

12

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2014-15)**

SIXTEENTH LOK SABHA

MINISTRY OF INFORMATION AND BROADCASTING

**[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Forty-seventh Report (Fifteenth Lok Sabha) on
'Issues Related to Paid News']**

TWELFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2015/Shravana, 1937 (Saka)

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***Presented to Lok Sabha on _____
Laid in Rajya Sabha on _____***



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NEW DELHI**

August, 2015/Shravana, 1937 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2014-15)

Shri Anurag Singh Thakur - Chairperson
Lok Sabha

2. Shri L.K. Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
- * 5. Dr. K.C. Patel
6. Shri Hemant Tukaram Godse
7. Dr. Anupam Hazra
8. Dr. J. Jayavardhan
9. Shri P. Karunakaran
10. Shri Virender Kashyap
11. Shri Harinder Singh Khalsa
12. Smt. Hema Malini
13. Shri Keshav Prasad Maurya
14. Ms. Mehbooba Mufti
15. Shri Paresh Rawal
16. Dr. (Smt.) Bhartiben Dhirubhai Shiyal
17. Shri Abhishek Singh
18. Shri D.K. Suresh
19. Shri Ramdas C. Tadas
20. Smt. R. Vanaroja
- @21. Shri Raosaheb Danve Patil

Rajya Sabha

22. Shri Javed Akhtar
23. Shri Salim Ansari
24. Smt. Jaya Bachchan
25. Shri Vijay Jawaharlal Darda
26. Shri Santiuse Kujur
27. Shri Derek O'Brien
28. Dr. K.V.P. Ramachandra Rao
29. Shri Sachin Ramesh Tendulkar
30. Mahant Shambhuprasadji Tundiya
- # 31. Shri Meghraj Jain

Secretariat

- | | |
|--------------------------|----------------------|
| 1. Shri K. Vijaykrishnan | Additional Secretary |
| 2. Shri J. M. Baisakh | Director |
| 3. Smt. Meenakshi Sharma | Additional Director |

* Nominated to the Committee w.e.f. 11.09.2014 *vide* Shri Feroze Varun Gandhi, M.P., *vide* Bulletin Part - II w.e.f. 11.09.2014.

@ Nominated to the Committee w.e.f. 15.07.2015 *vide* Bulletin Part-II dated 17.07.2015

Nominated to the Committee w.e.f. 14.01.2015 *vide* Bulletin Part - II dated 16.01.2015.

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2014-2015), having been authorised by the Committee, do present the Twelfth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-seventh Report (Fifteenth Lok Sabha) on the subject 'Issues related to Paid News' relating to the Ministry of Information and Broadcasting.

2. The Forty-seventh Report was presented to Lok Sabha on 6th May, 2013 and laid on the Table of Rajya Sabha on 7th May, 2013. The Ministry of Information and Broadcasting furnished their Action Taken Notes on the Observations/Recommendations contained in the Forty-seventh Report on 25th April, 2014.

3. The Report was considered and adopted by the Committee at their sitting held on 11th August, 2015.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Forty-seventh Report of the Committee is given at Annexure-II.

New Delhi;
11 August, 2015
20 Shrawana, 1937 (Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.

CHAPTER-I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Observations /Recommendations of the Committee contained in their Forty-seventh Report (Fifteenth Lok Sabha) on 'Issues related to Paid News' relating to the Ministry of Information and Broadcasting.

2. The Forty-seventh Report was presented to Lok Sabha on 6.05.2013 and was laid on the Table of Rajya Sabha on 7.05.2013. The Report contained 18 Observations/Recommendations.

3. The Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Ministry of Information and Broadcasting and are categorized as under:-

(i) Observations/Recommendations which have been accepted by the Government:

Rec. Sl. Nos.:- 1, 2, 3, 4, 5, 7, 9, 10, 12, 15 and 18.

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:

Rec. Sl. Nos.:- 17

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Rec. Sl. Nos.:- 6

(iv) Observations/Recommendations in respect of which the replies are of interim nature:

Rec. Sl. Nos.:- 8, 11, 13, 14 and 16.

4. The Committee desire that Action Taken Notes on the Observations/Recommendations contained in Chapter-I and final Action Taken Notes on the Observations/Recommendations contained in Chapter-V of the Report shall be furnished to them at an early date.

5. In the 47th Report (15th LS), the Committee had extensively examined various aspects of Paid News and its ramifications on different sections of society. The major recommendations of the Committee included, formulating a viable and enforceable mechanism to curb the menace of paid news, framing of guideline/code to demarcate between “Advertisements and News”, need for defining Paid News, reviewing the working conditions for media personnel, enforcing guidelines/code for bringing transparency in “Private Treaties” , framing rules to regulate cross media holdings, implementation of proposals made by the Election Commission of India, strengthening of Press Council of India, etc. Majority of the recommendations made in the 47th Report have been accepted by the Government. The Action Taken Notes on the Observations/recommendations of the Committee have been reproduced in the relevant chapters of this Report.

6. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations.

Manifestation of “Paid News”

(Recommendations Sl. No. 1 and 2)

7. In their original Report, the Committee had observed with concern that certain sections of the media have started receiving monetary or other benefits for publishing or broadcasting in favour of individuals/organizations/corporate entities, what is commonly being referred to as Paid News and it has spread at remarkable pace in some sections of the media. The phenomenon has the effect of unduly influencing the financial/stock/real estate market, health, industry and influencing public opinion in election process. The Committee found that Paid News is not limited to corruption of individual journalists instead has become complex and ‘organised’ involving multiple players like journalists, manager/owners of media companies, corporations, public relations firms/advertising agencies and some sections of the political class. The Committee further noted that although the Election Commission had started noticing the menace of Paid News as early as 2004 General Elections itself, the malpractice of Paid News surfaced prominently during General Elections of 2009 and thereafter. Even though the menace of ‘Paid News’ has been in practice and visible for long, the Committee found that the Ministry

of Information and Broadcasting had not done anything substantial to check the menace. While feeling seriously concerned over the ways the menace has manifested, the Committee apprehended that if it was not curtailed at this juncture, it would assume gigantic proportions. The Committee, therefore, had recommended the Ministry to act swiftly on the issue of 'Paid News' on priority basis and come out with a viable and enforceable mechanism so that this menace is curbed at the earliest.

