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THE INDIAN  
**IMI**  
MUSIC INDUSTRY  
Formerly IPI Estd. 1936

To,

30<sup>th</sup> April, 2024

Shri Tejpal Singh,

Advisor (B&CS) TRAI at

Email: [advbcs2@traai.gov.in](mailto:advbcs2@traai.gov.in)

**Subject: IMI Recommendation with respect to the Consultation Paper for formulation of National Broadcasting Policy dated 2<sup>nd</sup> April 2024**

**Ref.:** Consultation Paper on Inputs for formulation of National Broadcasting Policy(NBP) - 2024

Respected Sir,

Greetings from the Indian Music Industry (IMI), the apex body representing the interest of the recorded music industry in India since 1936.

In response to the issues identified under the consultation paper, we request TRAI to consider IMI inputs on the following areas:

**IMI Concern in relation to Chapter II, Q7 of the Consultation Paper seeking comments on policy measures adopted by the National Broadcasting Policy to nudge Indian content through OTT platforms:** Today, 89.6% of the total INR 2945.3 Cr (USD 356.8 million) Indian recorded music industry revenues are from digital consumption. The digital ecosystem has its own threats and opportunities., Digital Piracy rate in India accounts for 73% which continues to be higher than the global music piracy rate of 30%.<sup>1</sup> Digital services take music to the remotest part of India and is taking Indian music to the remotest part of the world.

<sup>1</sup> <https://indianmi.org/wp-content/uploads/2023/02/Digital-Music-Study-Report-2022-c-Final.pdf>

Para 1.8 (Chapter 1) of the Consultation Paper raises concerns for the sound recording rightsholders as it suggests considering dissemination of films, music and animated shows to a larger audience base simultaneously using different mediums/platforms and making available on various devices as broadcasting. Any broad definition of “broadcasting” proposed under the National Broadcasting Policy can have detrimental impact on the music streaming revenues in the music industry. Therefore, we recommend that any definition of “broadcasting” must be kept limited to being technical in nature and stipulate the fundamentals of “point to multipoint” technology which means it is a process in which the same signal flows, or is transferred, from a single origin to multiple consumers. That signal should arrive at all the endpoints at roughly the same time. Such definition should not extend to cover the process of “point to point” transmissions which are delivered to consumers individually wherein a connection is only between one person or entity and another.

Such definition under the NBP must clarify and respect the meaning and definition of the expression “broadcast” as established and interpreted under the Indian Copyright laws. This clarity is essential to align with international copyright treaties and effectively support the growth of Indian regional content through streaming platforms while respecting copyright laws.

**IMI suggestions in relation to Chapter II, Q11 seeking measures to uplift the music industry and encourage global promotion of Indian music:** Continuous investment by record labels the copyright owners of music kept the music industry alive in India, when compared to our neighbours especially Pakistan and Bangladesh who once had a thriving music industry. The Indian Music industry is at the forefront of employment generation, creation diverse music genres but also by way of acting as the ‘first investor or seed capital’ in the India film industry by acquiring the official sound track rights and the money thus obtained goes into the production of the film. 90% of music in India is film based and the first set of rights monetised by a film producer is always the music rights. A few examples, in 2023 Indian music label T-Series invested 36 crores to obtain the music rights of the film Jawan<sup>2</sup> and in 2021 T-Series and Lahari Music were said to have invested 25 crores to obtain the rights to the SS Rajamouli film- RRR.<sup>3</sup> Lastly in 2023, Aditya Music obtained the rights to the sequel of the

<sup>2</sup> <https://www.indiatoday.in/movies/bollywood/story/shah-rukh-khan-jawan-nayanthara-atlee-vijay-sethupathi-music-rights-sold-for-whopping-rs-36-crore-details-2400280-2023-06-30>

<sup>3</sup> <https://economictimes.indiatimes.com/industry/media/entertainment/t-series-lahari-bag-music-rights-of-rrr-for-rs-25-crore/articleshow/84792093.cms?from=mdr>

movie Pushpa with a record breaking 65 crores.<sup>4</sup> The 2023 Academy Awards bore rewards of the same by awarding RRR's 'Natu Natu' best song and the recent Grammy's saw two awards go to India- with Zakir Hussain's Pashto and the music group Shakti. The above accompanied with the wide spread Indian diaspora across the global and increasing demand for Indian music serves as a significant driver of cultural exports, with notable examples such as the UK, Australia, and South Korea demonstrating substantial economic benefits from their music sectors:

- The UK music industry, as outlined in UK Music's Manifesto for Music, contributes INR 38.820 Cr. (approximately USD 4.99 billion) to the economy through music exports. Initiatives like the International Showcase Fund and the Music Export Growth Scheme have played crucial roles in enhancing British music exports and supporting the international success of British artists.<sup>5</sup>
- Australia's music industry generates INR 1,073.8 Cr. (USD \$137 million) annually from international markets as service exports. The establishment of 'Sounds Australia,' a music export office, has contributed to a significant increase in international royalty revenue for Australian artists, nearly tripling from INR 108.7 Cr. (USD 13.89 million) in 2013 to INR 297.9 Cr. (USD 38.07 million) in 2022.<sup>6</sup>
- South Korea's music exports have seen remarkable growth, increasing from INR 104 Cr. (USD 13.39 million) in 2007 to INR 5861.8 Cr. (USD 749 million) in 2021. This exponential growth underscores the importance of supporting the music industry's international endeavours.<sup>7</sup>

To enable the Indian music industry to achieve similar levels of success in music exports and cultural influence, it is crucial to implement policies that promote music as a service export. This includes protection of copyrighted works across the boundaries and leveraging export schemes established by the Govt. of India.

**IMI recommendations in relation to Chapter II, Q14 seeking recommendations on combating piracy and developing technology-driven solutions:** One of the predominant areas of concern that adversely impact the creators and rightsholders in the music industry

<sup>4</sup> <https://www.news18.com/entertainment/telugu-cinema/pushpa-2-audio-rights-sold-for-record-price-a-new-feat-in-indian-cinema-7712443.html>

<sup>5</sup> <https://www.ukmusic.org/news/new-report-reveals-music-industry-delivers-4bn-exports-boost-to-uk-economy/>

<sup>6</sup> <https://www.billboard.com/music/music-news/australia-annual-music-exports-report-8520286/>

<sup>7</sup> IFPI GMR 2022

remains to be online piracy. Recent MUSO report, reveal alarming statistics with India ranking second in music piracy (11.5%) based on visits to music piracy websites that hinders the growth of the music sector in India.<sup>8</sup> IMI hence recommends TRAI to consider highlighting following measures to address piracy and safeguarding the creators and rightsholders in the music industry:

- Creation of law enforcement agencies such as Maharashtra Intellectual Property Crime Unit (MIPCU) and Telangana Intellectual Property Crime Unit (TIPCU) across states which is crucial for the criminal enforcement of copyright laws. Further, specialized units dedicated to investigating and prosecuting digital piracy cases can be established to ensure efficient enforcement.
- Creation of an alternative administrative enforcement mechanism involving rightsholders, various Ministries such as Department for Promotion of Industry and Internal Trade (DPIIT), MeitY, Ministry Information and Broadcasting, and Ministry Home Affairs, Departments, and Government agencies related to the above-mentioned ministries will bolster enforcement efforts.
- Strengthening international enforcement via partnerships and cooperation, exemplified by public-private initiatives, for example. Brazil Operation 404, a copyright enforcement campaign jointly coordinated by the Secretariat of Integrated Operations (SEOPI) from the Ministry of Justice in Brazil, in collaboration with the UK IPO, the Police Intellectual Property Crime Unit (PIPCU), Brazilian Civil Police, and United States Department of Homeland Security, is vital to combat cross-border piracy effectively.

IMI hopes, the abovementioned recommendations made earnestly, will be accepted in India's National Broadcasting Policy, in order to achieve the goals, as set by our Prime Minister to lift Indian Music to global scales and platforms, by using technology to our advantage.

Sincerely,



Blaise Fernandes

CEO & President,

The Indian Music Industry

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<sup>8</sup> <https://www.muso.com/magazine/global-piracy-by-industry-report-2023>