August 21, 2017

1. **Hon'ble Minister of Information & Broadcasting**
   **Ministry of Information and Broadcasting,**
   **A – Wing, Shastri Bhawan,**
   **New Delhi - 110001**

2. **Sh. Vinod Rai,**
   **The Interim President,**
   **Board of Control for Cricket in India**
   **3, Palam Marg,**
   **3/F, Vasant Vihar,**
   **New Delhi - 110057**

3. **The Chariman,**
   **Competition Commission of India**
   **The Hindustan Times House**
   **18-20, Kasturba Gandhi Marg,**
   **New Delhi: 110001,**

4. **The Chairman,**
   **Telecom Regulatory Authority of India**
   **Mahanagar Doorsanchar Bhawan**
   **Jawahar Lal Nehru Marg**
   **Old Minto Road, New Delhi-110002**

5. **Sh. Rahul Johari,**
   **The Chief Executive Office,**
   **Board of Control for Cricket in India**
   **4th Floor, Cricket Centre**
   **Wankhede Stadium**
   **'D' Road, Churchgate**
   **Mumbai- 400020**

Sub: Information regarding an attempt to create Monopoly in the field of Broadcast rights of Cricketing Events

Dear Sir,

We are the largest Direct to Home (DTH) service provider, licensed by Ministry of Information & Broadcasting in India and are serving approximately 16 million subscriber base. The Channel Distribution Industry (comprising of Cable & DTH) is regulated by the Telecom Regulatory



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Customer Care: 1-860-180-3474, Email: investor@dishtv.in & CIN: L51909MH1988PLC287553
Regd Office: 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra
www.dishtv.in

Authority of India (TRAI) which is making efforts to regulate the broadcasting industry and to safeguard the interest of approximately 200 million Cable & Satellite subscribers. TRAI, *inter alia*, also ensures that there is no discrimination in the entire value chain.

We would like to bring into your kind notice certain issues arising out of forthcoming auction of IPL cricketing telecast rights which would not only result in lot of competition issues in the broadcasting and distribution sector but is also likely to cause sever prejudice to the consumers in so far as cost of accessing cricketing content on television is concerned. If these issues are not addressed immediately, the cost for the consumers is likely to increase manifold because of the creation of 'sole supplier' monopoly in the market.

In this context we would like to bring to your kind notice the following:

(i) As your goodself is aware, cricket has no competition in terms of popularity in India. This sport, though not originated in India, garnered huge public support after India's World Cup victory in 1983 and has become so popular that it is now considered to be a religion in India. With increasing popularity and high demand, the number of events and series also grew over a period of time and from a time when there was only bilateral and a single World Cup tournament, today there are various cricket events like ICC World T20, ICC Champions Trophy, Indian Premier League, Asia Cup etc.

(ii) With more and more cricketing events taking place, the number of sports channels have also increased and the sports channels have got much higher ratings as compared to channels of other genres. With more eyeballs onto the sports, the advertisement revenue was also destined to increase manifold giving huge revenue to Broadcast Right Holders as well as BCCI. Further, with huge revenue towards distribution rights for covering Television, Internet and Mobile, BCCI today is the biggest cash rich body in any sporting event in the entire world. It is a matter of record that BCCI media rights covering Television, Internet and Mobile for the period from July 2012 – March 2018 were sold to Star India Private Limited ('Star') at a price of Rs. 3851 crore.

(iii) The acquisition of such a right by Star was only one among many. For example: Star also has the Global Media Rights for Asia Cup (Asia Cup, Women's Asia Cup, Emerging Asia Cup and U19 Asia Cup) including TV, audio, internet and mobile rights for all territories globally for the period from 2016 to 2023, the Global broadcast rights for all ICC Events which includes exclusive live and highlights rights across all platforms for ICC major events – the ICC Cricket World Cup and its qualifiers, the ICC Women's World Cup, the ICC World Twenty20 and its qualifiers, the ICC Champions Trophy and the ICC Under-19 Cricket World Cup for the period from 2015-2023. In addition to the above, Star also has the rights for all the bilateral series of the Cricket Broads of Australia, England and Bangladesh and today the situation is such that except for Indian Premier League (IPL), Star has the rights for all the cricketing events to be shown in India for the next 6-7 years.