8. In their Action Taken Notes, the Ministry have *inter-alia* stated that the issue of formulating a comprehensive policy and institutional mechanism to address the phenomenon of Paid News is under consideration of the Government. The Ministry of I&B are of the view that any action on Paid News through legislative action would require Parliamentary approval for which political consensus is a pre-requisite. Accordingly, Ministry of I&B have submitted a note to the Ministry of Law and Justice on issues namely, (a) Representation of the People Act, 1951, be amended to make incidence of Paid News a punishable electoral malpractice and (b) The PCI must be fully empowered to adjudicate the complaints of Paid News and give final judgement in the matter. On the basis of examination by the Ministry of Law and Justice, the issues would be considered further and if required the proposal would be submitted for approval of the Cabinet accordingly. The Ministry have further stated that based on the recommendation of the Standing Committee on Information Technology 'Press and Registration of Book and Publications Bill', inclusion of provisions in the Bill to check the incidents of Paid News has been proposed.

9. The Committee note that the Government in principle have accepted the recommendation of the Committee to formulate a comprehensive policy and institutional mechanism to address the phenomenon of Paid News. In this regard, the Ministry of I&B had submitted notes on the issues for amendment in the Representation of People Act, 1951 and the Press Council Act, 1978 to the Ministry of Law and Justice for examination. It is, however, disquieting to note that despite lapse of considerable time, there has been no tangible progress in the policy making front. The Committee desire that the administrative Ministry, i.e. the Ministry of Information and Broadcasting, should urgently take up the matter with the Ministry of Law and Justice for expeditious examination of the proposal for amendment of the Representation of People Act, 1951 to make Paid News a punishable electoral malpractice and also empowering the Press Council of India to adjudicate the complaints of Paid News and give final judgement in the matter. The Committee further

desire that after obtaining the viewpoint of the Ministry of Law and Justice, the Ministry should swiftly act in the direction of placing the matter before the Cabinet and thereafter initiate legislative action for formulating appropriate policy to curb Paid News. The Committee would like to be apprised of the conclusive action taken in the matter within a period of six months.

A. Working conditions of Media personnel – contractual employment; wage scenario and Editorial Section v/s Management/Owners of Media Houses

(Recommendations Sl. No. 6)

10. Taking into account the pathetic working conditions of the significant part of the media personnel, in their original Report, the Committee had recommended as under:-

“The Committee note that Paid News is not only the outcome of the convergence of the editorial, advertising, public relations (PR), lobbying group and the ‘industry’ but is also due to the decline in independence of the journalists/reporters. In this regard, the Committee feel that the emergence of contract system of employment is the primary cause for erosion of the independence of journalists/reporters as the system has the affect of reducing their status to mere marketing agents. According to PCI, the journalists are often under pressure to show ‘results’ till the renewal of contract which is often uncertain and they are under fear of an ‘abrupt transfer’ without having choice of freedom and there are numerous instances of exploitation of journalists under the contractual system of employment. The Committee also note that the decisive role of Editors of the Media have been dampened by the interference of the marketing departments and owners of the media houses. The Committee note from the Report of PCI’s Sub-Committee on ‘Election, Coverage, Monitoring in Gujarat’, according to which, several Editors and Journalists have accepted that Paid News contract deals are signed at the top level and they get time to time ‘instructions’ to carry a particular news item or photograph which is contrary to the provision of Para 37 (A) of Norms of Journalistic Conduct by PCI relating to Management-Editor Relationship which in essence provides that the editor under no circumstance can be asked by the proprietor to serve his private interests.

Another related issue that has plagued the working conditions of Journalists/Reporters, is that of wage/salary of the media personnel. The Committee find that journalists on contractual system, may be except in big cities, are paid very meagre wages which could be less than even the minimum wages prescribed by the Government, or sometimes paid commission on given fixed targets for business/ advertisements. In addition, some of the media

houses even use stringers who are given the I-cards of the media house and are expected to earn for themselves and for that particular media house by way of collecting advertisements.

Taking a holistic view of the scenario, the Committee feel perturbed at the pathetic working conditions of the significant part of the media personnel while strongly disapproving the tendency of the media houses to hire and fire. The Committee strongly feel that contract employment should not be used as a tool for attraction/allurement. Sharing the concerns about the mounting pressure on the Editorial/Journalists/Reporters compelling them to indulge in Paid News phenomenon, the Committee are inclined to conclude that inspite of having several guidelines for segregating Editor and Management/Owners, the same are not being enforced efficiently. The Committee, therefore, recommend that the Government/concerned regulatory bodies should take all necessary steps for improving the working conditions of the journalists/media personnel and also ensure that the autonomy of the editorial staff is upheld forth with. More importantly, the media houses will have to rise to the occasion and act. The Committee desire that all the employees of media houses should be covered under the Working Journalists Act and be given the protection under the various provisions of the Act. The Committee also feel that there is a need for constitution of Media Commission to review the working conditions for media personnel i.e. covering print and electronic media. The Committee, therefore, recommend that the Ministry while taking into consideration all these factors should formulate the regulatory mechanism and make provisions for periodic review of the working scenario/wage conditions of media personnel. The Committee would like the Government to apprise them about the specific action taken in the matter.”

11. The Ministry of Information and Broadcasting in their Action Taken Note have stated as under:-

“The Working Journalists and Other Newspapers Employees (Condition of Service and Miscellaneous Provisions) Act, 1955’ provides for fixing/revisiting of wages and for regulating service conditions of working journalists and non-journalist newspaper employees. Under section 9 and 13C of ‘The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955’, the Wage Boards are constituted by the Ministry of Labour and Employment having representatives of employees, employers and independent members. The guiding principle for wage fixation is the capacity of the employer.

The Act defines ‘Working Journalist’ as a person whose principal avocation is that of a journalist and who is employed as such either whole-time or part-time, in, or in relation to one or more newspaper establishment and includes an editor, a leader, writer, news-editor, sub-editor, feature-writer, copy-tester, reporter, correspondent, cartoonist, news-photographer and proof-reader but does not

include any such person who is employed mainly in a managerial, administrative or supervisory capacity.”

