सत्यमेव जयते

Fair Competition For Greater Good

COMPETITION COMMISSION OF INDIA

Combination Registration No. C-2024/05/1155

27th August 2024

Notice under Section 6(2) of the Competition Act, 2002 jointly given by Reliance Industries Limited, Viacom18 Media Private Limited, Digital18 Media Limited, Star India Private Limited, and Star Television Productions Limited

CORAM:

Ms. Ravneet Kaur
Chairperson

Mr. Anil Agrawal
Member

Ms. Sweta Kakkad
Member

Mr. Deepak Anurag
Member

Order under Section 31(1) of the Competition Act, 2002 ('Order')

1. On 24th May 2024, the Competition Commission of India ('**Commission**') received a notice ('**Notice**') under sub-section (2) of Section 6 of the Competition Act, 2002 ('**Act**') jointly given by Reliance Industries Limited ('**RIL**'), Viacom18 Media Private Limited ('**Viacom18**'), Star India Private Limited ('**SIPL**') and Star Television Productions Limited ('**STPL**'). The Notice was filed pursuant to the execution of various documents including (i) Framework Agreement dated 28th February 2024 by and among RIL, Viacom18, SIPL, and certain Disney Entities[1]; (ii) Scheme of Arrangement filed before

[1] Disney Entities is defined in the Framework Agreement [redacted]

the NCLT (Mumbai) on 29th March 2024 entered among Viacom18, Digital18 Media Limited ('**Digital18**'), SIPL and their respective shareholders and creditors; (iii) Share Subscription Agreement dated 28th February 2024 entered into between RIL and SIPL; and (iv) Shareholders' Agreement of SIPL dated 28th February 2024 entered into among the shareholders of SIPL including, RIL, Viacom18 and the Disney Entities.

2. In terms of Regulations 14(3) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ('**Combination Regulations**'), *vide* letters dated 7th June 2024 and 20th June 2024, parties were asked to provide certain information and clarifications. The parties filed their responses dated 14th June 2024 and 27th June 2024, after seeking an extension of time ('**RFI Responses**').

3. In response to the letter dated 20th June 2024, Digital18 also became a notifying party by furnishing relevant information/documents [hereinafter, RIL, Viacom18, Digital18, SIPL and STPL are collectively referred to as the 'Parties'].

4. In terms of Regulation 19(3) of the Combination Regulations read with Section 36(4) of the Act, the Commission also sought information from various third parties present in the media and entertainment ('**M&E**') industry in India and sought comments from the Telecom Regulatory Authority of India ('**TRAI**') as well as Ministry of Information and Broadcasting ('**MIB**') *vide* letters dated 8th July 2024.

5. Subsequently, the Parties submitted a voluntary proposal for modifications ('**VPM I**') to the Proposed Combination on 9th August 2024 under Regulation 19(2) of the Combination Regulations along with submissions providing various explanations/justifications as to why broadcasting/streaming rights relating to the sports content available with the Parties particularly those relating to cricket, may not cause appreciable adverse effect ('**AAEC**') on competition. Details of VPM I are provided in subsequent sections of this Order.

6. The Commission, in its meeting held on 14th August 2024 considered the material on record, details provided in the Notice, RFI Responses, responses of third parties and TRAI, VPM I, voluntary submissions of the parties and was of *prima facie* opinion that the Proposed Combination is likely to cause AAEC in the broadcasting/streaming of sports events in India. Accordingly, in terms of Section 29(1) of the Act, a show cause notice ('**SCN**') dated 19th August 2024 was issued to the Parties directing them to respond in writing, within 30 days of the receipt of the SCN, explaining as to why investigation in respect of the Proposed Combination should not be conducted. The response to the SCN was provided on 21st August 2024 ('**SCN Response**') including another voluntary proposal for modifications under Regulation 25(1A) of the Combination Regulations ('**VPM II**'). Details of VPM II are provided in subsequent sections of this Order. The Parties also provided certain clarifications to SCN Response *vide* submission dated 27th August 2024.

PROPOSED COMBINATION

7. The Proposed Combination envisages the merger of entertainment businesses of Viacom18 and The Walt Disney Company ('**TWDC**') in India, subject to the inclusion and exclusion of certain identified businesses by way of a series of transactions. Pursuant to the Proposed Combination, SIPL shall be a joint venture ('**JV**' / '**Resultant Entity**') and house digital and linear TV entertainment businesses of Viacom18 and TWDC in India.

8. The Proposed Combination will take place pursuant to the following broad steps/transactions:

(i) slump sale of the Media Operations Undertaking[2] and Jio Cinema Undertaking[3] by Viacom18 to Digital18 ('**Viacom18 Slump Sale**'), and demerger of the Viacom18 Business[4] by Digital18 in SIPL.

(ii) subscription to shares of SIPL (approximately 16%) by RIL ('**RIL Subscription**').

(iii) acquisition by RIL of 10.89% equity shareholding in Viacom18 from MTV Asia Ventures (India) Pte. Ltd. ('**MTV Asia**') and 2.12% equity shareholding in Viacom18 from Nickelodeon Asia Holding Pte. Ltd. ('**Nickelodeon Asia**') ('**Paramount Buy-out**'). Paramount Global will exit its investment in Viacom18 pursuant to the Paramount Buy-out.

(iv) merger of STPL and SIPL ('**STPL Merger**')

(v) currently, the affiliates of Disney Entities hold [20-30]% shareholding in TataPlay. The Disney Entities propose to transfer some or all of their shareholding (direct or indirect) in TataPlay to the JV. [redacted]

(vi) Viacom18 will acquire 65% shareholding in Football Sports Development Limited ('**FSDL**') from RIL and 50% shareholding in IndiaCast Media Distribution Private Limited ('**IndiaCast**') from TV18 Broadcast Limited ('**TV18**'). [redacted]

(vii) SIPL will acquire certain assets and liabilities of the Disney Entities and Disney Entities shall acquire certain trademarks from SIPL.

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[2] "Media Operations Undertaking" means the undertaking pertaining to the entire business of Viacom 18 comprising the broadcasting of TV channels, distributing, marketing and selling commercial advertising on channels, licensing and merchandising of products, brand solutions, organising live events, production and distribution of motion pictures, OTT and digital content delivery platform and marketing partnerships, and other related businesses undertaken by Viacom 18.

[3] "Jio Cinema Undertaking" means the undertaking pertaining to the Jio Cinema Business, that is, the business of owning and operating the OTT video streaming application "Jio Cinema" and includes designing, developing and operating the relevant software applications, and providing digital services, including all associated digital products, systems and platform assets

[4] Media Operations Undertaking (excluding the business of production and distribution of motion pictures) and the Jio Cinema Undertaking is referred to as Viacom 18 Business.

9. The final shareholding in the JV post the Proposed Combination, if the entire stake of [redacted] is transferred by the affiliates of Disney Entities to the JV, will be: Viacom18 – [redacted]%, RIL – [redacted]% and Disney Entities – [redacted]%. On the other hand, if none of the [redacted] stake is transferred to the JV, then the final shareholding in the JV post the Proposed Combination will be: Viacom18 – [~46.6]%, RIL – [~16.6]% and Disney Entities – [~36.8]%.

PARTIES

10. RIL is a public listed multi-national conglomerate, which is engaged (either directly or indirectly) in several businesses such as the exploration and production of oil and gas; petroleum refining, marketing, and sale; manufacture and sale of petrochemical products comprising polymers, and fibre intermediates; manufacture and sale of chemicals; organised retail; M&E activities; and telecommunication and digital services, in India and worldwide. RIL is the ultimate parent entity ('**UPE**') of Viacom18.

11. Viacom18 is a company jointly held by RIL (directly and indirectly through TV18 Broadcast Limited ('**TV18**')), Paramount Global (through MTV Asia and Nickelodeon Asia), and BTS group[5] (through BTS Investment 1 Pte. Ltd. ('**BTS 1**')). Viacom18 is, *inter alia*, engaged in the business of broadcasting TV channels, operation of an over-the-top ('**OTT**') platform, selling commercial advertisement space on TV channels, licensing merchandise, and organisation of live events, in India and worldwide. Viacom18 is also engaged in the business of production and distribution of motion pictures and content syndication. Digital18 Media is a wholly-owned subsidiary of Viacom18.

[5] BTS 1 holds in certain stake in Viacom18 and is a company incorporated under the laws of Singapore. Asia Initiatives holds 100% of the ordinary equity shares of BTS 1. Asia Initiatives is jointly held by Lupa Systems and Mr. Uday Shankar. Lupa Systems (together with its downward affiliates) along with Mr. Uday Shankar, are collectively referred to as the BTS group.

12. Viacom18 has a portfolio of 20 international feeds (such as Colors, MTV India International, Colors Rishtey, Colors Cineplex, and Colors regional channels) which are distributed to several countries on linear distribution platforms. It also provides OTT streaming services through JioCinema.