(iv) As per media reports, Star is also one of the potential bidders for the IPL cricket telecast rights. The Star is aiming to acquire the IPL cricket telecast rights also and thereby attain the status of 'sole holder' of the telecast rights of all the major cricketing events. With this objective in view and in order to further strengthen its monopolistic position in the field of media distribution rights, the Star has initiated various measures which would have far reaching ramifications and shall have adverse impact on every stakeholder in the broadcasting industry, starting from the distributors of the TV channels like the DTH operators and ultimately the end consumers. The history of the media industry is witness to the fact that all the actions initiated by Star till date have always been to economically concentrate the power through acquisition of Cricket Broadcast Rights and thereby create a monopoly in the market to gain huge commercial advantage at the expense of the Consumers and the Distribution Industry. Since this is a very critical issue, it requires immediate attention of BCCI.

(v) A perusal of the recent developments in the broadcasting sector would reveal that Star is systematically moving towards elimination of competition and creation of monopoly in the cricket telecast segment. They intend to exploit their monopoly status for maximising their subscription and advertisement revenue at the cost of consumers. The prices of TV channels including the sports channels in India are regulated by the Telecom Regulatory Authority of India (TRAI). In fact, TRAI has been regulating the broadcasting and content distribution sector since 2004. TRAI in its recent regulations has capped the maximum retail prices of TV channels including sports channels at Rs. 19/- per subscriber per month. In order to serve its long term objective of charging the exorbitant price for its sports channels containing cricketing content, the Star has challenged the authority/jurisdiction of TRAI itself to fix the price of TV channels and the matter is pending before the Hon'ble High Court of Judicature at Madras.

(vi) Not only this, Tata Sky Limited – a DTH service provider and an associate company of Star – has also challenged the price regulations issued by TRAI before the Hon'ble High Court of Delhi. It is clear and apparent that the entire modus operandi of Star is to somehow get the pricing regulations quashed so that it can charge high subscription prices for its sports channels containing cricket content. Needless to mention that this again is an effort by Star to further strengthen the concentration of economic power onto itself and to remove competition from the industry.

(vii) Further, the Star has also challenged the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharti) Act, 2007 which provides for mandatory sharing of sporting events of national importance with the Prasar Bharati to enable them to re-transmit the same on its terrestrial networks and Direct-to-Home networks. It is pertinent to mention in this regard that the enactment of the said statute was only a view to provide access to the largest number of listeners and viewers, on a free to air basis, of sporting events of national importance which *inter alia* include the major cricket events involving the Indian team.The effort of Star has been to capture the entire broadcasting rights for all cricket events to the exclusion of others and become the 'sole supplier' without even sharing its signals/feed with the national broadcaster i.e. Doordarshan.

(viii) It is matter of record that out of the total 27 sports channels available in India, Star has 12 of the same, amounting to a huge share of 44% in terms of numbers (as detailed in Annexure I). Furthermore, as per the data available in the market, out of the total 270 matches played/ to be played by India during the period from 2012-2019, telecast rights of as many as 191 matches are with Star only, which is around 71% of the total matches. In other words, out of 578 days when India team is playing, Star alone shall telecast the matches on 423 days i.e. 73% of the total number of days (kindly refer Annexure II). Considering the fact that the figures mentioned above do not include the matches falling under the ICC events and Asia Cup events, in both of which India is a participant country and for both of which the distribution rights are held by Star, the actual figures are much higher than the abovementioned figures.