12. While noting the pathetic working conditions of a significant section of the media personnel, poor wage scenario of some segments of media personnel, pressures of Management/Media owners on Editorial sections, etc., the Committee had recommended that the Government/regulatory bodies concerned should take necessary steps for improving the working conditions of media personnel. In this context, the Committee had also expressed the need for constitution of a Media Commission to review the working conditions of Media personnel. The Committee, however, note that the Action Taken Notes furnished by the Ministry have merely referred to the existing provisions of ‘The Working Journalists and Other Newspapers Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955’ and definition of ‘Working Journalist’ as enumerated in the said Act. The Committee need hardly emphasize the fact that the existing Act/Provisions were found inadequate to address the concern expressed by the Committee for the working conditions of the Media personnel. The Committee, therefore, urge the Ministry to work out a holistic solution to improve the working conditions of both Print and Electronic Media personnel. The Committee further note that the Action Taken Note of the Ministry is also silent on the constitution of a Media Commission. Expressing their displeasure over the inaction in the matter, the Committee call upon the Ministry to apprise them of the steps taken to constitute a Media Commission within a period of three months.

B. Private Treaties

(Recommendations Sl. No. 7)

13. On the issue of Private Treaties, the Committee in the original Report had recommended as under:-

“ The Committee note that ‘Private Treaties’ between the media companies and corporate entities is one of the most dangerous manifestation/precursor of Paid News. ‘Private Treaties’ is referred to as an agreement between the media company and another non-media company in which the latter transfers certain shares of the company to the former in lieu of Advertisements, space and favourable coverage. The Committee note that the phenomenon blatantly violates the journalistic ethics and gives rise to the menace/malpractice of ‘Paid News’/‘Advertorials’. Today, this phenomenon which was initially devised for marketing, has reached the level of giving favourable coverage/editorial and adverse comments against the opponents. The Committee note that the gravity

of the problem has been realised by all who have made their submissions to this Committee and everybody including self regulatory bodies and SEBI have advocated that every media house must mandatorily disclose to the public on its website about any shareholding, investment equity participation or financial interest/conflict of interest of any nature whatsoever including specifically 'Private Treaties'. Considering the adverse impact of 'Private Treatise' in independence of journalists/editors/media professionals and giving rise to the menace of Paid News, directly and indirectly, the Committee strongly recommend the Ministry/regulatory bodies to strictly enforce all the existing guidelines/codes for bringing transparency in 'Private Treaties', thereby curbing paid news to a great extent. Shortcomings identified in the existing guidelines/legislations should be taken up for revision."

14. The Ministry of Information and Broadcasting in their Action Taken Note have stated as under:-

"The PCI has advised Securities Exchange Board of India (SEBI) to initiate steps to tackle Paid News in 'Private Treatise' in Securities field and it has also sensitized the media on this matter."

15. Considering the adverse impact of 'Private Treatise' on the independence of journalists/editors/media professionals and its effect in encouraging the menace of Paid News directly or indirectly, the Committee had recommended to the Ministry/regulatory bodies to strictly enforce all the existing guidelines/codes for bringing transparency in 'Private Treaties' and to identify and revise the short comings in the existing guidelines/legislations. The Committee note that the Press Council of India (PCI) has advised the Securities Exchange Board of India (SEBI) to initiate steps for tackling Paid News in 'Private Treatise' in Securities field and it has also sensitized the media on this matter. The Committee trust that bringing transparency in 'Private Treaties' will curb paid news to a great extent. The Committee desire to be apprised of the concrete steps taken by SEBI in this regard so that the shortcomings identified in the existing guidelines/legislations should be taken up for revision at the earliest.

C. International practices

(Recommendations Sl. No. 12)

16. In respect of global practices followed for Paid News, the Committee, in their original Report had recommended as under:-

“To have a better understanding of the international practice with regard to Paid News, effectiveness of self regulation and the oversight mechanism, the Committee asked the Ministry about the international position. The Committee have been informed by the Ministry that India’s Self regulatory initiative is in line with the international best practices seen in developed countries such as USA, UK and Germany where they are known as SROs (Self Regulatory Organisations). The Committee are however, concerned to note that neither the Ministry nor any Self regulatory body viz. PCI/NBA, etc, has conducted any study to evaluate the mechanism adopted by other countries to tackle the menace of Paid News. Even with regard to the existing mechanism to regulate media, they did not provide any information. However, the Committee note that the issue of culture, ethics malpractice in media has engaged serious attention worldwide. Very recently, an enquiry Commission under Lord Justice Leveson was set up by the UK Government. Hon’ble Justice Leveson conducted an enquiry into the culture, practices and ethics of the press and submitted his Report in November, 2012. In this Report various issues viz. regulatory models for future, protecting journalists, access to information, media employment, press and politics, plurality and media ownership, etc. have been dealt with. The Committee note from the implementation status of the Justice Leveson Report that after the publication of the Report there were mixed reactions and there were cross-party discussions on how to implement the proposals of the Report. Reportedly the Government of UK will go ahead with the establishment of a body which will approve press regulators and the Leveson proposals will be put before the privy council which would meet on 8th May, 2013 for approval and then move on to the Queen for the final seal. Considering the post presentation developments of Leveson Report and in view of the ills, including Paid News, afflicting the Indian media, the Committee expect the Ministry to consider the recommendations and the developments associated with Leveson Report while dealing with the issue.”

17. The Ministry of Information and Broadcasting in their Action Taken Note have as under:-

The Ministry of Information and Broadcasting has taken cognizance of the Regulatory model recommended by the Leveson Report and in order to formulate a structured response to the recommendations and the developments associated with the Leveson Report, the Ministry has convened a meeting of the Consultative Committee of the Members of Parliament attached to the Ministry for discussion on the subject ‘Leveson Report and its relevance qua Indian milieu’. The preliminary views of the members of the Consultative Committee on the Leveson Report have been obtained and it has been observed that the regulatory models in other democratic countries are also required to be studied.”

18. Taking into account the recommendations made by the 'Leveson Report', an enquiry Commission set up by the UK Government and headed by Lord Justice Leveson which enquired into the culture, practices and ethics of the Press, the Committee had recommended to the Ministry to consider the recommendations of the said Report in view of the ills afflicting the Indian media. The Committee note that the Ministry of Information and Broadcasting have taken cognizance of the Regulatory Model recommended by the 'Leveson Report'. In order to formulate a structured response to the recommendations and the developments associated with the Leveson Report, the Ministry had convened a meeting of the Consultative Committee of the Members of Parliament attached to the Ministry for discussion on the subject 'Leveson Report and its relevance qua Indian milieu'. Further, preliminary views on the Report were also obtained from the Members and it was observed that the regulatory models in other democratic countries are also required to be studied. The Committee, therefore, urge the Ministry to take appropriate steps to initiate such studies and apprise them about their findings.