13. SIPL is an M&E business owned, indirectly, by TWDC, and doing business primarily in India. SIPL is engaged in the broadcasting business through a range of domestic and regional general entertainment, sports, and film TV channels across genres and languages; production of audio-visual ('**AV**') content and motion pictures through Star Studios and UTV Software Communications ('**USCPL**'); operation of OTT platform *viz.* Disney+Hotstar; and selling commercial advertisement space on TV channels and OTT platforms. SIPL is also engaged in certain ancillary business activities including the organisation of football and kabaddi tournaments (through FSDL and Mashal Sports, respectively). Outside of India, SIPL generated revenues from the syndication of AV content, distribution of TV channels across 100+ countries, ad sales, and OTT platforms.

14. While SIPL does not license fresh AV content to third parties for first runs, it licenses AV content rights in India through Star Studios, Disney Broadcasting, and USCPL to entities belonging to the TWDC group.

15. TWDC is a publicly traded company listed on the New York Stock Exchange and headquartered in Burbank, California. It is an international M&E enterprise and its businesses include three core segments: entertainment, sports, and experiences.

16. STPL is a company incorporated in the British Virgin Islands and owned indirectly by TWDC. STPL holds certain IPRs related to the business of SIPL.

17. [redacted]

18. TV18, a subsidiary of RIL, holds 24.5% in Eenadu Television Private Limited ('**ETPL**'). Further, a promoter group entity of TV18, namely, Siddhant Commercials Private Limited owns another 24.5% in ETPL. [redacted] actively managed and operated by the Ramoji Group[6]. ETPL is, *inter alia,* engaged in the operation and wholesale supply of TV channels in Telugu general entertainment channel ('**GEC**') and Telugu Film channel segments.

19. It has been submitted that the Parties have not taken any decision regarding the integration of Disney+ Hotstar and JioCinema.

20. For the purpose of the competition assessment, the Parties have mapped overlaps between the following entities:

(i) Viacom18 Business on one hand; and Star Business[7] on the other hand [hereinafter, Viacom18 Business, and Star Business are collectively referred to as '**Contributed Business**'].

(ii) RIL (together with its downstream entities and affiliates) on one hand ('**RIL Retained**') and Star Business on the other hand.

(iii) TWDC (together with its subsidiaries and affiliates) on one hand ('**TWDC Retained**') and the Viacom18 Business on the other hand.

21. It is submitted that BTS group will not acquire any shareholding in JV [redacted]

Based on the overlaps assessment, the Parties have submitted that there are no horizontal, vertical, and complementary overlaps *qua* the activities of the BTS group.

[6] Ramoji Rao family

[7] SIPL shall comprise the Carve-In Business, business of STPL, and Tata Play Interests, and exclude the SIPL Excluded Assets, collectively referred to as Star Business.

22. The Parties (including TWDC) have submitted the following horizontal overlaps, at the broad and narrower level:

A. Operation and Wholesale Supply of TV Channels in India ('**TV Channels Market**'), which may be further segmented into:

i. GEC (which may be further sub-segmented into Hindi GEC, Bengali GEC, Marathi GEC, Odia GEC, Kannada GEC, Tamil GEC, Telugu GEC),
ii. Film Channels (which may be further sub-segmented into Hindi, Bengali, Kannada, Telugu),
iii. Kids' Channels,
iv. Infotainment and Lifestyle Channels,
v. Sports Channels, and
vi. Music Channels.

B. Retail supply of AV content through OTT streaming platforms in India ('**OTT Streaming Market**')

C. Supply of advertising airtime in India

D. Licensing of AV content in India, which may be further segmented into:

i. Film Licensing Segment, and
ii. Non-film and Non-Sport Licensing Segment.

E. Production and Supply of Films for Theatrical Release in India, which may be further segmented into:

i. English Film Production and Distribution Segment, and
ii. Hindi Film Production and Distribution Segment.

Additionally, the licensing of music rights is also separately considered as an overlapping segment.

F. Provision of fixed broadband internet services ('**BIS**') in India, which may be further segmented into various telecom circles.

G. Distribution of broadcast TV channels to viewers in India.

23. Further, the Parties have identified the following vertical and complementary linkages:

A. *Vertical Overlap 1*: Upstream market for licensing AV content in India and downstream market for the provision of AV content in India through (i) operation and wholesale supply of linear TV channels and (ii) retail supply of AV content through OTT streaming platforms.

B. *Vertical Overlap 2*: Upstream market for the supply of advertisement space in India and downstream market for advertising in India.

C. *Vertical Overlap 3*: Upstream market for operation and wholesale supply of TV channels in India and downstream market for distribution of broadcast TV channels in India.

D. *Complementary linkage*: The provision of internet access (both fixed BIS and wireless BIS) by RIL group entities is complementary to online services or web-based services, which require internet facilities to function such as the OTT platforms of the Parties namely JioCinema and Disney+Hotstar.

24. The Commission has considered the overlaps identified by the Parties in previous paragraphs and also considered its past decisional practices in this regard. The Commission noted that the Parties provide all their services at a pan-India level and hence, the relevant geographic market for all overlaps is considered as national/pan-India. In case of the provision of fixed BIS, the relevant geographic market is considered at the circle level also. However, the Commission decided to leave the exact delineation of the relevant market(s) open, as it was observed that the Proposed Combination is not

likely to cause AAEC in any of the plausible relevant market(s) in India, in light of the voluntary modifications offered by the Parties, as brought out in the ensuing paragraphs of this Order.

COMPETITION ASSESSMENT

Horizontal Overlaps

A. Operation and Wholesale Supply of TV Channels in India

25. It is submitted by the Parties that TV broadcasters package AV content into linear TV channels[8], and distribute the channels through Distribution Platform Operators ('**DPOs**'). DPOs distribute linear TV channels to end-consumers through various distribution platforms, including cable, direct-to-home ('**DTH**'), Internet Protocol Television ('**IPTV**'), and Headend-In-the-Sky ('**HITS**'). DPOs digitally compress, encrypt, and transmit signals of satellite TV channels. DPOs provide linear TV channels to consumers in bundles created by the TV broadcaster or by the DPO (so-called bouquets) and/or à la carte basis. Multi-system operators ('**MSOs**') are intermediaries which receive signals of different TV channels and provide them to local cable operators ('**LCOs**'), who then provide them to consumers through cables.

26. RIL Retained, Viacom18 Business, and Star Business are active in the operation and wholesale supply of TV channels in India. TWDC has no activities in this area in India.

27. At the level of the television channel industry as a whole, it is submitted that there are about 300 broadcasters offering over 900 TV channels across India.

28. The Parties have submitted that TV Channels Market does not warrant further segmentation because (i) the AV content overlaps across linear TV channels; (ii) there is

[8] Linear TV channels mean a schedule of content selected by the TV broadcaster and viewed by consumers at a set time and on a set TV channel.

content diversification by TV channels and cross-genre programming; (iii) distribution of TV channels is content agnostic; and (iv) viewers are increasingly consuming content across genres and languages.

29. However, the Commission has considered the narrow segments of the TV Channels Market based on genres and further sub-segments of GEC and Film based on language. Based on the submission of the Parties in the notice, the overlapping markets/segments/sub-segments along with the market shares of the Parties and their top competitors are provided in the table below:

Table 1: Market shares of Parties and Competitors in the TV Channels Market and its segments in India

Sr. No.	Relevant Market / Segments*	Market Shares for FY 2023 (%) based on Gross Rating Point (GRP)[9]							
		Viacom18 Business	Star Business	RIL Retained	Combined	Zee	Sony	Sun TV	Others
1.	TV channels	5-10	20-25	0-5	**35-40**	15-20	5-10	5-10	-
2.	GECs	5-10	25-30	0-5	**35-40**	20-25	5-10	10-15	5-10 (Enter10)
3.	Hindi GECs	10-15	20-25	-	**30-35**	10-15	15-20	-	15-20 (Enter10)
4.	Bengali GECs	0-5	40-45	-	**45-50**	30-35	0-5	0-5	5-10 (Enter10)
5.	Marathi GECs	15-20	50-55	-	**65-70**	15-20	5-10	0-5	-
e	Oriya GECs	5-10	0-5	-	**5-10**	35-40	-	-	40-45 (Odisha Television)

[9] Based on BARC data

7.	Kannada GECs	25-30	10-15	-	**40-45**	40-45	-	10-15	-
8.	Tamil GECs	0-5	20-25	-	**25-30**	15-20	-	40-45	5-10 (Kalaignar TV)
9.	Telugu GECs	-	40-45	20-25	**60-65**	20-25	-	10-15	-
e	Films	5-10	20-25	0-5	**30-35**	15-20	5-10	10-15	15-20 (Goldmines)
11.	Hindi Films	10-15	15-20	-	**30-35**	15-20	10-15	-	20-25 (Goldmines)
12.	Bengali Films	15-20	35-40	-	**55-60**	20-25	-	-	15-20 (Queen Media)
13.	Kannada Films	10-15	15-20	-	**25-30**	15-20	-	45-50	-
14.	Telugu Films	-	35-40	5-10	**45-50**	20-25	-	30-35	-
15.	Kids	25-30	20-25	0-5	**50-55**	-	10-15	5-10	25-30 (Warner Bros)
16.	Infotainment and Lifestyle	-	25-30	15-20	**40-45**	0-5	5-10	-	40-45 (Warner Bros)
17.	Music	5-10	5-10	-	**15-20**	5-10	-	15-20	10-15 (TV Vision) 5-10 (9XM and IN10)

*This excludes sports segment, which has been discussed later in the Order

30. In response to the letters issued to third parties under Regulation 19(3) of the Combination Regulations, third party/ies submitted that the merged entity would have both the ability and incentive to raise prices for advertisers, consumers, DPOs, and all participants in the value chain.