(ix) The above is the position when Star does not have the telecast rights for IPL, which are presently held by Sony Pictures. Once Star acquires the telecast rights for IPL as well, not only will the market share in terms of viewership of Star would skyrocket but also the distribution platforms such as DTH and Multi System Operators will have no choice but to subscribe the Star Sports channels for cricket content because of Star's monopolistic position as a sole holder of cricket telecast rights. As per the data released by BARC, in terms of reach, Star channels had a reach of 71% during the time of Champions Trophy for the period between 01.06.17-18.06.17, whereas Sony Pictures, during the IPL session of 05.04.17-14.05.17 had a reach of 88%. In a situation where Star also has the rights for IPL, its channels' reach would have gone up to approximately 85% during IPL also (kindly refer Annexure III). One this happens, this would enable the Star to exorbitantly price their sports channels and would also result in the Star being able to extort very high advertisement rates which is estimated to be in the range of about 2050 Crore which would constitute about 93% of total advertisement revenue earned by all sports channels in India (please refer Annexure IV). It is a matter of record that in the Year 2010, Star had fixed the rate of Rs. 9000 per subscriber per month for its HD Channels. Such a situation may again arise in case the Star is able to create a monopoly over the cricket broadcast rights. In addition, this may also result into Star making - "subscribring to its sports channels" – as a precondition for availing any other channel of Star. This would sound the death kneel for all other sports channels operating in India and is blatantly anti-competitive.

The pictures, as emerges from the above, clearly indicates that with the blessing of BCCI, the growth of Star has been exponential capturing all the rights for all the cricketing events to be shown in India except for lone event of IPL. The nation has witnessed the anarchical situation prevailing in BCCI leading to intervention by the Hon'ble Supreme Court and consequent appointment of Sh. Vinod Rai as the Interim President to look after the administration of BCCI until further elections are held. With the management being managed by the Committee of Administrators (COA), we can expect some positive and remarkable changes in the way of functioning of BCCI.

In the various judicial pronouncements it has been held that BCCI is a public body discharging public functions. Accordingly it is expected that all the actions of BCCI in discharge of its function would not only lead to the furtherance of 'public interest' but will also ensure that no Monopoly is allowed to be created around the Cricket Broadcast Rights.

With BCCI going to auction the telecast rights for IPL in next few days, we would expect BCCI led by the COA to act in a manner so as to safeguard and protect the competition in the industry as well as to prevent the creation of any kind of monopoly to the detriment of public interest. The acquisition of the IPL telecast rights by Star would lead to a situation where there will be an absolute monopoly thereby leading to dominance by Star in the field of cricketing telecast rights where Star will not only compel the distributors of TV channels such as the DTH operators to pay exorbitant price for their channels but also make the ultimate consumers to shell more and more money from their pockets. Such a situation would not only be anti-competitive but also anti-consumers as well.

We look forward towards BCCI to adopt pro-competitive and pro-consumer approach as one of the major criteria while awarding the IPL rights so that the rights of entire broadcasting and distribution sector as well as that of the viewers of cricketing events are safeguarded. Accordingly, we would request you to kindly initiate inquiries and issue necessary direction in the matter.

Thanking you,

Yours truly,

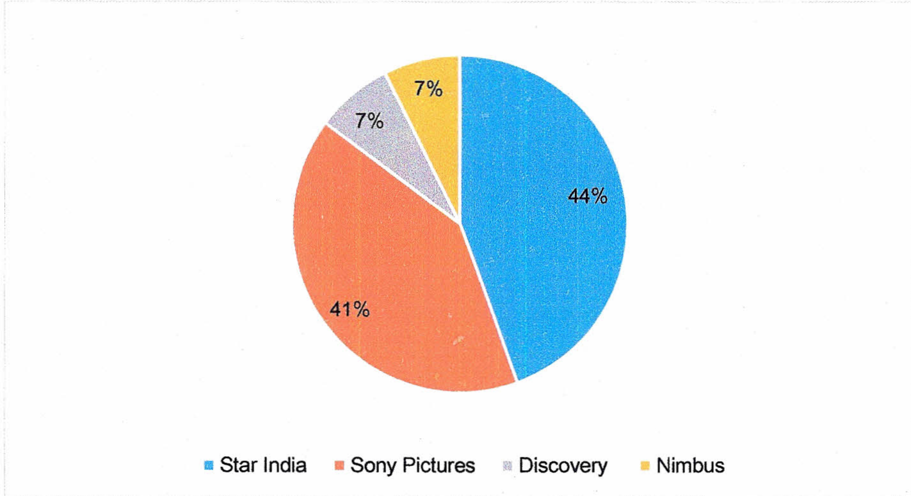
**Jawahar Goel**
**Chairman & Managing Director**
**Dish TV India Limited**