CHAPTER-II
RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT

Budgetary Grants for the year 2013-14

(Recommendations Sl. No. 1)

Media plays a significant role in a democracy not only because it voices concern of the people but also it reflects the true picture of the country's social, cultural, economic and political set up. It is therefore, considered as the fourth pillar of democracy which not only acts as a repository of public trust but also plays a significant role in influencing the human mind. The Committee, therefore, feel that it is of paramount importance that various news/informative programmes delivered by the media through various modes like newspaper, radio, television, internet, mobile phone etc. are factual, neutral, fair and objective. The Committee are, however, deeply concerned to note that certain sections of the media have started receiving monetary or other benefits for publishing or broadcasting in favour of individuals/ organisations/ corporate entities, what is commonly being referred to as 'Paid News' and it has spread at remarkable pace in some sections of the media. The phenomenon has the effect of unduly influencing the financial/stock/real estate market, health, industry and influencing public opinion in election process. The Committee find it disturbing that 'Paid News' is not limited to corruption of individual journalists instead has become complex and 'organized' involving multiple players like journalists, managers/owners of media companies, corporations, public relations firms/advertising agencies and some sections of the political class. Feeling extremely concerned over the way the media has become compromised and the urgency required to curb the menace the Committee took up this subject for detailed examination.

During the course of examination of the subject the Committee came across startling revelations that 'Paid News' is not only an election time phenomenon but happens everyday and is prolific as launching/marketing of products/organisations/individuals happens around the year and advertisement for these are disguised and presented as full pages of 'news'/'advertorials'. Even though the Committee note that the entire gamut of organisations/authorities like the Ministry of Information and Broadcasting, Press Council of India, Election Commission of India, News Broadcasters Association, Editors Guild of India, Prasar Bharati as well as various eminent personalities have acknowledged the menace of 'Paid News' and have impressed upon the need to take remedial measures, yet, the Committee find it astonishing that a large section of media is completely silent on this malpractice. As detailed in succeeding paragraphs, the Government has not taken effective and conclusive action to deal with the menace. Role of the Ministry of Information and Broadcasting

The Committee note that it is the mandate of the Ministry to create enabling environment and set up policy framework for healthy development of various mass media like radio, television, films, press and print publications, advertising and traditional modes of communication. Therefore, the Ministry has an important role to play in ensuring that news/information made available to the public is factual, neutral, fair and objective. Even though the menace of 'Paid News' has been in practice and visible for long, the Committee find

it disconcerting that the Ministry has not done anything substantial to check the menace as has been witnessed by the Committee during examination of this subject including interactions with the stakeholders across a wide spectrum. In spite of upsurge of numerous instances of 'Paid News' since last decade, a suitable, concrete and enforceable mechanism is yet to be put in place by the Government. The Committee are of the view that the Ministry of Information and Broadcasting with all policy framework/statutory resources at its disposal has failed to discharge its responsibility. The Committee, therefore, strongly recommend the Ministry to act swiftly on the issue of paid news on priority basis and come out with viable and enforceable mechanism so that this menace is curbed at the earliest. The Committee would await specific action taken by the Government in this regard within 6 months of presentation of this Report.

Reply of the Government

The Government is concerned with the issue of paid news and is taking steps to check the menace of paid news. Since the issue is media-sensitive and requires extensive consultations, a Group of Ministers (GoM) was constituted under the chairmanship of the former Finance Minister to examine the recommendations made by Press Council of India (PCI) in its Report on Paid News to give views on a comprehensive policy and institutional mechanism to address the phenomenon. The GoM deliberated upon the issue in its two meetings. Upon elevation of the former Finance Minister as Hon'ble President of India, the GoM was not re-constituted. However, the Ministry of I&B is of the view that any action on paid news through legislative action would require parliamentary approval for which political consensus is a prerequisite. The Ministry, therefore requested Cabinet Secretariat to re-constitute a dedicated GoM on Paid News or alternatively assign it as an additional Term of Reference (ToR) for the GoM on Media. However, it has been decided that note on following issues may be forwarded to the M/o Law & Justice for examination and to submit a note to M/o I&B:

Representation of the People Act, 1951, be amended to make incidence of Paid News a punishable electoral malpractice.

The PCI must be fully empowered to adjudicate the complaints of 'Paid News' and give final judgement in the matter.

Thereafter, M/o I&B may move an appropriate note to the Cabinet.

Accordingly, notes on the issues have been forwarded by M/o I&B to the M/o Law & Justice. On the basis of the examination by the M/o Law & Justice, the issues would be considered further and if required, the proposal would be submitted for approval of the Cabinet, accordingly.

Besides, based on the recommendations of the Standing Committee on Information Technology on 'Press and Registration of Books and Publications Bill', inclusion of provisions in the Bill to check the incidents of Paid News has been proposed.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

**Comments of the Committee
(Please see Para No. 9 of Chapter I)**

Genesis and manifestation of 'Paid News**(Recommendations Sl. No. 2)**

The Committee note that in post-independence era, the media developed in a healthy manner and continued the same way for a couple of decades and then started deteriorating after it became much powerful. Everybody realised that the press is the important source of reaching to the people because its credibility was very high. This is the background in which the candidates who were contesting the elections realised that influencing media by one way or the other would be more productive than paying for other sources like advertisements and other means of publicity, thereby paving way for this malpractice. The Committee note that although the Election Commission had started noticing the menace as early as 2004 General Elections itself, the malpractice of 'Paid News' surfaced prominently during General Elections of 2009 and thereafter. The Committee also note during the last 2 decades apart from print media, television which is commonly known as electronic media has emerged strongly and has become increasingly corporatized and greater emphasis is on the business and other commercial aspects. Moreover, the traditional practice of having completely insulated offices of the Editor and the Publisher to preserve the autonomy and independence of the media also appears to have been compromised.

As informed by the Press Council of India (PCI), the Committee note that over last six decades 'Paid News' have changed its form ranging from accepting gifts on various occasions, going on a sponsored foreign and domestic tour, to other benefits and direct payment of money. The Committee are highly perturbed to learn about another form of paid news i.e. that award ceremonies being sponsored by some media houses wherein industrialists/professionals/personalities who are the sponsors/regular advertisers for their media houses, are awarded. Sometimes, a kind of indirect blackmailing is resorted to by some sections of the media by not giving any kind of publicity to a contesting candidate until he pays or on some occasions giving more favourable publicity to someone on account of personal relationships. Other damaging manifestation of 'Paid News' that has emerged during the course of examination is the nexus between media and other corporate in the form of 'Private Treaties'. While feeling seriously concerned over the ways the menace has manifested, the Committee apprehend that if it is not curtailed at this juncture it would assume gigantic proportions. The Committee, therefore, recommend that the Ministry should meticulously formulate a mechanism to tackle paid news after taking into consideration all its forms, facets and dimensions.