31. The Parties voluntarily provided VPM I to address possible concerns that the Commission may have, keeping in view their presence in various segments/sub-segments. VPM I consists of divestment of certain TV channels as set out in Schedule 1 and the assignment of rights in ETPL as set out in Schedule 2. According to VPM I, the Parties will divest the following channels:

i. 'Star Jalsha' Movies and 'Star Jalsha' Movies HD, operated by SIPL, in the Bengali Film Channel Sub-Segment;
ii. Colors Marathi and Colors Marathi HD, operated by Viacom18, in the Marathi GEC Sub-Segment;
iii. Colors Super, operated by Viacom18, in the Kannada GEC Sub-Segment; and
iv. Hungama and Super Hungama, operated by SIPL, in the Kids' Channel Segment.

32. The Parties have submitted that as a result of the above, the overlap in the Bengali Films segment and Marathi GEC segment will cease to exist. The combined market share in the Kannada GEC would reduce and JV will also continue to be constrained by Zee, which had a comparable market share. Similarly for Kids' Channel segments the combined market share will decline and there are several competitors in the market, such as Warner Bros., Sony, and SunTV, which will continue to constrain the JV in this segment.

33. Additionally, the RIL group will irrevocably assign 24.5% of voting rights held by TV18 in ETPL to ETPL's promoters and undertake to exercise only limited rights in ETPL. Amongst the overlapping TV channel segments, ETPL is present in Telugu GEC, Telugu Films, Kids' and Infotainment, and Lifestyle Channels. Viacom18 is present, *inter alia,*

in Kids' and Infotainment and Lifestyle Channels. Thus, Viacom18 Business itself is not present in the sub-segments of Telugu GEC and Telugu Films, except through ETPL.

34. It is submitted that, by way of the VPM I, ETPL will continue to compete with the JV post the Proposed Combination as RIL group and its entities will not directly or indirectly influence the management or policy decisions of ETPL in the segments of Telugu GEC, Telugu Films, Kids' and Infotainment, and Lifestyle Channels.

35. Additionally, it is observed that in the segments of Bengali GEC, Hindi GEC and Hindi Films, there appear to be no competition concerns as either the incremental market share is insignificant or there are other competitors in these segments.

36. The Commission noted the submissions of the Parties and the VPM I and is of the view that the Proposed Combination is not likely to have AAEC in the aforesaid segments/sub-segments of the TV Channels Market.

B. Retail supply of AV content through OTT streaming platforms in India

37. The Parties have submitted that the retail supply of AV content through OTT platforms entails the streaming of AV content, primarily through the Internet, direct to audiences. As per the submissions, this medium offers a user-centric approach by offering a viewing experience that is flexible and customised, as well as accessible across various devices such as smartphones, tablets, computers, and connected TVs, primarily on an on-demand basis. The value chain of the broadcasting market includes content owners, broadcasters, and direct platform operators such as OTT platforms, which in turn include applications and services accessible over the Internet.

38. Viacom18 Business is present in this market through JioCinema and Star Business through Disney+Hotstar. Additionally, the RIL Retained is also present through BookMyShow, myJio, JioTV, AltBalaji, and ETV Win.

39. It is also submitted that the OTT platforms employ a combination of various business/monetization models such as advertisement-based platforms that generate revenue primarily through advertising; subscription-based that involves users paying a subscription fee, transactional-based where users pay for individual pieces of content on a pay-per-view basis and hybrid models.

40. Parties have submitted that there is no segmentation possible on the basis of genre or language as OTT platforms typically offer all the content and no platform charges separate subscription fees for a particular genre or language. Considering the Parties' submissions, the competition assessment has been carried out at the level of OTT Streaming Market.

41. There is no single commonly accepted metric for assessment of the OTT Streaming Market, such as GRP for TV channels and different business models measure their performance based on various metrics such as monthly average users ('**MAU**'), average weekly watch time ('**AWWT**'), revenue from advertisements/subscription/both, *etc.* Accordingly, in the present case, all these metrics have been taken into consideration.

42. In their submissions, the Parties have provided that YouTube is also present in this market and is a significant competitor with the highest market share in terms of watch time and users. On the issue of including YouTube in the same segment as the other OTT platforms such as JioCinema and Hotstar, based on the responses of the third parties, past precedent of the Commission, and international practices, the Commission noted that YouTube, primarily an online video hosting platform, is not considered as a part of the OTT Streaming Market. In view of the same, it would be erroneous to group it into the same market merely because the same customers may use both.

Table 2: Market Shares of Parties and Competitors in the OTT Streaming Market in India

S. No.	Metrics	Market Shares for FY 2023 (%)								
		Viacom18 Business	Star Business	RIL Retained	Combined	MX Player	Netflix	Amazon Prime	Sony LIV	Others
1.	AWWT	0-5	30-35	0-5	**35-40**	35-40	5-10	5-10	0-5	0-5 (Zee5)
2.	Advertising revenues	5-10	30-35	0-5	**35-40**	5-10	-	-	5-10	0-5 (Zee5)
3.	Advertising and subscription revenues	0-5	25-30	0-5	**30-35**	0-5	15-20	5-10	5-10	5-10 (Zee5)

43. During FY2023, the MAU of Star Business, Viacom18 Business and RIL Retained were [redacted] million, [redacted] million and [redacted] million, respectively. Total MAU of the combined entity stood at [redacted] million with MX player, a close competitor, having MAU of [redacted] million in FY2023.

44. JioCinema, a relatively newer player in the OTT Streaming Market, is building its content library *via* various licensing agreements. Streaming of non-sports content will face competition from the aforementioned competitors in Table 2. Further, streaming of sports content, currently without any subscription charges, has been driving strong growth in users and revenue from advertisements for JioCinema in the last one - two years. In this regard, the Parties have submitted that most of the sports such as IPL are telecast for free to all their viewers on their OTT platforms and the advertisement revenues (jointly or severally) do not make up for all their expenditures (including bid amount) thereby resulting in losses. They also do not anticipate abnormal increases in advertisement rates as that could likely lead to the diversion of potential customers to other platforms. However, to allay *prima facie* concerns of the Commission in relation to the streaming

of sports content particularly for cricket, the Parties have provided VPM II. Considering the above, with regard to likely concerns in the streaming of sports content, the Commission observed that the commitments offered under VPM II address any apprehensions such as unreasonable price increase or restriction of choice due to bundling of ad slots for cricketing rights, by the resultant JV, as discussed later in the Order.

C. Supply of advertising airtime in India

45. It is submitted by the Parties that the advertising market involves three sets of actors: (a) suppliers of advertising space/airtime, such as broadcasters of TV channels, operators of digital platforms *etc.*; (b) advertising and media planning agencies; and (c) individual firms interested in placing advertisements, *i.e.*, advertisers. While advertisers can purchase advertising slots on various TV channels and/or digital platforms, such purchases are usually undertaken through advertising or media planning agencies, who also advise the advertisers on the optimal allocation of their advertising budget across various advertising avenues.

46. The pricing of advertising airtime on TV channels in India is negotiated between advertisers/advertising agencies and broadcasters of TV channels/OTT platforms, based on various factors relating to the intended advertisement, such as (i) duration of the advertisement; (ii) desired slot for airing the advertisement (e.g., prime time or non-prime time and live or non-live content); (iii) availability of advertising airtime; (iv) advertisers' target group and desired market; (v) volume and duration of the agreement; (vi) frequency of advertisement campaigns undertaken by an advertiser with a particular broadcaster; and (vii) pricing of ad slots by a competitor.

47. The Parties are present in the business of supplying advertising airtime in India through their TV channels as well as through OTT platforms.

