gauravonomics.com; post no longer available.

Perhaps the most rapid and intense online activism has been the India Against Corruption (IAC) campaign (Indiaagainstcorruption.org), which was launched in April 2011 on Facebook, Twitter, and a campaign website to support offline activities, most notably a hunger strike. Within days of the start of the hunger strike, its Facebook page was "liked" by over 40,000 people, hashtags related to the protest were trending on Twitter, and over 600,000 registered their support to the campaign by giving a "missed call" to a dedicated phone line.[192]

IAC was a watershed not only because of its scale: the campaign had roots in offline activism. This marked a crucial difference from most middle-class initiatives that germinate online. In contrast, some of the driving forces behind IAC have long-standing records of participation in more traditional social movements. Though criticized by the traditional activists, the campaign entailed a break from the past.

In contrast to these new groups of middle-class activists, Indian social movements and those that question predominant models and processes of development have been relatively slow to embrace the internet. In so far as they have an online presence, this is in most cases the result of the efforts of well-meaning but isolated individual activists or supporters willing to invest time in running Facebook groups, writing blogs, or maintaining a website. Thus, for example, Narmada.org is not run by the Narmada Bachao Andolan (NBA)—the movement protesting against the construction of dams on the river Narmada for more than 25 years—but by "The Friends of River Narmada," who, on the site, explicitly distinguish themselves from the NBA. And while the Mazdoor Kisan Shakti Sangathan (MKSS) and the National Campaign for People's Right to Information (NCPRI) do have their own websites, these are updated infrequently and make little use of Web 2.0 interactive possibilities.

Social media networks lend themselves better to individual initiatives than do websites (and to some extent blogs), where the efforts of individual activists and supporters of social movements have paid off the most. Though Twitter is not yet popular among this type of activist, many have taken to Facebook in a big way—to engage a larger audience rather than preach to the converted.[193] Similarly, platforms for progressive activists that are explicitly discussion-oriented, such as Kafila (Kafila.org), have met with considerable success. On 14 July 2011, Kafila's average daily reach over the preceding month was 17,151—although Ms Seshu (see section *3.1.3*) underscores the fact that this site presents "views, not news."

In their efforts, traditional activists collide with groups affiliated with the Hindu right, which—some exceptions notwithstanding—up until 2004 were the groups most active on the internet. Often under the impetus of U.S.-based members of the Indian Hindu diaspora, they run myriad websites espousing their cause.[194] In addition, activists with right-wing affiliations bombard online reports and platforms critical

192. P. Kulkarni, "Support Hazare? Give a Missed Call OR, 6.6L Missed Calls Recorded to Support Hazare," *Times of India*, 7 April 2011, at http://articles.timesofindia.indiatimes.com/2011-04-07/pune/29391753_1_support-hazare-anti-corruption-movement-india-against-corruption-movement (accessed 4 September 2011).

193. Interview with two activists (names confidential), New Delhi and Mumbai, respectively, June 2010.

194. R. Chopra (2008), *Technology and Nationalism in India: Cultural Negotiations from Colonialism to Cyberspace*, Cambria Press, Amherst, pp. 135–179.

of their causes with aggressive comments. For left-wing platforms, this phenomenon has proved a serious challenge. Thus, the Indian chapter of Indymedia closed down after it was "overtaken" by the Hindu right, as its initiators did not find an effective way to deal with the onslaught within the ideology of openness integral to Indymedia worldwide.[195]

Finally, in areas where political movements seek greater autonomy or even independence from the Indian state, activists have taken to the internet, notably in Kashmir, where it played a crucial role in planning and broadcasting extensive protests, characterized by stone throwing in the summer of 2010, in an environment of curbs on the media and a ban on SMS messaging, and a partial ban on voice telephony in some districts of the state. Early on in the protest cycle, a hitherto little-known Kashmiri separatist leader began to post recruitment videos on YouTube. Activists started Facebook groups and posted videos on YouTube to spread the word about the atrocities committed against protesters by the Indian police and army. The government responded by arresting some digital activists and ordering service providers to block YouTube and Facebook. In September 2010, the Inspector General of Police in Kashmir zone started his own Facebook page.[196]

As the IAC campaign indicates, initiatives are slowly emerging that defy easy categorization, mixing a range of audiences, techniques, and technologies. While the IAC campaign is a high-profile example, there are more modest (and radical) examples. For instance, the driving force behind Greatindianclearancesale.org (most active on Facebook) is a young man with a corporate job he does not intend to give up. Yet via art and critical questioning, this initiative tries to raise concerns close to the heart of traditional activists. At the other end of the spectrum, Cgnetswara.org seeks to allow tribal people in Chhattisgarh to record and listen to, using their mobile phones, small news items in Hindi and local languages; such reportage is then put on the internet (Cgnetswara.org) and shared on an email list. Its founder Shubhranshu Choudhary explains: "Although the internet has a limited reach … when you mix the usages of internet with mobile and radio, then it does wonders with all the minority languages—especially tribal languages, many of which don't have scripts."[197]

Some such trends are mirrored by experiments with news on mobile phones. Many major newspapers have mobile sites. Nikhil Narayan, a Value Added Services (VAS) professional from Bangalore, says: "Some regional papers provide SMS content and voice services as they can be delivered in their markets which are largely non-metro."[198] The BBC has been exploring using mobile phones to spread content in Hindi and English. Subscribers to the mobile operator Airtel can get access to a voice blog with news updates in Hindi on a monthly subscription basis,[199] while an Interactive Voice Response number, accessible across mobile operators in India, offers access to BBC news in Hindi and English, as well as sports entertainment news, on demand.[200]

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195. Interviews with two activists (names confidential), New Delhi, May 2010.

196. See https://www.facebook.com/pages/SM-Sahai-IG-Kashmir/131455413567934?sk=wall (accessed 4 September 2011).

197. Interview with Shubhranshu Choudhary, Knight International Journalism Fellow and Founder, Cgnetswara.org, New Delhi, February 2012.

198. Interview with Nikhil Narayan, VAS professional, Bangalore, 27–28 January 2012.

199. N. Pahwa, "BBC News Launches Premium Voice Blog on Airtel; How Will It Become Viral?" Medianama.com, 15 March 2010, at http://www.medianama.com/2010/03/223-bbc-news-launches-premium-voice-blog-on-airtel-how-will-it-become-viral/ (accessed 22 June 2011).

200. N. Pahwa, "BBC Launches Hindi Mobile Site with Audio News Bulletins," Medianama.com, 27 September 2010, at http://www.medianama.com/2010/09/223-bbc-launches-hindi-mobile-site-with-audio-news-bulletins (accessed 22 June 2011).

3.2.2 The Importance of Digital Mobilizations

Digitization has had a significant impact on modes of activism. Mr Dravid, CEO of the *Viewspaper*, observed with respect to an environmental campaign to prevent a bauxite mining project damaging an area of particularly rich biodiversity in the eastern state of Orissa: "[The] Niyamgiri hills petition which went mainstream—the original petition filer wrote an article[201] for the *Viewspaper* more than three and a half years ago, and at that time we went ahead and promoted the cause. If you do a campaign like an open source campaign, everybody takes it and makes [their] own version. So mobilization is significant in that sense."[202]

Indeed, the considerable digital divide has had significant consequences for the trajectory and impact of online activism. One reason social activists have been slow to take to the internet is that the average digital activist and his/her audience are an urban elite and large parts of the communities they owe allegiance to are not online.

3.3 Assessments

Internet usage, both on laptops and mobile phones, is on the rise in India, although there is still a huge digital divide between urban and rural areas as well as between high- and low-income groups. Sharing sites and weblogs enjoy more overall popularity among Indian users if one looks at the top 25 sites. Among the social networks used, most are global ones like Facebook, but a few specifically Indian ones, like Bharatstudent.com (1 million users), have come up in the rankings in the recent past. The expanse of non-English languages, though on the increase, is still limited. Overall online traffic and activity suggest that the internet, much like television as a whole, does not get attracted by news sites; though unlike television, online users seem to gravitate more toward foreign or foreign-owned media outlets.

Because of limited and concentrated internet penetration rate, not all—nor even most—Indians have been able to access, let alone leverage, online opportunities. Initiatives aimed at increasing access receive less attention and tend to generate less debate in news, than those initiatives furthering or broadening the needs of the already connected/online sections of the population. Among broadband and smartphone adopters, varying initiatives to use (i.e. produce and consume) information to engage with social and political affiliations have seen varying degrees of success and sustainability. Amid this plethora and diversity of "alternative" online initiatives, be they news or views, three common traits surface: their reader numbers tend to be fairly small, their impact on mainstream news media remains unclear, and they often struggle to get by financially, let alone commercially. Their dividend may well lie, for now, in forging extensive and more intense forms of social capital, often both online and on the ground.

201. See http://theviewspaper.net/save-the-niyamgiri-hills (accessed 25 February 2012).

202. Interview with Shiv Bhaskar Dravid, CEO, *The Viewspaper*, New Delhi, February 2012.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Over the past 5–7 years, the number of news websites and portals in India has increased, but most are extensions of print and television outlets. For varying reasons, including growing audience and revenue pressures, Indian news websites have adopted similar content models, which include non-news content. There are only a few—such as the recently launched Firstpost.com, owned by television conglomerate Network 18 Group—that are focused only on news. Most simply disseminate content produced by sister news companies—such as Moneycontrol.com, the leading business news portal also under the TV18 Group, which owns business news channels in English and Hindi, and/or become avenues to sell other non-news products, as with www.indiatimes.com.

According to Sheela Bhatt, a senior editor at Rediff.com, one of the oldest news portals in India, "Our consistent research tells us what kind of news is read online. And we strive to tailor our content accordingly. For instance, anything to do with the India–Pakistan relationship gets more people to visit our site."[203]

Journalists are under more pressure than ever to find news that has greater audience appeal. Since most audiences for digital news formats (DTH subscribers and web surfers) reside in Indian cities and towns, there is an additional emphasis on, for instance, crimes that affect middle-class citizens. This is often expressed through an emphasis on a breaking news format, which necessitates constant updates of even minor or peripheral developments in a story.

Much content is generated by follow-ups of each other's stories—print by broadcast media and vice versa—and convergence. For example, there are in some cases formal tie-ups between media groups, such as between *Business Standard* and Rediff.com, where the latter carries pieces and columns published in *Business Standard*. There are also internal ones (e.g. *Times Now* would pursue a story first printed by *The Times of India* and vice versa). Journalists from a group's print publications act as guest commentators on television channels on significant news days and are encouraged to write blogs, columns, and articles for the group's website(s).

203. Interview with Sheela Bhatt, senior editor, Rediff.com, New Delhi, April–June 2011.

In the event that a television channel gets an exclusive interview, the sister print products carry extracts. Similarly, if the sister newspaper publishes an investigative piece its follow-up is aggressively pursued by the group's television channel.

Aroon Purie, owner of Living Media Group,[204] who shifted the editorial offices of all his news outlets (dailies, weeklies, and television) on to a single floor in a new office in August 2012, and located all the other business, administrative, and circulation departments in the same office building, said of convergence:

> What I look forward to is to create a news turbine that will then grow on to multiple platforms. We would hire specialists who are domain experts. They can then generate content across media—whether it is an article or a TV story or an internet one. That is when the business will change. There will be one floor with only 450 journalists (though we have a total of 1,200). There will be far more synergy in the way we generate content, in advertising, in our approach to events. The physical proximity will make that difference.[205]

Nikhil Pahwa, founder of Medianama.com, which specializes in reporting on and analysing trends in digital media, says digitization has enabled journalists to radically expand their base of information sources:

> Earlier, our sources were restricted to select politicians, government officials, senior corporate managers, renowned intellectuals and civil society (including NGOs). Today, they could be one of the hundreds of thousands of visitors on my site, or his/her friends and acquaintances … Of course, we have to check and cross-check the information before putting it up on our website.[206]

In the case of television channels, the trend toward citizen journalism—itself facilitated by cheap digital gadgets—has expanded news sources and reporting styles. Today, several news channels have slots dedicated to citizen journalists. Even news websites encourage this.

4.1.2 Ethics

Since breaking news has become the norm for news channels and websites, journalists tend to get more embedded with fewer sources. As reporters must update breaking news for the next bulletin, they must be close to source(s), and this can compromise independence and integrity.

News outlets like to show they connect well with their audiences and show that their content is appreciated. In some cases, this has resulted in the invention of letters from readers. "We generally get staffers and friends to either comment online or through tweets on content to make our seniors feel happy," admitted a

204. One of the largest diversified media entities with a daily tabloid (*Mail Today*), a weekly news magazine (*India Today* in several languages), three news channels (Aaj Tak, Headlines Today, and Delhi Aaj Tak), FM radio stations, and a news website (Intoday.com).

205. Quoted in V. Kohli-Khandekar, "We should have got into newspapers earlier," *Business Standard*, May 2011.

206. Interview with Nikhil Pahwa, founder and editor, MediaNama, New Delhi, April–June 2011.

news channel journalist. In December 2010, *The Hindu* reported about an ethical breach that involved the English news channel CNN-IBN and the tweets it aired for a prime-time program on "should lobbying be legalized?"[207] Later, the channel apologized to its viewers on its website.

There is pressure on news organizations to run with the news without even the elementary diligence and/or confirmation, largely because of the speed prompted by digitization and increased competition. In September 2008, *Times Now* ran a story about a provident fund scam involving judges and wrongly included the photograph of a nationally well-known judge, who had nothing to do with it—an incident that the senior manager of the channel is quoted to have attributed to "the obsession with speed."[208] Though *Times Now* aired a correction, albeit 15 days later, and an apology two days subsequently, the dissatisfied judge filed a suit in a local court.[209]

The lack of diligence in the digital media is also evident from the controversial "Radiatapes," which comprised numerous telephone conversations that Niira Radia, an independent lobbyist handling PR and government liaison for leading business groups such as Tata and Mukesh Ambani, had with dozens of renowned television and print journalists, politicians, bureaucrats, and other lobbyists. A few of these conversations were with Ms Dutt, Group Editor at NDTV, and Vir Sanghvi, then Editorial Director of the *Hindustan Times*, who was subsequently re-designated as Advisor. Dutt came across as a journalist who seemed to be acting as a "messenger" for discussions on the selection of cabinet ministers between two of the ruling coalition partners just after the national elections in May 2009. Mr Sanghvi, in contrast, discussed details of his forthcoming column(s) with Radia in a bid to convince her that the contents were spun in favor of one of her clients, Mukesh Ambani.[210]

Although the print magazines *Outlook* and *Open* took credit for exposing the Radiatapes, they published the contents without authenticating them to find out if the tapes had been tampered with. The people whose conversations were reproduced were not contacted for clarifications. *Outlook* put up the audio recordings on its website. Much later, Mr Sanghvi said that his conversations were "doctored;"[211] even the government argued in the Supreme Court that the tapes were tampered with.[212] The Supreme has still not given a judgment.

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207. Priscilla Jebaraj, "Fake tweets aired on TV news show," *The Hindu*, 19 December 2010, at http://www.thehindu.com/news/national/article961539.ece (accessed 10 June 2011).

208. Rahul Bhatia, "Fast and Furious," *Caravan,* 1 December 2012, at http://caravanmagazine.in/reportage/fast-and-furious (accessed 12 December 2012).

209. While this local court awarded him Rs 1 billion in damages in April 2009, *Times Now* appealed in the Bombay High Court; the latter, admitting the case, asked the broadcaster to deposit Rs 200 million and furnish bank guarantees for the remaining Rs 800 million; "Deposit Rs 20 cr, HC tells Times Now in Sawant suit," *Indian Express*, 29 September 2011, at http://www.indianexpress.com/news/deposit-rs-20-cr-hc-tells-times-now-in-sawant-suit/853339 (accessed 12 December 2012).

210. Ms Dutt and Mr Sanghvi later clarified that they were merely stringing along Ms Radia.

211. Vir Sanghvi, "Radia Tapes Weren't Authentic, They Were Manipulated," *Outlook,* 7 November 2011, at http://www.outlookindia.com/article.aspx?278785 (accessed 13 Jan 2013).

212. "Radia tapes tampered with: Govt to SC," *sify news*, 31 January 2012, at http://www.sify.com/news/radia-tapes-tampered-with-govt-to-sc-news-national-mb5sHRaajbe.html (accessed 13 January 2013).

Even in cases of normal news stories, journalists tend to go with information, even if unsubstantiated, unconfirmed, or from a single source. A Chief of Bureau of a leading English news channel said: "This was the case when television channels recently reported that the chopper carrying the Arunachal Pradesh Chief Minister, which lost radar contact, had landed safely. The truth was that the chopper was lost and, later, it was found to have crashed. But we went ahead with the 'safe landing' information without cross-checking it as we wanted to be the first to carry it and it came from the chief minister's personal aide."[213]

Invasion of privacy and other ethical issues involved have become crucial in the case of sting operations, easily enabled by technology (see more on this in section *4.2* below). The courts have wavered in their attitude toward stings: while during a Supreme Court hearing in August 2008 a judge defended stings, in another case in the same court an unconditional apology was sought from a television reporter.[214] Some stings by various news channels have gone horribly wrong.[215] Journalists have been caught blackmailing individuals after conducting a sting on them; factually incorrect or half-baked pieces have been filed by sting operators. The government and the judiciary have debated ways and means to monitor and control stings, forcing media to opt for self-regulation.[216]

In October 2012, a reverse sting surfaced when Jindal Steel and Power Ltd (JSPL), a leading company in the country, filed a FIR (First Information Report) with the Delhi Police. The FIR alleged that two senior executives of Zee Group, which owns over 15 entertainment and news channels, had demanded Rs 1 billion to stop the telecast of adverse news against JSPL. Along with the FIR, which also named Zee's chairman and his son as co-accused, JSPL gave the police the audio and video recordings of several telephone conversations and meetings held between Zee and JSPL executives. Subsequently, these two executives, one each from the editorial and managerial division of Zee, were arrested but released later on bail. Zee claimed that JSPL had offered the money as bribes to slow down the media group's exposé of JSPL's involvement in a huge scam.[217]

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213. For details of this April 2011 accident, see "Dorjee Khandu's body, copter wreckage found," *The Hindu,* 4 May 2011, at http://www.thehindu.com/news/national/dorjee-khandus-body-copter-wreckage-found/article1990594.ece (accessed 13 December 2012).

214. During the Supreme Court hearing of a sting operation against a former Union Minister, Justice Markandey Katju (now chairman of the PCI) remarked: "I totally agree with sting operations … Corrupt elements can be brought to light by these sort of operations." In contrast, another SC bench headed by Chief Justice of India K.G. Balakrishnan has insisted on an "unconditional apology" from a TV reporter who exposed corruption in subordinate courts in Gujarat through a sting operation, at http://news.vakilno1.com/tag/tv-sting-operation (accessed 13 December 2012).

215. Law Commission of India, "A consultation paper-cum-questionnaire on undercover/sting operations," 2010, at http://lawcommissionofindia.nic.in/stingoperation.doc (accessed January 2012).

216. News Broadcasters Association, "Code of ethics and broadcasting standards," 2008, at http://www.nbanewdelhi.com/pdf/final/NBA_code-of-ethics_english.pdf (accessed January 2012).

217. CNN-IBN, "Jindal extortion case: Court denies bail to arrested Zee editors," *IBN Live,* 3 December 2012, at http://content.ibnlive.in.com/article/03-Dec-2012politics/jindal-extortion-case-court-denies-bail-to-zee-editors-308666-37.html (accessed 8 December 2012); Archna Shukla, "With FIR, Jindal gives police tapes of 'meetings' with Zee," *Indian Express,* 12 October 2012, at http://www.indianexpress.com/news/with-fir-jindal-gives-police-tapes-of--meetings--with-zee/1015622 (accessed 8 December 2012).

4.2 Investigative Journalism

4.2.1 Opportunities

There are several ways in which digitization has helped investigative journalism. Today, investigative reporters have access to a plethora of online resources (e.g. corporate and regulatory documents). Tracing people has become easier because of online directories. Thanks to digitization, whistle blowers (whether within the government, corporate set-ups, or civil society) have more access to journalistic outlets since they can copy information and distribute it via email.

To begin with, information, especially that related to business issues such as the annual figures of companies collected by the Registrar of Companies (RoC), is available online, along with disclosures that listed companies have to make to the stock exchanges. Digitization of libraries, as well as content generated by others, allows journalists ready access to information. Locating key sources has also become easy.

Some of the best investigative pieces originating from regular reports on listed companies have helped the media to expose irregularities. These included Biocon Ltd, a leading biotech firm, which failed to reflect certain losses in its profit and loss account, and HDFC Bank Ltd, a leading private bank, alleged to have inflated its earnings. Both maintained they had used standard accounting practices.[218]

Digital tools have given a fillip to stings. Although such recordings may not be admissible in court, they provide the moral high ground for the media to pursue issues of corruption and crony capitalism. One of the earliest stings was carried out by Tehelka.com, which exposed the nexus between arms lobbyists and Indian defense personnel to influence purchases by the Indian army.[219]

Since then, there have been several successful stings, conducted both by staff journalists and independent sting specialists (such as Cobrapost.com), which team up with news channels. The latest exposed how MPs take money to ask questions in parliament to further corporate or other interests.

"A sting requires knowledge about both journalistic techniques and the limitations of technology tools. One has to be a geek and a hack," said a sting reporter who previously worked for Cobrapost.com. Aniruddha Bahl, journalist and founder of the website, felt that although technology has enhanced the viability of independent sting operations, it has not led to their mushrooming because stings require several unique journalistic skills.[220]

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218. Suresh Nandi, "Analysts bashing Indian cos on accounting habits," *Deccan Herald*, 24 June 2012, at www.deccanherald.com/content/259319/analysts-bashing-indian-cos-accounting.html (accessed 4 August 2012).

219. Madhu Trehan, *Tehelka as Metaphor*, Roli Books, New Delhi, 2009.

220. Interview with Aniruddha Bahl, founder, Cobrapost.com, New Delhi, November 2011.

In the past year or so, the best investigative pieces were broken by the print media. But *Outlook* Editor Krishna Prasad, an active blogger, says they tend to fall into the trap of what might be called "document and/or CD-based" investigations. "A journalist gets a piece of 'secret' paper—a letter, part of a report, or a confidential memo—or an unsubstantiated CD and runs with the story. There is no effort to authenticate the information, gauge its macro implications, and do reporting around it to make the story more credible," he explained.[221]

Even though access to information has become easier, few journalists have been trained or take the time to wade through the enormous amount of data available online. The science of how to use public records, taught in journalism schools in developed nations, is not much pursued in India, where investigative reporters rely more on accessing "secret and confidential" documents from their sources. They also use the Right to Information Act for pieces on the inner functioning of the government.

4.2.2 Threats

Since digitization has forced the pace of news flow, mistakes can prove costly. In November 2011, *Times Now* was fined Rs1 billion (US$17 million) after it inadvertently flashed the photograph of a retired judge, whose name was similar to that of the real culprit behind a pensions-related scam.[222]

Many media have found themselves in a difficult position because several sting operations, both internal and outsourced, have gone terribly wrong. The Supreme Court took cognizance of the trend in "wrong" stings and criticized the media; news channels decided not to air such operations, unless they were conducted by in-house editorial staff (though outsourced stings have made a comeback). In 2010, Aniruddha Bahl, the main reporter during Tehelka.com's Defense Ministry sting and who later launched Cobrapost.com, said independent stings had come to a standstill. While the government talked about regulations against stings, the media proposed self-regulation to control its negative effects.

Even when such journalism has gone right, there have been instances when external pressure has forced outlets to take stories offline. Sheela Bhatt of Rediff.com notes similar pressures to remove stories from websites and even news channels when they involve criticism of certain corporate or political interests. "Since digitization allows content to be immediately uploaded as well as removed, controversial pieces invariably witness direct and indirect pressures to do the latter," she said.[223]

Both the judiciary and legislature have sought to initiate new guidelines for reporting. In March 2012, the Supreme Court set up a Constitutional Bench of five judges to frame guidelines for reportage of the

221. Interview with Krishna Prasad, Editor, *Outlook*, New Delhi, April–June 2011.

222. "SC asks Times Now to deposit Rs 100 before HC takes up its appeal in defamation case," Times News Network, 15 November 2011, at http://timesofindia.indiatimes.com/india/SC-asks-Times-Now-to-deposit-Rs-100-crore-before-HC-takes-up-its-appeal-in-defamation-case/articleshow/10734614.cms (accessed December 2011).

223. Interview with Sheela Bhatt, Senior Editor, Rediff.com, New Delhi, April–June 2011.

various court proceedings.[224] Although the rules have not been finalized, they may include provisions such as requiring a journalist covering the courts to have a law degree, and any judge in any case can deem the case to be "sensitive" and, hence, out of bounds of media coverage. In April 2012, parliament finalized norms on how to report on the meetings of its Standing Committees and Joint Committees. While parliamentary officials specified that journalists cannot write about Standing Committee reports unless the chairman of the specific committee has publicly disclosed the contents, they also maintained that journalists would not be "allowed in the vicinity of … [the committees'] meetings."[225]

4.2.3 New Platforms

Often when journalists find it difficult to get stories into their newspapers, they turn to independent blogs. Girish Nikam, a journalist-cum-blogger, was among the first to put up the Radia papers, which purported to contain transcripts and/or details of the conversations that the lobbyist Niira Radia had with politicians and journalists on his website (Indiareport.com) before it was reported by mainstream media. Subsequently, the actual audio conversations were leaked to the media in the form of recordings on a CD. Rashmi Bansal was among the first to investigate the operations of a business school, the Indian Institute of Planning and Management (IIPM), through her blogs (Youthcurry.blogspot.com) and print publication (*JAM*).

Although still limited, some print and television journalists have started blogs on their organizations' websites. A few have personalized, separate blogs, such as Mr Prasad, who runs Churumuri.wordpress.com. He states: "The blogs are quite different from what we write in print or air on news channels. This is because blogs can generally be longer as there are no space constraints, are irreverent as their readership comprises younger people, have the flexibility to include hyperlinks, audios and videos because of technology, and talk about issues that might be considered sensitive by organizations vis-a-vis other media products (print, television, and websites)."[226]

Adds Shishuraj Yadav, freelance journalist and active blogger: "Newspaper editors follow and publish blogs written by senior, retired and renowned journalists. For example, the blogs of Punya Prasun Bajpai (Prasunbajpai-en.itzmyblog.com), who works at Zee News, are published in several Hindi newspapers, such as *Dainik Jagran*, *Dainik Bhaskar,* and *Hindustan*."[227] Panini Anand, another freelance journalist, cites examples of blogs that highlighted controversial issues: "Even before *The Hindu* (and other mainstream media) reported on the 2G telecom scam, Girish Nikam wrote about it in his blog (Indiareport.com).[228] The video on Facebook showing border security force soldiers torturing a young man went viral on YouTube and

224. Nikhil Kanekal, "Supreme Court to frame guidelines for media coverage of proceedings," Livemint.com, 13 March 2012, at http://www.livemint.com/2012/03/13231725/Supreme-Court-to-frame-guideli.html (accessed 24 July 2012).

225. Anuradha Raman, "Warding Off The Eye: The judiciary and Parliament seem to think they could do with less coverage," *Outlook,* 23 April 2012, at http://www.outlookindia.com/article.aspx?280565 (accessed 24 July 2012).

226. Interview with Krishna Prasad, Editor, *Outlook*, New Delhi, November 2011.

227. Interview with Shishuraj Yadav, freelance journalist and active blogger, New Delhi, February 2012.

228. Girish Nikam, "Why did the 2G scam occur right under Manmohan Singh's nose: PM—Raja letters—Text and the context," Indiareport.com, 9 December 2010, at http://indiasreport.com/magazine/data/why-did-the-2g-scam-occur-right-under-manmohan-singh percentE2 percent80 percent99s-nose-pm percentE2 percent80 percent94raja-letters percentE2 percent80 percent94text-and-the-context/ (accessed 10 December 2011).

was later picked up by media houses.[229] Similarly, the Forbesganj incident,[230] in which police killed six people in Bihar … these videos were on YouTube and not in the mainstream media."[231]

In contrast, most news channels and websites do not have the time, budgets, and/or the mindset to chase long-term investigative stories. They tend to outsource them, especially stings, to organizations such as Cobrapost.com or senior freelance journalists. One major reason is cost. Pieces can be purchased from outside agencies on an exclusive basis for a third of what it would cost internally. "Apart from reasons of economics, there is a feeling among media organizations that the talent pool for investigative journalism has shrunk. Therefore, it is critical to tap into independent agencies/individuals, which have a proven track record," said Pranjal Sharma, a former senior editor with Bloomberg India.[232]

Citizen journalism has—as elsewhere in the world—become another common form of outsourcing. In such forms, someone who happens to be at the scene of an incident, or who has a scandal to expose, uses amateur video recorders (mobile phone or video camera) and gives the recording to news channels or websites. Media, while able to expand the scope of their coverage, justify this practice as a form of greater interactivity between themselves and the viewer or reader.

4.2.4 Dissemination and Impact

Saikat Datta, an investigative reporter then with *Outlook* weekly, gave examples of two news stories of similar importance yet with different outcomes. In one case, digitization amplified the story, which had national ramifications; in the other, the story had a short-term life and faced an untimely death. Starting in 2005, Datta[233] wrote a series of articles on the Rs 190 billion (US$3.4 billion) submarine deal, in which it was alleged bribes were paid. There was little fall-out from the stories.

By contrast, press reports started appearing in late 2008 on the 2G telecoms scam in which a former telecoms minister allegedly undercharged operators for licenses[234] (see section *5.1.2*). This soon led to the resignation and arrest of the minister and other high-profile politicians and company managers. While the 2G scam was amplified by television news channels and social media networks, the submarine stories got little extra attention through such means. For this reason, SMS and UGC sites seem to have become the preferred means to disseminate, especially investigative, content to ensure immediate attention and larger viewership/readership. Leading television anchors such as Arnab Goswami of *Times Now* and Ms Dutt of NDTV 24x7 are able to further leverage attention for their daily programs through their over 100,000 followers on Twitter.

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229. See http://www.youtube.com/watch?v=kMg8FFjcNx0 (accessed 25 February 2012).

230. Gopal Krishna, "Bihar Police Kills Woman & Child in Forbesganj, Araria," Biharwatch.blogspot.in, 9 June 2011, at http://biharwatch.blogspot.in/2011/06/bihar-police-kills-woman-child-in.html (accessed 10 December 2011).

231. Interview with Panini Anand, Editor, Pratirodh.com, New Delhi, February 2012.

232. Interview with Pranajal Sharma, former Senior Editor, Bloomberg India, Mumbai/New Delhi, December 2011.

233. Interview with Saikat Datta, Bureau Chief, *DNA*, New Delhi, April–June 2011.

234. For an administrative chronology of the 2G scam, see the "Report of the Comptroller Auditor General of India," p. 25, at http://www.cag.gov.in/html/reports/civil/2010-11_19PA/chap4.pdf (accessed 23 May 2012) (hereafter CAG Report).