Reply of the Government

The issue of formulating a comprehensive policy and institutional mechanism to address the phenomenon of paid news is under consideration of the Government. The related aspects of the issue were also deliberated by the Group of Ministers (GoM) on Paid News. Ministry of

I&B is of the view that any action on paid news through legislative action would require parliamentary approval for which political consensus is a pre-requisite. Accordingly, M/o I&B has submitted notes on the related issues for amendment in the Representation of People Act, 1951 and the Press Council Act, 1978 to the M/o Law & Justice for examination . On the basis of the examination by the M/o Law & Justice, the issues would be considered further and if required, the proposal would be submitted for approval of the Cabinet, accordingly.

Besides, based on the recommendations of the Standing Committee on Information Technology on 'Press and Registration of Books and Publications Bill', inclusion of provisions in the Bill to check the incidents of Paid News has been proposed.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

**Comments of the Committee
(Please see Para No. 9 of Chapter I)**

Distinction between 'News' and 'Advertisements'

(Recommendation Sl. No. 3)

The Committee note that primarily there is no difference between an advertisement and 'Paid News' except that in the case of latter it does not appear as if it is an advertisement. Therefore, it becomes very difficult to understand whether a particular programme/review/talk show/advertorial is a legitimate one or paid by someone to unduly influence public opinion. The Committee also note that even if paid content has been labelled as advertisements it is done in a very small font and that too with the abbreviation 'Advt.' in some corner of the paper/screen. In print media most of the times the type face and the font size are the same in print and in electronic media the scroll/ticker is too small to be noticed. In case of radio it is disguised by not announcing about the programme being sponsored. In this regard, the Committee note that for electronic media there is Rule 7(10) under Advertisement Code of Cable Television Networks (Regulation) Rules, 1994 formulated under the Cable Television Networks (Regulation) Act, 1995 according to which all advertisements should be clearly distinguishable from the programme and should not in any manner interfere with the programmes. In addition, there is also Rule 6(1)(d) under Programme Code which states that 'No programme should be carried in the cable service which contains anything obscene, defamatory, deliberate, false and suggestive innuendos and half truth'. The Committee, however, find that these guidelines are not being strictly enforced and the Ministry has also acknowledged that Advertising and Programme Code is not being strictly followed by various publications/channels. The Committee, therefore, feel that there is an imperative need for evolving a mechanism which would ensure a clear demarcation as to what is an advertisement and what is not an advertisement.

The Committee, therefore, recommend the Ministry to take necessary steps for strict enforcement of the existing provisions for demarcating between ‘advertisements’ and ‘news’ by the media houses. The Committee would like the Government to ensure that in case of Print Media, the word ‘ADVERTISEMENT’ should be in different letter and highlighted in such a way that it catches the eye of the reader instantly. Besides, there should be a disclaimer in this regard. In case of Electronic Media, the word ‘Advertorial’ must remain superimposed during entire transmission of such advertorial. Besides, there should be announcement of the sponsorship before and after each break of the programme, particularly for visually challenged audience. The Committee also endorse the suggestion from a stakeholder that the text ‘This show is an advertisement’ along with the name of the sponsor should remain superimposed for the entire duration of the show at the top centre of the screen in a font size that is the same as the font size of the name of the News channel. In case of Radio, there should be an announcement that ‘this show is sponsored by so and so’ at a regular interval/break. The Committee are of strong opinion that an enforceable guideline/code to demarcate between ‘advertisements’ and ‘news’ would not only save the common public from being cheated/misguided but would also act as the stepping stone in the direction of curbing the malpractice of ‘Paid News’. The Committee recommend that these suggestions which do not require any policy decision or amendment in any legislation should be implemented in letter and spirit, without any further loss of time.

Reply of the Government

So far as the Print Media is concerned, the Press Council of India, under section 13(2)(b) of the Press Council Act, 1978 has formed Norms of Journalistic Conduct for adherence by the Media. The Norm 36(vi) prescribes that advertisements must be clearly distinguishable from the editorial matter carried in the newspaper. As far as news is concerned, it must always carry a credit line and should be set in a typeface that would distinguish it from advertisements.

Regarding electronic media, the recommendation is accepted and is being conveyed to industry bodies like IBF (Indian Broadcasting Foundation), NBA (News Broadcasters Association), ASCI (Advertising Standards Council of India), ARTBI (Association of Regional Television Broadcasters of India), AROI (Association of Radio Operators of India) and Prasar Bharati for implementation.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Need for defining 'Paid News'**(Recommendations Sl. No. 4)**

Taking note of the increasing trend of presenting advertisements in the garb of news, the Committee firmly believe that there is an urgent need for having a comprehensive definition for 'Paid News' so that 'News' and 'Advertisement' can be clearly demarcated. However, with the complexities of 'Paid News' syndrome and its changing forms and manifestations, the challenge continues to be in defining and determining what constitutes or qualifies as 'Paid News'. The Committee, therefore, recommend that the Ministry, instead of blindly endorsing the definition provided by Press Council of India, should in consultation with various stakeholders formulate a comprehensive definition covering all its forms and manifestations which clearly segregate 'news' from 'advertisement' and giving the same a legal formulation so that it can be distinctly identified for appropriate action. The Committee may be apprised of the action taken in this regard accordingly.

Reply of the Government:

The Press Council of India (PCI) is a statutory autonomous body set up under the Press Council Act, 1978 with twin objectives to preserve the freedom of press and to maintain and improve the standards of the newspapers and news agencies in the country. The PCI has also comprehensively deliberated upon the issue of paid news and has released its 'Report on Paid News'. The Report defines Paid News as "Any news or analysis appearing in any media (Print & Electronic) for a price in cash or kind as consideration". The PCI has also set up a Sub-Committee to re-visit the issue of 'Paid News' including the definition accorded to it. However, the issue of re-visiting the definition of 'Paid News' has not been finalized by PCI.