48. The Parties have submitted that different forms of advertising mediums (such as print media, radio, billboards, TV channels, and digital media) are largely interchangeable from the viewpoint of advertisers and form a part of the media mix through which the advertiser promotes its offerings. The pricing data provided by the Parties along with other material on record including comments received from certain third parties, however, reveal that not all media can be considered to be in one market. Thus, the Commission has considered the market as the supply of advertising space by the Parties on their TV channels and their OTT platforms.

49. Few third parties have submitted that the merged entity may increase advertisement rates on their OTT platforms and TV channels. On the other hand, the Parties have submitted that there are large advertisers and large advertising agencies which enjoy significant bargaining power in negotiating for advertisement slots. They can leverage their expertise and client base, to negotiate favourable terms and prices for advertisement placements. The countervailing power exercised by these advertisers and advertising agencies restricts the ability of suppliers of advertising space to unilaterally increase their prices. It is also submitted that a significant percentage of the advertising airtime/space on both TV channels, as well as OTT platforms, remains unutilized, indicating that the demand for advertising airtime is less than its supply.

50. Further, to allay *prima facie* concerns of the Commission in relation to the likely effect on pricing for advertisers in the broadcast/streaming of sports, the Parties have provided VPM II.

51. The Commission noted that divestment of TV channels and the ETPL commitments (as per the VPM I), as proposed by the Parties, will lead to a reduction in the combined market share of the Parties in the broad market for wholesale supply of TV channels and in the segments/sub-segments where the VPM I are proposed to take place. Thus, the market power of the Resultant Entity to increase the prices of advertisements in the supply of advertisement space on TV will also reduce consequently, thereby mitigating

concerns in the segment. Further, VPM II will also address issues arising in the broadcast/streaming of sports (primarily cricket) as discussed later in the Order.

D. Licensing of AV content in India

52. It is submitted that the production companies license rights for AV content to TV broadcasters, OTT streaming platforms, as well as social media platforms, which retail the content to end-users on a linear or a non-linear basis. The rights for AV content can belong to the production companies that produced the AV (including both local and international production houses) as well as TV production companies.

53. The Commission has considered the broad market for AV content licensing in India to include the content that is licensed by the Parties to third parties as well as the content that is syndicated. At a narrower level, segments of film licensing and non-film and non-sport licensing have been considered.

54. Based on the submission of the Parties, the Commission observed that the incremental market share of the Parties in the broad market for Licensing of AV content in India as well as narrow segments of licensing of film and non-film AV content is not such as to cause any competition concerns.

E. Production and Supply of Films for Theatrical Release in India

55. It is submitted that primarily, there are four main stakeholders in the value chain for distributing films for theatrical release in India – film producers, film distributors, cinema operators/ exhibitors, and viewers. Players in this sector compete to supply content for viewers' time and attention by offering quality entertainment through theatrical releases. Producers of films license the distribution rights to local/ international distributors and exhibitors. Distributors then sub-license the rights to exhibitors or theatre/cinema operators for end consumers.

56. RIL Retained produces and supplies films for theatrical release in India through Balaji Telefilms, Jio Studios, and Viacom18 Studios. Balaji Telefilms and Jio Studios produce and supply Hindi films. Viacom18 Studios: (a) produces and supplies Hindi and regional films; and (b) supplies English films. TWDC produces and supplies films for theatrical release in India through Star Business. USCPL supplies English films and Star Studios produces and supplies Hindi films. Accordingly, the activities of the Parties overlap in the broad market of production and supply of films for theatrical release in India. In narrower segments, based on language, they exhibit overlap in the: (a) production and supply of Hindi films for theatrical release in India; and (b) supply of English films for theatrical release in India. Additionally, the Parties' presence in the segment for licensing of associated music rights is also considered and assessed.

57. Based on the submission of the Parties, the Commission observed that the incremental market share of the Parties in the broad market for Production and Supply of Films for Theatrical Release in India as well as narrow segments of English films and Hindi films is not such as to cause any competition concerns.

58. Parties also license associated music rights to third-party licensees. Licensing of music rights refers to the licensing of rights of music content to third parties - music labels, music streaming services, radio stations, *etc*. The licensing of music rights is ancillary to the Parties' primary business activity of production and distribution of films. The Parties are engaged in the licensing of music rights to the limited extent of the movies that are produced by them for release on TV channels, OTT platforms, or in theatres in India.

59. RIL Retained licenses music rights in India through Balaji Telefilms, Jio Studios, and Viacom18 Studios (from the films produced by them for theatrical release). Viacom18 Business licenses music rights in India through MTV (from music-based shows produced for MTV). Star Business (through Star Studios and USCPL) licenses music rights in India (from the films produced by it for theatrical release and/or direct release on their channels or platforms).

60. The presence of the Parties in this market is limited to the films produced by them. It has been submitted that Parties do not independently undertake this activity and also do not act as a sub-licensee or acquirer of music rights who further licenses them to music streaming services, music labels, and radio stations.

61. Based on the submission of the Parties, the Commission observed that the combined market shares and the incremental market share of the Parties in the market for licensing of music rights in India are not such as to cause any competition concerns.

F. Provision of fixed broadband internet services (BIS) in India

62. The Parties hold a pan-India ISP license and are present in the Fixed BIS Market: (a) RIL Retained through, Reliance Jio, Den Broadband, Hathway Cable and GTPL; and (b) TWDC Retained through [redacted].

63. The Commission noted that the incremental market share is insignificant. Further, it is submitted that the Fixed BIS Market in India is characterised by the presence of a large number of ISPs such as Bharti Airtel, Atria Convergence Technologies, Oneott Intertainment Limited and BSNL. The consumers of Fixed BIS have the ability to switch from one ISP to another.

64. While under the regulatory framework for broadband service providers, each provider is required to obtain a Unified License authorisation to operate in any part of India, the assessment is also carried out at a narrower segment for each overlapping circle. However, the incremental market share of the Parties at each of these circles is not such as to cause any competition concerns.

G. Distribution of broadcast TV channels to viewers in India

65. The Parties have submitted that three main stakeholders in the value chain for distributing broadcast TV channels – TV broadcasters, distributors of TV channels, and

subscribers/viewers. DPOs distribute linear TV channels to end consumers through a number of distribution platforms. End-consumers may largely be platform agnostic, receiving access to the same linear TV channels irrespective of the DPOs' distribution platform.

66. RIL Retained distributes TV channels to consumers through its subsidiaries Den, Hathway Cable, and GTPL which operate as national MSOs and provide cable TV services. TWDC Retained is present through [redacted], which operates a DTH satellite distribution platform in India to distribute TV channels to viewers. MSOs, as well as DTH operators, transmit the signals received from the broadcasters, either directly or through LCOs, to the end consumers. Accordingly, the Parties are engaged in the business of distribution of TV channels to viewers in India as DPOs.

67. Based on the submissions of the Parties, it is observed that the combined market share of the Parties is [20-25]% and the incremental market share is around 10%. Other competitors include DD Free Dish, Bharti Telemedia, Sun Direct TV, Dish TV, etc. Further, it is also submitted that the market is highly fragmented with the presence of numerous MSOs and LCOs; various pan-India DTH operators, IPTV operators, and one HITS operator. It is also submitted that the must-carry obligations ensure that DPOs provide consumers access to TV channels operated by various broadcasters without any discrimination (subject to other conditions in the TRAI regulations), while the relevant Cable Rules and various regulations on quality of service ensure that DPOs cannot unilaterally reduce the quality of service provided to consumers (in terms of technology to be used or other hardware services). In view of the above, the Commission observed that the Proposed Combination is not likely to cause any competition concerns in this segment.

Vertical Overlaps & Complementary Overlaps

A. *Vertical Overlap 1*: Upstream market for licensing AV content in India and downstream market for the provision of AV content in India through (i) operation and wholesale supply

of linear TV channels and (ii) retail supply of AV content through OTT streaming platforms.

B. *Vertical Overlap 2*: Upstream market for the supply of advertisement space in India through (i) TV channels and (ii) OTT streaming platforms and downstream market for advertising in India.

C. *Vertical Overlap 3*: Upstream market for operation and wholesale supply TV channels in India and downstream market for distribution of broadcast TV channels in India.

D. *Complementary Linkage I*: provision of internet access (both fixed BIS and wireless BIS) and online services, which require internet facilities to function such as OTT platforms.

68. Further, for the complementary relationship, the Parties have submitted that internet service providers ('**ISPs**') are barred from engaging in discriminatory practices like blocking, degrading, slowing down or granting preferential speeds or treatment to any content. This ensures that ISPs do not foreclose any OTT platform by reducing the quality of internet service received by consumers when such platform is in use, especially where ISPs have vertical or complementary links with such platform.

69. Based on the submissions of the Parties, given the market share of the Parties in these aforesaid overlapping markets/segments and considering the commitments under VPM I and VPM II, the Commission observed that these linkages are not likely to cause any foreclosure concerns.