Enclosed: as above

CC: Press – For wider circulation

## ANNEXURE I

| Total No: of Sports Channels | | | | |
|---|---|---|---|---|
| Broadcaster | SD | HD | Total | % |
| Star India | 7 | 5 | 12 | 44% |
| Sony Pictures | 5 | 6 | 11 | 41% |
| Discovery | 1 | 1 | 2 | 7% |
| Nimbus | 2 | 0 | 2 | 7% |
| Total | 15 | 12 | 27 | 100% |




| | |
|---|---|
| ***Source*** | **Broadcaster Websites** |

http://www.startv.com/media/2279/rio_dth.pdf

https://www.sonypicturesnetworksdistribution.com/wp-content/uploads/2017/07/Refernce_Interconnect_Offer_Direct_to_Home_Service.pdf

http://www.discoverychannel.co.in/content/dam/discovery/en/common/pdf/tariff/dci-reference-interconnect-offer-dth-systems.pdf

http://www.neosports.tv/pdf/statutory/RIO-NEOSports1.pdf

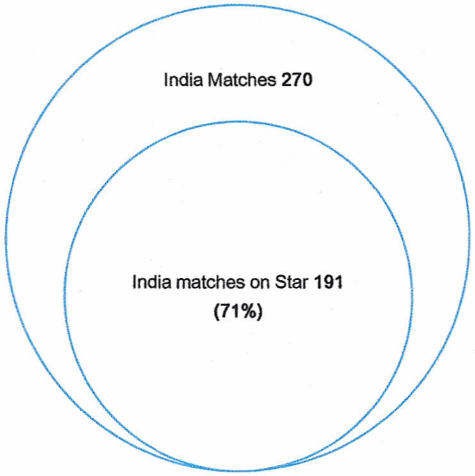
## ANNEXURE II

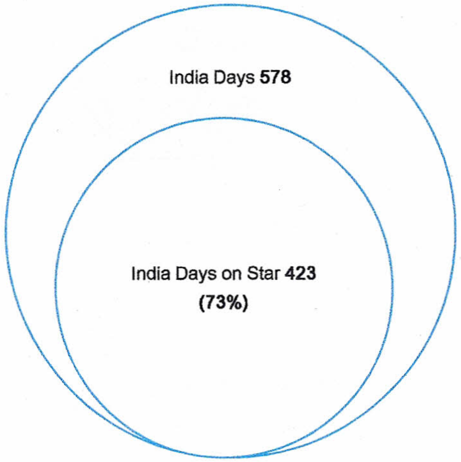
| Cricket Matches Split (Match-Wise) | |
|---|---|
| India playing | 270 |
| India Matches on Star | 191 |