The M/o I&B has submitted a note to the M/o Law & Justice to examine the issue regarding amendment of the Representation of People Act, 1951 to make the incidence of paid news a punishable electoral malpractice. The incorporation of specific provisions relating to paid news in the RP Act, 1951 would involve legal formulation of the definition of election time paid news.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Complexities involved in establishing 'Paid News' acts**(Recommendations Sl. No. 5)**

The Committee note that because of the clandestine financial transactions involved in 'Paid News' it becomes extremely difficult to establish the violation per se, and therefore it becomes difficult to prove the menace particularly in case of visual media. The Committee also

note that because of the complexities involved, 'circumstantial evidence' forms the basis of consideration for proving this malpractice. For instance, during elections a channel may simply ignore a contesting candidate if he has not 'paid' and this is more difficult to pin down as a malpractice by the authorities namely, Press Council of India (PCI) or Election Commission of India (ECI). Further, as the visual media coverage is transitory in nature, malpractice indulged may escape detection. The Committee also find that in case of Electronic media the main problem lies in retrieving the information/footage of the stored programme as currently there is no mechanism to classify/catalogue the programme which are stored thereby hindering the verification of the violation because it is difficult to prove the menace.

According to PCI's sub-Committee Report (2010) on 'Paid News', though the phenomena of widespread practice of 'Paid News' has been verbally confirmed and vindicated by politicians and campaign managers of political parties, there is no recorded documentation that could finally establish that there has been an exchange of money between media houses/advertisement agents/journalists and politicians/political parties. The Committee also note that as per the existing mechanism, on receipt of a complaint of 'Paid News' it would be looked into by the respective agency i.e. PCI in respect of complaints relating to Print Media and inter-Ministerial Committee (IMC) in respect of content on satellite TV channels.

Considering the fact that there is no straight jacket methodology for establishing this malpractice, the Committee urge the Ministry to brainstorm on this issue and put forward innovative solutions to consider and establish 'circumstantial evidence' in proving the menace. The Committee also desire the Ministry to consider the suggestion that there should be a team of experts specifically for analyzing the coverage pattern and if any unusualness is noticed in the coverage pattern, the concerned regulatory body should immediately swing into action. On the issue of retrieving the data/programme in electronic media for proving the case, the Committee recommend that the Ministry, in coordination with Prasar Bharati and other experts in the field, should evolve a mechanism for taking appropriate action on the available circumstantial evidence to establish the act of 'Paid News' in electronic media.

Reply of the Government

All Television channels are required to give an undertaking that they would abide by the Programme Code and Advertisement Code as provided in the Cable Television Networks Regulation Act 1995. However, 'Paid News' has not been defined in the Programme and Advertising Codes. Therefore, instances of 'Paid News' are not adequately covered. If 'Paid News' is to be brought under the purview of the Cable Television Network (Regulation) Act, 1995, the Act would be required to be amended. In this regard, Ministry is in process of amending the Press and Registration of Books Act, 1867 wherein effort has also been made to incorporate the definition of Paid News. Once such amendments receive the consent of the parliament, the Ministry would be in a position to carry out amendment in the Programme

Code to incorporate similar definition of Paid News. A view would be taken thereafter in the Ministry.

With regard to instances of paid news during Election time, it is pertinent to point out that the Election Commission of India is empowered under the People's Representation Act, 1951, as amended from time to time (such as section 39 A, 126, 127 A, etc) to take action against all such cases of paid news appearing in Print as well as Electronic Media.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Private Treaties

(Recommendation Sl. No. 7)

The Committee note that 'Private Treaties' between the media companies and corporate entities is one of the most dangerous manifestation/precursor of 'Paid News'. 'Private Treaties' is referred to as an agreement between the media company and another non-media company in which the latter transfers certain shares of the company to the former in lieu of Advertisements, space and favourable coverage. The Committee note that the phenomenon blatantly violates the journalistic ethics and gives rise to the menace/malpractice of 'Paid News'/'Advertorials'. Today, this phenomenon which was initially devised for marketing, has reached the level of giving favourable coverage/editorial and adverse comments against the opponents. The Committee note that the gravity of the problem has been realised by all who have made their submissions to this Committee and everybody including self regulatory bodies and SEBI have advocated that every media house must mandatorily disclose to the public on its website about any shareholding, investment equity participation or financial interest/conflict of interest of any nature whatsoever including specifically 'Private Treaties'. Considering the adverse impact of 'Private Treatise' in independence of journalists/editors/media professionals and giving rise to the menace of 'Paid News', directly and indirectly, the Committee strongly recommend the Ministry/regulatory bodies to strictly enforce all the existing guidelines/codes for bringing transparency in 'Private Treaties', thereby curbing paid news to a great extent. Shortcomings identified in the existing guidelines/legislations should be taken up for revision.

Reply of the Government

The PCI has advised Securities Exchange Board of India (SEBI) to initiate steps to tackle Paid News in 'Private Treatise' in Securities field and it has also sensitized the media on this matter.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Comments of the Committee (Please see Para No. 15 of Chapter I)

Paid News and its implications on Electoral Process

(Recommendations Sl. No. 9)

The Committee note that the increasing trend of presenting paid content as news/editorial/talkshow/review is not only a serious fraud on the innocent audiences/readers/viewers/public but is also a threat to the democratic process. The Committee find it very disturbing that the malpractice of 'Paid News', which surfaced prominently during 2009 General Elections, is on the rise and has affected the entire country. The PCI's Sub-Committee Report on 2009 General Elections contains some shocking revelations indicating that media, which is considered as the fourth pillar of democracy, has its nose dipped in various clandestine operations including 'Paid News'. The Committee are startled with the revelation of PCI's fact finding team on Gujarat Election (2012) wherein they have cited 126 confirmed cases of Paid News with 61 candidates in the poll fray admitting to have paid for such news. The situation becomes more alarming in light of the District Level Media Certification and Monitoring Committee's observation that during Gujarat election 414 cases of paid news were confirmed. The Committee are alarmed to note that sections of media are deeply involved in the business of 'Paid News' and have started distributing rate cards/packages for not merely praising a particular candidate but also for criticizing their political opponents. Worse is the situation that if the candidates do not go along with such blackmailing/extortionist practice of the media they are denied coverage. The Committee note that there could be cases where there is no payment as such but still it may lead to negative/vindictive action for non-payment. The Committee, therefore, feel that this phenomenon has not only threatened our democratic set up but also added to the money power in politics in the Country.