***Prima Facie* Concerns in Sports**

70. As per the submissions in the Notice, in relation to sports, Viacom18 is present through various sports TV channels as well as its OTT streaming platform JioCinema. Similarly, TWDC/SIPL is present through various TV channels as well as its OTT streaming platform Disney+Hotstar. Further, both the Parties are, *inter alia*, present in the bidding

for sports rights and subsequently, broadcasting them through their respective sports TV channels and/or OTT streaming platforms. Based on the material on record, the Commission observed that the Parties have bid and won rights for various sports and sporting events but the majority of viewership in India is attributable to cricket. Even within cricket, based on the bidding data, it is observed that Indian Premier League ('**IPL**') matches, International Cricket Council ('**ICC**') matches and other Board of Control for Cricket in India ('**BCCI**') matches are premium events where the winning bids were substantially larger than other cricket events or sports. The Parties are currently holding exclusive rights for broadcasting and streaming of all the major cricket events in India for a period of three to four years, post which fresh bidding process will take place by the relevant authority such as BCCI.

71. Some third parties have submitted that the negotiating power of the JV will be higher and the ability to monetize the sports rights via subscription and advertising will also be higher. The JV may engage in anti-competitive practices such as self-preferencing, indiscriminate content pricing, outright denial of content, deny rivals access on fair and non-discriminatory terms thereby limiting customer choices and denying market access to competitors.

72. In light of the aforesaid the Commission issued the SCN , wherein it was *inter alia*, noted that:

i. *Market Position of the Parties:* The market shares of Viacom18 is [5-10]% and [5-10]% in FY 2022-23 and FY 2023-24, respectively, and SIPL/TWDC is [70-75]% and [75-80]% in FY 2022-23 and FY 2023-24, respectively. The competitors Sony is [15-20]% and [5-10]% in FY 2022-23 and 2023-24, respectively and Doordarshan ('**DD**') is [5-10]% for these two years. Thus, the Sports TV channel segment is already highly concentrated with a delta HHI of more than 200. In case of the retail supply of AV content through OTT platforms, it is observed that most of the current sports content such as cricket ICC, cricket IPL, *etc.* are streamed on either of the two platforms owned by the Parties.

ii. There is a possibility of higher negotiating power and the ability to monetize the sports rights via subscription and advertising by the Parties. The Parties will hold television and digital rights of all major live cricketing events specifically for ICC events till 2027 and IPL tournaments till 2027.

iii. *Bidding Pattern:* The sports rights are acquired by the Parties by way of bids invited by the relevant sports authority like BCCI. Unlike most bidding processes where the lowest bidder wins, the sports rights are mostly awarded to the highest bidder. The Parties have provided the data pertaining to the bids where they have participated from the year 2012 to 2028. There is no indication of Viacom18's participation in any bid prior to the year 2021. Based on the analysis of the bids from 2021 onwards, it appears that the Parties are close competitors.

iv. The combined entity would have a larger financial capacity to acquire various sports rights. Further, it appears that broadcasters do not consider cricket as substitutable with other sports, as reflected in the steep difference in the price of bidding rights for cricket in India as opposed to bidding rights for other sports such as football. Specifically, with regard to IPL, BCCI split the rights to stream IPL into physical and digital and each bundle of rights only entitles a player to broadcast IPL over one medium, thereby creating unique competitive conditions relating to pricing, viewership, and advertiser interest.

v. *Countervailing Buyer Power:* In their submissions, the Parties have, *inter alia*, submitted that the countervailing power lies with the large advertisers /advertising agencies and the Parties have low ad fill rates. Hence, the Parties will not be in a position to increase the advertisement rates. However, for Viacom18's digital streaming of IPL, despite a lower ad fill rate, the total advertisement revenue and the average cost per mille ('**CPM**') have increased during 2023 to 2024. Similarly, for SIPL's TV broadcasting of IPL, despite lower ad rates, the ad fill rate and the total advertisement revenue have increased during 2023 to 2024. This indicates that

the Parties are presently competing for the advertisers and post the Proposed Combination, there may not be an adequate number of competitors to the Parties available for advertisers to offer competitive prices. The same may also result in advertisers not being able to negotiate with the Parties post the Proposed Combination.

73. In view of the above, the Commission observed that *prima facie*, the Proposed Combination is likely to result in AAEC.

Response To SCN

74. The Parties in the Response to SCN have *inter alia* submitted that:

i. The incremental market share is low for the Sports TV channel segment ranging from [5-10]%.

ii. The Parties' rights to broadcast and/or stream cricket matches are temporary and will exist only for the next 4 years for cricket matches organized by BCCI, 3 years for the IPL, and 3 years for cricket matches organized by ICC. The details of the existing cricket rights held by the Parties are as below:

Party	**IPL**		**BCCI**		**ICC**	
	TV	**Digital**	**TV**	**Digital**	**TV**	**Digital**
Viacom18	-	2023-27	2023-27	2023-27	-	-
SIPL	2023-27	-	-	-	2024-27	2024-27

iii. Any broadcaster with such rights commands the market share only for the duration of these rights and does not have a permanent or lasting position or advantage. There is no guarantee that the combined entity will win these rights the next time that the auctions are conducted. As such, the market position of the enterprises in this segment is transient; and the market share and/ or the HHI cannot solely form the basis for assessment of the Sports TV Channel Segment.

iv. The nature of the bidding rights is such that there is regular competition for the market, which is preserved by a fair tender process. In the subsequent auctions, there is no 'right to match' or any other advantage available to the incumbents.

v. There are no barriers to entry of new entities in the bidding process, and indeed rights have been won by entities with minimal or no prior experience in cricket broadcasting / streaming. Viacom18 (JioCinema) has not participated in a rights auction prior to 2021, but nevertheless participated and won the IPL digital streaming rights which demonstrates that there is no entry barrier for bidding for and acquiring cricketing rights. Further, large global players such as Meta and Amazon have shown interest in acquiring sports rights, including cricket rights.

vi. All such tournaments do not overlap with each other and are organised during different time periods throughout the year.

vii. As far as TV broadcasting rights are concerned, SIPL already holds the rights to broadcast both ICC cricket matches and the IPL. The increment will only be the right to broadcast BCCI cricket matches, which in FY2023-24 generated a meagre aggregate advertisement revenue.

viii. As far as digital streaming rights are concerned, Viacom18 already holds the rights to stream cricket matches organized by BCCI and the IPL. The increment will only be the right to stream ICC cricket matches, which has a relatively small ad revenue.

ix. The vacant advertisement slots are high in TV Channels Market and OTT Streaming Market.

x. With respect to an integration of the TV broadcasting rights for IPL (held by SIPL) and the streaming rights (held by Viacom18), it is submitted that rights with respect to TV and OTT are distinct from one another and TV broadcasting and OTT

platforms do not form a part of the same relevant market. Therefore, the only corollary is that the streaming of IPL is not a competitor to the TV broadcast of IPL. Thus, the TV broadcasting and digital streaming of IPL do not constrain one another.

xi. The broadcasters are mandated to share live feed of matches of 'national importance' for telecast with Prasar Bharti in all cases where Indian teams participate, except IPL, as mandated under 'The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007'. The Parties have submitted that this will be broadcast on the free networks of Prasar Bharti.

75. Thus, the Parties have submitted that the Proposed Combination is not likely to result in AAEC on the basis of the observations in the SCN.

76. However, the Parties have also provided the voluntary commitments as set out in Schedule 3 ('**VPM II**'), to assuage and allay concerns that the Commission had in relation to the Proposed Combination in the Sports segment. It is submitted that these commitments will ensure that until the current cycle of rights subsist, the Parties will have to act fairly and reasonably and will not be able to increase advertisement rates to unreasonable levels. This will also ensure that the higher negotiating power, if any, is not misused and advertisers and consumers continue to benefit from the existing competitive pricing and choice.