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Sensitive issues in India generally fall into three broad categories. The first are those related to territorial, religious, and ethnic divisions or disputes: with Pakistan over Kashmir; with China over parts of Arunachal Pradesh; clashes between communities, especially in north-eastern states (Nagaland and Manipur); tensions between Hindus and Muslims; sub-regional agitations (e.g. the Telengana movement in Andhra Pradesh); and the Maoist movement in the entire eastern-coastal belt.

The second category concerns entrenched social biases, especially those based on caste, gender, and sexual orientations. Despite the spectacular rise of lower castes, prejudice, discrimination, and exploitation relating to them are still prevalent. Similarly, women have gained social and economic independence, but abuse of and violence against them is still prevalent. Gays, lesbians, and those in extra-marital relationships still suffer widespread abuse too. Ammu Joseph, journalist and founder member of the Network of Women in Media, says: "I'd say the seven dailies making up the English press in Bangalore have been increasingly open to reporting on issues concerning sexual minorities, crimes against women, other human rights abuses, moral policing, etc. However, there are still problems with the coverage—chiefly in terms of selectivity, superficiality, and, to some extent, sensationalism."[235]

Affirmative action for government jobs and higher education introduced in the late 1980s is part of the wider issue of discrimination concerning religious (particularly Muslim and Christian), ethnic, and caste minorities. It is these minorities which have benefitted from quotas, opposed by some sections of civil society and the media, which argue differentiation according to religion is unconstitutional.

The third category relates to natural resources. Government and business efforts to acquire land have played a part in India's rapid economic growth. There have been frequent reports on various levels of government and the private sector colluding to buy farmland with inadequate compensation. Similarly, in the case of mining projects, especially in tribal areas, those with power have exploited or negated the rights of local communities.

All four pillars of Indian democracy—legislature, executive, judiciary, and the media—have made attempts to regulate the coverage of some of these issues. In 2005, the government proposed new broadcasting legislation, which included clauses to set up a separate programming code and independent regulator to monitor news content. However, the bill has been put in cold storage. Meanwhile the government, while maintaining that it is against censorship on the web, has put pressure on websites (Google, YouTube) and social networks (Facebook, Orkut) to monitor and remove content seen as anti-national or anti-religious.[236] One example is the Home Ministry's decision to ask 310 websites to remove "malicious" content in the wake of the targeting

235. Interview with Ammu Joseph, journalist and author, founder member of Network of Women in Media, Bangalore, February 2012.

236. Debarshi Dasgupta, "Status Update? Bad," *Outlook,* 19 December 2011, at http://www.outlookindia.com/article.aspx?279280 (accessed 8 December 2012).

of people from the north-eastern states in some southern cities. It asked Twitter to remove pages and ban 16 accounts, including some fakes representing the Prime Minister,[237] and banned bulk SMS and MMS for 15 days in a bid to stop the spreading of rumors against the north-eastern communities.[238] Twitter and the websites complied with the government's order. In some cases, the government has blocked websites. In February 2012, it blocked the UK-based Sharia4hind.com, which announced a march in New Delhi to put pressure on India to adopt Islamic Sharia laws.

The executive has taken action against a few individuals, whose "seditious" speeches or statements have been reported by the media. The police charged the writer Arundhati Roy for saying at a seminar in New York in October 2010 that "Kashmir has never been an integral part of India" and "India needs *azaadi* (freedom) from Kashmir just as much as Kashmir needs *azaadi* from India."[239] Almost a year after the New Delhi police filed an FIR against her, it told the New Delhi High Court that it had yet to complete its probe. The case still goes on.[240]

4.3.2 Coverage of Sensitive Issues

Reportage on social diversity is changing. The slew of regional and sub-regional television channels and digital platforms concentrate more on local issues as their audiences are well spread out across, but often limited to, the concerned state or region. Writing on the agitation for a separate Telengana state in Andhra Pradesh in 2009, Madabhushi Sridhar, Professor of Law at NALSAR, found:

> The agitation for the separation of Telangana from Andhra Pradesh (formed in 1956) has not been as serious as it was in 1969. However, what has made a major difference in 2009 has been the presence of a vibrant media in terms of its coverage. Because, in 1969, 90 percent of the print media was in the hands of non-Telangana owners, the coverage of the agitation was either absent or less hostile even when frequent police firings killed 370 people. Now, after 40 years, one can see a quantum increase in the size, number, and reach of the print media. Also added are nine 24-hour news channels, giving minute and repeated coverage of each and every immolation, suicide (reportedly 40 deaths), statement, *dharna*, effigy-burning, and bus-damaging incident, both in close-up and slow motion.[241]

237. Amitabh Sinha, "No Assam mention in most blocked sites," *Indian Express*, 22 August 2012, at http://www.indianexpress.com/news/no-assam-mention-in-most-blocked-sites/991360/ (accessed 8 December 2012).

238. Vibodh Parthasarathi and Arshad Amanullah, "Silencing SMS: The anatomy of 'mCurfews' in India," at http://blogs.lse.ac.uk/indiaatlse/2012/10/10/silencing-sms-the-anatomy-of-mcurfews-in-india (accessed 8 December 2012).

239. "Azaadi" translates as "independence:" transcript of Arundhati Roy's speech at a seminar, at http://leftyprof.files.wordpress.com/2010/11/transcript-of-arundhati-roy-seditious-speech.pdf (accessed 8 December 2012).

240. Press Trust of India (PTI), "Still probing sedition case against Geelani, Roy: Police," *Greater Kashmir*, 5 July 2011, at http://www.greaterkashmir.com/news/2011/Jul/5/still-probing-sedition-case-against-geelani-roy-police-46.asp (accessed 22 July 2012).

241. Madabhushi Sridhar, "Relentless coverage fanned Telengana flames," at http://indiacurrentaffairs.org/relentless-coverage-fanned-telangana-flames- percente2 percent80 percent93-prof-madabhushi-sridhar/ (accessed 28 November 2011).

Ajay Upadhayaya, a Hindi journalist with several decades of experience, says:

> In terms of diversity, the regional media (news channels and language or local websites) tend to be more broad-based and inclusive than the national one. Responding to more fragmented and localized communities, the regional journalists are definitely more sensitive to the social issues. But, at the same time, this can become counter-productive as they try to impose the emotions and feelings of the local (and majority) community in a bid to grab viewers/readers. This can, and has, resulted in over-biased and one-sided reporting, especially on caste and class issues.[242]

4.3.3 Space for Public Expression

Digital media have spawned new platforms and outlets incorporating varying, contradictory, and diverse views on social issues, especially conflicts (e.g. on the Kashmir issue journalists can educate themselves through websites and Facebook links giving all perspectives).[243]

Digitization has also enabled other minority groups to voice their concerns and try to influence policies and perceptions. Over two decades ago, Ashok Row Kavi, a renowned gay rights activist, launched the first registered magazine on LGBT (lesbian, gay, bisexual, and transgender) issues. Suspended in 2002, it recently re-launched and has a huge web presence (Bombaydost.co.in).

Dalits have found a new voice through the net. Chandra Bhan Prasad, a self-trained social anthropologist and psychologist, has raised issues related to Dalits through his writings in media, television interviews, and his website, Chandrabhanprasad.com. He also has a blog on Ambedkar.org, a website that covers news, analysis, views, and research papers related to Dalits.

However, whether digitization has contributed to a greater awareness of social and cultural diversity is far from conclusive: some studies point to the opposite conclusion, arguing certain conflicts are either not covered, or are covered less due—at least in part—to their perceived low viewership. This, they contend, is true of the reportage of the north-eastern states in the mainstream media. "One of the reasons for this glaring absence is that the cities and towns of the region do not come under TRP (television rating point) towns. Audiences therefore are numerically insignificant against the mass viewership in major Indian cities to which sponsorship is wedded," says a short study conducted in 2004.[244] This is buttressed by a recent study on media coverage of north-east India.

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242. Interview with Ajay Upadhayaya, Editor, *Amar Ujala*, New Delhi, November 2011.

243. For instance, see http://www.tejindersodhi.com/2011/07/militants-use-social-networking-sites.html; http://www.insightonconflict.org/about; http://www.ukpnp.com/index.php?option=com_content&view=article&id=57 percent3Awho-are-the-kashmir-militants&Itemid=18; http://www.jkth.org/Details/leadership/Chairman.html (all accessed 2 December 2012).

244. Daisy Hasan, "Out of the box: Televisual representations of north-east India," *Sarai Reader 2004: Crisis/Media*, at http://www.sarai.net/publications/readers/04-crisis-media/16daisy.pdf (accessed 8 December 2012). The study concluded that, "Any meaningful representation of the region will have to approach it from a perspective other than the one of insurgency and backwardness that informs current coverage. Unless spaces for the expression of contemporary cultural interests and political aspirations are created, the North-East, in spite of all its 'crises' that attract television coverage, might in a real sense remain out of the box."

> India's Northeast still remains trapped behind a veil of selective silence for the rest of the country and the outside world. The engagement of the mainstream Indian private media—both print and broadcast—with the Northeast remains marginal … The result of this disengagement is that voices from the Northeast find very little space in newspapers and even less air-time in privately owned television news channels that are printed or aired out of metropolitan centres … And often, the coverage of the Northeast remains trapped in stereotypes … In metropolitan India, the dominant image of the Northeast still remains that of a wild frontier.[245]

Similarly, most activists and many journalists have often observed that reporting on rural issues is inadequate. A survey of leading English and regional dailies from the north, south, east, west, and central regions of India in late 2010 revealed only 3.1 percent of all news had a rural focus; agricultural news accounted for only 0.9 percent. Moreover, Bengali papers had the highest focus on rural news, with 11.5 percent in *Ananda Bazar Patrika* and 6.9 percent in *Telegraph*, albeit much of this in West Bengal (where these papers are published) was on news of political violence originating from the rural areas.[246] Other surveys have validated the trend of abysmally low emphasis on rural issues. A study by the journalist Vipul Mudgal in August 2011 found the three highest circulated English and Hindi dailies devoting only 2 percent of their total coverage to rural issues, crises, and anxieties. Importantly:

> Even this low count could be misleading because most rural news is not about the farmers/villagers or about their concerns related to land, livestock, resources, or farming. A content analysis of 968 news items shows 36 percent of the coverage goes to issues of violence, accidents, crime or disasters. Less than 28 percent is about agrarian themes while 15 percent is about hunger, suicides, malnutrition, distress migration, displacements, or farmers' movements.[247]

4.4 Political Diversity

4.4.1 Elections and Political Coverage

There are three clear aspects in which digitization has influenced the regulation of elections in the past eight years. These relate to opinion polls (specifically exit polls) during elections, the airtime of reportage given to political parties by media organizations, and the phenomenon of "paid news." For all three, the EC sought to eliminate bias in favor of any party.

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245. Arijit Sen, "'Marginal on the Map: Hidden Wars and Hidden Media in Northeast India," Reuters Institute Fellowship Paper, University of Oxford, 2011, at https://reutersinstitute.politics.ox.ac.uk/fileadmin/documents/Publications/fellows__papers/2010-2011/Marginal_on_the_map__Hidden_wars_and_hidden_media_in_northeast_India.pdf (accessed 8 December 2012).

246. "What Makes News: A Content Study of Regional Media," Thehoot.org, 2011 (accessed 2 December 2012).

247. Vipul Mudgal, "Rural Coverage in the Hindi and English Dailies," *Economic and Political Weekly* 46(35) (27 August 2011), pp. 92–97.

Elections in India are held in phases because of the size of the country and some of its larger states. Leading news outlets together with private survey/polling agencies hold exit polls after each phase to provide trends in voting patterns. Results get incrementally circulated—i.e. beyond the audience of the commissioning media—on other/independent websites, or are shared via social media or SMS.

The EC and psephologists felt that this could—and did—influence voting patterns in subsequent phases. So in 2008–2009 the EC ruled that while exit polls could be conducted by the media in conjunction with poll survey agencies, their results could only be announced, telecast, or reported after all the phases of voting were completed. The EC's code of conduct also says that "transmitting objectionable messages on SMSs during election is prohibited," and provides a forwarding number so that the police can investigate.[248]

The EC also restricts the allocation of airtime to political parties. If it receives a complaint about bias, it can force a media outlet to provide specific details about the time and/or space it allocated and insist on remedial action. Similarly, during the 48-hour period after campaigning ends and voting begins, electronic (but not print) media outlets are not permitted to telecast stories that endorse a certain candidate or political party, either locally, regionally, or nationally.[249]

Politicians have sought to use paid news in print products to get around some EC restrictions. In a note to the PCI, the EC observed:

> Of late, the campaign using the media (especially print media) has taken a more disturbing turn. There have been several complaints of surrogate advertisements or "paid news" appearing in the form of news items. On the face of it, such advertisements give an impression of a genuine news report covering the election campaign of a particular candidate. But when such reports repeatedly appear in that newspaper more or less on a regular basis, the matter does give rise to a doubt or suspicion whether the reports are "honest" coverage of the election campaign of the candidate as innocent news item.[250]

There is nothing in the PCI's code of conduct aimed at separating editorial content and advertising, and the PCI has not taken steps to introduce any change to the code in this regard. The EC, meanwhile, has tried to bring surrogate advertisements and/or paid news in print media within its ambit of monitoring. In the recent past, the EC has tried to check and control the menace of paid news during elections. For instance, during

248. Election Commission of India, "Model code of conduct for the guidance of political parties and candidates," Election Commission of India, New Delhi, 2007, Question 89, p. 33, at http://eci.nic.in/eci_main/faq/faq_mcc.pdf (accessed 28 November 2011) (hereafter Election Commission of India, 2007).

249. Election Commission, 2007.

250. PCI, "Paid News: How corruption in the Indian media undermines democracy," PCI Sub-Committee Report, 2011, at http://presscouncil.nic.in/Sub-CommitteeReport.pdf, 19 September 2011 (accessed 28 November 2011). This Report was not accepted by the Council and was only relied upon, inter alia, for information for drawing up the Final Report. It was only in September 2011 that the Report was made public on the internet in compliance with an order of the Central Information Commission.

the assembly elections in Gujarat in December 2012, the EC issued guidelines well in advance to pinpoint and handle such cases.[251]

So, how have these regulatory protocols affected the diversity of political voices?

At one level, balanced airtime in electronic media has increased the ability of smaller political parties to get time on television news channels. Paid news allows parties and individuals with money but no clout to buy content space in newspapers, which can then be circulated to a larger audience through digital tools. Digitization has further aided transparency in information related to political candidates and greater access to voters to analyze them.

The Association for Democratic Reforms (ADR) owes its potency to the emerging new media, which its national coordinator, Anil Bairwal, says have given voices and space to people who might not have got it otherwise.[252] The ADR ran a campaign and started a website in 2009 called Myneta.info (*my neta*, literally "my representative"), which had close to 1 million hits when it became a news portal to coincide with the general elections. ADR could do this because a declaration of assets was made mandatory by the EC for every candidate contesting elections after a Supreme Court ruling. The ADR then tracked how candidates' personal assets had grown from the time of one election to the next.

However, it may also be argued that the ban on exit polls has reduced political diversity, as they were used by television news channels and other digital formats to conduct debates and discussions, allowing even smaller political parties and candidates to comment on the results and conclusions of such exit polls.

4.4.2 Digital Political Communications

In 2004, the then Prime Minister, Atal Bihari Vajpayee, used a mobile to remind people to vote for a "Shining India"—the first time a major politician had adopted new technology to communicate with voters. Parties now have websites and include SMS (especially for campaigns) and social media networks in their communications strategies, while tech-savvy politicians in power increasingly use official websites to communicate positive news about their administrations.

Concurrently, the launch of dozens of regional television channels owned by politicians has resulted in a huge increase in the number of vernacular journalists who have contributed to diversity in the profession, and therefore in the political messages available. Sanjay Salil, a former journalist, who now advises media groups to set up television news channels or revamp existing ones, observes:

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251. "Gujarat poll campaign: Election Commission to check circulation of 'paid news'," *DNA*, 18 October 2012, at http://www.dnaindia.com/india/report_gujarat-poll-campaign-election-commission-to-check-circulation-of-paid-news_1753771 (accessed 12 January 2013).

252. Interview with Anil Bairwal, National Coordinator, Association for Democratic Reforms, New Delhi, July 2010.

> Since the journalists, who normally work for regional media, have to stay in touch with the various political leaders and interact with them more often, they tend to communicate varying and more widespread views than the mainstream media. Regional journalists also aim to balance their content keeping in mind their viewers/readers, who too are in close proximity.[253]

4.5 Assessments

Digital tools have enabled some journalists to don the role of crusaders, some even becoming active participants in big events. They have often successfully forced authorities to act on the issues they have raised. However, multiple media formats and the increased number of media organizations have put pressure on journalists to be first with the news. Hence, even in the case of investigative journalism or sting operations, some rush out unsubstantiated or unbalanced reports. This has added to concerns about the ethics and values of the profession.

Crucial changes in audience patterns have also left their mark. More than 55 percent of India's population is under 25, and these consumers of news are less interested in politics and more in such issues as entertainment, technology, and matters of more immediate concern, such as local crime. Therefore, despite the mushrooming of news channels owned by politicians, media still tend to focus more on infotainment, rather than on traditional political, economic, and social issues.

Media owners have not pushed hard for converged single newsrooms, apparently because they are unconvinced about their efficacy. They have largely neglected to develop their websites, seeing no profit in it. There has also been no urgency to cut editorial costs and maximize content synergies across platforms. This is surprising because most print-media companies (*Hindustan Times*, *The Times of India*, *India Today*, *Outlook*, *The Hindu*, and others) have already invested in technology. But print and television journalists have yet to realize the significance of an online presence, so the concept of digitized and single newsrooms has not taken off.

The strengths of digitization have, ironically, become its weaknesses. Although research and access to information has become easier for investigative reporters, this has caused journalists to become lazy. As Mr Bahl said, they rely too much on online resources, although these should just be their starting points or provide only the background to pursue a story.[254]

The frenetic pace, partially set by digitization and partly by competition, has led to mistakes, even blunders. In addition, round-the-clock schedules leave reporters and editors with less time to pursue serious, long-term, in-depth investigations. Apart from a few print publications, mainstream television channels and websites have been unable to pursue investigative journalism seriously.

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253. Interview with Sanjay Salil, founder, MediaGuru Consultants Pvt Ltd, New Delhi, December 2011.

254. Interview with Aniruddha Bahl, founder, Cobrapost.com, New Delhi, November 2011.

At the same time, digitization has possibly led to greater media censorship by powerful interest groups. Unlike in the case of newspapers and magazines, external pressures to drop a story are much greater in online and television media—because stories can easily be withdrawn from websites and news channels. "Every time I write something important, there are dozens of phone calls from all kinds of people urging me to take the story off from the website," revealed Ms Bhatt of Rediff.com.[255]

With national media focusing on national, urban, and middle-class issues, and regional media on more local issues, sub-regional outlets focus on even more micro issues. This trend indicates that social and cultural diversity, especially when it relates to covering marginalized groups and smaller, regional political parties, has improved. The other, equally strong, trend is that specific media tend to restrict the span of diversity, since they seek to concentrate on issues that interest their immediate audiences: while each outlet tends to report a less diverse palate of stories, the increase in the number, language, and spectrum of media outlets has meant a widening of reportage on social and cultural issues.

To ensure fair coverage of elections, the EC initiated critical steps related to part-restrictions on pre-poll surveys and exit polls, and allocation of airtime to political parties. This, maintain experts, has resulted in freer, more transparent, and wider (more diverse) coverage of elections. To wriggle out of the EC's rules, political parties resorted to paid news in print products, which was not regulated. Although paid news can be criticized on ethical and moral grounds, it has given opportunities to smaller, but rich, parties (and politicians) to address voters, especially at the state and constituency levels. There is also a feeling that restrictions may have reduced diversity, as they enabled television channels and print publications to conduct more political debates during the pre- and post-election periods.

Clearly, digitization (especially the internet and mobile platform) has helped marginalized groups (like ethnic, religious, caste, and social minorities) to voice their views and concerns, which also get reflected in mainstream media at some point in time. Various factions in Kashmir have their own websites, as do advocacy groups of Dalits and sexual minorities.

However, the feeling continues that more of this content and information has to find its way into the mainstream (national and state-level media products). For instance, especially in the wake of recent attacks on Assamese, the coverage of north-eastern states continues to be negligible unless there is a conflict. Such is the case with rural India, whose issues are not reported adequately by national media.

255. Interview with Sheela Bhatt, senior editor, Rediff.com, New Delhi, April–June 2011.

5. Digital Media and Technology

5.1 Broadcasting Spectrum

5.1.1 Spectrum Allocation Policy

The Supreme Court of India ruled in 1995 that airwaves are public property, and a scarce resource that must be used for the public good and managed by the government on behalf of the public, in their interest.[256] The implementation of this principle is carried out jointly by several government agencies depending on which part of the spectrum is allocated.

First, the Department of Telecommunications (DoT), under the Union Ministry of Communications and Information Technology (MCIT), manages all spectrum-related issues, including allocation, ownership, and usage. Second, the DoT issues a National Frequency Allocation Plan (NFAP), a practice established in 1981, which is revised and updated every two years.[257] The NFAP lays down the frequency management plan to suit the national frequency requirements as per the ITU guidelines[258] (see *Annex 1*), and therefore all new decisions on assignment of spectrum to service providers get reflected in the revised NFAP. Third, the Standing Advisory Committee on Radio Frequency Allocation (SACFA), a section of the Wireless Planning and Coordination (WPC) wing of the DoT under the MCIT, is responsible for making recommendations on major frequency allocation issues and formulating the NFAP. Due to increasing demand on spectrum in the late 1990s, the Spectrum Management Committee (SMC) was set up in 1998 as a steering group of the WPC and the TRAI, the telecoms regulator established in 1997 to oversee spectrum allocation, pricing, and efficiency of use.[259]

However, incremental liberalization and deregulation in communications over the last decade have increased pressure on the spectrum management process. The DoT allocates spectrum for a broad range of services,

256. Paragraph 81, The Secretary, Ministry of Information and Broadcasting v. Cricket Association of Bengal (1995), 2 SCC 161.

257. Since there was little demand for spectrum until the mid-1990s, this was not revised regularly.

258. See http://www.wpc.dot.gov.in/faq.asp#1 (accessed 28 September 2012).

259. Telecommunications, "Opportunity Costs Affecting Spectrum Utilisation," Report of Spectrum Management Committee, New Delhi, 24 December 1998, at http://indiaimage.nic.in/pmcouncils/got/report/chap5.htm (accessed 28 September 2012).

which includes telecoms and broadcasting (television and radio).[260] In the past, the government has not only given preference to certain players in each sector but has also laid special emphasis on certain sectors with respect to spectrum allocation. For instance, the process of application for community radio (CR) and the granting of spectrum for CR is mired in red tape.[261] In contrast, the telecoms industry has a more structured procedure for allocation of spectrum, and not only because it needs more spectrum. As demands on spectrum have increased, some users such as telecoms operators, particularly Unified Access Service License (UASL)[262] holders, have been given priority in spectrum assignment since the government saw them as potentially bringing in higher revenues to the exchequer.

The first phase of licensing saw private mobile telephony operators (the 1990s) and private FM radio operators (2001) receive spectrum via auctions. As it was gradually realized that operators faced difficulties in paying the high entry fees, government sought to bail them out by altering the spectrum charging procedures. In the second phase of licensing cum spectrum assignment for private FM operators, a system of one-time entry fee (OTEF) coupled with a 4 percent revenue share was designed; but the second phase 2G telephony moved to a first-come, first-served (FCFS) system (between 2003 and 2008) at 2001 rates (see section *7.2.3*). While the revenue share for radio was revised regularly, the telecoms players continued to pay the 2001 upfront entry rates for spectrum, thus benefitting from lower one-time entry costs. The 2012 telecoms policy reverted to auctions after a Supreme Court judgment in February 2012, following the 2G licensing scam, as detailed below (section *5.1.2*).

Despite initiatives to allow private enterprise in television and telecoms, public enterprises enjoy favored access or terms of access in spectrum allocation. For example, spectrum for terrestrial television in the 470–806 MHz range is solely assigned to the state broadcaster, DD. Although TRAI recommended the deregulation of terrestrial television in analog and digital modes in 2005 to promote community and private stations in these modes,[263] there has been no follow-up; DD remains the sole terrestrial broadcaster. In late 2007, the WPC proposed that DD vacate 32 MHz in the 470–806 MHz band to enable the deregulation of this segment to private broadcasters,[264] but so far no action has been taken by Prasar Bharati, or by the MIB.

In telecoms it is often pointed out that spectrum allocation has imparted advantages to public enterprises. According to Shyam Ponappa, telecoms policy specialist: "Public sector telecom providers—BSNL and

260. Government of India (Allocation of Business) Rules, 1961, at http://www.dot.gov.in/objective.htm (accessed 2 December 2012).

261. K.S. Harikrishnan, "Red Tape Mutes Community Radio in India," at http://www.ipsnews.net/2012/03/red-tape-mutes-community-radio-in-india/ (accessed 13 January 2013).

262. Throughout the 1990s, telecoms operators had to seek separate licenses for each kind of service they wished to provide in their respective service area. In 2003, the government commenced the United Access Service License (UASL) regime, which allowed licensees to provide any kind of service through any kind of technology within their service area: TRAI, "Consultation Paper on Unified Licensing Regime," Consultation Paper No. 6/2004, New Delhi, 13 March 2004, at http://www.trai.gov.in/trai/upload/ConsultationPapers/25/NewConsultationpaper%2013TH%20MARCH%202004.pdf (accessed 28 September 2012).

263. TRAI, "Consultation Paper on Issues Relating to Private Terrestrial TV Broadcast Service," TRAI, New Delhi, February 2005.

264. "DoT urges DD to vacate spectrum for pvt players," *Business Line*, 30 June 2007, at http://www.thehindubusinessline.com/todays-paper/article1662442.ece?ref=archive (accessed 16 April 2012).

MTNL[265]—have been given spectrum before private-sector companies, e.g., 20 MHz of BWA spectrum was awarded on a countrywide basis some time before that for private operators."[266] In other words, these enterprises were not given any price preference, but were only guaranteed allocations at the price paid by private operators.[267] However, public enterprises ended up getting an inferior chunk of spectrum for Broadband Wireless Access (BWA) that could not be converted into a business opportunity.

Within the telecoms sector, bias in spectrum allocation is also evident in the mandating of technologies. Dr Mahesh Uppal, an independent telecoms policy commentator, candidly recalls:

> Historically the rules for GSM and CDMA favored GSM once it was chosen as the sole standard for mobile services—but later, in 2003, seemed to favor CDMA. The decision to allow dual technology licenses hurt pure GSM players because it reduced spectrum available for GSM. The rules for license fees also separate GSM and CDMA streams, which has allowed those using dual technology (i.e., GSM & CDMA) players to benefit at the expense of pure play GSM players, since for the same total amount of spectrum pure GSM players could end up paying more in fees (because combining their spectrum holding means that they reach new slabs for fees earlier).[268]

As to the actual amount of spectrum allocated, the CDMA trade association has maintained that the pre-2007 policy (before CDMA operators were allowed to enter the GSM segment) was biased. In response, the GSM trade association argued that since CDMA technology claimed itself to be between five and eight times more efficient than GSM, the spectrum allocation in a ratio of 1:2 (1 MHz for CDMA and 2 MHz for GSM) was biased in CDMA's favor. Satyen Gupta, formerly with TRAI, clarifies, "The only reason CDMA was given less spectrum as compared to GSM was because it was believed by the DoT that the CDMA networks are more spectrum efficient. It was believed that 2.5 MHz in the CDMA technology could support subscribers more than that by 5 MHz in GSM."[269]

Moreover, the process followed by the DoT while allowing CDMA players to enter the GSM arena in 2007 lacked fairness, as equal opportunity was denied to some operators. For instance, the leading CDMA operator Reliance Communications was allocated start-up GSM spectrum in January 2008, way ahead of other CDMA operators who had applied at the same time. The luckier ones received their due spectrum later in 2008, as was the case for operators in the Rajasthan and Punjab circles, but the case of Delhi circle was

265. BSNL, or Bharat Sanchar Nigam Limited, is wholly owned by the government and provides telecoms services for the entire country, except for the two largest cities, Mumbai and New Delhi, that are catered for by MTNL, or Mahanagar Telephone Nigam Limited, which is majority-owned by the government.

266. Interview with Shyam Ponappa, consultant, columnist, and Distinguished Fellow at the Centre for Internet and Society, Bangalore, New Delhi, April 2012.

267. It must also be pointed out that BSNL tends to have more stringently audited rural roll-out obligations compared with private telecoms operators.

268. Interview with Dr Mahesh Uppal, telecoms policy specialist and director, Com First (India) Pvt. Ltd, New Delhi, March 2012.

269. Interview with Satyen Gupta, Secretary General, NGN Forum India and formerly Principal Advisor, TRAI, New Delhi, December 2012.

extreme: in the national capital five smaller companies and Tata Tele—the leading competitor of Reliance in the CDMA segment—were not allocated GSM spectrum until September 2010.[270]

Even within the GSM segment, discrepancy exists: while older operators, who got their licenses in the 1990s, were allocated more efficient spectrum in the 900 MHz range, the later ones were allocated spectrum in the 1,800 MHz band. As older licenses come up for renewal in 2014–2015, after the licensing period of 20 years lapses, the government's re-farming protocols are coming under scrutiny. In November 2012, a so-called Empowered Group of Ministers (EGoM) on telecoms said that the older operators could retain only 2.5 MHz of the 900 MHz band, and the rest would be auctioned to others; those who gave up the 900 MHz spectrum would be allocated additional spectrum in the 1,800 MHz band, for which they will have to cough up high capital investments in infrastructure and additional towers.[271]

In crying foul against the entire telecoms sector, Internet Service Providers (ISPs) have pointed out the unfairness in licensing protocols of BWA frequencies, which required that the lowest price of BWA be at least 25 percent of the base price of the 3G frequencies auctioned.[272] Mahesh Uppal reiterates this: "The rules for 3G and BWA spectrum had anomalies in favor of BWA since the latter came with more spectrum and the reserve price for BWA was lower."[273] The rationale for the linking up of these frequencies is unclear and has invited criticism from the industry, especially by ISPs already allotted some BWA frequencies but asked to surrender them and rebid for them in the 3G and BWA auctions held in mid-2010. The ISPs sued the DoT for not following TRAI's recommendations, but TDSAT ruled in favor of the DoT.[274]

After consultation in 2007 on commencing mobile television via broadcast networks, TRAI made some recommendations in 2008 on associated aspects of technology, allocation of spectrum, and licensing. Since no specific band is allocated for broadcast of mobile television in India,[275] TRAI recommended allocating UHF Band V (585–806 MHz) for mobile television and allotting licenses via a closed tender system on an OTEF basis, with licenses bundled with 8 MHz of spectrum.[276] In May 2010, TRAI recommended the 585–698 MHz band be earmarked for digital broadcasting services, including mobile television, and 698–806 MHz only for International Mobile Telecommunication (IMT);[277] the EGoM decided to put this band up for auction for 4G.[278] Mr Gupta summed it up as follows:

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270. CAG Report, p. 47, at http://www.cag.gov.in/html/reports/civil/2010-11_19PA/chap4.pdf (accessed 23 May 2012).