As regards the remedial measures to curb the menace, the Committee note that there has been suggestions from various quarters to amend the Representation of the People Act, 1951 so as to make 'Paid News' a cognisable, punishable and electoral offence. The Committee find that the Election Commission of India has also favoured necessary changes in the law for strict prevention of this malpractice and has made reference to the Law Ministry in the year 2011 to include 'Paid News' in the category of corrupt practices under the Representation of the People Act, 1951. The Commission has also recommended to include publishing and abetting of publishing of 'Paid News' for furthering the prospects of election of any candidate as an electoral offence under Chapter III of Part VII of the 1951 Act, with exemplary punishment of a minimum of two years imprisonment. The Committee are, however, concerned to note that the proposal is still pending with the Ministry of Law and Justice.

Other suggestions from various stakeholders to curb this malaise include -imposing ban on print media too for carrying election campaign 48 hours before polling is scheduled as is applicable for television channels and radio stations; increasing the ceiling/limit on electoral

expense of candidates; having different ceilings for national parties and for State/ regional parties; Setting up a special cell by EC with nomination from media to receive complaints about 'paid news' in the run-up to elections with a time limit of action, reviewing the possibility that a candidate can be trapped by other candidate by issuing notices and remedial provisions to take care of such mala-fide intention, etc. The Committee also note that PCI in its Sub-Committee Report on 2009 General Elections had suggested for a mandatory disclosure, by all candidates/political parties, of equity stakes and/or financial interests in newspapers/television channels on which news about their candidates/parties as well as interviews with candidates and/or representatives of the political parties are published or broadcasted.

Taking holistic view of the entire scenario the Committee note that the proposal made by the Election Commission is good one and merit urgent consideration of the Government for bringing appropriate amendment in the Representation of the People Act, 1951. The Committee are of the firm view that there is an urgent need to review the election code of conduct and the Representation of the People Act, 1951 as well as guidelines/rules framed thereunder so as to give more power to Election Commission to firmly deal with this menace. While considering the serious damage of 'Paid News' on electoral/democratic process, the Committee impress upon the Government to consider all their recommendations so as to put in place a comprehensive mechanism to tackle the menace of 'Paid News' by making necessary provisions in the set Rules/Guidelines framed thereunder and making necessary changes in model Code of Conduct for elections. The Committee also urge the Ministry of Information and Broadcasting to coordinate with the Ministry of Law and Justice for taking an early action on the proposals made by the Election Commission of India.

Reply of the Government

Legislative Department, M/o Law & Justice has stated that a copy of the 47th Report of the Standing Committee on Information Technology has been forwarded to the Law Commission of India for its consideration as the issue of electoral reforms in its entirety which *inter alia* includes the issue of paid news in its crisper agenda, is under consideration of the Commission for suggesting comprehensive measures for change in the Law after taking into consideration the reports of various committees in the past, views of the Election Commission and other stakeholders. Ministry of Law & Justice has stated that on receipt of recommendations of the Law Commission, the matter will further be examined in consultation with the stakeholders towards a suitable decision in the matter.

Besides, M/o I&B has also sent a background note on the amendment of the Representation of People Act, 1951 to make incidents of paid news a cognizable electoral malpractice with request to examine and submit a note to the M/o I&B.

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Existing Regulatory Mechanism**(Recommendations Sl. No. 10)**

The Committee note that to deal with the Paid News malpractice, directly or indirectly, there are host of regulatory bodies/organisations/professional bodies viz. Press Council of India (PCI), News Broadcasters Association (NBA), Indian Broadcasters Federation (IBF), Advertising Standards Council of India, Electronic Media Monitoring Centre (EMMC – established by Ministry of Information and Broadcasting), Editors Guild of India (EGI) and several other self formed unions, associations, civil society, etc. With respect to guidelines/norms/codes/Acts, there are Working Journalists Act, NBA Code, IBF Guidelines, Advertising Standards Council of India guidelines, PCI Act, DD Code for commercial advertising, the Press and Registration of Books and Publications Act, 1867, the Cable Television Network (Regulation) Act, 1995, the Representation of Peoples Act, 1951, Income Tax Act, 1961, the Companies Act, 1956, etc. However, the Committee's findings reveal that none of these have proved effective enough to curb the menace of Paid News. The Press Council of India and Editors Guild of India have been candid in their admission that with their existing powers and mandate they can only exert moral pressure and cannot penalize media/ are not authorised to do so. They have repeatedly expressed their helplessness of being a body/organisation without teeth. Similarly, the Ministry themselves were frank enough to accept that the existing Advertising and Programme Code is not being followed strictly and there is no mechanism to enforce the Code to private channels/newspapers even during the election time. The Committee are unhappy to note that the Electronic Media Monitoring Centre created by the Ministry to tackle violations of the Advertisement and Programme Code is only recommendatory in nature and has no power to take action. The Committee also note that District Level and State Level Monitoring Committee set up by the Election Commission, existing in 276 Districts and 16 States, handle the 'Paid News' instances during election periods only and do not have power to take action against the media. Not only this, media themselves have come up with a body of their own viz. NBA for news and current affairs channels, IBF for non-news and general entertainment channels, ASCI for advertising.

While agreeing to the basic principle that Media should be free from State control, the Committee at the same time strongly feel that self regulatory bodies have proved merely an eye wash. This feeling of the Committee gets firmed/strengthened in light of NBA's submission that out of 198 complaints they have received since 2008, there are no complaints reported against 'Paid News'. The specious plea of self regulatory bodies and the contention of the Ministry that the Self regulatory mechanisms alone can curb the menace is elusive and totally untenable. The Committee strongly feel that inspite of so many provisions to deal with the violations, the existing self regulatory bodies have abysmally failed to invoke the provisions and take appropriate deterrent action. The Committee, therefore, recommend that there is an urgent need to review the efficacy of the existing self regulatory bodies/code/Act etc. governing the media. The Committee also urge upon the Ministry to urgently chalk out a

comprehensive action plan on this crucial matter and also recommend the Ministry to ensure that till such time a structured mechanism is put in place, all the existing relevant provisions/ guidelines/ Acts/ Rules/ Codes are strictly enforced and followed by the concerned authorities.