77. From the Response to SCN and voluntary commitments furnished by the Parties, the Commission observed as follows:

i. The content in the sports segment is largely acquired through competitive bidding process. These broadcast and/or streaming rights are accorded to the winners only for a limited, pre-defined time period. After this, all participating entities have to bid afresh to acquire the rights for the next round. As such, there appears to be no incumbency advantage in the sports rights bidding market, which can be seen by

the rights having been won by players with minimal or no prior experience in cricket broadcasting. Thus, market shares in sports broadcasting genre depend on the outcome of the bidding process and can be dynamic.

ii. In the Sports TV Channel segment, the incremental market share is [5-10]%. In the OTT Streaming Market, the growth in users and revenue is attributable largely to the free streaming of IPL matches on JioCinema.

iii. The broadcasters are mandated to share live feed of matches of 'national importance' for telecast with Prasar Bharti in all cases where Indian teams participate, except IPL.

iv. With respect to the ability of the resultant JV to increase subscription rates, it has been submitted that in terms of TRAI regulations, TRAI imposes a cap of INR 19 per channel per month for channels that are included in a bouquet offered by a broadcaster. Further, the majority of the bouquets chosen by subscribers are the bouquets offered by the DPOs rather than the bouquets offered by broadcasters (also provided by various third parties in their responses). Under VPM II, in case of subscription model or hybrid model the Parties have undertaken to charge subscription fees to its viewers, which will be commensurate with industry standards (for TV, Parties will adhere to subscription rates as per TRAI Regulations; and for OTT streaming, the subscription rates charged by the Parties will not be the highest in the industry, based on comparison on a like to like basis) for the time period till the current rights held by the Parties expire.

v. In light of the aforesaid, the ability of the JV to increase the prices of their sports TV channels and OTT platforms, due to the aggregation of the rights to broadcast cricket matches will be subject to reasonable limits. In addition, under VPM II the Parties have given an undertaking that they will not increase the advertisement rates to an unreasonable level, on their TV and streaming platforms for ICC events and

IPL events for which they hold the broadcasting rights as on date *i.e.*, till these current rights are held by the Parties.

vi. The Parties have submitted that no advertiser commits and books advertising slots for all the cricket events throughout the year. Even presuming this happens, it will only be the advertiser who will extract discounts from the broadcaster / OTT platform as he commits a higher amount. Notwithstanding the same, the Parties under VPM II have provided commitments that they will not bundle the incremental sports rights accruing to the JV as a result of the Proposed Combination for the advertisers and will also not bundle the TV and OTT rights of IPL. In view of the above, the Commission noted that the Parties will be constrained in bundling ad slots or increasing prices for consumers and advertisers beyond a reasonable level.

78. Considering the material on record, including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, and after taking into account the voluntary commitments offered by the Parties under Regulation 19(2) and Regulation 25(1A) of the Combination Regulations, the Commission is of the opinion that the Proposed Combination is not likely to have AAEC in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act subject to compliance with the commitments.

79. Based on the submission of the Parties it was noted that for IPL OTT digital rights from 2023-27, the bidding was for 2 packages: (a) 56 exclusive matches and 18 non-exclusive matches and (b) 18 non-exclusive matches. Viacom18 bid and won both rights. Thus, the digital streaming for all matches are now exclusive to Viacom18 but Viacom18 had to pay additional money for this exclusivity. In this regard, the Commission also noted that in the interest of promoting competition, it would be desirable for BCCI to explore auctioning of media rights for some IPL matches on a non-exclusive basis only.

80. All Schedules annexed to this Order shall form an integral part of the Order.

81. In carrying out the aforesaid modification, the Parties shall comply with the provisions of the Act and the Combination Regulations.

82. The Parties shall ensure compliance with commitments under VPM I and II in letter and spirit and shall comply with the principles of competition neutrality and level playing field, wherever, the situation / condition of conflict arises.

83. In case the Parties fail to comply with the commitments as given in the Order and the Schedules thereof, the Proposed Combination would be deemed to have caused AAEC in India and the concerned Parties shall render themselves liable for being proceeded under the relevant provisions of the Act.

84. This order may be revoked if, at any time, the information provided by the Parties is found to be incorrect.

85. This approval should not be construed as immunity in any manner from proceedings before the Commission for violations of other provisions of the Act.

86. The information provided by the Parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.

87. The Secretary is directed to communicate to the Parties accordingly.

Schedule 1 – Sale of the Divestment TV Channels

1. Please refer to the definitions of key terms used in this Schedule, set out in this Schedule below. The stipulations in this Schedule shall take effect from the date of the Order.

2. This Schedule sets out the terms and conditions for the divestment of the TV Channels, which are:
   i. 'Star Jalsha' Movies and 'Star Jalsha' Movies HD, operated by SIPL, in the Bengali Film Channel Sub-Segment;
   ii. Colors Marathi and Colors Marathi HD, operated by Viacom18, in the Marathi GEC Sub-Segment;
   iii. Colors Super, operated by Viacom18, in the Kannada GEC Sub-Segment; and
   iv. Hungama and Super Hungama, operated by SIPL, in the Kids' Channel Segment.

3. The Divestment TV Channels shall include:
   i. licenses for trademarks, channel names and logos (jointly and severally) for a reasonable period (*i.e.*, [redacted]) agreed with the Approved Purchaser(s);
   ii. applicable licenses, permits and authorisations;
   iii. applicable agreements concerning the licensing of content from relevant licensor(s); and
   iv. all employees, if any, that are exclusively dedicated and working for the Divestment TV Channels.

Commitment to complete the sale of the Divestment TV Channels

4. The Parties commit to divest, or procure the divestiture of, the Divestment TV Channels by the end of the Divestiture Period as a going concern to an Approved Purchaser(s) on terms of sale approved by the Commission in accordance with the procedure described in this remedy proposal. To carry out the divestiture, the Parties shall commit to enter into a final binding business transfer agreement(s) for the sale of the Divestment TV Channels to an Approved Purchaser(s) within the Divestiture Period.

No re-acquisition of shares / interest etc.

5. The Parties and/or the JV shall, for a period of 5 years from date of the Sale of the Divestment TV Channels, not acquire any stake or the possibility of exercising any influence (by way of shareholding, change in the charter documents, or by exercising affirmative rights or right to appoint a director or an observer on the board of the Approved Purchaser(s) who acquires the Divestment TV Channels or otherwise) over the whole or part of the Divestment TV Channels.

First Divestiture Period

6. The Parties shall commit to divest the Divestment TV Channels within a period of [redacted] from the date of receipt of the Order, which is extendable by a period of [redacted], subject to a reasonably sufficient cause or such extended period as may be agreed by the Commission. This period shall constitute the First Divestiture Period.

Second Divestiture Period

7. In the event that the Sale of Divestment TV Channels does not close within the First Divestiture Period then the Second Divestiture Period shall commence and will last for a period of up to [redacted] (or such extended period as may be agreed by the Commission) for carrying out the proposed divestment through the Divestiture Agency, as further detailed in subsequent paragraphs.

Approved Purchaser(s) conditions

8. The purchaser of the Divestment TV Channels proposed by the Parties shall meet the following requirements (***Purchaser Requirements***) –

   i. be independent of and with no connection whatsoever with RIL, TWDC, the JV, and their affiliates;

ii. not be either a past employee or director (during the 3 years preceding the date of the Order) or a present employee or director (or spouse or child of such employee or director);

iii. have the financial resources, expertise and incentive to maintain and develop the Divestment TV Channels as a viable and active competitor to the JV in the relevant market;

iv. not be Zee Entertainment Enterprises Limited (*i.e.*, ***Zee***) or Culver Max Entertainment Private Limited (*i.e.*, ***Sony***) or Sun TV Network Limited (*i.e.*, ***Sun TV***) (including their respective affiliates) in the Marathi GEC Sub-Segment, Kannada GEC Sub-Segment, Kids' Channel Segment, Bengali Film Channel Sub-Segment; and

v. neither be likely to create any *prima facie* competition concerns, nor give rise to a risk that the implementation of the Order of the Commission will be delayed, and must, in particular, reasonably be expected to obtain all necessary approvals from the relevant regulatory authorities for the acquisition and operation of the Divestment TV Channels.

Commission's prior approval of the agreements between the Parties and the Approved Purchaser(s)

9. The final binding agreements, including all ancillary agreements, relating to the Sale of the Divestment TV Channels shall be conditional on the Commission's approval.

10. Within a period of 10 days from the execution of the agreement with the Approved Purchaser(s), the Parties shall submit a copy of the final agreement(s) to the Commission.

11. The Parties shall further demonstrate to the Commission that the Approved Purchaser(s) fulfils the Purchaser Requirements and that the Sale of the Divestment TV Channels is consistent with the Commission's Order.

Sale of the Divestment TV Channels

12. The Parties shall transfer the applicable TV rights in content as on the date of the Order, of the Divestment TV Channels (*i.e.*, Star Jalsha Movies, Star Jalsha Movies HD, Colors Marathi and Colors Marathi HD, Colors Super, Hungama and Super Hungama), which is directly attributable to and/or inherently attachable to the Divestment TV Channels only, on terms and conditions equivalent to those at present afforded to these channels. From the date of receipt of the Order and until the Sale of the Divestment TV Channels, the Parties shall ensure that the applicable TV rights in content which is directly attributable and/or inherently attachable to the Divestment TV Channels only, shall remain intact to ensure their continued economic viability, marketability and competitiveness.

13. In the event the Approved Purchaser(s) is not an existing TV channel broadcaster and hence does not have the customary and necessary infrastructure to run the Divestment TV Channels, then during the agreed transition period, the Parties and/or the JV (as the case may be) shall offer all services which are customary and necessary for the operation of the Divestment TV Channels by the Approved Purchaser(s).