271. "EGoM allows Operators to hold 2.5 MHz spectrum in 900 MHz," Telecomindiaonline.com, 2 November 2012, at http://www.telecomindiaonline.com/egom-allows-operators-to-hold-2-5-mhz-spectrum-in-900-mhz.html (accessed 8 December 2012).

272. See http://www.dot.gov.in/as/Auction%20of%20Spectrum%20for3G%20&%20BWA/3g.pdf (accessed 18 April 2012).

273. Interview with Dr Mahesh Uppal, telecoms policy specialist and director, Com First (India) Pvt. Ltd, New Delhi, March 2012.

274. See http://www.iltb.net/2010/02/yet-another-spectrum-issue…-justice-denied-to-isp/ (accessed 21 April 2012).

275. The MIB had initially planned to use around 90 or 96 MHz for mobile TV, but had not got around to specific allocation.

276. See http://trai.gov.in/WriteReadData/Recommendation/Documents/57.pdf (accessed 16 April 2012).

277. TRAI, "Recommendations on Spectrum," May 2010 (Section 1.6.1), at http://trai.gov.in/WriteReadData/Recommendation/Documents/FINALRECOMENDATIONS.pdf (accessed 16 April 2012).

278. See http://www.thehindubusinessline.com/industry-and-economy/article2964446.ece?css=print (accessed 17 April 2012).

> As per the regulator's recommendations, the allocation of 700 MHz band will be discussed from 2014 onwards. On implementation of DTT, half of the bandwidth or approximately 100 MHz, will be the digital dividend; the upper half (i.e. 698 MHz–806 MHz) will be used for BWA and 4G and will be allocated among potential operators for Service-Agnostic usage i.e. operators will be free to use the spectrum with the technology and for the purpose of their choice.[279]

TRAI laid down reasonable technical arguments in favor of the allocation of the digital dividend for last-mile delivery of mobile and wireless broadband services.[280] However, vacating analog terrestrial frequencies enabling basic, free-to-air television for the lowest income groups raises issues of inequity. While these groups will be unable to access DTT in the absence of subsidies for expensive STBs (see section *7.1.1.2*), the principal beneficiaries of the vacated spectrum would be operators of 4G frequencies (698–806 MHz), whose services will benefit, at least in the initial years, higher-income groups (see section *7.4*).

5.1.2 Transparency

The first sector-specific policy document on spectrum, the New Telecom Policy 1999 (NTP-99), was significant not only because it mentioned the availability of affordable and effective telecoms as its prime objective,[281] but equally because it stated "the need for a transparent process of spectrum allocation."[282] Thereafter, since spectrum was bundled along with the license in most cases, or was allocated only after a license was granted, it is basically the licensing policies (see section *7.2.3*) that indicate the nature and levels of transparency in spectrum awards.

The rationale for allocating spectrum for private radio operators seems to be solely based on technical constraints, i.e. the maximum number of frequencies that can be made available, which restricts the number of players. Even with community radio, WPC decides quite arbitrarily the number of frequencies to make available in a given circle.[283] For private FM radio broadcasters, the license and spectrum allocation process migrated from an auction regime (with license fees and few guidelines) to a tender-based process (with revenue-sharing agreements), which has clear eligibility requirements and guidelines. However, in the latter case, the bids per region are opened in the presence of bidders, but without any outsiders—thus the process is

279. Interview with Satyen Gupta, Secretary General, NGN Forum India and formerly principal advisor, TRAI, New Delhi, December 2012.

280. Paragraph 2.8: "The 700 MHz (698–806 MHz) spectrum band is considered the most important band for broadband deployment. It is suitable from the point of both capacity and coverage. The digital dividend spectrum in the UHF range has very good propagation characteristics and is highly suitable for the roll-out of mobile broadband in rural and other difficult-to-reach areas. Allocating this spectrum to mobile will mean that network operators require fewer base stations, meaning less capital investment is needed to bring broadband to all areas. Following the recommendations of the ITU's World Radio communication Conference (WRC) in 2007, Governments across the globe have actively pursued policies to facilitate use of this spectrum for mobile broadband as soon as possible:" TRAI, "Consultation Paper on IMT—Advanced Mobile Wireless Broadband Services," 19 August 2011, at http://www.trai.gov.in/WriteReaddata/ConsultationPaper/Document/IMT-Adv11.pdf (accessed 13 December 2012).

281. See http://www.trai.gov.in/TelecomPolicy_ntp99.asp, Section 2, "Objectives and targets of the new telecom policy 1999" (first point) (accessed 20 April 2012).

282. See http://www.trai.gov.in/TelecomPolicy_ntp99.asp, Section 5, "Spectrum management" (first paragraph) (accessed 20 April 2012).

283. The number of frequencies per circle was first set at six and later changed to three. But frequency allocation can also be prone to influence, Bangalore being a prime example, where about four CR frequencies have been allocated.

only partially transparent.[284] In the case of community radio, the granting of licenses (and spectrum thereof) is restricted to four operators per service area.[285] Since the government decides licenses and the allocation of frequencies to prospective applicants on a case-by-case basis, in many instances there are inordinate delays. Sajan Veniyoor, former General Secretary of the Community Radio Forum, says that although the process of granting a license is supposed to take eight or nine months, some NGOs either have had to wait for years to get a license, or have had their applications rejected.[286]

> A typical reason for delay would be if an application is from a coastal area, so-called red-corridor or Maoist areas, and naval areas, border areas. There is no explanation, but Ministry of Home Affairs will take their time to clear the file. In many cases, it has been rejected without reason. I know that 12 applications from Jharkhand have been rejected by MHA, as far as I know—no reason given. Sometimes, rural and small applicants from remote areas might give geo-coordinates which are not exact. This causes long delays—up to five months sometimes. The form for filling in your application for frequency allocation (SACFA) is very complicated, and many NGOs can't figure it out.[287]

Interestingly, in a rare admission, the MIB itself drew attention to the dependence on inter-ministerial clearances for community radio applications as causing delays in awarding them permission/spectrum.[288]

The telecoms sector has seen several turnarounds vis-a-vis modalities of spectrum award. Between the early 1990s and 2001, when mobile licenses and spectrum were allocated to private players, auction was the only route followed. However, since 2003, the licenses for mobile telecoms, bundled with minimum initial spectrum, were doled out on a FCFS basis. In 2007, under the dual technology change, CDMA operators were allowed to offer GSM services and were given licenses/spectrum under the FCFS policy. But in January 2008, the FCFS policy for GSM was manipulated to give 122 licenses; some applicants were leaked information about the issue of the date for the Letter of Intent, allowing them to make arrangements beforehand.[289] Thus, along with opaque procedures, bias in the licensing system in telecoms was alleged to hinge on access to government officials to receive licenses without delay. Furthermore, a CAG report estimated that unfair licensing procedures and undue advantages to select service providers cost the exchequer about Rs 1,760,000 million[290] (around US$ 32,000 million) and precipitated the 2G spectrum scam.[291] Following this, in early

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284. See documents relating to the policy on expansion of FM radio broadcasting services—Phase 2, at http://www.mib.nic.in/ShowContent.aspx?uid1=0&uid2=51&uid3=125&uid4=0&uid5=0&uid6=0&uid7=0 (accessed 25 April 2012).

285. Though CR does not have to pay permission fees, the cost of application is Rs2,500, and they may be asked to furnish a bank guarantee of Rs25,000 and annual spectrum fees of Rs19,700.

286. Interview with Sajan Veniyoor, former General Secretary of Community Radio Forum, New Delhi, January 2011.

287. Interview with Ramnath Bhatt, co-founder of Maraa, a media and arts collective in Bangalore, February 2011.

288. Ministry of Information and Broadcasting (MIB), *Strategic Plan, 2011–17*, MIB, Government of India, New Delhi, 2010, p.14, at http://mib.nic.in/ShowPDFContent.aspx (accessed 23 April 2011) (hereafter, MIB, *Strategic Plan*).

289. CAG Report, p. 30, at http://www.cag.gov.in/html/reports/civil/2010-11_19PA/chap4.pdf (accessed 23 May 2012).

290. CAG Report, at http://www.cag.gov.in/html/reports/civil/2010-11_19PA/chap4.pdf (accessed 23 May 2012).

291. For a detailed account, see Jyoti Thottam, "War of Words Escalates in India's Telecom Scandal," *Time Magazine*, 14 December 2010, at http://www.time.com/time/world/article/0,8599,2036867,00.html (accessed March 2012).

2012, the Supreme Court cancelled all 122 licenses and concluded that spectrum was sold too cheaply at the 2001 auction rates, well below market price. Mahesh Uppal sums up:

> The spectrum award has been subject to several considerations. The bundling of spectrum with mobile licenses was clearly unorthodox. The bundling and amount of spectrum (e.g., 4.4 MHz for GSM licenses) were decided without adequate analysis or justification. The rules for allocating the additional 2.2 MHz were similarly ad hoc. Later, the move to allocate spectrum based on number of subscribers benefited those who overstated subscriber numbers or those who acquired subscribers without consideration for actual usage of the connection. The 122 licenses of 2008 are de facto spectrum allocation. These too have been found by the Supreme Court to lack due process.[292]

In 2010, even as the FCFS policy was applicable for 2G spectrum allocation, the government resorted to e-auctions to sell and allocate 3G and BWA spectrum. This was a more transparent system, though not without subsequent controversies, with the process being clearly communicated upfront[293] and details of the auction being published on the DoT website. After the 2012 Supreme Court judgment on 2G licenses, the government announced a new telecoms policy which: delinked spectrum from "all future licenses" and allocated spectrum separately "at a price determined through market related processes (auction/tender/bid);" provided "flexibility to operators to operate any or all segment of services;" and permitted spectrum pooling, sharing, and trading.[294] In light of the new policy, and as per the orders of the Supreme Court, the government auctioned spectrum vacated because of the cancellation of 122 2G licenses in October 2012. However, the auction turned out to be a flop, largely because of a high floor price; the floor price was subsequently reduced in December 2012 by 30 percent to enable a re-auction by March 2013.

In the internet sector, issues of transparency in spectrum award first emerged with the Qualcomm case. According to Mr Ponappa: "Qualcomm India Pvt Ltd had won BWA spectrum in four circles, but DoT obstructed the actual award of spectrum using what appears to be frivolous arguments aimed at harassing Qualcomm. The motivation for this can only be guessed at."[295]

Moreover, one of the winners in the BWA auction in 2010, which raked in an estimated Rs28 billion (far exceeding government estimates), was a relatively unknown company called Infotel Broadband Services Ltd—the only bidder to win the license/spectrum for services in all 22 circles of the country.[296] Infotel paid US$2.7 billion for the spectrum and the pan-India license. When the winners of the BWA auction were announced, Reliance Industries Ltd, hitherto having no broadband interests, said it would acquire 95 percent

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292. Interview with Dr Mahesh Uppal, telecoms policy specialist and director, Com First (India) Pvt. Ltd, New Delhi, March 2012.

293. See http://www.dot.gov.in/as/Auction%20of%20Spectrum%20for3G%20&%20BWA/3G%20BWA%20presentation_for%20ITS_Dec%2012_final.pdf (accessed 26 May 2012).

294. Department of Telecommunication, "National Telecom Policy—6 June 2012," 2012, at at http://www.dot.gov.in/ntp/NTP-06.06.2012-final.pdf (accessed 8 December 2012).

295. Interview with Shyam Ponappa, consultant, columnist, and Distinguished Fellow at the Center for Internet and Society (Bangalore), New Delhi, April 2012. Finally, when Qualcomm got the spectrum almost two years after the auction, it sold a substantial stake in the BWA entities to Bharti Airtel, India's leading private telecoms operator.

296. See http://www.business-standard.com/india/news/infotel-secures-pan-india-bwa-spectrum-licence/397941 (accessed 26 May 2012).

of Infotel for just over US$1 billion. A member of the family that owned Infotel, Anand Nahata, said to a television news channel: "When the bid prices started becoming high, we realized that we needed to talk to a strategic partner. So we were talking to Reliance somewhere in between the auction. So it's not something which has happened in a day."[297]

5.1.3 Competition for Spectrum

Outright hoarding of spectrum has been evident in the telecoms sector. In December 2010, after the CAG's scathing report on the 2G scam, Tata Tele and Reliance Communications—CDMA licensees who received GSM licenses in 2007 after the government approved the dual technology regime—accused the older GSM operators of spectrum hoarding, a charge that the latter vehemently denied.[298] However, the 2010 CAG report stated that certain mobile operators were allocated "excess" spectrum, over and above what should have been given them under the licensing policy.[299] In November 2012, the Supreme Court directed the Central Bureau of Investigation (CBI) to go ahead and file a charge against companies that had allegedly been allocated excess 2G spectrum.[300]

A totally different mechanism of spectrum hoarding emerged when licensees did not roll out their services on time. Mr Ponappa explains this:

> Another example of spectrum hoarding arose in the case of many license holders who were awarded spectrum along with their licenses in 2008—and never built any networks, and therefore never used any of the spectrum awarded to them. In effect, this resulted in depriving spectrum to other operators, who were entitled to it by virtue of holding a license (such as Tata Tele in Delhi), because there wasn't sufficient spectrum to go around.[301]

In some cases, when dual technology was allowed, certain CDMA operators were given GSM licenses (and, hence, spectrum) later than other favored ones. Apar Gupta, a media lawyer and partner in a New Delhi law firm, adds, "Going beyond mere opinion, even the 2G license judgment points that existing telecom incumbents took fresh licenses (in 2008) through dummy shell companies in order to gain more spectrum."[302]

Data released by TRAI have consistently shown that telecoms operators overstate their total subscriber bases. In early 2011, for instance, while India's mobile population was almost 800 million, only about 550 million were active subscribers—i.e. almost 30 percent of declared subscribers did not use their mobiles.[303]

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297. See http://www.reuters.com/article/2010/06/11/us-infotel-reliance-idUSTRE65A20Y20100611 (accessed 26 May 2012).

298. See http://www.indiatoday.intoday.in/site/Story/121643/business/tata-rcom-protest-spectrum-hoarding.html (accessed 26 May 2012); http://www.financialexpress.com/news/vodafone-india-ceo-hits-back-at-tata-on-spectrum-hoarding/723281 (accessed 26 May 2012).

299. CAG Report, at http://www.cag.gov.in/html/reports/civil/2010-11_19PA/chap4.pdf (accessed 23 May 2012).

300. PTI, "2G: firms to face CBI charges for excess spectrum," Livemint.com, 30 November 2012, at http://www.livemint.com/Industry/95aWn3xDgF8qlxsVnPWsoI/SC-clears-chargesheet-against-telcos-for-excess-spectrum-dur.html?facet=print (accessed 10 December 2012).

301. Interview with Shyam Ponappa, consultant, columnist, and Distinguished Fellow at the Center for Internet and Society (Bangalore), New Delhi, April 2012.

302. Interview with Apar Gupta, lawyer and partner, Advani & Co., New Delhi, April 2012.

303. See http://www.trak.in/tags/business/2011/03/08/indian-telecom-subscriber-growth-january-2011 (accessed 28 February 2012).

A subsequent GSMA study[304] found mobile teledensity in India to be a mere 25 percent compared with TRAI's figures. This indicated spectrum hoarding—since spectrum over and above the minimum that is bundled with the licenses is allocated on the basis of subscriber base linked criteria defined by the DoT in March 2006.[305] So, if an operator exaggerates its subscriber base, it can get more spectrum.

By September 2012, it was clear that India had a large number of inactive mobile users; while Reliance Communications shaved off 20.5 million people from its subscribers' list, three other operators—Bharti Airtel, Vodafone, and Idea!—collectively reduced their overall numbers by 5 million. TRAI tried to remedy the situation earlier when it stipulated that all mobile numbers unused for a specified period be sold to new consumers.[306] Mr Gupta explains: "[With] the new TRAI stipulations, that SIMs that are inactive for more than six months will be subtracted from the current number of subscribers, the estimated drop in the number of mobile subscribers is expected to be in the tune of 200 million." [307]

Like the 2G scam, there have been other instances of unfair spectrum allocation to favored private parties. One such case, now being probed by government auditors, is the ISRO scam, where the Indian Space Research Organization allegedly granted a multimedia company unlimited usage of the 70 MHz S-band spectrum for 20 years.[308] The Union Minister of Communications and Information Technology, Andimuthu Raja, was subsequently charged and forced to resign.[309]

On the whole, we find unevenness in spectrum allocation that tends to be skewed toward the telecoms sector due to the rents it generates. However, in the telecoms sector, the policy has been tweaked to allow new operators (CDMA in 2003 and additional GSM ones in 2008) to get spectrum and also to provide excess spectrum to some existing players.

5.2 Digital Gatekeeping

5.2.1 Technical Standards

The adoption of technical standards for the various forms of transmission and compression involved in digital broadcasting and distribution has not been uniform. TRAI's Consultation Paper on Digitization of Cable TV in 2005 discussed the benefits of digitization, along with the timeframe, license, carriage and network

304. See http://www.gsma.com/newsroom/wp-content/uploads/2012/12/Anne-Bouverot-India-Telecom-2012.pdf (accessed 15 December 2012).

305. "Spectrum panel wants new allocation norms, auction," *Times News Service*, 20 December 2007, at http://www.articles.economictimes.indiatimes.com/2007-12-20/news/28477712_1_allocation-norms-spectrum-allocation-mhz (accessed 26 May 2012). See also "Report of Committee to recommend revised subscriber-based criterion for allocation of spectrum," 18 December 2007, at http://www.hindu.com/nic/spectrum.pdf (accessed 26 May 2012).

306. Arlene Chang, "Why falling mobile subscriber base is good for Indian telcos," Firstpost.com, 17 September 2012, at http://www.firstpost.com/business/why-falling-mobile-subscriber-base-is-good-for-indian-telcos-458726.html (accessed 10 December 2012).

307. Interview with Satyen Gupta, Secretary General, NGN Forum India and formerly Principal Advisor, TRAI, New Delhi, December 2012.

308. See http://www.hindustantimes.com/Another-scam-Auditor-probes-ISRO-s-S-Band-spectrum-deal/Article1-659631.aspx (accessed 27 May 2012). In 2005, ISRO's commercial arm, Antrix Corporation, and a private firm, Devas Multimedia, signed an agreement allowing the latter unbridled use of 70 MHz of the scarce S-band spectrum for 20 years to launch its two satellites.

309. See http://www.rajeev.in/rajeev_writes/Telecom_Minister_A_Raja_hoarding_Spectrum_ISPs/july292010.pdf (accessed 27 May 2012).

upgrading, and other technical issues. Although TRAI recommended promoting the digitization of cable distribution, it left the option of Conditional Access System (CAS) digitization with the cable operators, since CAS can be implemented via analog or digital transmission, and costs involved for small networks could be very high.[310] This approach led to a lack of standardization in the push toward digitization, since Multiple System Operators (MSOs) and cable operators pursued different, potentially incompatible technologies.[311]

The lack of technical standards has been a big issue for DTH services and a subject of tremendous debate while being addressed by TRAI and the MIB. The DTH License Agreement of 2003 required STBs to be of open architecture (non-proprietary) to ensure technical compatibility and effective interoperability among different service providers.

In August 2010, TRAI issued a consultation paper after the implications of different compression, broadcasting, and encryption standards were realized. Currently, there is discussion as to whether the requirement of technical compatibility and effective interoperability among different DTH service providers needs to be continued, modified, or dispensed with entirely.

Table 26.
Technical standards of DTH services/networks

DTH service (promoter; commencement)	Transmission standard	Compression standard	Conditional access services (encryption)
Dish TV (Zee Group; 2003)	DVB-S	MPEG-2	Conax
DD Direct Plus (Doordarshan; 2004)	DVB-S	MPEG-2	No encryption
Tata Sky (Hathway-Tata-Star; 2006)	DVB-S	MPEG-2	NDS
Sun Direct TV (Kal Cables/SUN; 2007)	DVB-S	MPEG-4	Irdeto
Reliance Digital TV (Reliance ADA Group; 2007)	DVB-S	MPEG-4	Nagravision
Airtel Digital TV (Bharti Telemedia; 2008)	DVB-S2	MPEG-4	NDS
Videocon d2h (Bharat Business Channel; 2008)	DVB-S2	MPEG-4	Irdeto

Source: TRAI, "Technical Interoperability of DTH Set top Boxes," 2010, Consultation Paper No. 11/2010, New Delhi, 20 August, p. 13.

In mobile television, although TRAI in 2007 debated technologies like Digital Video Broadcasting–Handheld (DVB-H) and Media Forward Link Only (Media FLO), standards were again left to mobile operators' discretion,[312] with a rider that the technology chosen be digital, proven to work,[313] and conform to standards issued by ITU, Telecom Engineering Center of India (TEC) or another body recognized by the government.

310. For advantages of analog CAS, see Richard Chamberlain, "Conditional Access: The Digital vs Analogue Debate—The analogue viewpoint," Indiantelevision. com's CAS Update, 18 December 2002, at http://www.indiantelevision.com/headlines/y2k2/dec/dec95.htm (accessed 12 May 2012).

311. See http://www.icra.in/Files/ticker/Cable-TV-Dist-Ind-14022011.pdf (accessed 5 June 2012).

312. TRAI opted in favor of technology-neutral regulation, in order to enable operators to keep abreast with the latest technological developments and not shut out any new potentially better technology. For TRAI recommendations on issues in mobile TV, see http://www.trai.gov.in/WriteReadData/trai/upload/Recommendations/80/recom23jan08.pdf (accessed 16 April 2012).

313. Proven means that the technology should have been in continuous use for over a year for a global customer base of over 50,000 and be permissible for use regardless of versions.

5.2.2 Gatekeepers

Issues that might be classed as gatekeeping problems include inconsistent functioning of the Electronic Programming Guide (EPG) across different DTH operators, the nonconformity to Unicode standards for display of Indian languages, and the selective bundling of channels by distributors of digital multiplexes (MUX) and CAS. There is presently no comprehensive and up-to-date EPG available that works equally well across all operators. Problems have been reported with EPG not being displayed for DD channels on DTH providers like Dish TV and Sun Direct.[314] Not conforming to Unicode12, available in all Indic languages, also plagues the broadcasting industry. However, technology experts and some broadcasters indicate that the adoption of technological standards per se is not difficult since they are well developed.[315]

Digital multiplexes, MSOs, CAS, and DTH providers can select or bundle channels such as news and regional language channels,[316] or provide separate language feeds for one channel[317] and/or separate channels in one genre, for example, sports channels, or a bouquet of channels, usually from one broadcaster or network that cannot be separately subscribed to or downloaded. Bundling of channels has been typically based on several factors like channel popularity,[318] carriage fees paid by less popular channels to cable operators, type of programming, and bandwidth taken by the channel (channels with a higher bandwidth may be bundled with channels with a lower bandwidth).[319] Until à la carte pricing[320] was made mandatory through a TRAI tariff order in July 2010, it was only possible to view certain news channels by subscribing to the entire range provided by that broadcaster. Though à la carte pricing has now become mandatory, allowing subscribers to choose specific channels, implementation has been delayed. Cable operators did not make prices for individual news channels available until the TRAI order, and DTH operators also made their à la carte pricing plans effective from February 2011.[321]

To ensure a level playing field among service providers, TRAI brought out the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation in 2004. This sought to ensure all private service providers treated one another in a non-discriminatory fashion with respect to carrying and providing television signals. However, this regulation only specifies non-discriminatory carriage of signals, and does not

314. Sun Direct and Dish TV allegedly beam DD channels directly from DD Direct+, which does not provide EPG. Other DTH providers use their own satellites to beam DD channels and provide EPG as well. See discussions in IndianDTHforum.com, at http://www.saveondish.com/forum/e-p-g-on-dd-channels-t-25425.html (accessed 5 June 2012).

315. Interview with Prof. Ashok Jhunjhunwala, Director of TeNet, IIT-Chennai, Chennai, January 2011; interview with K. Aravamudhan, Senior Manager–Regulatory Affairs, Star India, New Delhi, January 2011; interview with Appa Kuttie, Former Technical in Charge, Chennai Live, Chennai, January 2011.

316. For example, Tata Sky's Tamil Regional Pack in January 2011.

317. For example, Disney Channel is available in Tamil/Hindi/English/Telugu feeds, and users have the option to switch feeds.

318. Clubbing high-popularity channels with less popular channels.

319. Interview with K. Aravamudhan, Senior Manager–Regulatory Affairs, Star India, New Delhi, January 2011.

320. The viewer is given the price of every channel and has the option of choosing the channels that he/she wants to view instead of taking a whole package.

321. See http://www.dth.co/342/trai-orders-dth/; http://www.dth.co/448/tata-sky-channel-pricing/; http://www.dth.co/437/videocon-d2h-channel-pricing (accessed 5 June 2012).

have a must-carry clause—for instance, distributors are not mandated to carry any specific channels (besides specified public broadcasters' channels) as long as they treat channels from all sources equally.

5.2.3 Transmission Networks

Unlike broadcasting and telecoms, where the government has a presence via public-sector companies, it has historically not operated cable networks, leaving it largely to private operators. In the only exception, the Tamil Nadu government started a cable distribution company, Tamil Nadu Arasu Cable TV Corporation Ltd (hereafter Arasu Cable), in 2007 to weaken Sumangali Cable Vision (SCV), the leading Tamil Nadu cable company, as the Chief Minister of the ruling Dravida Munnetra Kazhagam party (Dravidian Progress Federation, DMK) had fallen out with the SCV proprietors—his relatives.[322] However, their relations improved, and the state-owned Arasu Cable was allowed to go defunct, which adversely hit many operators and consumers who had switched to it.[323] When DMK's political opponent, the All India Anna Dravida Munnetra Kazhagam (All India Anna Dravidian Progress Federation, AIADMK) came to power in the state in 2011, it re-launched Arasu Cable in a bid to hit back at SCV, which was owned by senior DMK leaders.

5.3 Telecommunications and Cable Operators

Intense competition in this sector has resulted in more options being available to viewers as rival cable and DTH companies compete to offer packages and channels. Despite possible conflicts of interest between distributors and rival television networks, news availability has by and large not been interfered with by major MSOs and DTH operators. But not so with local cable operators (LCOs), especially those relaying their own mix of live and prerecorded programming—often termed "ground-based channels." Common across India, many pipe out news as well, which gains further significance when these entities are politically aligned: while the old city of Hyderabad has 4TV and Ruby TV,[324] a radical variant is NaMo TV in Gujarat, entailing numerous LCOs aligned with the ruling regime relaying similar content across many cities.

5.3.1 Telecoms and Media Content

The role of telecoms companies in the broadcasting and distribution of media, especially television, content is expanding. Some, such as RCom and Airtel, have made major forays into the DTH segment distribution through subsidiaries. There is also the case where parent companies of telecoms operators—for instance the the Tata Group which owns two telecoms companies—co-own a DTH service, Tata Sky.

322. See http://www.twocircles.net/2007aug09/tamil_nadu_government_own_cable_tv_distribution_unit.html (accessed 5 June 2012).

323. See http://www.livemint.com/2009/07/22230103/A-year-on-Tamil-Nadu-govtrun.html (accessed 15 April 2012).

324. Most notable are channels like 4TV and Ruby TV oriented toward one religious community, and Jai Sri Ram oriented toward another—all run by local politicians. Interview with Dr Padmaja Shaw, Professor, Department of Communication and Journalism, Osmania University, Hyderabad, April 2012.

Table 27.

Sister concerns of telecoms operators involved in content distribution

Group entity	Telecoms (mobile 2G/3G)	Broadcasting (C&S)	TV distribution (DTH)	TV distribution (IPTV)
Reliance	✓	✓	✓	✓
Airtel	✓	—	✓	✓
Tata	✓	—	✓	—
Central government	✓	✓	✓	✓

Source: TRAI (various)

One can argue that because parent companies of mobile/DTH operators have minority stakes in news broadcasters (such as Aditya Birla Group's Idea Cellular Ltd in the TV Today Network, and Reliance ADA Group's RCom in Bloomberg India—see section *6.3.1*) and because mobile firms have emerged as one of the leading television advertisers, they have an additional impact on the distribution of media content.

5.3.2 Pressure from Cable and Telecom Operators on News Providers

With the increased vertical integration among companies involved in cable television distribution and MSOs and the comparatively fragmented last-mile operations, TRAI's Interconnection Regulations (2004) served as a mechanism to ensure private operators did not indulge in anti-competitive behavior by trying to influence prices, content exclusivity, or carriage of channels of rival entities.

Increased competition among cable and telecoms operators has been beneficial for viewers in terms of how they can receive news channels. But some cable operators have unfairly blocked channels that carried programming not in the interests of their owners. For example, cable operators in Telangana threatened to black out Andhra channels that carried stories against a campaign for a separate state of Telangana to be carved out from the existing state of Andhra Pradesh.[325] Except for Raj News and HMTV, all other news channels including such reports were blacked out.[326] In 2006, cable operators in Kashmir stopped beaming all satellite channels under pressure from militants, who claimed the programs were "indecent."[327]

Kanwar Sandhu, head of the Day and Night News channel in Punjab, confirmed that whenever their channel telecast something detrimental to the ruling political party it faced pressures—such as blocking of its relays, blackouts, faulty transmission, or muting of volume—from Fastway Transmissions Pvt Ltd, the leading MSO in Punjab.[328] Fastway Transmission Ltd, whose ownership structure is unclear but is believed to be controlled

325. A campaign for creating a separate state for the Telangana region by breaking away from the southern state of Andhra Pradesh, at http://www.greatandhra.com/viewnews.php?id=27138&cat=15&scat=16 (accessed 15 April 2012).

326. See http://articles.timesofindia.indiatimes.com/2011-02-22/hyderabad/28625047_1_cable-operators-news-channels-gemini-news (accessed 15 April 2012).

327. Militant outfits claimed that the channels promoted obscenity and vulgarity in Kashmiri society, and were indecent from the point of view of conservative Islam, at http://articles.timesofindia.indiatimes.com/2006-05-14/india/27805162_1_cable-operators-entertainment-channels-militant-outfits (accessed 15 April 2012).

328. Interview with Kanwar Sandhu, CEO of Day and Night News, Chandigarh, January–February 2011.

by Punjab's ruling regime through proxy stakes, has over the years marginalized rival cable distributors in that state, including major national MSOs like Hathway and Zee Group's WWIL.

Sun TV Network's subsidiary Sumangali Cable Vision (SCV) has a virtual monopoly over cable distribution in Tamil Nadu, ensuring some control over news shown there. An instance where this effective monopoly worked against a rival is the case of Zee Group's attempt to launch a Tamil channel in 2001. Zee TV claimed it faced many hurdles in reaching consumer homes as the cable distribution was controlled by SCV, an affiliate of its potential rival Sun TV. Zee TV was more successful in 2008 when it had more distribution options.