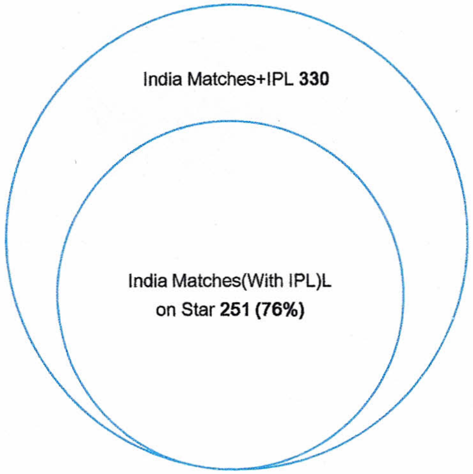
| Cricket Matches Split (Day-Wise) | |
|---|---|
| India playing | 578 |
| India Matches on Star | 423 |

| Cricket Matches/Day Split - if IPL rights are graned to Star (with IPL) | |
|---|---|
| India playing | 330 |
| India Matches on Star | 251 |

**ICC Events and Asia Cup not included*



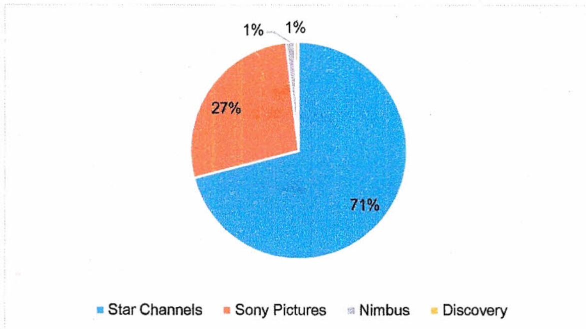




****ICC Events,Asia Cup rights are also with Star***

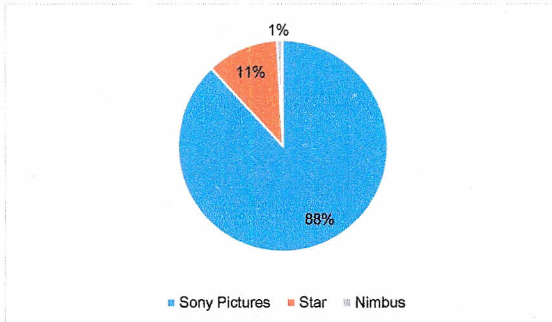
| | | |
|---|---|---|
| ***Source*** | **Cricinfo** | http://www.espncricinfo.com/ci/engine/series/index.html |
| | **Cricinfo** | http://i.imgci.com/db/DOWNLOAD/0000/0045/ftp_2015_2019.pdf |

# ANNEXURE III

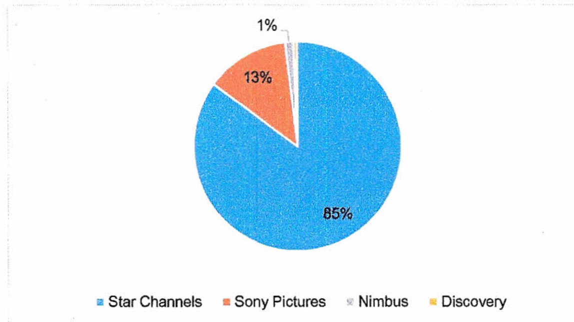
| Champions Trophy 2017 | |
|---|---|
| 1.06.17-18.06.17 | |
| Split of Average Reach% (Sports Channels) | |
| Star Channels | 71% |
| Sony Pictures | 27% |
| Nimbus | 1% |
| Discovery | 1% |
| | 100% |




| IPL 2017 | |
|---|---|
| 5.04.17-14.05.17 | |
| Split of Average Reach% (Sports Channels) | |
| Sony Pictures | 88% |
| Star | 11% |
| Nimbus | 1% |
| Discovery | 0% |
| | 100% |