Transitional support

14. The Parties shall provide such reasonable transitional support for a period of [redacted] to the Approved Purchaser(s) to effectively implement the Sale of the Divestment TV Channels. This shall include the services, products, or support supplied by all Parties (including their affiliates) to the Divestment TV Channels under current arrangements, unless otherwise agreed with the Approved Purchaser(s).

Preservation of the viability, marketability, and competitiveness

15. The Parties shall preserve the economic viability, marketability, and competitiveness of the Divestment TV Channels, in accordance with good business practice, and shall

minimise as far as possible any risk of loss of competitive potential of the Divestment TV Channels. In particular, the Parties undertake to:

i from the date of the Order and until the Sale of the Divestment TV Channels, ensure that the applicable TV rights in content which is directly attributable and/or inherently attachable to the Divestment TV Channels only, shall remain intact to ensure their continued economic viability, marketability and competitiveness;

ii not to carry out any action that might have a significant adverse impact on the value, management or competitiveness of the Divestment TV Channels or that might alter the nature and scope of activity, or the industrial or commercial strategy of the Divestment TV Channels;

iii use their best efforts to preserve the existing relationships with suppliers, vendors, and other third parties having business related to the Divestment TV Channels.

Reporting & Nodal Officer

16. Within 15 working days, following the date of receipt of the Order, the Parties will appoint an officer who will act as a single point of contact (***Nodal Officer***) to supervise the implementation of the Sale of the Divestment TV Channels. The Nodal Officer shall ensure that the Commission is kept fully informed about the process and progress made in relation to implementation of the Sale of the Divestment TV Channels until the Monitoring Agency is appointed. After the selection of the Monitoring Agency, Nodal Officer shall inform about the progress made in relation to the implementation of the commitments to the Monitoring Agency only.

17. The Parties and/or the JV (as the case may be) shall submit written reports in relation to the status and progress of the Sale of the Divestment TV Channels to the Commission no later than 15 days after the end of every 3 months following the date of receipt of the Order. After the selection of the Monitoring Agency, the Nodal Officer shall inform about the progress made in relation to implementation of these commitments to the Monitoring Agency only.

Divestiture Agency

18. The Parties shall divest or seek to complete the Sale of Divestment TV Channels within the First Divestiture Period. However, if the divestiture does not take place within the First Divestiture Period, the Commission may, under Regulation 27 of the Combination Regulations, appoint an independent agency as the Divestiture Agency for the purpose of supervising and implementing the Sale of Divestment TV Channels during the Second Divestiture Period.

19. The appointment of the Divestiture Agency shall take effect from the commencement of the Second Divestiture Period or the day of its appointment, whichever is later.

20. Upon receipt of the notice of the Commission regarding the appointment of the Divestiture Agency, the Resultant Entity/JV must execute or procure their affiliates to execute, within the period prescribed by the Commission, a comprehensive power of attorney in favour of the Divestiture Agency to effect the Sale of Divestment TV Channels and all actions and declarations which the Divestiture Agency considers necessary or appropriate to achieve the Sale of Divestment TV Channels, including the power to appoint advisors to assist with the sale process. The power of attorney shall include the authority to grant sub-powers.

21. During the Second Divestiture Period, the Divestiture Agency shall have the sole authority to complete the Sale of Divestment TV Channels at no minimum price. Upon request of the Divestiture Agency, the Parties/Resultant Entity shall cause the documents required for effecting the Sale of Divestment TV Channels, to be executed.

22. The Sale of Divestment TV Channels shall not be effected by the Divestiture Agency unless and until the Commission has approved the terms of the business transfer

agreement(s), including any ancillary agreements, and the purchaser proposed by the Divestiture Agency (as detailed above).

23. The Divestiture Agency shall protect the legitimate commercial interests of the Parties, subject to the Parties' unconditional obligation to divest at no minimum price in the Second Divestiture Period.

24. If the Monitoring Agency and the Divestiture Agency are not the same legal or natural persons, the Monitoring Agency and the Divestiture Agency shall cooperate with each other to facilitate each other's tasks.

25. A copy of the Divestiture Agency Agreement shall be provided to the Parties and the Parties shall use their best efforts to support the Divestiture Agency in the performance of its duties and obligations provided in the Divestiture Agency Agreement. Any failure by the parties in such facilitation may be deemed to be a contravention of the Order.

Sale during the second divestiture period

26. Within the Second Divestiture Period, the Divestiture Agency shall complete the Sale of Divestment TV Channels through a transparent sale process at no minimum price.

27. The Divestiture Agency shall have full discretion as to the manner in which it sells the Divestment TV Channels. The Divestiture Agency shall include in the business transfer agreement(s), or other disposal arrangement, (as well as in any ancillary agreements) –

i. such terms and conditions as it considers appropriate for an expedient disposal in the Second Divestiture Period; and

ii. such customary representations and warranties and indemnities as are reasonably required to effect the sale. The Divestiture Agency shall protect the legitimate interests of the Resultant Entity, including commercial interests, subject to the

Resultant Entity's unconditional obligation to divest at no minimum price in the Second Divestiture Period.

28. During the Second Divestiture Period, the Divestiture Agency shall provide the Commission with a comprehensive report once in every two months (or otherwise at the Commission's request), on the progress of the divestiture process. The reports shall be submitted within 7 days after the end of every two months and a non-confidential copy shall be submitted to the Parties.

Duties and Obligations of Parties

29. The Parties and/or the Resultant Entity (as the case may be) shall provide and shall cause their advisors to provide the Commission and Divestiture Agency with such co-operation, assistance and information as the Commission / Divestiture Agency may reasonably require to perform its tasks. The Commission / Divestiture Agency / Monitoring Agency (as the case may be) shall have full and complete access to any of the books, records, documents, management or other personnel and technical information necessary of the Divestment TV Channels for fulfilling its duties, to the extent the Parties and/or the Resultant Entity (as the case may be) can provide such access under applicable law. The Parties and/or the Resultant Entity (as the case may be) shall provide the Commission / Divestiture Agency/ Monitoring Agency upon request with copies of any document required by the Commission / Divestiture Agency / Monitoring Agency, as the case may be and as available with the Parties and/or the Resultant Entity (as the case may be).

30. The Resultant Entity shall make available to the Divestiture Agency / Monitoring Agency one or more offices on their premises, if required and shall be available for meetings in order to provide the Commission, Divestiture Agency and Monitoring Agency with all necessary information for the performance of their task.

31. The Resultant Entity shall provide the Monitoring / Divestiture Agency with the managerial and administrative support that it may reasonably request in relation to the Sale of Divestment TV Channels.

32. The Parties shall provide and shall cause its advisors to provide the Monitoring Agency, on request, with the information submitted to potential purchasers, for reviewing the relevant documentation, information memorandum and due diligence process in particular give the Monitoring Agency access to all other information granted to potential purchasers in the due diligence procedure. The Parties shall inform the Monitoring Agency on potential purchasers, submit lists of all potential purchasers at each stage of the selection process, including the offers made by potential purchasers at those stages, and keep the Monitoring Agency informed of all developments in the Divestiture process.

33. The Parties and/or the Resultant Entity (as the case may be) shall indemnify the Divestiture Agency / Monitoring Agency and its employees and agents and hold each indemnified party harmless against any liabilities arising directly out of the performance of the Divestiture Agency's duties under the Order, except to the extent that such liabilities result from the wilful default, recklessness, gross negligence or bad faith of the indemnified party.

34. The Commission may share confidential information of the Parties and the Divestment TV Business with the Monitoring Agency and Divestiture Agency (as the case may be), without seeking any approval from the Parties.

Costs

35. The payment to the Divestiture Agency appointed by the Commission in relation to the services provided for the Sale of Divestment TV Channels shall be made by the Parties and/or the Resultant Entity (as the case may be).

Monitoring Agency

36. The Commission shall appoint an independent agency as Monitoring Agency for the purpose of, *inter alia*, supervision of the commitments in relation to Sale of Divestment TV Channels proposed by the Parties and accepted by the Commission.