5.4 Assessments

India is perhaps the only large, lucrative, and growing communication market where administrative ministries have full powers to discard any recommendations of a regulator like TRAI (see section *7.2.2*). However, after the Supreme Court cancelled 122 2G mobile licenses, there is growing pressure on ministries to adhere to TRAI's recommendations. Since the institutional design of the regulator empowers it to only make recommendations on spectrum, as with other decisions, it is WPC's SACFA that allocates spectrum on advice from the DoT and its other committees. Such an institutional framework creates conditions for politicization and favoritism in spectrum allocation.

The regulator does follow a system to get input from all sections of society and integrate this into the policymaking process. However, its recommendations are sometimes accepted only in a piecemeal fashion by the government, the 122 2G mobile licenses in 2008 being a case in point. In other cases, the regulator shied away from giving concrete recommendations, as in TRAI's Interconnection Regulation of 2004 that mandated a non-discriminatory—and not a must-carry—clause for distributors of television signals. Finally, the executive sometimes puts pressure on the regulator to change its recommendations.

Nevertheless, policymakers, regulators, and courts have generally equated maximization of either subscribers or government revenues as tantamount to public interest. The maximization of subscribers approach encouraged the overstating of subscriber numbers and the hoarding of spectrum—the latter also aided by a nexus of politicians, bureaucrats, and businesses. The attempt to maximize government revenues led to high tariffs and lower subscriber bases in the first decade of commencing mobile services; prices crashed when the initial auction regime was done away with and more operators entered the market in the mid-2000s. But after moving back to an auction regime in 2012, there are concerns that prices will slowly start creeping upwards.

At the moment, spectrum regulation is not under pressure to even engage with the public interest. For instance, the first step of defining the objectives of telecoms, private radio, terrestrial television, and community radio policies is always articulated in terms of access to the general public, particularly in rural areas.[329]

329. For instance, all licensing and other policies use terminologies of citizens as well as consumers, while community radio policy talks about benefits to communities. The NTP-99 mentions, "Availability" of affordable and effective communications for the citizens is at the core of the vision and goal of the telecom policy.

However, the next step, that of spectrum allocation, disregards these principles: no allocation considerations articulate concerns specifically related to the public interest. Government communiqués on spectrum allocation, especially in the context of internet/telecoms, deal mostly with factors like pricing logic and commercial potential. Unless inquiries such as those by the CAG get attention, information on the granting of licenses and spectrum is difficult to access in full detail, and hence is unavailable to consumer groups and experts for questioning and analysis.

On the face of it, telecoms spectrum regulation seems to reflect positive indicators, such as a widening diversity of licensees, growing size of companies, increasing numbers of subscribers/viewers, and periodic checks on tariffs. But several issues still need to be addressed.

First, the belief that spectrum must be allocated for exclusive use to each telecoms operator, leading to fragmented spectrum in narrow bands (mean spectrum holding is 5.5 MHz per operator compared with international trends of nearly 22 MHz),[330] runs contrary to the approach of shared spectrum. Second, the belief that more competition is better has resulted in 12 or more licensees of spectrum (i.e. telecoms operators) in some mobile telecoms circles in India, compared with international trends of three or four operators per territory. This is seen as detrimental to the competitive milieu and wider welfare, as some estimates suggest maximum welfare at three or four operators, and diminishing thereafter.[331] A large number of licensees have resulted in spectrum allocated per operator in India being on average less than a quarter of that held by operators elsewhere, which reduces the capacity of their networks to carry more data.[332] Third, the problem lies in applying a criterion used only in India of maximizing traffic per MHz of spectrum per unit area—rather than maximizing traffic between all users with the available spectrum in a given area, or for all users covered by an operator (i.e. providing a sufficiently large band of spectrum so networks will have fewer transmission towers while carrying more traffic).

The combination of these three factors has made spectrum allocation inappropriate, since it has resulted in telecoms operators competing to corner spectrum for its own sake, with ineffective traffic carrying capacity, because of fragmented bands and too many operators. But it must also be borne in mind that when there were limited numbers of mobile spectrum holders, before licenses got unconventionally dished out in 2008, there were several instances of cartel-like behavior evident in pricing services like SMS.[333]

Two principal initiatives in the spectrum regime address widening access and narrowing the digital divide. One is the Universal Service Obligation Fund (USOF), created with a portion of private operators' fees, to

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330. David Lewin, Val Jervis, Chris Davis, and Ken Pearson, "An assessment of spectrum management policy in India," Plum Consulting, London, December 2008, at http://www.plumconsulting.co.uk/pdfs/Plum_Dec08_Spectrum_management_policy_India.pdf (accessed 15 April 2012) (hereafter Lewin et al., "An assessment of spectrum management policy").

331. Lewin et al., "An assessment of spectrum management policy."

332. Marten Pieters, CEO of Vodafone in India, remarked that while 1 MHz of spectrum is used to serve 45,000 customers in London, it serves 350,000 in New Delhi: Surajeet Das Gupta, "India has too many players—Q&A: Marten Pieters, CEO, Vodafone Essar," *Business Standard*, 16 February 2011, at http://www.business-standard.com/india/news/qa-marten-pieters-ceo-vodafone-essar/425316 (accessed 15 April 2012).

333. For example, the cost of an SMS for an operator is 5 paise, but every operator was charging Rs1, "This is not a scam. It's a crime. Punish the guilty. Get back the money," *Tehelka,* 7(48), 4 December 2010, at http://www.tehelka.com/story_main48.asp?filename=Ne041210Coverstory II.asp (accessed 25 May 2012).

fund expansion of infrastructure in rural areas and often commercially non-viable areas—a process whose burden is carried by public-sector telecoms operators. The second is the roll-out obligation, whereby spectrum assignees are to provide services in a time-bound manner in their territories, especially in smaller towns and district headquarters, as an integral part of their award of spectrum and license. However, such initiatives are by no means consistent and the government has full discretionary powers to withdraw, modify, or distort them.

Public interest has played a limited or little role in the allocation and regulation of white spaces; neither is there mention of white spaces in the NFAP 2011, nor have civil society organizations addressed this question, though some academics have started engaging with it.[334]

Of the digital dividend comprising around 100 MHz in the 700 MHz band, half is currently used by DD for terrestrial broadcast and half by defense and other government agencies. Since digitization of terrestrial transmission of DD entails a period of simulcast in the public interest (see sections *2.1.2* and *7.1.1*), the broadcaster can release its spectrum only at the end of its switch-over, around 2017. The release of defense spectrum is dependent upon BSNL building an optic-fiber cable (OFC) network as a substitute for the spectrum released. Despite this, the DoT has been pushing for the quick release of the digital dividend; though details and mechanisms of allocation are still unspecified, all indications are that the DoT will use it, or at least part of it, for commercial deployment of 4G services in a service-agnostic manner—to maximize its price and charges—and hence presumably will go along with the Supreme Court's suggestions on the auction route. Trade bodies argue that because a future broadband network (LTE, or Long Term Evolution, marketed as 4G) ideally needs 2x20 MHz bands of spectrum, some of the digital dividend should be allocated to wireless broadband in the public interest—especially to aid rural access where such an approach will prove advantageous to a cost-effective network roll-out.[335]

But elsewhere, rural beneficiaries do not have such high-profile advocates. In community radio (CR), where the process of spectrum regulation is complicated, the number of radio stations is low and the number of frequencies per license area (100 km) is low (three frequencies).[336] When the MIB released its Community Radio Policy in 2006, it stated that there was potential for more than 5,000 stations. As the number of private, commercial FM stations increases and expands into smaller towns—cumulatively bringing higher rents for government through revenue share with these stations—the number of frequencies available to CR stations may find themselves in conflict, unless SACFA gives due emphasis to the public interest scope of the latter. Activists feel that there is much scope for improvement in promoting CR through increased spectrum allocation, thereby enabling additional licenses for each service area, or a reduction in the size of service areas because of the limited reach of CRs.[337]

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334. See http://www.ee.iitb.ac.in/~karandi/pubs_dir/Techinical%20Briefs/IITB_proposal_TV_White_Space.pdf (accessed 10 December 2012).

335. "2.6 GHz Band Vital for the Growth of LTE According to GSMA Backed Research," 13 January 2010, at http://www.mobilebusinessbriefing.com/articles/2-6-ghz-band-vital-for-the-growth-of-lte-according-to-gsma-backed-research/11126/ (accessed 28 September 2012).

336. Interview with Ramnath Bhatt, co-founder of Maraa, a media and arts collective in Bangalore, February 2012.

337. Interview with Sajan Venniyoor, former General Secretary, Community Radio Forum, New Delhi, January 2011; interview with Ramnath Bhatt, Bangalore, March 2011.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

There are no separate media ownership laws in India, nor is there any overarching regulatory framework for broadcasting. Policy is conducted mostly through ordinances, guidelines, and rules, with each having statutes and clauses pertaining to ownership.

The first significant regulatory development in news media ownership was to allow 26 percent foreign direct investment (FDI) in newspapers and news channels in 2002. This was relaxed in 2005 to allow foreign institutional investors (FIIs), non-resident Indians (NRIs), and persons of Indian origin within this limit. The regulatory framework stipulated that at least 51 percent of the paid-up equity of the news venture should be held by an Indian entity. This has frustrated global companies such as News Corporation and Pearson Plc. The former, for instance, was obliged to hive off its television news channel Star News, launched in 1998, and house it under a joint venture, called MCCS, with the Kolkata-based media house Anand Bazar Patrika (ABP) Group in 2003—a JV from which Newscorp exited nine years later, in 2012. Likewise, Pearson, which wanted to launch its business daily *Financial Times* independently in India, had to be content with a content-cum-minority shareholding partnership with Business Standard, publishers of business dailies in English and Hindi, an arrangement that ended in 2008. Another was that between the *Wall Street Journal* and *Mint*, the business daily of one of the country's largest media companies, HT Media Ltd. Indian partners in such deals are not allowed to carry more than 20 percent content from their foreign partners.

In 2009, the government allowed 100 percent FDI in facsimile editions[338] of foreign newspapers, and 26 percent in the Indian editions of foreign news and current affairs magazines. The same year the ABP Group signed a deal with Time Inc. to launch the Indian edition of *Fortune*, while the news broadcaster Television Eighteen India (TV18, owned by Network18 Group) joined forces with Forbes Inc. to launch the Indian edition of *Forbes* for the domestic market.

While the 26 percent cap on FDI applies to domestic television news channels, foreign news channels such as CNN, CNBC, and BBC News are allowed to downlink in India after setting up a registered office in the

338. When the overseas publication editions of titles such as *Time* are printed in India without any editorial alterations and additions.

country; but they are not allowed to adapt content or advertising for the market. As with print, several Indian news broadcasters have forged branding and content partnerships with their better-known, and commercially larger, foreign counterparts. TV18 has a branding and content tie-up for its business news channels with CNBC, while its English news channel CNN-IBN has a similar relationship with CNN.

The revision in the uplinking and downlinking policies announced in 2000 was another significant development. These guidelines spell out the eligibility conditions for those wanting to run broadcast operations in India. In December 2011, the government mandated that a company wanting to downlink a channel in India should have a minimum net worth of Rs50 million (US$ 900,000) the first time, and at least Rs25 million (US$ 45,000) for each subsequent downlink. Companies registered abroad will have to pay a permission fee of Rs1 million (US$ 18,000) to downlink their channels in India. For uplinking, the permission fee is Rs2 million (US$ 36,000) per teleport a year. The net-worth norms were the same to uplink the first non-news and non-current affairs television channel and subsequent ones. For news and current affairs channels, a company will have to have a net worth of Rs 200 million (US$3.6 million) to uplink its first channel and Rs50 million (US$ 900,000) for each subsequent launch.

Also in December 2011, the Union Ministry of Information and Broadcasting (MIB) raised its minimum net-worth criteria for entities wanting to set up broadcast networks in India. The limit was set higher for news channels as there seemed to be a massive rush for the genre. As of January 2012, the MIB had given out licenses for 825 channels, of which more than 40 percent were news channels.

There are no restrictions on cross-media holdings, except in television. The License Agreement for DTH service providers introduced in 2001 by the MIB bars broadcasters and cable distributors from holding more than 20 percent of the paid-up equity of a DTH company, and vice versa. Yet there are instances of one corporate house owning a broadcast network, cable service, and DTH business, such as the Mumbai-based Essel Group (owners of the Zee TV network) and Chennai-based Sun TV Group, who do this via different legal entities connected through a maze of affiliate, sister and proxy companies. In its recommendations on media ownership in 2009, TRAI said, "legally, this (the general practice of proxy and indirect holdings) doesn't violate the DTH license condition but defeats the basic intent of this restriction."[339]

The absence of coherent and effective frameworks for cross-sector holding has led to peculiarities in ownership patterns. While DTH services have a cap of 49 percent foreign investment, including a 20 percent FDI cap within this limit as specified in the order issued by the MIB on 15 March 2001, telecoms companies, which have a 74 percent foreign investment cap, are allowed to launch DTH services. This has forced telecoms to house DTH businesses either under a different company, or to reduce the level of FDI. The Finance Minister approved a proposal on 18 December 2011 to peg the limit at 74 percent across cable, DTH, and the telecoms sector. In September 2012, the Cabinet approved the hike on FDI caps in cable distribution and DTH from 51 percent to 74 percent.

339. TRAI, *Recommendations on Media Ownership*, TRAI, Government of India, New Delhi, 25 February 2009, Chapter 2, point 2.7.

There are no market share restrictions for Indian media companies, save in the case of private FM Radio stations—which are not allowed to air news—where a company is barred from owning more than 15 percent of the total stations allotted across the country.

The legal developments have had a limited impact on the diversity of ownership in a country with an already diverse media market, with more than 70,000 registered publications and currently some 825 television channels.

6.1.2 New Entrants in the News Market

According to the Annual Report of the MIB for 2010–2011, 50 percent of the 626 C&S TV channels licensed at that time fell under the genre of news and current affairs.

Table 28.
Genre Share* of various C&S TV channels (%), 2006–2010

Genre	2006	2007	2008	2009	2010
Hindi entertainment	23.0	22.6	23.2	26.9	29.6
Regional entertainment	26.6	25.6	24.8	24.3	22.9
Hindi movies	10.5	10.5	11.6	11.7	11.4
Cable[340]	9.9	10.6	8.7	7.6	6.5
News (all languages)	7.1	8.5	8.8	7.9	7.6
Kids	5.8	5.9	5.4	5.8	6.3
Regional movies	5.2	4.7	4.6	3.9	3.4
Infotainment	1.0	1.0	0.8	1.1	1.2
Music	1.8	2.1	2.5	2.2	2.5
English movies	1.0	1.0	0.8	0.7	0.7
Religion	0.8	0.9	0.8	0.6	0.6
English entertainment	0.4	0.3	0.2	0.2	0.1
Sports	3.8	3.2	3.3	2.8	2.9
Others	0.6	1	0.5	1.3	1.4

Notes: * Genre share is the combined viewership of all channels in a particular genre (in this case, viewership of all news channels) as a percentage of the total viewership of all genres. Viewership is the size of the audience watching a particular program (in this case, news) as a percentage of the total size of the audience watching TV in the particular market (in this case, all homes with Peoplemeters).[341]

Source: TAM

340. Channels owned and operated by cable service providers as against those owned by broadcast networks.

341. The following caveats on the methodology of measurement apply:
- Viewership figures are gathered by placing meters in sample locations chosen by the ratings measurement agency, TAM, a joint venture between Nielsen and its Indian partner Kantar Media Research;
- These data cannot be (cross-)verified due to the absence of multiple measuring agencies, the limits on the availability and reliability of the raw data, and other limitations inherent in statistical surveys;
- Despite the annotation of "all India" in the source, TAM TV viewership data represent, by their own admission, only those cities and towns of India with a population of more than 100,000, and hence they are not representative of rural audiences.

Qualitatively, the three most prominent trends in broadcast news entrants over the last five years have been the heightened involvement of politicians (or their family members and friends) and political parties and real-estate developers, and the initiatives of foreign broadcasters. Table 29 lists the channels owned by politicians, their associates, and political parties: several media reports have noted that most were launched to further the political interests of the entities involved.[342]

Table 29.

C&S TV news channels owned by leading politicians, their immediate family, and political parties

Channel	Market	Promoter(s)
Jai Hind TV	Kerala	The Congress State Party
Kairali TV	Kerala	The Communist Party of India (Marxist)
Mega TV	Tamil Nadu	K.V. Thengabaalu, a Congress leader
Sun News	Tamil Nadu	Kalanithi Maran, son of a former Union minister and brother of former Union telecoms minister, Dayanidhi Maran
Kalaignar TV	Tamil Nadu	The family of Tamil Nadu chief minister M. Karunanidhi; his daughter Kanimozhi and wife Dayalu Ammal are majority stakeholders
Kasturi TV	Karnataka	Anitha Kumaraswamy, chairman and MD, is the wife of H.D. Kumaraswamy, former state chief minister and son of former Prime Minister Deve Gowda
Sakshi TV	Andhra Pradesh	Jagan Mohan, son of late chief minister Y.S. Rajasekhara Reddy
Sakaal TV	Maharashtra	Abhijith Pawar , nephew of Union agricultural minister Sharad Pawar
Sambad TV	Orissa	Soumya Ranjan Patnaik, former Congress leader and son-in-law of former chief minister, J.B. Patnaik
NE TV	North-eastern states	Promoter Matang Sinh was a prominent Congress leader and Union minister of state for parliamentary affairs
Total TV	Haryana	Managing Director Vinod Mehta was media advisor to former Haryana chief minister Om Prakash Chautala

Note: This is not an exhaustive list of all C&S TV news channels owned by politicians, their immediate family, and political parties. Rather, it mentions some of the leading ones that may not have found mention elsewhere in this Report.

Source: Research conducted for this study

An equally significant trend in 2008 and 2009 was the entry of real-estate companies in the television news business. But this was not completely out of the blue, as in the immediately preceding years, there had been a significant rise in advertising on television channels by real-estate players.

342. Archna Shukla and K.K. Sruthijith, "Congress Gears Up For Polls, Launches Media Blitz," *Mint*, New Delhi, 24 April 2008; Anuradha Raman and Madhavi Tata, "Their Master's Image," *Outlook,* New Delhi, 14 March 2011; Amitabh Srivastava, "Channels of Profit," *India Today*, New Delhi, 22 April 2011; Archna Shukla, "TV Channels Storm Arena in Kerala's Political Battle," *The Indian Express,* New Delhi, 2 May 2011.

Table 30.

Rising count of property and real-estate advertisers on TV, 2005–2008

Year	Property and real-estate advertisers
January–August 2005	100
January–August 2006	117
January–August 2007	206
January–August 2008	218

Source: AdEx India (a division of TAM Media Research)

Launching channels was the next logical step for the real-estate developers, which was, according to Sanjay Salil, founder of MediaGuru, specializing in setting up television channels and providing other turn-key services, aided by low launch costs. A new regional news channel costs around Rs 100–250 million, and a national news channel around Rs 400–500 million. Salil finds that "technological advancements in the past few years, besides the availability of equipment and services within the country, have brought down the costs of launching news networks by 20–30 percent in the past 10 years."[343] In 2008–2009, at least 10 news channels launched were promoted and owned by real-estate developers: for example, VoI, launched by Triveni Infrastructure & Development Company; P7, owned by the Pearl Group, which has varied businesses including in the real-estate sector; and CNEB, whose promoters run an extensive dairy, educational, and real-estate business. It is likely that real-estate operators, who thrived during the boom between 2005 and 2007, subsequently wanted social respectability and political influence.[344]

As far as the trans-national dynamics are concerned, in 2009, Bloomberg Television picked up a 15 percent stake in media, and the entertainment entrepreneur Ronnie Screwvala promoted the English business news channel UTVi. Following this, the channel was re-branded Bloomberg UTV. In December 2011, Reliance Capital, the financial services arm of the Reliance ADAG owned by Anil Dhirubhai Ambani, increased its stake in "re-re-branded Bloomberg India" to 18 percent.

Another notable entrant in 2010 was the Qatar-based Al Jazeera. The channel's Managing Director, Al Anstey, admitted that it took the channel around four years to clear "several misperceptions" and get a license. Business channels, a small part of the television news pie with only 0.3 percent share of viewership in 2010, have seen international tie-ups in the past seven or eight years, like that of TV18 with CNBC and CNN. In 2009, Reuters entered into a content arrangement with ET Now, the sister channel of the English news channel Times Now—both part of the country's largest media company, BCCL.

Besides these, television and print have seen the entry of large Indian companies. The country's largest corporate house, Reliance Industries Ltd (RIL), in January 2012 announced a complex financial deal with

343. Interview with Sanjay Salil, founder of MediaGuru, New Delhi, March 2011.

344. Archna Shukla, "News, Uninterrupted," *The Indian Express*, New Delhi, 8 November 2009. Even industry reports do not mince their words by stating that the entry of players in this space has been guided by, inter alia, political ambition and driving public opinion; FICCI-KPMG, 2011, p. 27.

Network18 group. In May 2012, Kumar Mangalam Birla, Chairman of the diversified Aditya Birla Group, picked up a 27.5 percent stake in Living Media Group, which owns a newspaper (*Mail Today*), several successful magazines (including *India Today* and *Business Today*), and TV News Network—anchored by the top ranked Hindi news channel Aaj Tak—under a listed entity, TV Today Network Ltd.

Then there are foreign private equity (PE) firms who, from the mid-2000s, have invested in regional news outlets, beginning with Warburg Pincus India Pvt Ltd in Dainik Bhaskar (2004), D.E. Shaw Group in Amar Ujala (2006), Blackstone Advisors India Private Limited in Dainik Jagran (2010), and SAIF Partners in TV9 (2010). There have been similar forays in the distribution segment; in fact, Apollo Global Management's US$ 100 million investment in Dish TV, amounting to 11 percent, was the largest PE deal in the media industry in 2009.[345]

6.1.3 Ownership Consolidation

Restrictions in the television distribution segment, mentioned earlier, seek to prevent the possibility of broadcasters with majority stakes in distribution companies gaining an unfair advantage. Yet some corporate groups run all three (i.e. broadcasting, cable, and DTH) under different companies and management.

The lack of restrictions on cross-media holdings led to large media conglomerates with fingers in all major segments of the media pie. A striking example is India's largest news media company, BCCL, which already had a diversified print portfolio comprising *The Times of India* and *The Economic Times*, market leaders in the English daily and English business daily segments. BCCL entered the television news and entertainment segments in 2006 with the launch of Times Now, and in 2009 it launched the English business news channel ET Now; it also has a significant radio and internet presence, and has dabbled in film production. The much more diversified Essel Group has several news, entertainment, and film/music channels under the Zee brand in Hindi and over 10 regional languages, a strong television distribution business in the cable, DTH, and HITS[346] segments, film production entities, and a small exposure in newspapers. All are housed under different corporate entities to avoid legal violations.

In the past five years, diversified conglomerates owning telecoms companies have entered the media and entertainment space. Reliance ADAG, for instance, which owned a leading telecoms service provider, also subsequently moved into producing and distributing films, owning film studios and a chain of multiplexes in India and abroad, and has also amassed a number of broadcast interests (FM radio stations, a DTH service, entertainment channels in partnership with CBS Studios Center, and a cable distribution company). Through its mutual funds under Reliance Capital, the group has financial, though not controlling or influencing, stakes in news media ventures such as Bloomberg India.

345. FICCI-KPMG, 2011, p. 147.

346. Acronym for "headend in the sky," an alternative/competing broadcast signal distribution technology.

Table 31.

Presence of big integrated media companies across different segments, as of 15 December 2012

Segment group	Print	TV (C&S)	Radio (FM)	Film production	Internet content	Mobile telecoms	Cable	DTH	Largest revenue segment
BCCL	✓	✓	✓	✓	✓				Print
HT Media	✓		✓		✓				Print
Essel Group	✓	✓	✓	✓	✓		✓	✓	TV
Star India		✓		✓	✓		✓	✓	TV
Reliance ADAG		✓	✓	✓	✓	✓		✓	Telecoms
Bharti Airtel					✓	✓		✓	Telecoms
Sun TV	✓	✓	✓	✓	✓	✓	✓	✓	TV

Note: Annex 1 lists sector-specific details of these companies

Source: Research conducted for this study

So far, there has been no meaningful consolidation in broadcast news. If the RIL–Network18 deal reaches a logical conclusion, then it will be the first instance of a news broadcaster (Network18 Group) having consolidated its presence across English, Hindi, and regional languages. The expansion by the national media companies into new markets and genres has not yet affected plurality much because of the sheer number of players in the space nationally and regionally. A significant number of small and stand-alone news operators (the broadcasters which do not have non-news interests) continue to thrive, catering to their small audience. Even at the national level there are operators such as the NDTV Group, whose majority revenues come from news operations—NDTV 24x7, NDTV India, and NDTV Profit; despite being a small player and having no vertical or horizontal affiliations, it has remained a powerful voice editorially, often offering content distinct from its rivals.

Large networks with deep pockets are known to flex their muscles to pressure advertisers and news and content providers for exclusive deals. Big media outlets with a presence across television, print, and internet have asked for exclusive interviews/information in return for broad coverage across their platforms. Likewise, market leaders have pressured their sources to speak exclusively to them or face a blackout on their platform.

Neither do public- and private-sector advertisers shy away from pulling strings to mediate news content in return for their investment. For instance, a major corporate house and major advertiser withheld its ad spends on three leading mainstream publications after they published a series of unflattering reports. The entire industry knew it, yet no other media raised the issue anywhere, for fear of meeting the same fate.[347] In another

347. This has been shared on conditions of anonymity, though opinion makers and media people in India will know which actors are being referred to.

instance, Tata Group promoters asked its group companies to "re-evaluate their engagements" with media that had carried out "biased reporting."[348] While access to information for these publications and television channels was curtailed, it was not established whether advertising was also pulled out by the Tata Group.[349]

A seamless presence across a gamut of platforms has also helped outlets to swing attractive advertising deals. Companies such as BCCL are able to command steep advertising rates because of their large cumulative reach, i.e. their ability to provide advertisers with audiences across languages and platforms.

One powerful instrument devised to exploit a news outlet's seamless presence is that of "private treaties." Among the pioneers was BCCL, which launched private treaties around 2004–2005. These are long-term advertising-cum-branding deals with cash-strapped companies unable to splurge on advertising, or small, freshly listed companies wanting exposure to more investors. Instead of cash payment for advertisements, BCCL picked up stakes ranging from 1 percent to 20 percent in these companies, and in return not only advertises them across its platforms but also carries news stories about them.[350] Such stakes are often sold later as the valuation of the company goes up in part due to its substantive performance, but in part also due to a string of positive reportages. Newspapers have reported that BCCL journalists were advised not to write "negative" stories on private-treaty clients.[351] News outlets such as TV18, NDTV, and HT Media have also entered the private treaty or barter deal business.[352]

Although the mushrooming of new outlets has been the defining trend in the television news space in the past decade, and despite talk of imminent consolidation since as early as 2003,[353] so far there have been no indications of a major shake-up.

6.1.4 Telecoms Business and the Media

In the past three to five years telecoms operators have experimented with the idea of using their vast distribution networks to give more services to their customers, such as broadcast; 3G is likely to give this a boost.

Leading mobile telecoms service providers such as Reliance ADAG, Tata Group, and Bharti Airtel have launched DTH services, with much success, given their strong presence and brands. Moreover, the sudden and rapid growth in DTH connections has contributed to lowering the companies' cost of acquiring a subscriber—from as high as Rs 6,000 (US$ 108) initially, they have now reached a plateau of between

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348. See http://www.livemint.com/Companies/qismDhH34RlM48KLPfgiAK/Tata-group-to-avoid-some-media-outlets.html (accessed 23 September 2012).

349. Government ministries and departments also use the lever, or bait, of advertising to garner positive reportage, as explained in section *7.2*.

350. In most cases, there are no immediate financial transactions involved in private-treaty deals. This happens when BCCL cashes in the equity. For BCCL, such income is not treated as revenue but long-term capital gains, and hence attracts lower taxes compared with what it has to pay on advertising revenues.

351. Sucheta Dalal, "Private Treaties," *MoneyLife*, 9 January 2008; Archna Shukla, "Should Private Treaties Be Made Public to Newspaper Readers," *Mint*, 15 January 2008.

352. See http://www.medianama.com/2008/08/223-q1-09-call-ht-media-rs-100-crores-internet-biz-in-15-years-matrimonial-portal-in-q3-real-estate-in-q1-2010/ (accessed 23 September 2012).

353. Archna Shukla, "News Channels Making News," *The Economic Times*, 4 May 2003.

Rs 3,000–4,000 (US$54–72).[354] This is likely to fall due to price wars between these cash-rich mobile operators turned DTH vendors and lower STB costs. This incremental expansion of DTH led by telecoms operators, which to date accounts for less than a quarter of television homes,[355] has pushed local cable operators (LCOs, or last-mile distributors) in large and lucrative markets to forge ties with MSOs to more urgently digitize their cable wires. However, LCOs and MSOs risk losing viewers to telecoms-owned DTH operators.

The DTH License Agreement carries clear stipulations on service providers not discriminating against, or in favor of, any television channel, and providing all broadcasters with uniform access to their distribution platform. Likewise, broadcasters must share their signals with distributors on a non-discriminatory basis. To ensure a level playing field among distributors and broadcast networks, DTH operators are not allowed to strike exclusive deals with broadcasters, and TRAI regulates the pricing of channels available on DTH platforms.

Mobile television has yet to take off in a meaningful way, with 3G mobile services just about getting rolled out in India. And it will be the telecoms operators rather than the broadcasters who will be keen to get access to content.

6.1.5 Transparency of Media Ownership

The Cable Television Act, the Downlinking and Uplinking Guidelines, and the Press and Registration of Books Act require companies wanting to set up a media business to reveal their ownership structures. The foreign investment guidelines require news companies to reveal the details of their foreign investors. Details of domestic and foreign ownership of listed media firms are available publicly, downloadable free of cost from the site of the stock market regulator, the Securities and Exchange Board of India (SEBI).[356] While the data therein are largely in usable formats, there are inconsistencies in the way firms categorize or disaggregate various types and sources of equity, making such numbers unusable for in-depth analyses. Ownership details of privately owned media firms are opaque: they may be given to concerned government authorities, again in varying formats of organizational and financial disclosure, but are not compelled to be placed, or shared, in the public domain.

Details of equity, along with the annual accounts, names of directors of listed news media companies, etc., are available on the website of SEBI. Similar details of unlisted companies are also available online (for a nominal fee) from the Registrar of Companies (RoC), under the Union Ministry of Corporate Affairs, where all firms operating in India must annually file such data. Regulations do not require unlisted companies to divulge their secondary owners, financiers, or big lenders. A case in point is RIL's investment in the Eenadu Group, a large but privately held company: RIL did not publicly disclose its shareholding until it announced in January 2012 that it was divesting part of it to Network18 Group.

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354. FICCI-KPMG, 2011, p. 16.

355. Of the 138 million TV households in India, 113 million are serviced by cable operators, while 28 million avail themselves of DTH services; FICCI-KPMG, 2011.