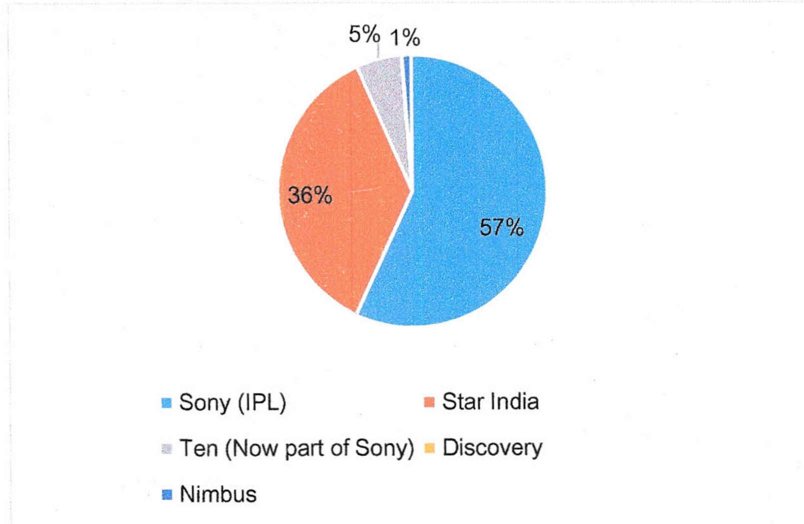

| IF IPL GOES TO STAR | |
|---|---|
| 1.06.17-18.06.17 | |
| Split of Average Reach% (Sports Channels) | |
| Star Channels | 85% |
| Sony Pictures | 13% |
| Nimbus | 1% |
| Discovery | 1% |
| | 100% |



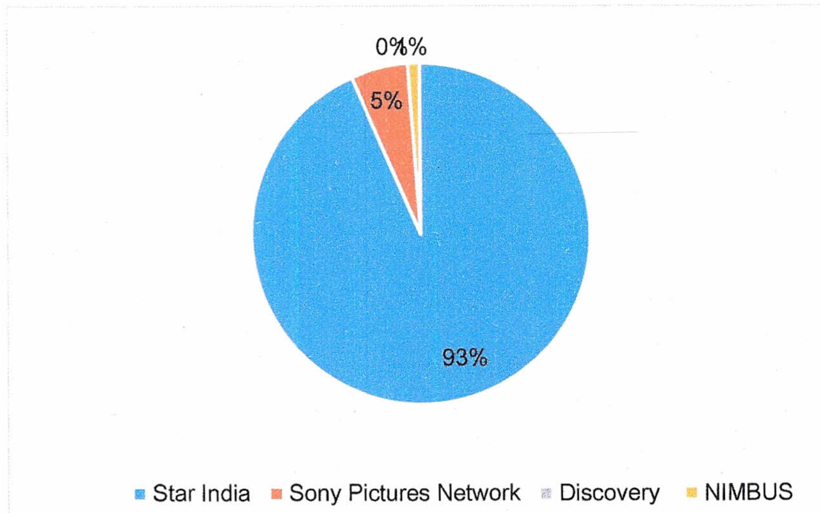

| | | |
|---|---|---|
| *Source* | **BARC India data** | **Broadcast & Audience Research Council of India** |

# ANNEXURE IV

| Total FY'16-17 Ad Sales Rev | | |
|---|---|---|
| **Broadcaster** | **Ad Sales(in Cr)** | **%** |
| Sony (IPL) | 1250 | **57%** |
| Star India | 800 | **36%** |
| Ten (Now part of Sony) | 120 | 5% |
| Discovery | | 0% |
| Nimbus | 25 | 1% |
| | 2195 | 100% |




| Total Ad Sales Rev (If IPL rights are granted to Star) | | |
|---|---|---|
| **Broadcaster** | **Ad Sales(in Cr)** | **%** |
| Star India | 2050 | **93%** |
| Sony Pictures Network | 120 | **5%** |
| Discovery | | |
| NIMBUS | 25 | **1%** |
| | 2195 | 100% |




| | | |
|---|---|---|
| ***Source*** | **KPMG-CII** | https://assets.kpmg.com/content/dam/kpmg/in/pdf/2016/09/the-business-of-sports.pdf |
| | **KPMG-FICCI** | Indian Media and Entertainment Industry Reports (2015) |