37. The Monitoring Agency, under Regulation 27 of the Combination Regulations, shall undertake such functions as may be directed by the Commission, which shall include, inter alia, the following functions:

i. Overseeing and ensuring viability & marketability and monitoring compliance by the Parties with the modification to the combination provided in the Order

ii. Take reasonable efforts to ensure that all the licenses for trademarks, channel names and logos for a reasonable period (*i.e.*, [redacted]) agreed with the Approved Purchaser(s); applicable licenses, permits and authorisations; and applicable agreements concerning the licensing of content from relevant licensor(s) form part of the transaction documents.

iii. Propose to Parties such measures as the Monitoring Agency considers necessary to ensure Parties' compliance with the Order;

iv. Review and assess potential purchasers as well as the progress of the Divestiture process and verify that at each stage of the Divestiture process, potential purchasers receive sufficient information relating to the Sale of Divestment TV channels in particular by reviewing the relevant documentation, information memorandum and due diligence process and that the potential purchasers are granted reasonable access to the personnel;

v. Act as a contact point for any requests by third parties, in particular potential purchasers, in relation to the Order;

vi. Submit to the Commission a written report within ten days after the end of every three months, which shall cover the progress of the Divestiture process as well as potential purchasers. A non-confidential copy of the said report will be provided to the Parties;

vii. The Monitoring Agency shall report immediately in writing to the Commission of any failure on the part of the Parties to comply with the Order;

viii. Submit to the Commission a written report containing its recommendations as regards (i) the suitability of the purchaser proposed by the Parties; and (ii) whether the Divestiture is being carried out in accordance with the Order;

ix. Assume the other functions assigned to the Monitoring Agency under the Monitoring Agency Agreement.

38. A copy of the Monitoring Agency Agreement shall be provided to the Parties and they shall use their best efforts to facilitate the Monitoring Agency in performance of its duties and obligations provided in the Monitoring Agency Agreement. Any failure in such facilitation by the Parties may be deemed to be a contravention of the Order.

Costs

39. The payment to the Monitoring Agency appointed by the Commission shall be made by the Parties and/or the Resultant Entity (as the case may be).

Due Diligence

40. In order to enable potential purchasers to carry out reasonable due diligence of the Divestment TV Channels, the Parties shall, subject to customary confidentiality assurances and depending on the stage of the Divestiture process provide to potential purchasers sufficient information as regards the Divestment TV Channels; and allow them reasonable access to the Key Personnel.

41. The Commission may, at any time, request information from the Parties that is reasonably necessary for the effective implementation of the Order.

42. The Parties shall notify the Commission at least thirty days prior to any proposed change in the corporate structure of the Parties or the JV (as the case maybe) that may adversely affect the compliance obligations of the Parties.

Removal of difficulty

43. The Commission may either on its own motion or based on a reasoned application filed by the Parties and/or the JV (as the case may be), pass such order or direction as it deems fit, to address any unforeseen circumstances or difficulties in implementing the Commission's order by the Parties and/or the JV (as the case may be).

Definitions of key terms

For the purpose of this Schedule:

Approved Purchaser(s) means a third party purchaser of the Divestment TV Channels complying with the conditions specified in paragraph 8 of this Schedule;
Divestment TV Channels means the businesses specified in paragraph 2 of this Schedule.
JV means SIPL post the Proposed Combination;
Order means the order of the Commission under Section 31 of the Competition Act; and
Sale of the Divestment TV Channels means the sale of the Divestment TV Channels to an Approved Purchaser.

Schedule 2 - ETPL Rights Renouncement Commitment

1. RIL, through TV18, holds 24.5% in ETPL. Further, a promoter group of TV18, *i.e.*, [redacted] TV18 and Siddhant Commercials Private Limited are collectively referred to as the ***RIL Entities***.

2. The RIL Entities shall, so long as they hold the stake in ETPL, exercise only the identified rights under the ETPL SHA[10]. RIL Entities will provide an undertaking to CCI that they will exercise only (i) the tag along right under Clause 7.1 of the ETPL SHA to sell their shares along with the promoters (*i.e.*, Ramoji Rao family) if the promoters choose to sell their shares to a third party; and (ii) the right to receive quarterly unaudited financial statements of ETPL.

3. In relation to RIL's [redacted] stake in ETPL:
   i So long as TV18 holds stake in ETPL, TV18 shall irrevocably assign 24.5% of its voting rights to the current promoters of ETPL (***'ETPL Rights Renouncement Commitment'***); and requisite forms shall be filed under the relevant provisions of the Companies Act, 2013. Post such assignment, the current Promoters of ETPL shall be free to exercise the voting rights on the assigned 24.5% voting in such manner as they deem fit and TV18 shall not influence such voting in any manner.
   ii Pursuant to the assignment, RIL shall write to ETPL to incorporate the said assignment of voting rights in its Articles of Association.

4. Further, RIL will ensure that in the event that the RIL Entities transfer their shareholding or voting rights to any other person(s) that may be an affiliate or connected person of RIL, the terms of the ETPL Rights Renouncement Commitment will continue. By way

[10] ETPL SHA means the [redacted]

of disclosure, it is submitted that RIL also has a miniscule shareholding of 2.44% in Ushodaya Enterprises Private Limited ('**Ushodaya**'), which is the single largest shareholder of ETPL. Ushodaya holds 50.94% of shares in ETPL as on 31st March 2024. [redacted]

5. Pursuant to the above, (i) RIL Entities will no longer have any right in the nature of 'control rights' or 'participative rights' in ETPL; (ii) RIL will not have any representation on the board of directors of ETPL (including nominating an observer on the board of directors), and neither RIL nor the RIL Entities will directly or indirectly influence the management and policy decisions of ETPL; and (iii) RIL group will not be in a position to influence the affairs of ETPL in any manner including blocking any special resolution in ETPL since upon such assignment, the Promoters of ETPL will have 75.50% voting rights. As a result of this, ETPL and the JV will continue to operate independently.

6. RIL shall complete the ETPL Rights Renouncement Commitment no later than [redacted] from the receipt of the order of the Commission under Section 31 of the Competition Act ('***Order***'). RIL shall submit a written report in relation to the completion of the ETPL Rights Renouncement Commitment to the Commission no later than 15 days following the completion of [redacted] period from the date of receipt of the Order or completion of ETPL Rights Renouncement Commitment, whichever is earlier.

7. The Nodal Officer appointed under Schedule 1 shall supervise the implementation of the ETPL Rights Renouncement Commitment. The Nodal Officer shall ensure that the Commission is kept fully informed about the process and progress made in relation to the implementation of these commitments, until such time the proposed remedy is not implemented, no later than 15 days after the end of every 3 months following the date of receipt of the Order.

Schedule 3 – Commitments in Sports Segment

1. The Parties have submitted voluntary commitments in their response to the SCN dated 21st August 2024 and also provided certain voluntary clarifications to these commitments vide their submission dated 27th August 2024 ('**VPM II**').

I. **TV Ad slot sales:** The Parties will not bundle together the TV ad slot sales for all three cricketing rights available with the Parties *i.e.,* IPL, ICC and BCCI for the balance tenure of the existing rights.

II. **OTT ad slot sales:** The Parties will not bundle together OTT ad slot sales for all three cricketing rights available with the Parties *i.e.,* IPL, ICC, and BCCI for the balance tenure of the existing rights.

III. **IPL TV and OTT ad slot sales:** Additionally, the Parties will not bundle together ad slot sales for IPL on TV and IPL on OTT for the balance tenure of the existing rights.

IV. The Parties undertake to ensure implementation of Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act 2007 in letter and spirit.

V. The Parties undertake that they will procure to supply the advertisement space on their streaming platforms on fair, transparent and non-discriminatory terms till the current rights held by the Parties expire.

VI. The Parties undertake that they will not increase the advertisement rates to an unreasonable level, on their TV and streaming platforms for the ICC events and IPL events for which they hold the broadcasting rights as on date *i.e.*, till these current rights are held by the Parties.

VII. The Parties undertake that the major cricketing events for which they currently hold rights, including but not limited to IPL and ICC tournaments, will be broadcasted on their linear TV channels and streaming platforms on an either advertisement-based model or subscription model or hybrid model. In case of subscription model or hybrid model the Parties undertake to charge subscription fees to its viewers, which will be commensurate with industry standards (for TV, Parties will adhere to subscription rates as per TRAI Regulations; and for OTT streaming, the subscription rates charged by the Parties will not be the highest in the industry, based on comparison on a like to like basis) for the time period till the current rights held by the Parties expire.

Clarifications

2. [redacted]

3. With regard to commitments mentioned at I, II and III above, it is submitted that the Parties/ SIPL/ Viacom18 shall provide an undertaking to the Commission to this extent.

4. With regard to commitment mentioned at IV above, it is submitted that the sports of national importance listed in the notification issued under the above Act will be broadcast on the free networks of Prasar Bharti.

Implementation and Compliance

5. Immediately after the closing of the Proposed Combination, the Parties will implement these commitments under VPM II.

6. Further, the Parties and/or the JV (as the case may be) shall furnish [redacted] compliance reports, no later than [redacted] after the end of every [redacted] following the date of receipt of the Order, to the Commission with respect to these commitments through the Nodal Officer.

Removal of difficulty

7. The Commission may either on its own motion or based on a reasoned application filed by the Parties and/or the SIPL (as the case may be), pass such order or direction as it deems fit, to address any unforeseen circumstances or difficulties in implementing the Commission's order by the Parties and/or SIPL (as the case may be).