356. See http://www.sebi.gov.in/sebiweb/home/list/3/15/0/1/Public-Issues (accessed 3 December 2012).

The practice of real owners using fronts with proxy stakes to lead their companies is also rampant elsewhere in India, especially in sectors such as real estate. "Ownership structures can be ascertained on paper, but *benami* (proxy) ownership and control is difficult to determine, requires greater investigation, and is frankly a matter of corporate governance, not regulations or digitization," says Suhaan C. Mukerji, a partner at Amarchand & Mangaldas & Suresh A. Shroff & Co., a New Delhi-based law firm.[357]

6.2 Media Funding

6.2.1 Public and Private Funding

Except for the short spell of the economic slowdown in 2009, Indian media companies have grown at a healthy pace in the past four years. According to a report on the media and entertainment industry commissioned by a leading trade body between 2006 and 2010, television and print industries registered a compound annual growth rate (CAGR) of 12 percent and 6 percent, respectively.[358]

Table 32.
Size by turnover of various sectors of the media industry (Rs billion), 2007–2011

Sector	2007	2008	2009	2010	CAGR 2007–2010 (%)	2011
Television	211	241	257	297	12.0	329
Print	160	172	175	193	6.0	209
Film	93	104	89	83	–0.3	93
Radio	7	8	8	10	11.0	11
Music	7	7	8	9	5.0	9
Out-of-home	14	16	14	17	6.0	18
Animation	14	17	20	24	18.0	31
Gaming	4	7	8	10	32.0	13
Digital[359]	4	6	8	10	39.0	15
Total	516	579	587	652	8.0	728

Note: Sectoral figures, which constitute total business generated from all sources of revenue, are rounded off to the nearest integer and may not add up exactly to column sums

Sources: FICCI-KPMG, 2011; FICCI-KPMG, 2012

Print and broadcast businesses accounted for over 75 percent of the Rs 652 billion (US$11.8 billion) media industry in 2010. Media diversification has primarily been led by private enterprise. Public broadcasters DD and AIR are the only state-supported media vehicles with a significant reach; for both, advertising is the only external revenue resource.

357. Interview with Suhaan C. Mukerji, Partner at Amarchand & Mangaldas & Suresh A. Shroff & Co., New Delhi, March 2011.

358. FICCI-KPMG, 2011.

359. Includes internet and mobile phones.

Based on industry estimates, advertising revenues contribute 80–85 percent to the revenues of English-language dailies and 60–75 percent to those of national news broadcasters.[360] Liberalization of international trade, and the consequent entry of global products and brands, has seen the advertising market flourish over the past two decades. Spending grew between 2007 and 2010, with a marginal dip in the rate in 2009 due to the economic slowdown, which saw annual advertising spends decline by 0.4 percent.[361] Print, followed by television, continues to win the overwhelming share of total advertising spend.

Table 33.

Advertising revenue of media sectors (Rs billion), 2007–2011

Sector	2007	2008	2009	2010	2011
TV (public and private)	71	83	88	103	116
Print	100	108	110	126	139
Radio	7	8	8	10	11
Digital (internet and mobile phone)	4	6	8	10	15

Notes: Sectoral figures are rounded off to the nearest integer.

KPMG, which prepared the report from which these data have been sourced, said these figures were gathered from media buyers (agencies that buy and sell ad spots for their clients) and are based on market rates. There is no official or universal formula for discounting, as some organizations do not discount at all while some offer up to 90 percent discounts

Source: FICCI-KPMG, 2011

Within the broadcasting sector, the share of advertising aimed at news channels as a percentage of total television advertising spend has grown from around 8–10 percent in 2005 to around 15–17 percent in 2010. Hindi news has the largest share despite lower advertising rates compared with English news channels. Again, this is because of the much larger number of Hindi news channels than those in English. In terms of share of total viewership, Hindi news commands over 10 times that of English news; yet its share of total advertising revenue is only double that of English news.[362] This indicates that the economic stratum found to be consuming English news is a far bigger consumer, and hence probably far better off financially, than that consuming Hindi news.

Table 34.

Comparing share of total viewership and share of total advertising revenues, 2011

News sub-genre	Viewership (%)	Revenues (%)
English general news channels	0.40	3.56
English business news channels	0.19	1.51
Hindi news channels	4.07	8.51
All other regional news channels	5.01	3.63

Source: FICCI-KPMG, 2011

360. Gathered first-hand by the authors from media owners, media buyers, and advertisers.

361. FICCI-KPMG, 2011.

362. FICCI-KPMG, 2011, p. 20.

Language is an important factor as to how advertising rates get determined among print and broadcast platforms. English publications and news channels, despite a smaller readership and viewership compared with Hindi, and even some vernacular counterparts, command higher rates because of the higher socio-economic profile of their audiences. According to media buyers, a 10-second prime time ad spot on a Hindi news channel costs anywhere between Rs 1,000 (US$18) and Rs 4,000 (US$72), compared with between Rs 2,000 (US$36) and Rs 10,000 (US$90) on English channels. "English channels are mostly watched in metros or at best, top 10–12 towns. The consumption profile of viewers in these markets is superior to the consumers in the rest of the country, and advertisers are ready to pay a premium to reach them," says Punitha Arumugam, CEO of Madison Communications Pvt Ltd, a leading media buying agency.[363] According to estimates gathered from the advertising sales teams of at least eight leading national English newspapers,[364] subscription revenues (the revenues generated from sales to readers, mostly in their homes) contribute only around 15–20 percent of their total revenues. Hindi and regional publications get more of their revenues—around 30–60 percent—from subscriptions.

Another important source of revenue for print and television platforms is the government, which contributes anywhere between 20 percent and 40 percent to the advertising kitty. The Union government's advertising spend is managed by the Directorate of Audio Visual Publicity (DAVP), whereas state governments' advertising is managed by their own agencies, making it difficult to collate data from each state. Executives in advertising sales teams of leading vernacular dailies such as *Dainik Jagran* (in Hindi), *Lokmat* (in Marathi), and *Bartaman* (in Bengali) suggest state government advertising, which has its own massive budget, contributes between 20 percent and 40 percent to the total advertising revenues of large vernacular publications, and between 30 percent and 60 percent to smaller publications—though the quantum of money involved in the latter may be far less than in the former.[365] Some 80–90 percent of the DAVP's advertising budget goes to print and television organizations, and the rest to outdoor advertising and internet, says A.P. Frank Noronha, the Director General of DAVP.[366]

Table 35.

Union government advertising spend, 2007–2011

Year	Spend (Rs billion)
2007–2008	3.80
2008–2009	5.15
2009–2010	6.00
2010–2011	6.25

Source: Office of the Director General of the Directorate of Audio Visual Publicity

363. Interview with Punitha Arumugam, CEO, Madison Communications Pvt Ltd, January 2011, New Delhi.

364. Based on interviews between December and March in New Delhi in person and over the telephone.

365. Percentage figures hide levels of dependence. For instance, a large national or regional daily may get only 2 percent of its advertising from the government but this amounts to a large sum of money—compared with smaller, vernacular dailies in the states, who may get a far smaller sum of advertising money from the government, though this could constitute a very large, sometimes determining, proportion of its total advertising, and perhaps even circulation, income. This makes smaller newspapers more dependent on government advertising, as explained in section *7.2*.

366. Interview with A.P. Frank Noronha, Director General of Directorate of Audio Visual Publicity, Government of India, New Delhi, April 2011. He said that DAVP does not maintain accounts of how the budget gets split between news and non-news platforms.

Relying too much on advertising is a big problem for the independence of media organizations. Some have made concerted efforts to find other revenue sources. One consequence is the rise and spread of "paid news"—essentially the practice of private and government advertisers buying up media space in return for favorable reportage[367] in both print and broadcasting (see section *4.4.1)*.[368] The other instrument to augment conventional advertising revenue is "private treaties" (see section *6.1.3*).

Although developing a healthy subscription market is an important step toward more independent news media, cut-throat competition in an overcrowded market has deterred outlets from demanding from customers a legitimate value for their services and products (most of whose newspapers and channels sell at a huge discount). The cost of producing a 24-page newspaper that uses imported newsprint ranges from Rs8 to Rs15 (US$0.14–US$0.27), whereas the sale price ranges from Rs3.50 to 5.00 (US$0.06–US$0.09). Such sales are aimed at building large readerships who, in turn, attract advertisers.

Executives in news broadcast companies and cable operators say that competition from more entertainment-driven channels has forced most news channels, except business news, to keep their channels free-to-air (FTA) to retain viewership numbers.

Industry estimates suggest that there are 50,000–60,000 cable operators in India, more than 90 percent of which run on analog systems. Broadcasters, especially those with pay channels, contend that cable operators under-declare the number of households serviced, and thus siphon off about 80 percent of the over Rs 200,000 million (US$ 3,600 million) collected by them.

Table 36.
Television revenue (Rs billion), 2006–2011

Stream	2006	2007	2008	2009	2010	2011
Advertising	61	71	82	88	103	116
Subscription	122	140	158	169	194	214
Total	183	211	241	257	297	329

Source: FICCI-KPMG, 2012, p. 37

Enhancing the returns from the subscription market is the prime reasons why government and broadcasters have steamrollered cable digitization: to bring a semblance of governance, including financial transparency translating into higher tax collections, in a segment congenitally reflecting elements of the wild west; while simultaneously boosting broadcasters' revenues, both to stem their sagging bottom lines, especially of news channels, and, rather optimistically, to plough back resources to improve or enhance programming, including quality news content (see section *7.4*). Furthermore, since analog does not allow cable operators to relay more

367. P. Sainath, "Is the Era of Ashok a New Era for 'New,'" *The Hindu*, 29 November 2009.

368. Archna Shukla, "News Sponsored" and "Commercial Break," *The Indian Express*, 6 and 13 December 2010 respectively.

than 100–150 channels, with the number of channels rising, distributors have been demanding steep carriage fees. These factors have massively compromised broadcasters' ability to shore up subscription revenues.

6.2.2 Other Sources of Funding

As far as subscriptions go, broadcasters hope that digitization will help them realize their legitimate dues. Broadcasters feel that new technologies and distribution platforms, such as IPTV and mobile television, will help them penetrate deeper and expand their subscriber bases. The advent of 3G telecoms services is also expected to bring in wider revenues.[369]

At the same time, many media companies, especially news broadcasters, have rushed to create additional digital properties—namely, additional channels, niche channels, portals, niche websites, etc. This was aimed at harnessing synergies from shared costs, bundling opportunities to advertisers and, most importantly, separately enhancing the commercial valuations of these companies.[370] However, over the last five years many such investments did not yield proportional dividends. The Network18 Group, which rapidly expanded into portals, e-newspapers, and additional television channels to emerge as one of the largest diversified media entities by 2010 is an apt example, as it has experienced losses across almost all of its entities. Its television news channels, such as CNN-IBN, IBN Lokmat, and IBN7, launched or acquired quickly between 2005 and 2008, were funded mostly through public money and/or bank finance; since virtually nothing was bankrolled through internal accruals, this raised doubts about the inherent viability of the businesses.[371]

In addition, attempts have been made to garner additional revenues from smaller, but slightly unrelated areas, such as organizing events, which are monetized in several innovative ways. News channels organizing such events air them, thereby deriving free content and guaranteed advertising from sponsors. They also raise ground sponsorships from such events, charge entry fees, and get hefty fees from the companies on whose request they may have organized them.

Branded content (advertiser-funded programs), which until around five years ago was limited to entertainment channels, has emerged on news channels. Producing exclusive shows for brands or companies, in-broadcast advertising, displaying brand logos on the screen or laptops used by anchors, airing shows intertwined with an ongoing marketing campaign of a brand, and interviews or profiles of executives or company promoters have fast proliferated as programming innovations to increase advertising revenues.[372]

Finally, there are the revenues that come from viewer SMS messages. News anchors ask viewers questions every day to be answered in a "yes" or "no" text message, which are priced steeply from around Rs5–10 (or ten

369. FICCI-KPMG, 2011.

370. Debashis Basu, "Reality Show," *MoneyLife*, at http://www.moneylife.in/article/reality-show/1422.html (accessed 9 January 2012).

371. "Network18 group companies are mostly sick," 25 January 2010, at http://www.suchetadalal.com/?id=53310306-ae0b-f635-4b5d77c91b5f&base=sections&f (accessed 9 January 2012).

372. Archna Shukla, "Commercial Break," *The Indian Express*, 13 December 2009.

times the regular SMS price)—depending on a viewer's mobile phone tariff plan. While the mobile service operators keep almost 75 percent of such revenues, the rest is shared with the channels.

One needs to conclude this section by reiterating the controversial, unethical, and sometimes illegal ways by which media organizations come to mundanely fund themselves. The first is the practice of paid news whereby news outlets shore up their income from political parties or specific politicians by carrying blatantly favorable content in the form of legitimate news (see section *4.4.1)*—as opposed to "advertorials" or supplements sponsored by individual politicians and government public relation departments, where the reader is made aware that these are non-news items. The second is the more structural mechanism of private treaties, where news outlets carry regular and positive news about a company in exchange for a stake in the latter (see section *6.1.3*). Lastly, and reported most rarely, media organizations have allegedly blackmailed companies by asking for advertisements in exchange for blocking out negative news from their media properties, as evident in the Zee-Jindal case (see section *4.1.2*).

6.3 Media Business Models

6.3.1 Changes in Media Business Models

Forward-looking media companies are making strategic investments in building strong websites, providing valued-added content, such as news capsules and videos, and customizing content for emerging platforms such as iPads and other tablets. Network18 Group is one entity that has been focussed on internet-based offerings since the late 1990s. It has a wide portfolio of internet platforms such as Moneycontrol.com, which offers market and personal finance news and analysis; Burrp.com, a platform for lifestyle-oriented information; In.com, an entertainment platform; Tech2, a platform for news about technology and tech products; and Firstpost.com, a pure-play news portal—unlike generic portals like Rediff.com and Indiatimes.com—projected as an alternative to regular newspapers through an aggressive advertising campaign. Firstpost.com has a dedicated team (its biggest cost), but its biggest advantage is the absence of distribution costs. The strong portfolio of digital products notwithstanding, their contribution to the group's total revenue is less than 15 percent.

Revenue models for television and print may change more as digitization offers the flexibility to launch multiple news products targeting niche audiences. An example is city-specific television channels that form niche offerings of large networks, such as Delhi Aaj Tak, the sister channel of top Hindi news channel Aaj Tak (TV Today Group).

In December 2011, the government passed the Cable Television Networks (Regulation) Amendment Act 2011, which required all cable operators to digitize their relays according to a phased plan and register with a government-specified authority, and defined a pay channel as one that may be transmitted by a cable operator after obtaining consent, including financial payment, from the broadcaster. The Act made it mandatory for such pay channels to be transmitted through a digital, addressable system, ensuring every viewing household gets counted. Furthering the interconnection agreements in the erstwhile C&S pockets of some cities, digital

cable is expected to radically alter the revenue model of broadcasters, pay news channels included, as it will provide the technological basis to ensure a fuller, steady flow of subscription revenues.[373] Hitherto, most broadcasters only got around 15–20 percent of subscription revenues, or nothing if their unencrypted signals are illegitimately relayed by cable operators; their share could rise to 40–50 percent in the digitized regime, depending on the revenue-sharing arrangement worked out among broadcasters, cable operators, MSOs, and the government. Broadcasters will not be required to pay a hefty carriage fee, as digital distribution systems will be able to carry more channels; nevertheless, placement fees may continue to pose barriers to small or niche broadcasters.

The first timeline of the mandatory cable digitization, as per the Cable Television Networks (Regulation) Amendment Act 2011, specified 30 June 2012 as the date when operators in the four largest cities of Mumbai, New Delhi, Kolkata, and Chennai were to switch over. Due to various lobbies and constraints in the supply of digital STBs, in the very last week of June the MIB was forced to revise the deadline to 31 October.

From late June onward, a concerted effort was begun by broadcasters and the MIB to urge households to install digital STBs. While many channels started running scrolls emphasizing the revised deadline of 31 October, the MIB started sending SMS messages saying much the same thing. Keen to grab a share of households going digital, DTH vendors also started sending such bulk SMS messages. By October, the MIB was on overdrive with almost weekly SMS messages to people in New Delhi—an intensity of messaging not demonstrated by any government body for, say, year-end tax deadlines, traffic warnings, or potential epidemics. On 30 and 31 October, when there was a barrage of SMS messages from MIB and DTH vendors, some 100,000 STBs were installed across the four metros.[374]

Thus, the MIB managed to push through the switch-over in New Delhi smoothly. In Mumbai, it went through despite opposition from a cable operators' association patronized by opposition parties,[375] and only partially in Kolkata due to the defiance of the state government. In Chennai, the matter went to court.

On the eve of the deadline, the chief minister of West Bengal, whose capital is Kolkata, was ready for another round of confrontation with the MIB. Uniquely, the chief minister has maintained that STBs cannot be forced upon audiences and MSOs must be given the option of providing analog signals.[376] The deadline was first pushed on to 27 December, as per a negotiated revised order by the MIB, and then again to 15 January, unilaterally by the state government. By contrast, in Chennai local cable operators moved the

373. In the erstwhile Conditional Access System (CAS) pockets of Delhi and Mumbai, from 2003 broadcasters were accorded 45 percent of pay channel subscriptions and 55 percent was shared between MSO and LCOs; TRAI (2011), "Issues related to Implementation of Digital Addressable Cable TV Systems," Consultation Paper No. 8/2011, New Delhi, 2 December, p. 21.

374. See http://www.medianama.com/2012/11/223-madras-hc-extends-cable-tv-digitization-deadline-bombay-hc-rejects-similar-petition (accessed 8 January 2013).

375. "Mumbai cable operators to move SC for 2-month extension," *Firstpost*, 2 November 2012, at http://www.firstpost.com/mumbai/mumbai-cable-operators-to-move-sc-for-2-month-extension-512995.html (accessed 8 January 2013).

376. Ajanta Chakraborty, "Mamata government defers cable TV digitization date yet again," TNN, 8 January 2013, 11.59 AM IST, at http://timesofindia.indiatimes.com/city/kolkata/Mamata-government-defers-cable-tv-digitization-date-yet-again/articleshow/17936957.cms (accessed 8 January 2013).

Madras High Court to further extend the deadline, citing non-availability of STBs. Arguments led to the court granting two further extensions.[377] Underlying these administrative legalities was the curious case of the state government-owned MSO, Arasu Cable, waiting to receive its digital license from the MIB (see section *7.2.3*). If the switch-over in Chennai were to proceed as per the initial or several revised deadlines, Arasu Cable's business would lose out to SCV—which is not only the dominant MSO in the city and state but one owned by rival political interests, currently in the opposition.[378] It is this that seems to have fueled LCOs in Chennai to use the state's High Court to repeatedly postpone the digitization deadline.[379]

The next, second phase of the switch-over schedule may prove to be more challenging, perhaps involving a wider array of vested interests, since it involves 38 cities, across 15 states, with the ambitious deadline of 31 March 2013.

Perhaps DTH services may play an important role during the subsequent phases. There are seven DTH operators in India—six private (Bharti Airtel Ltd, Videocon Industries Ltd, Reliance ADAG, Tata Sky Ltd, Dish TV India Ltd, Sun Direct Pvt. Ltd) and the public broadcaster's free service, DD Direct. DTH should reach 70 million households by 2015, from 28 million in 2010, as operators will be able to make investments. Significantly, the penetration of digital platforms is already higher than 40 percent in cities slotted for the fourth and last phase of switch-over (deadlined at 31 December 2014), driven by increasing DTH penetration in the rural areas where it is near impossible, and hardly lucrative, to extend cable relays.[380] With guidelines such aas must-carry and "must-available" (all channels must make themselves available to all carriers/distributors and cannot strike exclusive distribution deals) thrust on the half dozen distributors, it seems likely—given compliance to norms is enforced uniformly—that there will be no monopolies in the DTH business in the near future.

The global economic crisis of 2008 forced most media companies to take stringent steps to contain the immediate damage, caused principally by advertisers slashing advertising spends. Media firms cut jobs and salaries, and put expansion plans on hold. Some even shut down newly launched or non-profit-making projects. NDTV Ltd and Network18 Group laid-off 250–300 people each between the end of 2008 and 2009. BCCL cut employees' increments (6–40 percent) across editorial and marketing departments in 2008–2009. Most publications cut the number of news pages, some shut down supplements, and publications such as *Business Standard* withheld their regional diversification drive. Many media firms used the crisis as an opportunity to trim accumulated flab after an over-estimated sense of growth earlier in the decade—without substantial changes in their business models.

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377. "Cable digitisation deadline in Chennai extends by 10 days," 9 November 2012, at http://www.firstpost.com/india/cable-digitisation-deadline-in-chennai-extends-by-10-days-521154.html (accessed 8 January 2013).

378. "Jayalalithaa writes to PM on cable digitization," Livemint.com, 17 December 2012, at http://www.livemint.com/Politics/lbZONh1NlFd85Jd-NhTGHfO/Jayalalithaa-writes-to-PM-on-cable-digitization.html?facet=print (accessed 10 January 2013).

379. "Cable TV digitization: New deadline for Chennai is now March 31, 2013, court hearing on Dec 24," 7 December 2012, at http://truthdive.com/2012/12/07/cable-tv-digitization-new-deadline-for-chennai-is-now-march-31-2013-court-hearing-on-dec-24.html (accessed 10 January 2013).

380. FICCI-KPMG, 2012, p. 15.

National news and non-news media were more affected by declining advertising spends in 2009 due to their overdependence on ads. Regional media were not seriously impacted, due to their continued access to local advertisers, who have little exposure to global commercial dynamics. "Local advertisers who have thousands of small, retail and classified advertisers, are completely insulated from global volatility," says Sanjay Gupta, CEO of Jagran Prakashan Ltd, which publishes the country's most read daily, *Dainik Jagran.*[381]

However, the business models of the media companies did not change radically, mainly because the Indian economy recovered within a year, growing over 8 percent in 2009–2010 and 2010–2011. So there was a general optimism within all sectors, including the media, about the future. By mid-2010, advertising spends were back on track. According to the FICCI study, in 2010, advertising revenues of the media industry, including print and television across news and non-news, grew 17 percent in 2010 against a decline of 0.4 percent in 2009. Moreover, the number of active channels grew from 461 in 2009 to over 550 in 2010 and by the end of 2012 stood at more than 800. As Mr Gupta summed up, "The year 2010 was good for the media industry. Advertising grew not only in terms of volumes but also rates."[382]

In retrospect, the bullishness, especially among television channel owners, was misplaced. As the data below show, the profitability of national news channels has dropped, or losses have increased over the past four years or so. Only national and regional newspapers (*HT Media* and *Jagran Prakashan*) recorded huge jumps in profits after a dip in 2008–2009. Such financial trends only deepened for news broadcasters, and reversed for print media, in 2011–2012, when the Indian economy grew by only 6.5 percent. As most experts have predicted an even lower growth rate in 2012–2013, this year could be worse for most media firms and is the most likely explanation for recent changes in ownership models. The RIL-Network18, Aditya Birla-India Today, and Reliance ADAG-UTV deals point to this trend.

Table 37.

Revenues of listed news media companies before and after the financial crisis, 2007–2011

Company	Total income (Rs million)				Net profit (Rs million)			
	2007–2008	2008–2009	2009–2010	2010–2011	2007–2008	2008–2009	2009–2010	2010–2011
NDTV Ltd*	3,185	3,417	3,061	3,519	42.8	(731)	(205)	(986)
TV18 Broadcast Ltd*	1,351	1,848	2,631	2,527	(69)	(682)	(821)	(492)
Zee News Ltd	3,595	5,249	5,261	2,442	373	446	440	98
TV Today Network Ltd	2,514	2,742	3,079	3,028	435	335	309	124
HT Media Ltd	12,269	13,577	12,991	12,558	1445	852	1,248	1,776
Jagran Prakashan Ltd	7,711	8,461	9,761	11,385	981	916	1,759	2,058

Notes: * Indicates stand-alone operators. Total income = total revenues from sales and other sources; Net profit measures profit after tax

Source: Bombay Stock Exchange

381. Interview with Sanjay Gupta, CEO, Jagran Prakashan Ltd, January 2011.

382. Interview with Sanjay Gupta, CEO, Jagran Prakashan Ltd, January 2011.

6.4 Assessments

Digitization of cable, a nascent phenomenon struggling to completely unfold even in the four major cities, has had no fundamental impact on media structures, as of now. There has been some consolidation, limited to the distribution segment. Hitherto, distribution has been dominated by the long-tailed segment of local and/or independent cable operators, unaccountable to broadcasters (for their share of subscription revenues, see section *5.3.2*), non-transparent to government (under-declaration of subscriptions causing lower tax submissions), and also unaccountable to viewers (poor signal quality and no competition in last-mile networks). Within this milieu, the advent of wireless distributors (DTH) has affected the dominance of local/independent wired distributors (cable operators), as viewers now have a comparable option.

As for media ownership by politicians, digitization has not made any difference so far—apart from digital transponders having made it cheaper to run news channels. Transparency in ownership is, anyway, a factor of corporate structures that may be easily fabricated to shield the real owner's identity. In the past, political or corporate rivalries and media investigations have exposed the true owners.

Thus, while the practice and protocols of transparency have not strengthened in the past five years, a combination of crisis and exposés on specific segments of the media industries (rather than altered laws) have tended to lay bare investors and interests behind television channels.

Digitization has had little impact on print and broadcasting news outlets, so far limited to distribution. It is too early to draw conclusions about the effect of ownership on the independence of news content, the performance of news media and affiliated outlets, or even on the broad, market structure of the television industry.

Advertising remains the mainstay (or a crucial) revenue source for mass media worldwide, with India being no exception. Mass media platforms may not always have only publicly relevant news content. In India, news content has a liberal mix of cricket, entertainment, celebrities, and crime. Advertisers and broadcasters, indeed, have a different definition for publicly relevant content. Whatever attracts wide audiences is publicly relevant for owners and advertisers.

Fragmentation of audiences and advertisers in the news market is being fought with segmentation, in particular to tap the local markets, as reflected in the rise of city-specific television news channels. However, such local channels tend to cover local renditions of the standard fare of news themes—scandal, conflict, and elections.

Advertising promises to remain the primary source of sustenance for most mass media organizations; even digital platforms such as Facebook and Twitter are living off advertisers solely. Government grants are limited to public broadcast platforms such as DD, Lok Sabha TV, and Rajya Sabha TV. The government also provides support to private media through advertising. Still, both are a great source of financial succor for private and public platforms.

The government and advertisers are prone to wield influence on content. But it is the fact that media are regarded entirely as business that has had the most negative impact on content; however, that is something neither advertisers nor the government can be blamed for. When promoters run media platforms as entities that must be fully monetized, the nature of the platforms changes. This phenomenon has had a negative effect on the quality of journalism in India.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

Access and Affordability

Unlike in many countries where a multi-channel broadcasting milieu existed in the terrestrial space before C&S channels proliferated, in India a genuinely multi-channel milieu—eclipsing the monopoly of DD's terrestrial channels—emerged only after the advent of private C&S channels. In 2005, the TRAI recommended opening terrestrial transmission to private players, but the government has not taken a policy initiative in this regard.[383] Consequently, terrestrial transmission remains solely the domain of the state broadcaster, Prasar Bharati; hence issues dealing with the switch-over to DTT implicitly concern the state broadcaster, as addressed earlier in section *2.1.4*.

Public provisions governing access and affordability to terrestrial transmission analyzed below concern two phenomena—the state broadcaster's switch-over to DTT and the reception channels via private wired and wireless distributors, and the access and affordability of a wider set of its digital services, including the DTH service (see section *2.1.4*). This is because the state broadcaster visualized its DTT and DTH services as being part and parcel of the same program of digitization, and was even allocated resources jointly for both services accordingly.[384]

Although there are no explicit clauses on access or affordability, two decisions by Prasar Bharati can be interpreted to address these. First, the MIB's choice of 2017 as the year to phase out analog transmissions of DD, overriding the TRAI recommended date of December 2013, was calibrated keeping in mind that STB costs would reduce at an average of 7–8 percent every year.[385] Second, the decision was made that DD should

383. TRAI, "TRAI Recommendation on Private Terrestrial TV Broadcast Services," 29 August 2005, at http://www.trai.gov.in/trai/upload/recommendations/8/recom29aug05.pdf (accessed 21 May 2011).

384. When matters of digitization of the state broadcaster came up in meetings of the Committee on Financial Restructuring of Prasar Bharati, the Committee suggested that the appropriate model for the digitization of DD was "DTH with terrestrial and digitalization," and hence estimated a combined capital investment of Rs 35,310 million for DD during 2007–2015; *Going Digital*, p. 19.

385. This figure of cost reduction of STBs seems to have originated way back in the 2006 report "Going Digital"—viz. "The cost of STB is presently about Rs 2250.00 and is decreasing every year by 7–8%" ("Going Digital," p. 15).

retain its analog terrestrial service for some time—in parallel with its digital terrestrial feed. This simulcast policy implicitly takes cognizance of the many citizens unable to afford receiving the state broadcaster if its switch-over is immediate. But it is unclear if during the years of simulcast both analog and digital feeds would follow the stipulations of the Sports Broadcasting Signal (Mandatory Sharing with Prasar Bharati) Act, 2007: in the words of N.V. Ramana, Director General (Engineering) at DD, "It has not been decided whether this Act will also apply to DTT."[386]

To improve the affordability of its DTH services, DD ensured that STBs were available on the open market, allowing users to buy from a range of cheaper options. Unlike private players, DD has no plans to manufacture and market its STBs, although the MIB has recently woken up to the dependence on imports for the gigantic number of STBs required for digital cable.[387]

As regards the affordability of the change to digital cable, almost completely in the private sector, the MIB's Strategic Plan for 2011–2017 made no provisions: it merely predicted resistance by viewers to incur expenditure on STBs.[388] But to ensure citizen access to DD channels, the MIB extended the existing must-carry provision to Conditional Access Systems (CAS), DTH, and digital cable services. Section 8 of the Cable Television Networks (Regulation) Act 1995, as amended in 2011,[389] made it mandatory for LCOs and MSOs to relay at least two DD terrestrial channels (DD National and DD News), one regional channel of the respective state, and two parliament channels[390] in the prime band. These must-carry obligations continued for the CAS as part of the Cable Television Networks (Regulation) Act 1995 to carry two national channels and one regional channel.[391] DTH operators are required to include eight channels as per clause 7.8 of their license agreement; these include the Lok Sabha TV, DD Rajya Sabha (now Rajya Sabha TV), DD National, DD News, DD Sports, DD Urdu, DD Bharti, and Gyan Darshan channels.[392] The eight specified channels, along with 11 regional Prasar Bharati channels, are also to be carried within the digital addressable system as specified by the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations 2012.[393]

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386. Interview with N.V. Ramana, Director General (Engineering) at DD, New Delhi, 2 May 2012.

