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VIA E-MAIL / COURIER

April 5, 2012

Mr. Wasi Ahmad
Advisor (B&CS)
Telecom Regulatory Authority of India
Mahanagar Door Sanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi - 110 002

Re: Consultation Paper on "Issues Related to Advertisements in TV Channels" dated 16.03.2012

Dear Sir,

This has reference to the above noted Consultation Paper.

At the outset, we would wish to list out certain facts of the Indian television industry, which are recognized by the TRAI in its Consultation Paper:

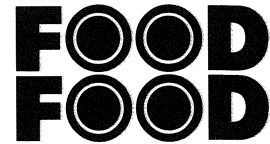
- The advertisements in the television channels contribute a significant portion of the revenue for the broadcasters. While advertisement is the only source of revenue for broadcasters of FTA channel, advertisements account for about 71% of the total revenues of pay channel broadcasters.
- The television is perceived to be an affordable source of entertainment and information as well as a mass medium of communication and education in India despite the fact that the content cost has increased over the years and the subscription revenues of the broadcasters are compromised due to the ceiling in the tariff of pay channels.
- About 670 channels being offered to consumers of which 163 are pay channels and 507 are FTA channels. All these channels are competing against each other in their respective genres and the customers have enough choices. In fact, pushing advertisements beyond a point may also prove to be detrimental to the popularity of a channel as too many advertisements and frequent breaks for the same could be a potential irritant to the consumers.
- Most importantly, as per Media Partners Asia report, the advertisement revenues, as a percentage of the total revenue, for pay channels are anyways declining over the years.

Under these circumstances, imposition of any such proposed regulation may make this industry commercially unviable. Moreover, internationally, the subscription revenues contribute a significant portion of the revenue for the broadcasters. Hence, in view of such contracting revenue scenario, it may not be appropriate to adopt the advertisement laws of international markets in India.

Our comments to each of the stipulations are as under:

- (i) **The limits for the duration of the advertisements shall be regulated on a clock-hour basis i.e. the prescribed limits shall be enforced on clock hour basis.**





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In view of the above discussions, we suggest that the TRAI recommend withdrawal of the present regulation and promote self-regulation.

- (ii) **No FTA channel shall carry advertisements exceeding 12 minutes in a clock hour. For pay channels, this limit shall be 6 minutes.**

Without prejudice to our above comments/observations, the proposed 50% reduction in advertisement duration for pay channels may not be justified considering that (a) advertisement accounts for about 71% of pay channel broadcasters' overall revenue, as on date, and (b) the content costs of pay channels are substantially higher than FTA channels. Moreover, the proposed stipulations will only burden advertisers with higher costs and drive out marginal and smaller advertisers from advertising their products on national television.

- (iii) **The 12 minutes of advertisements will not be in more than 4 sessions in one hour. In other words, there will be continuous airing of the TV show for at least 12 minutes each. Not more than three advertisement breaks shall be allowed during telecast of a movie with the minimum gap of 30 minutes between consecutive advertisement breaks.**

Without prejudice to our above comments/observations, with respect to first half of the stipulation, we suggest that the broadcasters be allowed to self-regulate as pushing advertisements beyond a point may lead to consumers not viewing such channel.

With respect to the second half of the stipulation, we have no comments as we do not show movies in our channel.

- (iv) **In case of sporting events being telecast live, the advertisements shall only be carried during the interruptions in the sporting action e.g. half time in football or hockey match, lunch/drinks break in cricket matches, game/set change in case of lawn tennis etc.**

We have no comments as we do not show sports in our channel.

- (v) **There shall only be full screen advertisements. Part screen advertisements will not be permitted. Drop down advertisements will also not be permitted.**

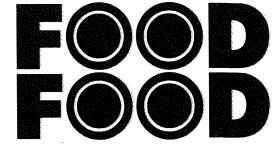
Without prejudice to our above comments/observations, we suggest that the consumers have enough genre-wise choice of channels today and hence the broadcasters be allowed to self-regulate as pushing excessive part screen/drop down advertisements may lead to consumers not viewing such channel.

- (vi) **In so far as News and Current Affairs channels are concerned, they are allowed to run not more than two scrolls at the bottom of the screen and occupying not more than 10% of the screen space for carrying non-commercial scrolls, tickers etc.**

We have no comments as we are not a news and current affairs channel.

- (vii) **The audio level of the advertisements shall not be higher than the audio level of the programs.**





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We agree with this stipulation. It has always been our endeavour to ensure that the audio level of advertisements and programs are same.

In this background, we suggest that the TRAI consider (i) not to go ahead with this consultation process and (ii) to revisit this issue once it is determined that the broadcasters' subscription revenues has become more than their advertising revenues, pursuant to the digitization initiative of the TRAI/MIB, as is perceived by the TRAI in the Consultation Paper. Additionally, the TRAI may consider taking initiatives to promote premier ad-free pay channels for consumers, who (a) can afford such premier ad-free pay channels, and (b) wants to watch such channels in bigger and higher resolution screens to enjoy the best possible near life size images and clarity in programs.

Please contact us should you need any clarification concerning the foregoing.

Yours sincerely,
For Turmeric Vision Private Limited

A handwritten signature in black ink, appearing to read 'Balraj', is written over a horizontal line. The signature is fluid and cursive.

Authorised Signatory