387. In the words of the Minister of Information and Broadcasting: "Now all the money which is being spent on buying set top boxes is like building a revenue model for China or Taiwan from where these boxes are coming. So possibly, there is a strong case as we go into the second, third and fourth phases of digitisation to really try and see if we can augment even at this late stage, some kind of domestic capacity," "Set top box: China gains from our digitisation project," PTI, Daily.bhaskar.com, 13 January 2013, at http://daily.bhaskar.com/article/NAT-TOP-set-top-box-china-gains-from-our-digitisation-project-4147339-NOR.html.

388. MIB, *Strategic Plan*.

389. The Cable Television Networks (Regulation) Amendment Act 2011, at http://www.mib.nic.in/writereaddata/html_en_files/actsrules/cableamend060112.pdf (accessed 22 July 2012).

390. A notification had been made earlier on 6 November 2007 for the mandatory carriage of the two parliament channels. It was later incorporated under the Amendment Act, at http://www.mib.nic.in/writereaddata/html_en_files/actsrules/gazett261107.pdf (accessed 10 January 2013).

391. TRAI, Notification, 4 September 2006, at http://www.mib.nic.in/writereaddata/html_en_files/actsrules/act_cas/Interconnection%20(thrid%20amendment)%20regualtion%20-4.09.2006.pdf (accessed 10 January 2013).

392. MIB, Memorandum, 26 November 2007, at http://mib.nic.in/writereaddata/html_en_files/dth/Compulsory%20carriage%20of%20DD%20channels%20on%20DD%20-%20Order%20dated%2026.11.2007.pdf (accessed 23 August 2012).

393. TRAI, Notification, 30 April 2012, at http://trai.gov.in/WriteReadData/WhatsNew/Documents/regulation%20for%20DAS%20Master-copy.pdf (accessed 23 August 2012).

In contrast to the digital transitions of terrestrial transmission and of cable services, the MIB was direct and proactive in designing provisions for affordability in the state broadcaster's DTH service; this service, DD Direct Plus, initially was launched to cater to areas uncovered by terrestrial transmission (see section *2.1.2*). Not only does DD's DTH service provide a low-cost alternative to commercial DTH services but, importantly, the STBs for DD Direct Plus are based on open DVB standards and can be used for any DTH platforms that provide FTA channels; any FTA satellite receiver with at least the MPEG-2 or MPEG-4 DVB-S standard can receive the DD Direct Plus bouquet, including radio channels.

Provisions for affordability and access are similarly visible in Prasar Bharati's mobile television service, the only one permitted in India. This started in New Delhi in 2007 as a pilot project with eight DD channels and has now grown to 16 channels, including DD News. First, all these channels are received free of cost,[394] making the service affordable. Second, while the pilot mobile television service was done in collaboration with Nokia, and hence its transmission was only available on Nokia high-end mobiles, subsequently the digital terrestrial transmitter installed in 2003 at New Delhi's Broadcasting House was converted to transmit DVB-H signals to widen access, so that any DVB-H enabled mobile phone could get free access to television channels within a radius of 10–12 km, irrespective of the service provider.

Subsidies for Equipment

The MIB and TRAI are well aware of how other countries have provided subsidies on STBs and made available loans for persons to buy such equipment.[395] Yet there is no scheme for subsidizing STBs and digital television sets required for DTT on a regular basis, nor free distribution of units for demonstration purposes in remote areas, like DD initially did for its DTH receiver units.[396] Exceptions, as usual, were made for border states: during 2007–2008, Prasar Bharati provided 25,000 DTH receiver units with television sets to north-eastern states for uncovered areas, and 10,000 DTH sets with television sets to Jammu and Kashmir.[397]

For other parts of the country, the MIB has rather helplessly admitted, "For receiving digital terrestrial signals, viewers will have to incur expenditure on Set-Top Boxes."[398] As it is, DD's terrestrial audience measured in terms of households has been declining in percentage, and recently even in absolute, terms (see Table 3); perhaps as a consequence, its current 27 million households predominantly entail the humble sections of society—those unable to spend a few dollars on monthly cable rents, and in all probability completely unable to purchase an STB. Consequently, there is a risk that at the end of the simulcast period, when STBs become

394. These include DD National, DD Bangla, DD Oriya, DD News, DD Urdu, DD Gujarati, DD Sahyadri, DD Sports, DD Punjabi, DD Malayalam, DD Saptgiri, DD Bharati, DD India, DD Podhigai, DD North East.

395. TRAI, "Consultation Paper on Digitalisation of Cable Television," New Delhi, January 2005, pp. 17–19, at http://www.trai.in (accessed 27 April 2011).

396. For demonstration purposes, DD had provided 10,000 DTH receive units (before its DTH service's formal launch) in villages of selected states. During 2007–2008, 20,000 DTH receive units were provided to the Government of Himachal Pradesh for installation in Kinnaur, Lahaul Spiti, and Chamba districts; Prasar Bharati (2008), "Annual Report 2007–08," New Delh, p. 46 (hereafter Prasar Bharati, "Annual Report 2007–08").

397. Prasar Bharati, "Annual Report 2007–08," p. 46.

398. MIB, Strategic Plan 2011–17, p. 14.

necessary, there will be a sudden drop in DD's terrestrial audience—after having spent hundreds of millions on ushering in DTT.

However, DD Direct Plus was kept free of monthly subscriptions to "enable those persons who cannot afford to incur recurring expenses on a monthly basis to be able to watch television channels at a one-time cost for purchase of STB without any further expenses."[399] Yet, Ashok Jailkhani, Additional Director General (Programme) at Doordarshan, admits "While DD Direct Plus does not charge a subscription fee, its bouquet of channels is less attractive in big cities compared to private DTH players."[400]

Legal Provisions on Public Interest

The switch-over to DTT is being undertaken through a series of administrative procedures rather than a specifically designed legal framework. Here, aspects of public interest may be evaluated at two levels—in the arguments underlying the rationale for the switch-over, and in the design of administrative implementation for it, the latter also concerning the wider digitization of the state broadcaster.

While aspects of the implementation of the wider digitization of the state broadcaster did factor in some public interest concerns—hence decisions on simulcast during the long switch-over and DD Direct being rent-free—there are no explicit public interest arguments for terrestrial switch-over. From available government documents, three broad sets of explanations favoring switch-over can be gleaned, none of which constitutes a convincing public interest rationale or reflect principles of equity.

The first and dominant rationale for the digitization of terrestrial broadcasting that punctuates various documents from the Planning Commission, the MIB, and Prasar Bharati is enhancing viewers' and listeners' experience—namely, improving the quality of television signals, introducing program guides, and enabling broadcasts, especially of AIR, on multiple platforms such as webcasting, podcasting, SMS, and mobile.[401] The reasons given for developing and promoting allied digital services like mobile television and IPTV are the large number of mobile phone users, that this is the best platform for delivering the benefits of television and mobile communications in one device, and that such a combination of terrestrial broadcast platforms and mobile platforms is important in terms of spectrum efficiency.[402] Policymakers have ignored the fact that few citizens have the requisite mobile handsets and broadband connections; this suggests the wider digitization of the state broadcaster will benefit only certain sections of society.

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399. MIB, "Annual Report, 2011–12," Government of India, New Delhi, 2012, pp. 101–102 (hereafter MIB, "Annual Report, 2011–12").

400. Interview with Ashok Jailkhani, Additional Director General (Programme) at Doordarshan, New Delhi, 15 April 2011. Even the MIB Strategic Plan for 2011–2017 envisages the absence of popular pay-TV channels on DD's DTH service as a weakness: see MIB, "Strategic Plan 2011–17," p. 14.

401. MIB, "Strategic Plan 2011–17," p. 22; despite a mandate to prepare a road map for going digital and emphasizing the technical qualities of DTT, "Going Digital" failed to explain how the digitization of the state broadcaster would serve the public interest; all that it says, for instance, is: "In order to provide the listeners with high technical quality radio programs, All India Radio has planned to migrate from analogue to Digital," "Going Digital," p. 12.

402. "Going Digital," p. 8.

Second, the MIB argued that DD switching from analog to digital transmitters would enable multi-channel transmission from a single transmitter (i.e. a relay of about between five and eight channels against one analog transmitter) and power efficiency. This forms part of the large argument on spectrum efficiency of DTT—namely, "Television broadcasting in analog mode requires significant spectrum, which is a scarce resource. Therefore, countries all over the world are migrating from analog to digital terrestrial broadcasting."[403] According to Archana Gupta, Director (Engineering) of Transmitter Design at DD, DTT would serve the public interest by ensuring a more efficient spectrum utilization since it will allow carriage of between eight and ten channels on the slot of one analog channel. As such, the DVB-2 standard that Prasar Bharati is procuring is far better than the DVB standard planned earlier: it allows 32 instead of 18 channels on a bandwidth of 36 MHz.[404]

While freeing up spectrum is posed as a major argument for moving to DTT,[405] there is no mention of how the freed spectrum—some of which is commercially highly lucrative and technologically very efficient[406]—would be used in the public interest. Some thinking visualized a spectrum dividend being deployed to launch more Prasar Bharati regional terrestrial channels, and mobile reception and/or HDTV services, especially if they are considered to be part of the standard service offering.[407] However, no plans for this have been announced. It is pertinent to mention that while the frequency band used for DTT services is 700 MHz,[408] TRAI had recommended using this band for Broadband Wireless Access (BWA) and WiMAX services for rural areas[409]—which, on the face of it, indicates greater public interest usage than, say, HDTV or mobile television services, which will be limited to a handful even in urban areas. As for the revenue generated from parts of the digital dividend transferred to telecoms operators (4G), there is no evidence, or evidence of intent, to suggest that it will be deployed either for quality programming—capitalizing on the enhanced viewers' and listeners' experience DTT promises—or to cushion subsidies for the STBs required for DD's DTT audience, the handful that may exist by 2017. Such a rechanneling of resources seems impossible not only due to the clashing interests ruling the MIB and MCIT, but also due to prevailing revenue-expenditure practices followed by the government.[410]

403. MIB, "Strategic Plan 2011–17," p. 52.

404. Interview with Archana Gupta, Director (Engineering) of Transmitter Design at Doordarshan, New Delhi, 22 April 2012.

405. There are two instances where additional spectrum would be required: temporarily, during the simulcast phase when existing analog and new digital systems would need to be broadcast together; and permanently, in the case of AIR where, while no additional spectrum will be required for DRM transmissions in the MW/SW band, it would be required for DRM transmitters in the FM/VHF band as well as the 'L' band; "Going Digital," p. 14.

406. While some of the frequency bands used for broadcasting in India have exclusive allocations for broadcasting, most are shared. For example, the 800/900 MHz bands used for cellular services (GSM and CDMA, etc.) are available for broadcasting also; "Going Digital," p. 16.

407. "Going Digital," p. 2.

408. DD DTT will be provided in the VHF band 4–5 (470–862 MHz); interview with Archana Gupta, Director (Engineering) of Transmitter Design at Doordarshan, New Delhi, 22 April 2012.

409. "Going Digital," p. 17.

410. Revenues from auctions, administered by MCIT, accrue to the Consolidated Fund of India, whereas expenditure for STB subsidies, under the purview of MIB, stems from its overall annual allocations from the public exchequer.

Public Consultation

In 2005, TRAI published a Consultation Paper on Deregulating Terrestrial TV for the private sector, which served as the basis for comments and input from stakeholders. There was a specific call on TRAI's website for stakeholders to send comments as written submissions. A few months later, two important recommendations figured in TRAI's Recommendation on Terrestrial TV: first, the inclusion of community terrestrial television along with private commercial service providers; and maintaining both analog and digital terrestrial television transmissions (i.e. simulcast) so that community and commercial outlets could choose which transmission to use depending on their audience and local contexts until the TRAI/MIB felt it justified to phase out analog transmission. Both these instances reflect the imprint of civil society organizations (CSOs) in shaping aspects of citizen access, as producers and consumers.

However, this was not the case with subsequent and more significant matters of the switch-over: there was no consultation with CSOs on the Planning Commission's Sub-Group report "Going Digital" (the first to raise the comprehensive digitization of the state broadcaster), nor on MIB's Strategic Plan 2011–17 (which created the blueprint for the state broadcaster's switch to DTT), nor for DD's decision to provide HDTV for the Commonwealth Games of 2010. While the Strategic Plan states at the outset that, "In preparing the Strategic Plan, wide consultations have been held with key media units and the related stakeholders," there are no details publicly available on such consultations.[411] In fact, there were no representatives from CSOs in the committees formulating "Going Digital" and MIB's Strategic Plan.[412]

7.1.2 The Internet

Regulation of News on the Internet

On the internet and mobile, there is no such recognition of news as a separate content category. Thus, there is a legal gap to distinguish online news from other online content, and similarly, news alerts on mobile from general mobile content (generically referred to as Value-added Services, or VAS). Sanjay Salil, the founder of MediaGuru, explains: "There is no legal recognition or definition of a news website/portal on the internet. I can, say, decide to start a news website now, and be up and running within a few hours if I can register the name and get server space."[413]

Therefore, even individual bloggers can propagate their site as a news site. Most mobile service providers tie up with existing television, online, and print organizations to source news that they cater to their subscribers. Such services are charged to subscribers and provide content that already exists on other platforms. "Only in the case of mobile television is there a proposal that a news provider will first need to get a license to start a regular television channel," adds Mr Salil.[414]

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411. MIB, Strategic Plan 2011–17, p. 2, at http://www.mib.nic.in (accessed 2 April 2012).

412. In contrast, the MIB conducted 23 open-house sessions with broadcasters between November 2009 and December 2011; MIB, "Annual Report, 2011–12," p. 95.

413. Interview with Sanjay Salil, founder, MediaGuru, New Delhi, April 2012.

414. Interview with Sanjay Salil, founder, MediaGuru, New Delhi, April 2012.

There is no specific or direct regulation of news on the internet and mobile platforms. But there are indirect means specifically directed at these platforms, and there are statutory regulations regarding all content. Of crucial importance is the Information Technology Act, 2000 and its subsequent amendments—Information Technology (Procedure and Safeguards for Interception, Monitoring and Decryption of Information) Rules, 2009 and Information Technology (Procedure and Safeguards for Blocking of Access of Information by Public) Rules, 2009.[415]

The 2008 November Mumbai attacks resulted in a further amendment under which a Computer Emergency Response Team (CERT)—created in 2003 under the Ministry of Communications and Information Technology (MCIT)[416]—was given statutory recognition as ICERT, the Indian Computer Emergency Response Team. ICERT was given the power to intercept emails, block websites and web content, and give directions for compliance to service providers, intermediaries, data centers, etc. Pranesh Prakash of the Center for Internet and Society, Bangalore, explains:

> The State has been given unbridled power to block access to websites as long as such blocking is deemed to be in the interest of sovereignty and integrity of India, defense of India, security of the State, friendly relations with foreign States, and other such matters. Thus, if a web portal or blog carries or expresses views critical of the Indo-US nuclear deal, the government can block access to the website and thus muzzle criticism of its policies.[417]

A planned new amendment will make intermediaries, such as Google, also liable. Entitled Information Technology (Due Diligence Observed by Intermediaries Guidelines) Rules, 2011, these are similar to content guidelines for broadcasters.[418] This means the proposed amendments along with the original Information Technology Act 2000 will allow ICERT to block sites with content MCIT finds blasphemous, obscene, derogatory to women and children, compromising national security, etc.

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415. In the latter set of rules, the "printed sample content of the alleged offending information or part thereof shall be examined by a committee consisting of Designated Officer as its chairperson and representatives, not below the rank of Joint Secretary in Ministries of Law and Justice, Home Affairs, Information and Broadcasting, and the Indian Computer Emergency Response Team;" see Ministry of Law and Justice, Information Technology (Amendment) Act, 2008, New Delhi, 5 February 2009, at http://www.mit.gov.in/sites/upload_files/dit/files/downloads/itact2000/it_amendment_act2008.pdf (accessed 23 April 2011).

416. Gazette Notification G.S.R. 181(E), Part II, Section 3, Sub-section (ii), 27 February 2003. This notification was rescinded on 17 May 2010 by a Gazette Notification (Extraordinary) G.S.R. 410(E) in Part II, Section 3, Sub-section (i). Copies of these notifications are available at http://mit.gov.in (accessed 24 July 2012).

417. Interview with Pranesh Prakash, lawyer with the Center for Internet and Society, Bangalore, 29 June 2011.

418. MCIT (2011), Draft Rules, New Delhi, at http://www.mit.gov.in/sites/upload_files/dit/files/due_dilligance4intermediary07_02_11.pdf (accessed 19 April 2011). The rules clearly state the intermediary "shall notify users of computer resource not to use, display, upload, modify, publish, transmit, update, share or store any information that … is harmful, threatening, abusive, harassing, blasphemous, objectionable, defamatory, vulgar, obscene, pornographic, paedophilic, libellous, invasive of another's privacy, hateful, or racially, ethnically or otherwise objectionable, disparaging, relating or encouraging money laundering or gambling, or otherwise unlawful in any manner whatever; causes annoyance or inconvenience or deceives or misleads the addressee about the origin of such messages or communicates any information which is grossly offensive or menacing in nature" among other reasons. Further, the intermediary "shall take all measures to secure its computer resource and integrity of information received, stored, transmitted or hosted shall be ensured."

When broadcasters publish content on mobile platforms, either via mobile television (terrestrial transmission), the internet (which mobile subscribers can receive through GPRS or 3G data plans), or through a content deal with a mobile service provider, the content regulation guidelines applicable are those applicable for television news broadcasters.[419] But content first published on the internet and made available on mobile via EDGE/GPRS/3G comes under the purview of the Information Technology Act, 2000 (often referred to as the IT Act).

In September 2010, ahead of the Allahabad High Court judgment on the dispute between Hindus and Muslims over the Babri Masjid structure in Ayodhya, the government was to block all mass SMS messages and MMS messages to prevent instances of hate speech that could incite religious violence.[420] In August 2012, in the wake of violence in Assam and targeting of Assamese elsewhere, TRAI restricted sending SMS/MMS by pre-paid mobile users to 20 a day for 15 days.[421]

Legal Liability for Internet Content

Internet regulation in India has been shaped by three primary dynamics: insurgency and activist movements in Kashmir, North-East and Central India; the use of mobile phones and satellite communication by terrorists during the Mumbai attacks in 2008 (commonly cited to justify not only surveillance and decryption but interception of both internet and mobile platforms); and cyber-espionage and data theft concerning government websites.[422]

> The legal liability that exists for online content is the same as that of offline content. You could face legal liability if the content you have posted is considered to be: Defamatory; Obscene; Insulting to any religion; Promoting enmity between different groups; Infringing on copyrights; infringing on trademarks. However, there is an additional liability for online content imposed as per Section 66A of the Information Technology Act, 2000. This section provides for punishment for sending offensive messages through communication service.[423]

This Section, according to Prasanth Sugathan, Legal Counsel of the Software Freedom Law Center, can be used against producers and publishers of online content in addition to the defamation provisions in the Indian Penal Code.[424]

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419. MIB, "Self-Regulation Guidelines for the Broadcasting Sector (Draft)," 2008 at http://www.mib.nic.in/writereaddata/html_en_files/Codes/codes_bro/ContentCode100308.pdf (accessed 20 April 2011).

420. Sandeep Joshi, "Bulk SMS, MMS Banned Ahead of Ayodhya Verdict," *The Hindu*, New Delhi, 22 September 2010, at http://www.thehindu.com/news/national/article777241.ece (accessed 5 May 2011).

421. Vibodh Parthasarathi and Arshad Amanullah, "Silencing SMS: The anatomy of 'mCurfews' in India," at http://blogs.lse.ac.uk/indiaatlse/2012/10/10/silencing-sms-the-anatomy-of-mcurfews-in-india/ (accessed 8 December 2012); Lakshmi Ajay, "Ban on SMSes hits festive spirits, upsets young users," *The Indian Express*, 22 August 2012, at http://www.indianexpress.com/news/ban-on-smses-hits-festive-spirits-upsets-young-users/991469 (accessed 8 December 2012).

422. Jason Mick, "China Cyberspies Strike Indian Military, Tibetan Exiles and Embassies in U.S.," Dailytech.com, 7 April 2010, at http://www.dailytech.com/China+Cyberspies+Strike+Indian+MilitaryTibetan+Exiles+and+Embassies+in+US/article18064.htm (accessed 8 December 2012).

423. Interview with Prasanth Sugathan, Legal Counsel, "Software Freedom Law Center," New Delhi, March–April 2012.

424. Interview with Prasanth Sugathan, Legal Counsel, "Software Freedom Law Center," New Delhi, March–April 2012.

In a landmark ruling on liability in 2008, the New Delhi High Court held that intermediaries are liable for material available online deemed obscene.[425] In a case involving an MMS clip of two New Delhi schoolchildren having sex that was widely circulated online, the Court ruled that Bazee.com, which had hosted the clip, was liable even if not responsible for uploading the clip itself. Since then, legal liability has become incrementally stringent, from the amendments of the IT Act in 2008 to the latest notified rules of the IT Act in 2011. Although the proposed Intermediary Guidelines specifically mention bloggers, they will affect all intermediaries,[426] including providers and publishers of news.

> The new rules require the intermediaries to act within 36 hours to disable access to any information that they receive a complaint about … Since intermediaries would lose protection from the law if they don't take down content, they have no incentives to uphold freedom of speech of their users. Similarly, since there is no right to be heard before your website is taken down nor is there an in-built mechanism for the website owner to appeal under the rules, the decisions made by the government to ban sites cannot be questioned unless you are prepared to undertake a costly legal battle. Again, if an intermediary (like Blogspot or an ISP like Airtel) refuses to cooperate, its directors may be personally liable to imprisonment for up to a period of seven years. Thus, being personally liable, the intermediaries are rid of any incentive to stand up for the freedom of speech and expression.[427]

Clearly, these new amendments have enough power to regulate the independence and performance of news media, given the possibility of government clampdowns through the Information Technology Act 2000 and its subsequent and proposed amendments.

Moreover, while there is no specific liability regulation for mobile platforms, Section 2 (1) (l) of the IT Act 2000 defines a "computer system" as a "device or collection of devices including input/output devices … which contain computer programs, electronic instructions, input data and output data, that performs logic, arithmetic, data storage and retrieval, communication control and other functions."[428] Smartphones—and even basic phones—can be legally interpreted as a "computer system." Hence, technically all intermediary liability applicable to internet companies is applicable to mobile telecoms operators. For them, explains Subho Ray, President of the IAMAI, "the entire voice generation content ideally comes under the intermediary guidelines as user generated content."[429] Mr Ray notes that most VAS companies are vendors to the telecoms operators, and if there were a liability involved in any content they provided, that would have been explained and audited by the operators before allowing access to the pipes to any VAS vendor, or the service would have been declined on the grounds of non-compliance.[430]

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425. *Avnish Bajaj* v. *State*, 150 (2008) DLT769.

426. An intermediary is defined as "any person who on behalf of another person receives, stores or transmits a message or provides any service with respect to that message."

427. Interview with Pranesh Prakash, lawyer with the Center for Internet and Society, Bangalore, 29 June 2011.

428. Ministry of Law and Justice, Information Technology (Amendment) Act, 2008, New Delhi, 5 February 2009, at http://www.mit.gov.in/sites/upload_files/dit/files/downloads/itact2000/it_amendment_act2008.pdf (accessed 23 April 2011).

429. Interview with Subho Ray, President, IAMAI, New Delhi, March 2012.

430. Interview with Subho Ray, President, IAMAI, New Delhi, March 2012.

What brings complexity to the issue of liability are the resulting circumstances news outlets find themselves in, which has tended to influence their behavior. For one thing, corporate, political, and other interest groups have been monitoring online content, including blogs, much more closely than before. Sandipan Deb, the former Editor of *Open* and former Managing Editor of *Outlook*, says:

> Big companies hire agencies to constantly trawl blogs and other online spaces. These are obviously important for the corporations to advertise products and services, and send the right messages about themselves. Many bloggers are paid to test products and taken on junkets by companies [which] pay attention to what is being said about them on Blogs, social networks and other spaces.[431]

Corporate and political groups are equally quick to take legal and other action against critical content, even if it is on individual blogs or appears as status updates on social networks. The legal tensions between the IIPM, which runs a chain of business schools and manages other businesses (including media), and several media organizations is a case in point. The IIPM successfully forced bloggers like Rashmi Bansal (Youthcurry.blogspot.com) to remove online content. More recently, Vodafone's Indian entity sued a customer for "false allegations" and "defamatory statements" on the latter's Facebook status.[432]

An equally strange incident pertains to the business daily *Financial Chronicle*, recalled by its former Associate Editor Hardev Sanotra: the leading diversified conglomerate Sterlite, in an ongoing case, sued the newspaper for adverse comments by a reader in response to an online article.[433] Journalists say even after so-called critical or adverse content is removed from a news website, some business houses lodge complaints, arguing that such content can still be accessed through a search engine's servers' cache.

Recently, 22 social networking companies, including Google, Inc. and Facebook, Inc., were asked by a lower court in New Delhi to submit compliance reports on what they had done to remove offensive content from their sites. All did so in a bid to prove they did monitor content on a regular basis.[434] In such an environment, even the news websites/portals have become more sensitive to content uploaded on their sites. Says Sundeep Khanna, Editor at Livemint.com, the website of India's second-largest business daily:

> One has to understand that the pace on the internet is quite fast; content is uploaded almost immediately unlike a print publication or TV channel where the normal editing process can go through 3–4 filters. Therefore, we have decided to be more careful. Apart from the usual disclaimer on blogs and online columns that these represent personal views of the writer, we make sure sensitive stories are carefully read before they are uploaded. Our advantage is that if our facts are wrong or half-correct, they can be quickly removed after a complaint.[435]

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431. Interview with Sandipan Deb, former Editor, *Open,* and former Managing Editor, *Outlook*, New Delhi, March 2012.

432. See http://www.pluggd.in/vodafone-dhaval-valia-case-on-facebook-post-297 (accessed 8 December 2012).

433. Interview with Hardev Sanotra, former Senior Editor with *India Today*, *Tehelka*, and *Financial Chronicle*, New Delhi, February 2012.

434. See http://webcache.googleusercontent.com/search?q=cache:http://www.pluggd.in/google-facebook-remove-content-in-india-297 (accessed 8 December 2012).

435. Interview with Sundeep Khanna, Editor, Livemint.com, New Delhi, March 2012.

The overall trend emerging suggests that both the general legal environment created by explicit liability statutes pertaining to all internet content and specific cases of liability pertaining to news outlets together created a milieu that has often indirectly or tangentially shaped the behavior and response of news media.

7.2 Regulators

News content in broadcasting and radio is regulated by the Programming and Advertising Code, 1975 drafted by the MIB and initially meant for the state-owned DD and AIR. This same code was included in the Cable Television Networks (Regulation) Act 1995, which governs the C&S television sector, and was subsequently extended to private FM radio channels. It has vague, over-encompassing clauses, such as the content cannot offend "good taste or decency," be critical of friendly countries, attack religious and other communities, deal with obscenity and half-truths, and incite violence. But these are mere guidelines and are recommendatory in nature. In most cases of violation, the MIB asks a channel to run a "scroll of warning" and/or to telecast the content at a different time; only in rare cases—although never for news—is the channel banned.[436] Since there are no transparent mechanisms to challenge MIB orders, most channels comply with very rare exceptions.[437]

In the past six years, the MIB has twice sought to introduce a Broadcasting Bill in parliament, which was intended to strengthen the content code, especially for television news channels. Although both times this was not cleared by parliament, this initiative scared television news channels into developing a coherent institutional self-regulatory mechanism. This led to the News Broadcasters Association (NBA)—a trade body set up in 2007—to formulate guidelines for self-regulation of news content; violations are dealt with by an industry redress body headed by a retired Chief Justice of India. However, such protocols are applicable only to NBA member channels, such membership not being mandatory for all news channels.

Print content is regulated by the Press Council Act, 1965 which sets out a different code of conduct for newspapers and journalists. The PCI, set up under the Act, can only act on complaints and demand an apology from or impose a fine of Rs 10,000 on the concerned publication. The 2011 amendments to the Act gave powers to district magistrates to ban a publication if its content led to a law and order situation. But there are indirect ways the government can control print content. The above amendments also bind publications to reveal details of their advertising revenues and list of advertisers; this makes it easier for the MIB or other government bodies to identify and pressure major advertisers.

436. For instance, in 2006, AXN was banned for a year for a program entitled "World's Sexiest Advertisements."

437. In November 2010, the MIB issued directions to the entertainment channel Colors to shift the timing of its reality show "*Big Boss*" from prime time (9 p.m.) to after 11 p.m. The channel obtained a stay from the Bombay High Court; Apar Gupta, "The Legal Limits of Reality Television, Part 2: beeps, blurs and scrolls," India Law and Technology Blog, at http://www.iltb.net/2010/10/the-legal-limits-of-reality-television-part-2-beeps-blurs-and-scrolls/ (accessed 7 July 2011) (hereafter Apar Gupta, "The Legal Limits of Reality Television").

Similarly, the government can ask the DAVP, which releases all central government advertising and is the lifeline of most small newspapers, to hold back or dilute its advertising spend in publications critical of the government, as several recent instances have revealed.[438] On the face of it, English publications get a massive proportion of the DAVP's annual advertising spend—e.g. 40 percent in 2009–2010—compared to the far smaller amounts allocated to other languages, predominantly published in the states.[439] However such vernacular regional and local dailies tend to be particularly dependent on small sums of government advertising, since this could amount to a very large, sometimes determining, proportion of their total advertising, and perhaps even circulation, incomes. This makes smaller newspapers in the vernaculars more vulnerable to pressures on editorial matters

Information on the internet is largely unregulated, but the government has taken strict action against social media and search sites for inflammatory content, as explained elsewhere in this chapter. Section 69 A of the Information Technology Act specifically provides the government with powers to take down pages and block online content. As Prashant Sugathan, quoted earlier, explains: "The rules for such procedure have been laid out in the Information Technology (Procedure and Safeguards for Blocking for Access to Information) Rules, 2009."[440]

In the case of licensing norms, the Press Registration Act, 1967 (amended several times since) states that all newspapers and magazines must register with the Registrar of Newspapers of India (RNI), which also decides whether a media organization can own a specific title. Throughout the 1990s and early 2000s, there were no licensing rules for broadcasters and distributors; even the Cable Television Networks (Regulation) Act, 1995 only stipulated that last-mile cable operators and MSOs (cable head-end operators) should follow the existing laws of the land, which were not specific to them. In any case, all broadcasters uplinked their programming from outside India and, thus, did not come under the ambit of any Indian laws.

Since digitization, a slew of Acts and policy guidelines came into being; these included several amendments to the Cable Television Networks (Regulation) Act 1995; the Uplinking[441] and Downlinking[442] Guidelines in 2005; Direct-To-Home Service Guidelines in 2004; and Internet Protocol Television (IPTV) Guidelines, among others. These fixed eligibility criteria for broadcasters and DTH players; those for broadcasters were changed through uplinking amendments in 2011.

The broadcast sector is partially regulated by the TRAI, which was set up in 1997; through 2004 amendments, the multi-sectoral regulator's jurisdiction was extended to cover not the content, but limited to ownership, carriage, interconnection, and pricing issues. Clause 3.1 of the TRAI's Broadcast and Cable

438. Maneesh Pandey, "Home ministry cracks whip on Kashmiri newspapers over 'anti-India' news," *Mail Today*, 11 October 2011, at http://india-today.intoday.in/story/home-ministry-cracks-whip-on-kashmir-media-over-anti-india-news/1/154451.html (accessed 20 September 2012).

439. "Indian Government's Print Advertising Spend 2009–2010," MediaNama, 12 April 2011 (accessed 7 January 2013).

440. Interview with Prasanth Sugathan, Legal Counsel, Software Freedom Law Center, New Delhi, March–April 2012.

441. The process of linking signals from the broadcasters' on-ground station to a satellite.

442. The process of downloading the uplinked signals from the satellite on to an on-ground receiver, from where it is transmitted to the end customer.

443. *Suo Moto* v. *State of Rajasthan*, RLW 2005 (4) Raj 2741.

Interconnection Regulation forbids broadcasters from engaging in any practice or activity—or from entering into an understanding, arrangement, or exclusive contract—that prevents distributors from obtaining television signals. Clause 3.2 requires broadcasters to provide television signals on non-discriminatory terms to distributors that request their signal.

7.2.1 Changes in Content Regulation

Some changes in television content regulation have been catalyzed by judicial activism. In 2004, the Rajasthan High Court directed the central and Rajasthan governments to offer concrete suggestions on curbing what they termed "the menace" of depicting women in an indecent manner in newspapers, magazines, advertisements, television programs, posters, and music videos.[443] In September 2005, the central government then set up district and state-level committees to monitor and address complaints regarding content aired over cable television and to take action. Although the MIB formalized the constitution of state and district level committees through an order dated 19 February 2008, thanks to bureaucratic and other delays, only the states of Pondicherry and Jammu and Kashmir have complied.[444]

However, in 2008, the MIB set up the Electronic Media Monitoring Centre (EMMC) to monitor television programs across 150 television channels across the country; the EMMC also acts as a platform for complaints against broadcasters who violate content code under the Cable Television (Network) Regulation Act 1995.[445] The Monitoring Committee was directed to submit a report on obscenity in hoardings and other advertisements and on television. The Committee was asked to scrutinize television programs telecast by various channels as well as newspapers in order to identify ads, photographs, or material "compromising the dignity of women and at the same time corrupting and degrading those whose minds are open to immoral influence." The other instrument leveraged to regulate the broadcast media is the Inter Ministerial Committee on Regulating Television Content set up by the MIB in January 2005 to look into complaints, taking suo moto or otherwise cognizance of programs and advertisements violating the Program and Advertising Codes under Rule 6 of the Cable Television Network Rules 1994.

Based on the feedback from these monitoring mechanisms, between October 2004 and April 2011, the MIB issued 180 advisories against television channels—the overwhelming majority of which were for non-news channels and largely concerned "obscene," "indecent," or "vulgar" items that violated the Program and Advertising Code between 2008 and 2011.[446] According to the lawyer Apar Gupta, "The enforcement under this has been sporadic and ad-hoc … There is no consistent line and uniformity in enforcement and the entire process is plagued by bureaucratic subjectivity."[447]

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444. Apar Gupta, "The Legal Limits of Reality Television."

445. See http://emmc.gov.in/ShowArticle.aspx?id=NTA1 (accessed 3 May 2011). Earlier, the Central Monitoring Service (CMS) was entrusted with the monitoring of radio and TV networks. In addition, it was monitoring content broadcast by TV/radio channels with reference to violations of the Advertisement and Program Codes enshrined in the Cable Television Networks Regulations Act 1995 and Rules framed thereunder. After the CMS was shifted from the administrative control of the MIB, the establishment of a separate Electronic Media Monitoring Center was visualized.

446. "Details of Orders/Warnings/Advisories issued to private TV channels for Violation of Program and Advertising Code," at http://mib.nic.in/writereaddata/html_en_files/content_reg/OrdersWarningsAdvisories.pdf (accessed 7 July 2011).

447. Interview with Apar Gupta, Partner, Advani & Co., New Delhi, April 2012.

The interconnection regulations of TRAI mentioned above could have an impact on ensuring pluralism and diversity in digital broadcasting. The Telecom Disputes Settlement Appellate Tribunal (TDSAT), the arbitration arm of TRAI, explored the ambit of these provisions in an important case, Sea TV Network v. Star India (Sea-I)[448]—a dispute between Star TV, a broadcaster, and Sea TV, an MSO, regarding access to television signals. While Star India insisted that Sea TV should obtain signals from its designated distributor, Sea TV refused, saying that the designated distributor was a competing MSO. While deciding in favor of Sea TV, TDSAT said some broadcasters were very strong because of vertical integration, leading to disparities in bargaining power. TRAI had issued the regulation in question to prevent unfair and arbitrary practices and ensure that broadcasters and MSOs do not deny signals to their competitors.

In the recent past, the regulator has taken action against online news content. The Google transparency report for the period January–June 2011 lists 236 requests from the government for removal of content from Orkut and 19 from YouTube, although such content may not come under the category of news-related content.[449]

It is thus amply clear that while media infrastructure is under-regulated in India, media content is increasingly regulated. What is more concerning is that content regulation is explicitly conducted by the executive and implicitly by the judiciary, thereby bypassing any debate and endorsement by the legislature—i.e. by directly elected representatives.

7.2.2 Regulatory Independence

The mandate of the communication and media industry regulator in India, TRAI, is limited to recommendations to concerned ministries. While this multi-sector regulator makes recommendations on matters ranging from spectrum usage, pricing of cable channels, measuring the quality of telecoms services and broadband speeds, the MCIT and MIB, or a combination of them or these together with others (such as the Ministries of Defense, Home, Finance, Education) relevant to the case are vested with decision-making. Hence, the government reigns supreme over the regulator—whose members themselves are usually appointed by the ruling political party.

Hitherto, no politicians have been appointed as members of TRAI—perhaps largely because the bureaucracy sees it as its own turf, where usually retired civil servants are appointed, save for the odd retired judge. However, political parties are able to influence the digital environment indirectly—through the concerned ministries, and by being members of parliament. Thus, parliamentarians with interests in the communication and media—such as those owning television channels listed in section *6.1.2* and print products—are in a position to exercise leverage on policy that bypasses the regulator, rather than the ideal reverse scenario. They can do so either as members of different parliamentary committees (Standing Committees, Public Accounts

448. Petition No. 41 (C) of 2005 (2005), 5 Comp LJ 462 (TDSAT, 24 August 2005), cited in Vikram Raghavan, *Communications Law in India*, Lexis Nexis (Butterworths), New Delhi, 2007, pp. 602–603.

449. Interview with Prasanth Sugathan, Legal Counsel, Software Freedom Law Center, New Delhi, March–April 2012. For a list of blocked sites referred to here, see http://blogs.outlookindia.com/default.aspx?ddm=10&pid=2781 (accessed 10 January 2013).

Committee, Committees of Public Undertakings), consultative and independent government committees, or through their ability to ask parliamentary questions and being participants in parliamentary debates on policy and finance issues related to the media.

7.2.3 Digital Licensing

A potential C&S television broadcaster has to obtain two licenses: a grant of permission agreement from the MIB, followed by a wireless operational license from the WPC. After this, the broadcaster applies to the WPC for spectrum assignment. Each uplink/teleport station is allocated a band of spectrum, or if the license is for a channel, the television channel is allocated a frequency after the license has been obtained and the WPC notifies the broadcaster regarding the appropriate license and spectrum fees. Licenses are granted for 10-year terms.

In October 2011, the MIB revised a key clause in the eligibility for licenses for television news channels: the minimum net worth of the applicant company was raised from Rs30 million (US$ 556,000) to Rs 200 million (US$3.7 million),[450] affectively disabling smaller entities from even being considered. Moreover, the higher entry barrier for news channels may be interpreted as recognition by the government that the segment is tight on profits, with most existing channels bleeding; hence fresh applicants need to have a financial cushion to compete.[451] The other clause that was revised concerned license renewal for existing channels, since the 10-year license term was set to end for many. The revised eligibility criteria made it tough for channels violating the program code (section *7.2.1*) on more than five occasions.

Toward the end of 2012, discussions on licensing in the broadcasting sector came alive. On 30 November 2012, the MIB sought clarifications from TRAI as to whether state or central governments could be allowed to enter into the broadcasting or distribution of channels. TRAI was emphatic that central government ministries, departments, companies, joint ventures, or entities belonging to or funded by central and state governments "should not be allowed to enter in to the business of broadcasting and or distribution of television channels."[452] In early 2013, an inter-ministerial group was formed to examine TRAI's recommendations—once again the administrative ministry, MIB, overrode the regulator.

It is not unlikely that the MIB's initial reference to TRAI at end-November was politically motivated: in July 2012 the Tamil Nadu government's Arasu Cable applied for a digital MSO license; subsequently, two other opposition-ruled state governments approached the MIB with proposals related to broadcasting[453]—one being the Gujarat government, whose Chief Minister is seen as the biggest challenger of the central

450. For non-news channels, it increased from Rs15 million (US$ 272,727) to Rs50 million (US$ 909,090).

451. Of the 745 private satellite TV channels granted permission by the MIB, as of 31 August 2011 (366 in news and 379 in non-news) over 150 channels are non-operational despite a valid license, while over three dozen licensees started up, but closed shop due to financial or other reasons: Ashish Sinha, "Broadcasters vs. Regulators," *Financial Express*, 10 November 2011, at http://www.financialexpress.com/news/broadcasters-vs-regulators/858401/0# (accessed 8 December 2012).

452. See http://www.trai.gov.in/WriteReadData/Recommendation/Documents/RECOMMENDATION.pdf (accessed 9 January 2012).

453. The desire by state governments to launch their own channels is different from the central government-controlled Prasar Bharati's channels in various languages for the states (Section 2.1).

government in the national election of 2014, which had launched NaMo TV, a ground-based channel in October 2012. But because NaMo TV was launched a day after state election schedules were announced, it was immediately shut down pending clearances by the Election Commission—and not by the MIB, since technically NaMo TV was not "broadcasting."[454]

There is no system of licensing in the cable distribution business; the only related provision is Clause 3 of the Cable Television Networks (Regulation) Act 1995 mandating registration of cable operators with the nearest post office.[455] Licensing has been made impractical even retrospectively because of the 50,000-plus cable operators in India. However, licensing is feasible when it comes to a limited number of operators involved in the digitization of broadcast services. Consequently, in 2005 TRAI argued two advantages of introducing a licensing system under the Act: one, to provide the government with a framework to ensure operators meet certain minimum conditions; and second, to provide operators with a clear definition of the area and a basis for them to obtain financing.[456]

As with cable operators, for a long time MSOs needed to only register with a post office. From August 2006, MSOs had to get permission (not a license) from the MIB and declare their ownership and areas of operation. In January 2012, after the Cable Television Networks (Regulation) Amendment Act was passed in December 2011, digital MSOs were mandated to seek a license from the MIB and a clearance from the Home Ministry. Although this license is cost-free and carries no minimum criteria of net worth, as with broadcaster licenses, it requires a series of disclosures by MSOs, including their net worth, the number of cable operators they deal with, the households they serve, and the STBs they have obtained. Following this, analog MSOs wanting to commence digital services have to apply afresh to get such a license.

The need for analog MSOs to apply afresh for digital licenses and debates over government entities owning cable companies combined, along with the usual dose of party politics, to illustrate a lack of fairness in cable licensing. Arasu Cable, the government-owned MSO in the state of Tamil Nadu, has been waiting for its digital addressable system (DAS) license from the MIB—though nine other MSOs from Tamil Nadu have already received theirs. Without a digital license, Arasu Cable would lose out to SCV—the dominant MSO in the city and state—when the switch-over in the state capital, Chennai, finally takes place, as well as subsequently in the rest of the state (see section *6.3.1*). One explanation of the effective denial of a license to Arasu Cable, though unofficial, has been the debate, ignited by TRAI, about government bodies receiving

454. Although a week later the CEC cleared NaMo's launch with conditions for monitoring political advertisements, when the same incumbent Chief Minister had launched a TV channel distributed through the internet during the previous election of 2007, it was found to be violating the law by the EC; "NaMo TV in Gujarat and Lotus TV in Tamil Nadu: BJP on air," 2 October 2012, at http://www.ndtv.com/article/india/namo-tv-in-gujarat-and-lotus-tv-in-tamil-nadu-bjp-on-air-274649 (accessed 13 December 2012).

455. This clause reads, "No person shall operate a cable television network unless he is registered as a cable operator under this Act: Provided that a person operating a cable television network, immediately before the commencement of this Act, may continue to do so for a period of ninety days from such commencement; and if he has made an application for registration as a cable operator under section 4 within the same period, till he is registered under that section or the registering authority refuses to grant registration to him under that section," at http://tdsat.nic.in/books/THE%20CABLE%20TELEVISION%20NETWORKS%20(Regulation)%20Act.doc (accessed 7 July 2011).

456. TRAI, "Consultation Paper on Digitalisation of Cable Television," New Delhi, January 2005, pp. 20–21, at http://www.trai.in (accessed 27 April 2011). In 2020, TRAI issued detailed recommendations for licensing LCOs and MSOs, but they were not accepted; see http://trai.gov.in/WriteReadData/Recommendation/Documents/finalreom5agust.pdf (accessed 27 April 2011).

television and MSO licenses, which the MIB is said to be considering. But the politicization of licensing is the most likely reason, since the political interests affiliated with the owner of SCV—the DMK party currently in opposition in Tamil Nadu—is an important coalition partner in the central government, while the ruling regime in Tamil Nadu, desperately canvassing for Arasu Cable's license, forms part of the opposition in the central government.

Precisely because DTH and HITS require and occupy spectrum, matters of licensing naturally arose. DTH is licensed by the MIB based on guidelines for eligibility criteria, application procedure, and conditions for the license.[457] The main controversy over DTH licensing was around mandating technical interoperability (which concerns whether consumers could shift DTH operators without buying a new STB) among license providers. TRAI had recommended that technical interoperability be retained in DTH licensing to protect consumers,[458] and that conditions be amended to oblige service providers to inform and educate consumers about the limited technical interoperability of STBs with personal video recorders and digital video recorders. TRAI also recommended DTH service providers be encouraged to rent basic or advanced STBs to consumers, but that there should be no dilution in the technical interoperability conditions as they exist today. Based on these recommendations, in September 2007, TRAI issued a directive to DTH operators seeking to sort out interoperability issues.[459] The decisions and debates emanating from this, detailed earlier (section *5.2.1*), suggest that until DTH licensing clauses on technical and commercial interoperability are fully addressed, the licensing framework will remain unfair to consumers and rival, especially late-entrant, DTH operators.

2G mobile licenses were auctioned until 2001, when the policy shifted to a FCFS basis, where licenses were bundled with a minimum spectrum allocation (see section *5.1.1*). After this led to a huge scam in 2008 with the allotment of 122 licenses, and subsequent cancellation of the licenses by the Supreme Court in 2012, the policy was reverted back to auction. Under the 2012 national telecoms policy,[460] licenses have been delinked from the minimum spectrum that came bundled with the former; while licenses will be given at a nominal rate, spectrum will be charged according to the market price established through an open auction.

3G mobile telephony spectrum, 4G, and Broadband Wireless Access (BWA), commonly known as WiMAX, along with private FM radio, have been licensed through the auction system, justified by earlier TRAI

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457. MIB, "Guidelines for DTH Broadcasting Service in India," New Delhi, 16 March 2001, at http://www.indiantelevision.com/dth/dth11.htm (accessed 2 May 2011). Licensing criteria stipulate that the entity has to be an Indian company registered under the Companies Act 1956; the total foreign equity holding including Foreign Direct Investment (FDI), Non-resident Indian (NRI), Overseas Corporate Body (OCB), Foreign Institutional Investor (FII) is not to exceed 49 percent, of which the FDI component is not to exceed 20 percent; broadcasting companies and/or cable companies shall not be eligible to collectively own more than 20 percent of the total equity of a DTH company, while the latter cannot have more than a 20 percent equity share in a broadcasting and/or cable company; no restrictions on the total number of DTH licenses; license will be valid for a period of 10 years. Payments include an initial non-refundable entry-fee of Rs 100 million to the MIB, a Bank guarantee to the MIB for Rs 400 million valid for the duration of the license, an annual fee equivalent to 10 percent of its gross revenue as reflected in the audited accounts and finally, a license fee and royalty for the spectrum used as prescribed by the WPC, under the DoT.

458. TRAI, "Recommendations on Licensing Issues Related to DTH," New Delhi, 2006, p. 7, at http://www.trai.in (accessed 11 July 2011).

459. "TRAI issues directives for DTH Operators in India," at http://www.techenclave.com/dth-cas-iptv/trai-issue-directives-dth-operators-34675/ (accessed 11 July 2011).

460. *National Telecom Policy—2012*, Department of Telecommunications, MCIT, Government of India, at http://www.dot.gov.in/ntp/ntpindex.htm (accessed 13 December 2012).

recommendations.[461] The DoT auctioned off the BWA frequencies in 2010, but there was a strange condition, pegging the WiMAX spectrum base price at 25 percent of the reserve price fixed for 3G spectrum.[462] While 3G is the domain of mobile telephony operators, this linkage was unfair in terms of WiMAX since smaller ISPs also might be interested in bidding but unable to afford it. The 3G auctions earned the government Rs 677,189 million (US$ 12,549 million). Further, ISPs are concerned about the required net worth in excess of Rs1 billion (US$18.5 million)[463] for internet telephony (Voice Over Internet Protocol) which ISPs could easily provide, bringing competitiveness into the sector and reducing costs to the consumer.

The government-owned AIR enjoys advantages over both private FM and community radio (CR) stations as it does not pay any license fee—though it pays spectrum user charges like the other two. Moreover, AIR is the only radio licensee allowed to broadcast news.[464] While private FM licenses, valid for 10 years, entail an OTEF and revenue share, these are not levied on CR stations whose license is for five years only. But the biggest hiccup in CR licensing, which is unfair to rural stations in particular, is that they have to come to the capital, New Delhi, for frequency allocation and then again for their Wireless Operating License (WOL). The frequency allocation is arbitrary, the online application—the technical terms of which grassroots communities find tough to understand—is mandatory, and the process can take over six months. Even the MIB has admitted the dependence on inter-ministerial clearances for community radio applications causes delays, in addition to a long and cumbersome licensing procedure.[465]

7.2.4 Role of Self-regulatory Mechanisms

While TRAI suggested self-regulation as a possible method to regulate DTH service quality standards,[466] mechanisms and debates around self-regulation have largely concerned media content. Here, self-regulatory bodies have emerged at the industry level, beginning with the Advertising Standards Council of India (ASCI), which in 1985 laid down the Code for Self-Regulation in Advertising.[467]

News channels created the NBA and formed a nine-member body in October 2008, the News Broadcasting Standards Authority (NBSA)—including four editors from different news channels and four "eminent persons" from different walks of life, with a returned judge serving as the chair.[468] In February 2009, the

461. TRAI, "Consultation Paper on Allocation and Pricing of Spectrum for 3G Services and Broadband Wireless Access" (see Annexure J), New Delhi, 12 June 2006, at http://www.trai.gov.in/WriteReadData/trai/upload/ConsultationPapers/85/Consultation12jun06.pdf (accessed 21 June 2011).

462. Thomas K. Thomas, "DoT Suggests Wi-Max Base Price at 25% of 3G Reserve," *The Hindu Business Line*, 31 July 2010, at http://www.thehindubusinessline.com/todays-paper/article1058460.ece?ref=archive (accessed 24 June 2011).

463. Internet Service Providers Association of India, "How to Become an ISP," at http://www.ispai.in/HowToBecome-ISP.php (accessed 7 June 2011).

464. Only in March 2011 did the government permit private FM radio stations to broadcast news as long as it was sourced from AIR; see http://www.dnaindia.com/india/report_private-fm-radio-channels-tobe-allowed-to-carry-news-sourced-from-air_1525484 (accessed 20 April 2012).

465. MIB, "Strategic Plan 2011–17," pp. 14–15.

466. TRAI (2007), "Consultation Paper on Issues Related to DTH," New Delhi, March, p. 27, at http://www.trai.in (accessed 28 April 2011).

467. Advertising Standards Council of India, at http://www.ascionline.org/ (accessed 30 June 2011).

468. For details and current composition, see http://www.nbanewdelhi.com/authority-members.asp (accessed 3 December 2012).

NBSA issued guidelines on a wide range of issues, including accuracy, privacy, impartiality and fairness, decency, and good taste, meant to elaborate its 2008 principles of self-regulation. However, the NBSA's compliance and penalties can be levied only on news channels that are members.

The Indian Broadcasting Federation (IBF), the trade body of non-news channels, has its own content code for all non-news and entertainment channels.[469] The self-regulatory authority it created, the Broadcasting Contents Complaints Council (BCCC), comprises persons from within the MIB and national-level statutory commissions; it is also chaired by a retired Judge of the Supreme Court or a high court. Broadcasters are asked to categorize all content, based on how explicit the images shown are, to indicate whether it is suitable for unrestricted viewing or not.[470]

In the case of newspapers, the PCI, a statutory body, was set up more than 30 years ago—although even in cases of violation of journalistic ethics, it can only admonish or censure news outlets. There have been frequent calls to amend the Press Council Act of 1978 to give it more teeth and bring electronic media within its ambit. Its current chairman, former Judge of the Supreme Court, Justice Markandey Katju, openly canvassed for this, repeatedly and vehemently emphasizing that self-regulation is not working: "In fact there is no such thing as self-regulation, which is an oxymoron. Everybody is accountable to the people in a democracy, and so is the media," he states.[471]

A candid admission of the failure of self-regulation in the digital environment emerged from the NBA itself in the context of a Supreme Court case on the need for a framework for reporting court proceedings. The NBA urged the Supreme Court to frame guidelines for the regulation of television channels, stating that self-regulation did not have the desired effect;[472] going further, the NBA counsel argued that though the association had brought in self-regulation, it had no legal sanctions, and of the 46 news channels, only 21 were NBA members and self-regulation would not bind the others.

7.3 Government Interference

Traditionally, incumbent governments directing advertisements from the DAVP and ministerial budgets for publicity to chosen newspapers have typified state mechanisms distorting media markets. The other major mechanism was the tweaking of the newsprint price in the years when its production, purchase and/or imports were tightly controlled. However, the aims of both mechanisms were not expressly commercial

469. Indian Broadcasting Foundation (IBF), "Self-Regulatory Content Guidelines for Non-News and Current Affairs Television Channels," at http://ibfindia.com/guidelines.php (accessed 12 June 2011) (hereafter IBF, "Self-Regulatory Content Guidelines"). IBF Guidelines are modelled on the MIB's Content Code proposed as part of the Broadcasting Services Bill 2007, but not cleared by parliament.

470. IBF, "Self-Regulatory Content Guidelines." The categories are: "Crime and Violence," "Sex, Obscenity and Nudity," "Horror and Occult," "Religion and Community," and "Harm and Offense."

471. "Justice Markandey Katju clarifies," *The Hindu*, 15 November 2011, at http://www.thehindu.com/news/national/article2629257.ece?homepage=true (accessed 30 March 2012).

472. J. Venkatesan, "Editors Guild opposes norms for reporting on court proceedings; NBA feels need," *The Hindu*, 30 March 2012, at http://www.thehindu.com/news/national/article3259342.ece (accessed 3 April 2012).

(i.e. to promote or support certain news outlets) but, rather, political (i.e. to appease—or needle, as per the case—newspaper proprietors whose publications tend to be critical of ruling regimes), battling over limited supplies of newsprint and/or advertising budgets, in return for favorable reportage.

7.3.1 The Market

Perhaps the most compelling and sustained distortions of television and cable markets—and one directly led by government-backed entities rather than by government policy—have unfolded in Tamil Nadu. This state has among the largest number of C&S television consumers.[473] One of the main election planks leading up to the 2006 state elections was the distribution of free color television sets to poor families. This decision by the incumbent political party, the DMK, contributed to distorting the reigning television market in Tamil Nadu as it suddenly and artificially boosted demand for cable connections and subscriptions—which benefitted one of the Maran[474] brothers, nephews of the DMK's chief, one of whom is the majority owner of the state's dominant MSO, Sumangali Cable Vision.

The case of Arasu Cable Corporation, also in Tamil Nadu but owned by the state government, provides further instances of market distortion, perhaps at multiple levels. Most immediately, the long-pending clearance of Arasu's digital license (see section *7.2.3*) amounts to the MIB distorting the cable market in Tamil Nadu, where Arasu was in second position. While Arasu's clearance was held up, nine private MSOs from Tamil Nadu received digital licenses from MIB, thereby reshaping the battle for subscribers in many pockets of the state's emergent digital cable market.[475] The central government's delay in granting Arasu a digital license—clearly stemming from political differences between the state and central government—seems to have fueled repeated extensions of the switch-over deadline in Chennai; this also led to around 500 local cable operators joining hands to launch their own MSO, Tamil Nadu Cable Communications Ltd,[476] which may also change market dynamics in the city.

There have been rare attempts by the state broadcaster to distort markets: in late 2010, Prasar Bharati dropped eight channels, including three from the Zee Group from DD Direct, the public broadcaster's rent-free DTH service. Prasar Bharati felt that the channels' viewership was low and therefore did not wish to renew their agreements after their expiry in January 2011. Zee took the matter to TDSAT, which asked DD Direct to reinstate the Zee channels, among others, ruling that the decision was against regulations.[477]

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473. A survey by the Francis Kanoi marketing research group in 2009 revealed that Tamil Nadu, with over 5 million cable TV homes, is present in 14 percent of the total cable TV homes in the country; see TRAI, "Consultation Paper on Digital Addressable Systems," New Delhi, 2011, p. 9, at http://www.trai.in (accessed 27 April 2011).

474. One is a senior national DMK figure and ex-Union Telecoms minister, the other the proprietor of the dominant Tamil TV network SUN Group, and a majority stakeholder in the state's dominant cable network, Sumangali Cable Vision.

475. "Jayalalithaa writes to PM on cable digitization," Livemint.com, 17 December 2012, at http://www.livemint.com/Politics/lbZONh1NlFd85Jd-NhTGHfO/Jayalalithaa-writes-to-PM-on-cable-digitization.html?facet=print.

476. Gireesh Babu, "Chennai cable operators to launch own MSO company," *Business Standard*, 11 January 2013, at http://www.business-standard.com/india/news/chennai-cable-operators-to-launch-ownmso-company/498436/ (accessed 26 November 2012).

477. *Zee Turner* v. *Prasar Bharti*, TDSAT Petition No. 195(c) of 2008, date of judgment 15 December 2008.

7.3.2 The Regulator

As TRAI's regulation is limited to making recommendations to concerned ministries, the scope for abuse is limited.[478] However, Subho Ray, President of the IAMAI, says that often security or public and national safety are used as a stick to beat the industry: "companies are sometimes called individually by TRAI and told that there are complaints against them, without [providing] details, and asked to mend their ways."[479]

7.3.3 Other Forms of Interference

Politicians in many states who also own cable infrastructure tend to viciously blank out broadcasters and programs critical of them. In some cases this happens when their business interests are exposed, as with the infamous Bellary brothers in Karnataka,[480] or in Punjab where small, independent channels[481] reporting unfavorably on the government were blacked out by Fastway Cable, which is closely associated with the ruling dispensation in the state[482] (see section *5.3.2*).

Other instances of extra-legal pressure involve potentially rival news outlets from entering the market. In the run-up to the state elections in Tamil Nadu in May 2011, the DMK reportedly put pressure on the MIB—since it was an important national government coalition partner—to delay granting a license to the Captain TV channel, since its promoter, actor turned politician Vijaykanth, was a rival in the elections.[483]

Police and paramilitary forces in pockets of the country witnessing sub-national and/or secessionist conflict, especially armed movements, are reported to routinely use extra-legal measures to intimidate and harass journalists.[484] In Jammu and Kashmir, security forces and government authorities regularly apply pressure to make sure the media are not overtly critical of the Indian government's role in the state. Harassment of journalists, especially local journalists based in the Kashmir valley, is reported to be quite common.[485]

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478. For details of the regulatory framework and its relationship with media policy research and advocacy, see B. Das and V. Parthasarathi, "Media Research and Public Policy: Tiding Over the Rupture," in R. Mansell and M. Raboy (eds), *Handbook on Global Media and Communication Policy*, Wiley-Blackwell, Oxford, 2011.

479. Interview with Subho Ray, President, IAMAI, New Delhi, March 2012.

480. In 2011, a documentary on illegal mining by the three Reddy brothers from Bellary, then ministers in the Karnataka government, telecast on the English news channel CNN-IBN, was blanked out in seven districts of the state where they owned cable networks; Foundation for Media Professionals, "Let Media Industry Self-Regulate with Legislative Backing: Says Editor's Guild President Rajdeep Sardesai," 12 August 2010, at http://www.fmp.org.in/index.php?p=875 (accessed 7 June 2011).

481. Day and Night Television was blocked after it carried an interview of the state Chief Minister being asked embarrassing questions; Gagandeep Ahuja, "Day and Night TV Channel Blocked on Cable Network in Punjab for airing SAD controversy," *Punjab Newsline*, 15 October 2010, at http://punjabnewsline.com/content/day-night-tv-channel-blocked-cable-network-punjab-airing-sad-controversy/24927 (accessed 9 July 2011).

482. That the head of this firm is closely associated with the ruling dispensation in Punjab is noted in a Competition Commission of India judgment responding to a petition filed by an independent news channel against three cable operators of Punjab, including Fastaway Cable; *M/s Kansan News Pvt. Ltd.* v. *M/s Fastway Transmission Pvt. Ltd. & Ors.*, Competition Commission of India Case No. 36/2011 (date of order 3 July 2012), at http://www.cci.gov.in/May2011/OrderOfCommission/362011.pdf (accessed 26 November 2012).

483. Coomi Kapoor, "No Monopoly Friendship," *The Indian Express*, 4 October 2009, at http://www.indianexpress.com/news/no-monopoly-friendship/524661/ (accessed 17 April 2011).

484. "Dark times," Thehoot.org, 18 July 2010, at http://www.thehoot.org/web/home/story.php?storyid=4697&pg=1&mod=1&sectionId=6 (accessed 25 March 2012). Yumnam Ibomcha, reporter for a daily from Imphal (capital of the state of Manipur) was beaten up in July 2010 by paramilitary troopers in the Collector's office, in Imphal West district. Ibomcha had gone to the Collector's office after learning that diesel permits issued to the farmers were being triplicated in view of the acute shortage of fuel in Manipur.

485. Sualeh Keen, "Freedom Gagged," *Infochange Agenda: The Limits of Freedom*, 22 (2011), pp. 33–37.

Similarly, journalists attempting to cover the state's war on the Maoists in the state of Chhattisgarh have been routinely intimidated or threatened, including publicly, by security forces.[486]

7.4 Assessments

Although the key rationale for DTT is spectrum efficiency,[487] there is no mention of how the digital dividend will be used in the public interest. While the MCIT is keen to monetize it by auctioning those frequencies for 4G services, and TRAI has recommended that it is best used for BWA, the Planning Commission, on the other hand, has hinted at deploying the dividend to start more regional terrestrial channels, mobile reception, and/or HDTV services.[488] Spectrum efficiency is also invoked to propel digital cable, since this is argued to increase the channel relaying capacity of distributors; but the more crucial argument has been to make the entire value chain of television signal-transmission transparent,[489] thereby enhancing income for all players—subscriptions for distributors, revenue shares for broadcasters, and taxes for the government from everyone.

Precisely because cable digitization is capital-intensive—Rs60 billion (over US$1 billion) is estimated to be necessary for infrastructure upgrades by MSOs[490]—this imparts an advantage to large, corporatized MSOs over small LCOs. The second and third phases of the switch-over may require a significant upgrade of existing infrastructure and network, besides an estimated 100 million STBs, over the next five years.[491] Although by 2011 the top five MSOs accounted for less than 30 percent of national revenues in this sector, this masks the increasing market power of a handful of MSOs in many regional markets.[492] The MIB did note LCOs' fears of being adversely affected by mandatory digitization,[493] yet no effective protocols to check concentration are visible in the Cable Television Networks (Regulation) Amendment Act 2011—the sole legislative instrument governing cable digitization.[494]

The MIB's decision to simulcast DD's terrestrial feed until 2017 and ensure that its DTH service, DD Direct, provides a low-cost alternative, is aimed at minimizing the disruption brought about by switch-over. However, many viewers have old television sets that whose ports cannot be adapted to receive digital signals;

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486. Geeta Seshu, "Journalists or Dacoits?: The Media Under Attack," *Free Speech in India 2010*; selections from the Free Speech Hub of Thehoot.org, pp. 9–12, at http://www.thehoot.org/web/simages/2011-02-21-fshmonograph.pdf (accessed 21 June 2011).

487. While some frequency bands in India are exclusively for "broadcasting," others are shared with other services, such as the 800/900 MHz bands with cellular services; "Going Digital," p. 16.

488. "Going Digital," p. 2.

489. Transparent subscription systems, the MIB argues, will enable broadcasters to reduce their dependence on advertising revenue, which will, in turn, soften their anxiety for TRPs. This is expected to lead to an era of healthy content creation, and consequently, an effective content regulation in a diverse country; MIB, "Annual Report, 2011–12," pp. 105–106.

490. PTI, "Govt to push for indigenous manufacturing of set top boxes," *DNA*, 13 January 2013, at http://www.dnaindia.com/india/report_govt-to-push-for-indigenous-manufacturing-of-set-top-boxes_1788470 (accessed 13 January 2013).

491. FICCI-KPMG, 2012, p. 15.

492. MIB, "Annual Report, 2011–12," p. 93.

493. MIB, "Annual Report, 2011–12," p. 102.

494. For a crisp summary to the Cable Television Networks (Regulation) Amendment Act 2011 passed by parliament, see http://www.prsindia.org/billtrack/the-cable-television-networks-regulation-amendment-bill-2011-2059/ (accessed 10 January 2013).

furthermore, given their economic demography, such viewers are less likely to have cable or DTH access. If bottlenecks relating to the adoption of STBs for DTT are unresolved when the simulcast phase ends, there will be a sudden drop in viewership of the state broadcaster in the terrestrial mode.

Challenges posed by interconnectivity entail two protocols—interoperability of end-user devices and revenue share within the value chain. Protocols of interoperability among STBs are not designed to enhance competition, and rather lock subscribers with vendors. As for protocols of revenue share, in the digital cable regime the MSOs are to share the entire subscription revenue with LCOs, while remunerating broadcasters for their channels/bouquets.[495] But these equations do not factor in the carriage fee broadcasters pay to MSOs, according to Roop Sharma, President of the Cable Operators Federation of India (COFI)—a fee as high as Rs 300–400 million (US$5.5–7.5 million) in the Delhi region, paid in cash by newly launched channels for their signal to be relayed in the prime band.[496]

Subho Ray, President of IAMAI, notes that the central piece of legislation for the internet, the Information Technology Act, "started its journey as a promoter of e-commerce but overtime metamorphosed into a penalizing act—a tool for monitoring, blocking, taking down, and punishing intermediaries and others!"[497]

The sheer expansion of media services has naturally created a wider, and sometimes deeper, playing field for decision-making and mediation by state authorities. And since the formal legal, and sometimes legislative, protocols have not kept pace with such changes, much policymaking has been steered by the executive, which is often kneejerk, reactive, and/or ad hoc. The expansion of politicians and political parties into news broadcasting and cable distribution, compounding that already in newspapers, has only intensified the opportunities and scope for such interference by state authorities.

Tamil Nadu and Andhra Pradesh provide the starkest examples of how ownership of channels by entities in parliamentary politics can lead to unhealthy duopolies, distortion of the media market and partisan content—but also contribute to opacity and/or biasses in decisions. This recent trend is closely linked to digitization and convergence of technologies, where political parties have taken advantage of the changing media landscape by investing in broadcasting and cable business.

In the analog era, public and parliamentary debates centered on legislative changes such as during the Prasar Bharati Act, 1989. However, recently, since most important decisions are being enacted through administrative guidelines, executive orders, and ordinances issued by various ministries, there has been limited scope for public discussions. Recent media scams and other malpractices—such as paid news, Radiagate, the spectrum

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495. As per TRAI's tariff order of 21 July 2010. This is unlike in the CAS regime where broadcasters take 45 percent of pay channel subscriptions and 55 percent is shared between MSOs and LCOs. TRAI, "Issues related to Implementation of Digital Addressable Cable TV Systems," Consultation Paper No. 8/2011, New Delhi, 2 December 2011, p. 21.

496. Roop Sharma, President of Cable Operators Federation of India (COFI), is found beaming in a YouTube interview while announcing COFI's agreement with WWIL—the MSO arm of the Zee Group—whereby 25 percent of the carriage fee earned by this national MSO will be distributed among LCOs, depending upon their size; "President COFI on WWIL Sharing Carriage Revenue with LCO," 7 June 2012, *Cabletvindia*, at http://www.youtube.com/watch?v=Ty3fM7i0c_w&feature=related (accessed 10 December 2012).

497. Interview with Subho Ray, President, IAMAI, New Delhi, March 2012.

scandal, etc.—are intimately connected with digitization and have precipitated debate in the news media, and discussion in parliament and on public platforms—even if the quality and orientation of the debates is not uniform.

Consultations in the analog decades centered on state-run organizations. But deregulation and the advent of digital media technologies led to the emergence of new and diverse stakeholders who have woven their own public discourse to shape decisions by the regulator and government.[498] Although the MIB claimed to have held discussions with all stakeholders in formulating its Strategic Plan, details are still not publicly available. TRAI has been actively hosting open-house sessions to present and debate policy options. But these are invariably called at very short notice, and the accompanying consultation and study papers are shoddy. In contrast, there has long been a wide consensus among industry and civil society that the internet segment, at least since 1999 when the first IT Act was mooted, enjoyed open lawmaking, whereby the public could comment on draft laws, and recommendations were discussed. But there have been changes recently, as such openness was not followed for the 2009 rules for interception and blocking of websites. "Even the 2011 rules for intermediaries and cyber cafés did not go the full stretch, since they did not post the comments which were received through the public consultation and the responses to them before the draft was made into law."[499]

Three instances affecting content diversity can be highlighted. First, TRAI has often admitted that broadcasters are more focused on "advertiser-friendly" genres, which limit investment in niche content. This eventually restricts the variety of the content.[500] Second, periodic bans or caps on SMS messages, including TRAI's latest decision to cap all bulk SMS messages to 200 per day sent from a single SIM card, mentioned earlier, tends to impede consumer groups, activists, and independent journalists from disseminating information. Third, Section 4A of the Cable Television Networks (Regulation) Act, 1995 provided that government may lay down specifications for the composition of a Basic Service Tier (BST).[501] Although the genre-specific composition of channels in a BST should have catered to regional viewers' needs—and hence vary widely in a diverse country—there has been no such legal requirement in C&S areas.

Similarly, three instances affecting source diversity can be highlighted. First, raising the requisite net worth of firms to apply for news channel licenses poses a clear entry barrier to smaller, niche, and sub-regional broadcasters. Second, diversity is threatened by concentration among MSOs, as the cases of Tamil Nadu and Punjab reflect. Lastly, although the must-carry rules mandate DTH licensees to relay broadcasters on a non-discriminatory basis,[502] because the number of news channels continues to increase, the optimistic view of increased channel carrying capacity—and the diversity this may bring, especially via niche and smaller

498. For instance, noteworthy is the Broadcast Editors Association (BEA), formed in August 2009, perhaps as a response to the proprietor and journalist-proprietor dominated NBA, formed in 2007; see http://www.beaindia.org (accessed 10 January 2013).

499. Interview with Apar Gupta, Partner, Advani & Co., New Delhi, April 2012.

500. TRAI (2011), "Issues related to Implementation of Digital Addressable Cable TV Systems," Consultation Paper No. 8/2011, New Delhi, 2 December 2011' (hereafter TRAI, "Implementation of Digital Addressable Cable TV Systems").

501. Be it the minimum free-to-air channels or a judicious genre-mix of entertainment, information, and education, including mandatory DD channels; TRAI, "Implementation of Digital Addressable Cable TV Systems," p. 13.

502. TRAI, "Digitalisation of Cable Television", Consultation Paper No. 1/2005, New Delhi, January 2005, p. 17.

channels—may get curtailed on some DTH platforms until their transponder and spectrum constraints are sorted out. Since higher carriage fees have been observed by TRAI in the so-called TAM cities—i.e. where rating agencies place metering devices in sample households[503]—it is in such cities that small, niche channels, unable to raise such fees, are unlikely to be transmitted.

503. TRAI, "Implementation of Digital Addressable Cable TV Systems," p. 27.

8. Conclusions

8.1 Media Today

The relationship between booming commercial news outlets, emergent independent and non-commercial news platforms, and the diversity of news across the digital landscape is extremely complex in India, and hence difficult to evaluate or sum up. The multiplicity of television channels within a language market has not led to significant diversity; visible variations in content are more a reflection of differences in the dominant interests driving or owning these channels—namely, politicians and political parties, business ventures associated or affiliated with political groups, and different sections within the business community. In short, the visible diversity, especially across television news channels, indicates a variety of dominant voices. However, the fast-changing demographics—65 percent of Indians are under 35 years[504]—has resulted in growing media consumption, including news through mobile platforms, websites, and even tablets, as younger urban people are increasingly able to afford and avail themselves of such products.

Divergent trends in journalism and journalistic practices have been observed in the light of digitization. On the one hand, compared with the analog past, digital tools have enabled some journalists to do more and better investigative reporting. On the other hand, the multitude of news outlets and of delivery platforms have come to exert increasing pressure to be the first—often accompanied by compromises in not only the diversity of original sources, but also the ethics and quality of news offerings. In addition, there are external pressures to desist pursuing a story in television and online news outlets as reports can be easily withdrawn from websites and (subsequent bulletins of) news channels.

Also evident is that the growing linguistic and geographical multitude of news outlets, spurred by digital technologies, has contributed to an absolute increase and widening of reportage on marginal concerns and marginalized people. Regional and local outlets, in particular, have consequently better addressed and amplified their immediate issues, which often went under- or un-addressed in the national media. Perhaps as a spin-off, such marginal issues and voices sometimes have also been reflected or amplified to a greater degree in dominant news outlets.

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504. Based on 2011 census data quoted in "Average Indian is 25, average minister is 65," *IBN Live*, 25 July 2012, at http://www.moneycontrol.com/news/current-affairs/average-indian-is-25-average-minister-is-65_735183.html (accessed 9 September 2012).

Amid this multitude, however, discomforting currents in journalistic practices are visible. In television news, there are strong tendencies toward sameness in the themes and emphasis of news, even in vernacular languages—coupled with a near uniform preference for sensational treatment. While the independence of news production has been strained by its reliance on advertising, the growing corporatization and questionable audience rating system—neither of which is influenced by digitization—have only further contributed to testing the independence of television news channels.

Riding on economic growth and inward capital flight in the first half of the last decade, many media companies, especially news broadcasters, rushed to create multiple digital properties—namely, additional channels, niche channels, portals, niche websites, etc. This strategy was aimed at deriving synergies from shared costs, bundling opportunities to advertisers and, most importantly, separately enhancing the commercial valuations of these companies.[505] But for many, including listed giants such as those from the Network18 Group, such investments did not yield proportional dividends over the last five years. Perhaps not surprisingly, these past five years have also witnessed the proliferation of unorthodox practices of resource mobilization by news channels—including private treaties, paid news, or periodic flights of hot money.

Digitization has catalyzed two broad types of independent initiatives online and on mobile devices: those emphasizing themes and perspectives ignored by dominant news outlets, and those performing watchdog functions over government and corporations, including media corporations. While this has simultaneously contributed to content diversity and pluralism of voices, traffic on these sites is far less than on comparable platforms of established news outlets. But since none of these independent initiatives deploys pay walls, their content gets circulated in far larger numbers via social networking sites. Much as the internet made it viable for news to be continuous and perhaps participatory, the overall palette of news themes and pattern of news consumption remains determined by traditional news outlets. Moreover, many independent sites and blogs have attracted legal and extra-legal pressures from government, corporations, and even from other dominant news outlets.

The fragmented apparatus and process of policymaking have resulted in uneven growth and uneven protocols across different constituents of the media. Additionally, such fragmentation has delivered only the bare minimal benefits of convergence over the past five years. The multi-sector communication regulator, TRAI, is empowered to only recommend protocols, with final decisions resting with the concerned administrative ministries. The lack of independent, evidence-based decision-making in the institutional design of communication regulation also ensures that debates about policy options remain confined to two issues—either maximizing government rents (rather than public interest), or nurturing private enterprise (often at public cost). In such an institutional milieu, the fragmented policy apparatus also creates a fertile ground for politicization and favoritism in decisions on resource allocation technology choice, licensing criteria, and ownership protocols.

505. Debashis Basu, "Reality Show," *MoneyLife*, at http://www.moneylife.in/article/reality-show/1422.html (accessed 9 January 2012).

Apart from expanding opportunities for private enterprises and possibilities of individual initiatives, digital media have catalyzed a wider set of administrative and legal formulations—largely due to the highly inter-related and even inter-dependent nature of digital, especially convergent, technologies. This has resulted in more licensing, more points of arbitration, and more decisions on investments across a wider breadth of sectors. Thus, the sheer expansion of media and media services has created a bigger playing field for decision-making—which hitherto has been led by the executive and has mostly been kneejerk, reactive, and/or ad hoc.

The rationale for digital switch-over in terrestrial broadcasting and cable distribution is bereft of convincing public interest arguments. While the middle and upper strata of society will benefit from the diversity of digital platforms on which news from the public broadcaster can be accessed, there is no blueprint to suggest that this expensive transition will either foster diversity of content, especially at the local level, or widen the pluralism of voices in public terrestrial transmission. The real reason for pushing both switch-overs is to enhance government revenues—by selling the lucrative spectrum vacated by the terrestrial broadcaster to 4G services, and by widening the net of intermediary (cable) distributors being taxed.

Cable digitization will affect both the broadcasting and distribution segments. Most immediately, the ownership of and market structures in cable distribution will witness varied degrees and types of consolidation—mainly in the long-tailed segment of LCOs. As this envelops the entire ecosystem, a reformulation in the revenue model of broadcasters is expected—since addressable distribution (digital cable and DTH) provides opportunities for higher, and higher shares of, subscription revenues to flow from distributors to news broadcasters, especially pay channels. Such enhanced revenues may lead to the independence of news channels from a reliance on advertising and may possibly provide additional investments to make news programming diverse and inclusive. Will it also make them less pliable to mediation by distributors, especially cable operations owned by local commercial interests and regional politicians?

Digitization as a whole has yet to fundamentally impact on ownership patterns among broadcasters, but three aspects concerning ownership, originating from the analog era, have intensified: first, the mushrooming of news channels owned by politicians, driven by the falling costs of launching and operating channels; second, the presence of large (private or listed) non-media companies in broadcasting, often to rescue financially frail news channels; and third, continued opacity in ownership of broadcasters, including those associated with digital multiplexes. However, the switch-over may serve as the handmaiden for the accumulation of interests and thereby the possible concentration of market power—which will pose some tough challenges to diversity.

Policies implicitly favoring concentration are also visible in technology options; for instance, the design of clauses on interoperability, such as in DTH services, have ended up not enhancing competition, but rather locking subscribers in with particular vendors. While universal service obligation protocols have been created to widen the access and penetration of technological platforms, their success has been hitherto achieved through government initiatives, in telecoms and television alike; moreover, such protocols have not been legally binding on private news outlets to widen the plurality of voices and diversity of content.

8.2 Media Tomorrow

Fragmentation of audiences and advertisers felt by traditional news outlets is being responded to by segmentation strategies to capture publics defined by geography and taste. Though customization of content has been hitherto limited, as has been the desire of proprietors to invest in converged single newsrooms, there is momentum gathering for both these initiatives in the coming years.

Since social online media are open to being used, abused, and misused by a variety of actors, this has led to incremental instances of ill-considered or knee-jerk blanket bans by the government on websites and mobile services—which then push citizens to dominant media outlets and their sensationalist reportage. These test the limits of pluralism and diversity in multicultural, multi-polar societies like India. Much as the increasing frequency of judicial intervention in stemming unethical journalism may reflect the alertness and resilience of constitutional democracy in India, it does not augur well for the independent functioning of journalistic practices. The rise of trade bodies as a dominating pivot of advocacy seems to limit the plurality of voices involved or consulted in decision-making. It is precisely in response to this and perhaps protect against the further compromising of public interest that we are beginning to see the emergence of dedicated media advocacy groups.

Akin to how hyper-competition in television news channels precipitated malpractices in journalism, in telecoms it has precipitated a variety of illegitimate practices of acquiring and/or utilizing digital infrastructure. This may compel government, and even non-myopic companies, to explore alternative models—perhaps more hybrid, less proprietary models—not only for digital infrastructure like spectrum, but also for digital products such as copyrighted content. This could be said of the future of independent online and mobile initiatives as well, which are increasingly sprouting in languages other than English; for apart from legal and extra-legal pressures, their future will be more explicitly dependent on their ability to create sustainable commercial and organizational models.

Stipulating terrestrial broadcasting only in the digital mode has greatly discouraged the possibility of community and other non-profit users of these frequencies. For even if these frequencies are deregulated, the insistence on digital transmission will financially disable many potential voices, especially non-profit-making ventures, in the implementation of this service. Moreover, if bottlenecks relating to access to and affordability of DTT remain unresolved by the end of the simulcast phase in 2017, there will a sudden drop in viewership of the state broadcaster in the terrestrial mode. This will run the risk of violating the principles and provisions of freedom of expression, integral to which is the right to be informed. Similar disenfranchisement may arise from the switch-over in cable distribution. Here, moreover, arguments for the enhanced independence and financial health of broadcasters after digitization will be tested by consolidation in the distribution segment—also unfolding with digitization—that may impute digital multiplexes with superior bargaining power over broadcasters, especially over news channels that are not part of large networks.

Consequently, the compulsion to complete the switch-overs in both terrestrial broadcasting and cable distribution may come to be guided by the need to create inclusive forms of competition—a need perhaps driven less to ensure public interest in television and more to salvage the very competitive milieu of commercial television itself.

List of Abbreviations, Figures, Tables, and Companies

Abbreviations

2G	second-generation
3G	third-generation
4G	fourth-generation
ADR	Association for Democratic Reform
AIADMK	All India Anna Dravida Munnetra Kazhagam (All India Anna Dravidian Progress Federation)
AIR	All India Radio (*Akashvani*)
ASCI	Advertising Standards Council of India
BCCC	Broadcasting Contents Complaints Council
BCCL	Bennett, Coleman and Company Ltd
BEA	Broadcast Editors Association
BSNL	Bharat Sanchar Nigam Limited
BST	Basic Service Tier
BWA	Broadband Wireless Access
C&S	Cable and Satellite
CAG	Comptroller Auditor General
CAGR	compound annual growth rate
CAS	Conditional Access System
CBI	Central Bureau of Investigation
CDMA	Code Division Multiple Access
CMS	Central Monitoring Service
COFI	Cable Operators Federation of India
CR	community radio
CSO	civil society organization
DAS	digital addressable system
DAVP	Directorate of Audio Visual Publicity
DD	Doordarshan (National Public/State Television)

DMK	Dravida Munnetra Kazhagam (Dravidian Progress Federation)
DoT	Department of Telecommunications
DRM	Digital Radio Mondale
DSL	digital subscriber line
DTH	direct-to-home
DTT	digital terrestrial television
DVB-H	Digital Video Broadcasting–Handheld
ECI	Election Commission of India
EGoM	Empowered Group of Ministers
EMMC	Electronic Media Monitoring Centre
EPG	Electronic Programming Guide
FCFS	first-come, first-served
FDI	foreign direct investment
FICCI-KPMG	Federation of Indian Chambers of Commerce and Industry and KPMG India
FII	foreign institutional investor
FIR	First Information Report
FLO	Forward Link Only
FTA	free-to-air
GoM	Group of Ministers
GPRS	General Packet Radio Service
GSM	Global System for Mobile communications
HDTV	high definition television
IAC	India Against Corruption
IAMAI	Internet and Mobile Association of India
IBF	Indian Broadcasting Federation
ICERT	Indian Computer Emergency Response Team
IIPM	Indian Institute of Planning and Management
IMF	International Monetary Fund
IMT	International Mobile Telecommunication
IPTV	Internet Protocol Television
IRS	Indian Readership Survey
ISP	internet service provider
ITU	International Telecommunication Union
JSPL	Jindal Steel and Power Ltd
LCO	local cable operator
MCIT	Ministry of Communications and Information Technology
MIB	Ministry of Information and Broadcasting
MMS	multimedia messaging service
MSO	Multiple System Operators
MUX	multiplex
MW	medium wave

NBA	News Broadcasters Association
NBSA	News Broadcasting Standards Authority
NFAP	National Frequency Allocation Plan
NGO	non-governmental organization
NRI	non-resident Indian
NSD	News Services Division
OTEF	one-time entry fee
PCI	Press Council of India
PE	private equity
PSB	public service broadcaster
PTI	Press Trust of India
RIL	Reliance Industries Ltd
RNI	Registrar of Newspapers of India
RNU	Regional News Unit
RoC	Registrar of Companies
SACFA	Standing Advisory Committee on Radio Frequency Allocation
SCV	Sumangali Cable Vision
SEBI	Securities and Exchange Board of India
SMC	Spectrum Management Committee
SMS	short messaging service
STB	set-top box
SW	short wave
TAM	Television Audience Measurement
TDSAT	Telecom Disputes Settlement Appellate Tribunal
TEC	Telecom Engineering Centre
TRAI	Telecom Regulatory Authority of India
TRP	Television Ratings Points
TVR	television viewership ratings
UASL	Unified Access Service License
UHF	ultra high frequency
USO	universal service obligation
USOF	Universal Service Obligation Fund
VAS	Value-added Services
VOD	video on demand
WOL	Wireless Operating License
WPC	Wireless Planning and Coordination

Figures

Tables

Companies

AdEx India
Aditya Birla Group
Advani & Co.
Amarchand & Mangaldas & Suresh A. Shroff & Co.
ABP Group
Apollo Global Management
Tamil Nadu Arasu Cable TV Corporation
Bennett, Coleman and Company Ltd (BCCL)
Bharat Sanchar Nigam Ltd (BSNL)
Bharti Airtel Ltd
Bharti Telemedia
Biocon Ltd
Blackstone Advisors India Pvt Ltd
Boston Consulting Group, India
CBS Studio Center
Com First (India) Private Ltd
comScore Inc
D.E. Shaw India Securities Pvt Ltd (or D.E. Shaw Group)
Dish TV India Ltd (Ushodaya Enterprises Pvt Ltd)
Essel Group
Fastway Transmissions Pvt Ltd
Forbes Inc
HDFC Bank Ltd
HT Media Ltd
Idea Cellular Ltd
India Today Group
Infotel Broadband Services Ltd
Jagran Prakashan Ltd
Jindal Steel and Power Ltd (JSPL)
Kal Cables Pvt Ltd
Madison Communications Pvt Ltd

Mahanagar Telephone Nigam Ltd (MTNL)
MediaGuru Consultants Pvt Ltd
NDTV Group (NDTV 24x7, NDTV India, NDTV-Profit)
Network18 Group
News Corporation
Nielsen (India) Pvt Ltd
Nokia India Pvt Ltd
Pearl Group
Pearson Plc
Qualcomm India Pvt Ltd
Reliance ADA Group
Reliance Entertainment
Reliance Capital
Reliance Communications
Reliance Digital TV
Reliance Industries Ltd
Star India Private Limited
SAIF Partners
Sumangali Cable Vision
Sun TV Network
Sun Direct Private Ltd
TAM Media Research
Tamil Nadu Arasu Cable TV Corporation Ltd
Tamil Nadu Cable Communications Ltd
Tata Group
Time Inc.
Triveni Infrastructure & Development Co.
TV18 Broadcast Ltd
TV Today Group
TV Today Network Ltd
Videocon Industries Ltd
Vodafone India Ltd
Warburg Pincus India Pvt Ltd
Yahoo! (India) Ltd
Zee Group

Annexes

Annex 1.
Frequency allocation according to the National Frequency Allocation Plan, 2011

The National Frequency Allocation Plan (NFAP) forms the basis for the development and manufacture of wireless equipment and spectrum utilization in the country. Frequency bands allocated to various types of radio services in India are as follows.

Serial No.	Frequency band (MHz)	Communication service
1	0–87.5	Marine and aeronautical navigation, SW/MW radio, amateur (ham) radio, cordless phones
2	87.5–108	FM radio broadcasts
3	109–173	Satellite communication, aeronautical navigation, outdoor broadcast vans
4	174–230	*Not allocated*
5	230–450	Satellite communication, aeronautical navigation, outdoor broadcast vans
6	450–585	*Not allocated*
7	585–698	Terrestrial TV broadcast
8	698–806	*Not allocated*
9	806–960	GSM and CDMA mobile services
10	960–1710	Aeronautical and space communication
11	1,710–1,930	GSM mobile services
12	1,930–2,010	Defense forces
13	2,010–2,025	*Not allocated*
14	2,025–2,110	Satellite and space communications
15	2,110–2,170	*Not allocated*
16	2,170–2,300	Satellite and space communications
17	2,300–2,400	Not allocated
18	2,400–2,483.5	Wi-Fi and Bluetooth short range services
19	2,483.5–3,300	Space communications
20	3,300–3,600	*Not allocated*
21	3,600–10,000	Space research, radio navigation
22	10,000	Used for satellite downlink for TV broadcast and DTH TV distribution

Source: NFAP (2011), at http://www.dot.gov.in/as/Draft%20NFAP-2011.pdf (accessed 26 November 2012)

Annex 2.
Sector-specific interests of the big media houses

Sector group	Print	Broadcast	FM radio	Films	Digital content	Tele-coms	Cable	Direct-to-home	Majority revenues from
Bennett, Coleman and Company Ltd	The Times of India, The Economic Times, Navbharat Times	Present across news and entertainment genres: Times Now, ET Now, Movies Now and Zoom	Owns more than two dozen licenses that operate under Radio Mirchi brand	Has produced a few films	Has an extensive presence with portals such as India-times.com and also runs an SMS service				Print business
HT Media Ltd	Hindustant Times, Navbharat Times, Mint, and some magazines		Owns at least four licenses that operate under Fever 104 FM brand		Owns several properties such as a job portal, among others				Print business
Essel Group	Part stake in the company that runs English daily DNA	Owns one of the largest bouquets of channels across all, including news channels in over 8 languages		Has produced several films	Runs its own content on its websites		Owns one of the largest Multiple System Operators (i.e. cable networks) CitiCable	Owns Dish TV	The world's largest packaging company with interests in commodities, real estate
Sun TV Network	Runs several publications such as Dinakaran and Tamil Murasu in southern states	Owns the biggest broadcast network down south with 20 channels across all genres (except sports) and in all 4 languages (i.e. Tamil, Kannada, Malyalam, Telugu)	Holds 45 licenses across the country	One of the biggest film producers and distributors in the South	Streams its own content across its websites		Owns the largest cable distribution network, Sumangali Cable Vision, in South India	Owns Sun Direct	Broadcasting

Sector group	Print	Broadcast	FM radio	Films	Digital content	Tele-coms	Cable	Direct-to-home	Majority revenues from
Network18[506]	Publishes business magazine Forbes India under a licensing arrangement and runs Newswire18, a financial news and market data agency	Operates news channels such as CNBC-TV18, CNBC Awaaz, CNN-IBN, IBN7 and has stakes in companies that run Hindi general entertainment channel Colors, MTV, and Nickelodeon, and Marathi news channel Lokmat18		An established film distributor and producer	An extensive digital business under Web18 that runs portals such as Money-control.com, Cricketnext.com, Commod-itiescontrol.com, Powery-ourtrade.com, Firstpost.com, and has stakes in several other e-ventures				Broadcasting
Reliance ADAG		Several English entertainment channels under an arrangement with the U.S.-based CBS. Owns TV content production company Big Synergy. Also has around 18% stake in English business channel Bloomberg India and a minor stake in TV Today and Network18 through its financial arm Reliance Capital	Owns 45 FM channels run under BIG FM brand	One of the leading film producers and distributors; also operates one of the largest film exhibition chain under Big Cinemas brand name	Comprises Bigadda.com, Bigoye.com, and Zapak.com, among others	One of the largest telecoms operators in the country	Has a stake in cable distribution company Digicable	Owns Big DTH	Telecoms and financial services

506. Excluding the proposed investment in Eenadu TV.

Sector group	Print	Broadcast	FM radio	Films	Digital content	Tele-coms	Cable	Direct-to-home	Majority revenues from
Bharti Airtel						One the largest telecoms operators		Runs the service under Airtel Digital brand	Telecoms services
Reliance Indusries Ltd		The largest lender to the promoter group of Network18 and TV18, which run a slew of mainstream and business channels[507]			Will have access to all the content produced by digital ventures of Network18 and TV18	Owns Infotel Broad Band Services Ltd, the company with pan-Indian licenses for providing broadband services			Oil, gas, and petroleum refining and marketing

Source: Research conducted for this study

507. Post TV18's proposed buyout of Eenadu channels, the Network18 Group will have around 25 channels.

Mapping Digital Media: Country Reports (published in English)

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
9. Italy
10. Germany
11. United States
12. Latvia
13. Serbia
14. Netherlands
15. Albania
16. Hungary
17. Moldova
18. Japan
19. Argentina
20. South Africa
21. Turkey
22. Lebanon
23. Macedonia
24. Bosnia and Herzegovina
25. Poland
26. Montenegro
27. Georgia
28. Nigeria
29. Colombia
30. Croatia
31. Slovenia
32. China
33. Peru
34. Chile
35. Spain
36. Kenya
37. Bulgaria

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program.**

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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