Reply of the Government

With regard to para 2.22 of the report of Standing Committee, it is submitted that Electronic Media Monitoring Centre (EMMC) has not been established with the purpose of taking action against TV channels for violations of Programme and Advertising codes. EMMC is a body meant to monitor the violations of Programme and Advertising codes and bring them to the notice of the Ministry of I&B. EMMC has a Scrutiny Committee, which comprises of several members of this Ministry as well as from NCW, NCPCR, CBFC, MHA, Prasar Bharati and an NGO. The Committee meets regularly and sends reports on violation to the Ministry of I&B. The Inter Ministerial Committee of Ministry of I&B makes specific recommendations about the action to be taken in case violations against TV channels are proved. Thereafter, Ministry of I&B takes action against such television channels after obtaining the approval of the competent authority. This mechanism has been working well for the past many years. During the period from 2010 to 2013, Ministry of I&B has taken action in 77 cases of Violations. Of these 15 TV channels were taken off air, 8 TV channels were ordered to run an apology scroll, 54 TV channels have been issued warnings/ advisories/ directives. It is pertinent to point out that a very well established mechanism, therefore, is in place to take care of any violation by a satellite channel.

It is neither possible nor desirable for the Government to control or regulate the volume and diversity of content provided, which is increasingly getting localized. Any kind of a direct Government control is seen as violative of the right to freedom of speech and expression enshrined in the Constitution.

Efforts were made in the past to take regulation of content out of Government control by setting up an independent and autonomous authority to deal with the broadcasting sector in a comprehensive manner. The Bill for an independent regulatory authority was first introduced in 1997 but could not be carried through due to change of Government. Another attempt was made in the year 2001 with the introduction of the Convergence Bill of 2001 which also lapsed subsequently. In the year 2006 and 2007 two different drafts of Broadcasting Services Regulation Bill were attempted by the Government to set up an independent Broadcasting Regulatory Authority of India. However, this was vehemently opposed by the media industry.

It has been argued by broadcasters that the Programme and Advertisement Codes are too brief and ambiguous and do not provide for self-regulation. Therefore, a Committee headed by the then Secretary (I&B) with representations from all sections of society was set up by the Government to examine the amendments in the Codes. The Committee submitted its report on 5th March, 2008 proposing the Draft of 'Self Regulation Guidelines for the

Broadcasting Sector' to replace the existing Programme and Advertising Codes by amending the Cable Rules under the existing Cable Act. The Committee suggested a three tier structure of regulation of content with two tiers of self regulation by the industry and the third tier at the level of a Statutory Regulator. The first tier of self regulation would be at the level of the channel itself and the second tier at the level of a mechanism set up by the relevant industry association. The proposal envisaged coexistence of self regulation with statutory regulation. However, concerns have been expressed by broadcasters on the need, scope and the mechanism of dealing with complaints relating to content issues as proposed in the Draft Self Regulation Guidelines.

The broadcasters are more inclined towards self-regulation. Considering that content generation falls exclusively in the domain of broadcasters, self-regulation could be an effective mechanism for a healthy content regulation. Keeping this in mind, the Ministry has consistently been taking up the matter with the stakeholders in the arena of content regulation and as a result of these efforts, the broadcasters have set up self-regulation mechanism.

Self Regulation in case of News Channels

The News Broadcasters Association, as part of its self-regulation mechanism, has formulated a Code of Ethics and Broadcasting Standards covering a wide range of principles to self-regulate news broadcasting. NBA has also formulated News Broadcasting Standards Regulations. They have set up a Two- Tier structure to deal with content related complaints. At Tier I, complaints are dealt with by the individual broadcasters at their level. At Tier II, NBA has set up News Broadcasting Standards Authority (NBSA) in 2008.

The object of the News Broadcasting Standards Authority includes entertaining and deciding complaints against or in respect of news broadcasters in so far as these relate to the content of any broadcast. The Authority consists of a Chairperson who is a retired Judge of the Supreme Court and eight other members. Members of the Authority shall comprise 4(four) eminent editors employed with a broadcaster, 4 (four) persons having special knowledge and/or practical experience in the field of law, education, medicine, science, literature, public administration, consumer affairs, environment, human psychology and/or culture. The NBSA is presently headed by Justice RV Raveendran, former Judge of Supreme Court of India. The other 8 members are:

Four Persons from Editor's Category

1. Mr. Rahul Kanwal, Managing Editor, Headlines Today.
2. Mr. Vivek Law, Editor, Bloomberg TV India.
3. Mr. Ajit Anjum, Managing Editor, News 24
4. Mr. Johnny Lukose, Director News, Manorama News

Four Eminent Persons

1. Mr. Nitin Desai, Economist and Former Under Secretary General of United Nations
2. Mr. Dipankar Gupta, Former Professor of Sociology, JNU University
3. Mrs. Chokila Iyer, Former Foreign Secretary, Govt. of India
4. Dr. S.Y. Quraishi, Former Election Commissioner of India

During the last one year, NBSA met 9 times to review/consider 303 complaints which were received, including 89 references from this Ministry. 275 complaints were satisfactorily resolved at Tier 1 (i.e., by the member Broadcasters themselves). 28 complaints were finalized by NBSA.

Self- Regulation in case of Non- News (General Entertainment) Channels

Indian Broadcasting Foundation (IBF) has set up a mechanism for self-regulation in case of non-news channels after consultation with the Ministry. As part of this, IBF has laid down Content Code & Certification Rules 2011 covering an entire gamut of content-related principles and criterion for television broadcast.

As part of this mechanism, a two-Tier based complaints redressal system has also been set up. At the Tier-I level, each Broadcaster shall set up a Standard and Practices (S&P) Department with a Content Auditor to deal with the complaints received for content aired on its channels.

At the Tier II, which is the apex level, the Broadcast Content Complaints Council has been set up and made operational since 1.7.2011. The BCCC is a thirteen (13) Member body consisting of a Chairperson being retired Judge of the Supreme Court or High Court and 12 other Members from various spheres of expertise.

The BCCC until recently was headed by Justice (Rtd) Mukul Mudgal. The Four Eminent Persons on BCCC are

- Prof Anand Kumar from Jawaharlal Nehru University
- Mr. Vir Sanghvi, eminent journalist
- Ms. Shabana Azmi, eminent actress and activist
- Mr. Bhaskar Ghose, eminent theatre personality and a former bureaucrat

Four members from the following National Statutory Commissions (as per subject of complaints) are:

1. Ms. Shamina Shafiq, Member, National Commission for Women (NCW)
2. Dr. P.L. Punia, Chairperson, National Commission for Schedule Castes (NCSC)

3. Ms. Dipa Dixit, Member, National Commission for Protection of Child Rights (NCPCR)
4. Mr. Wajahat Habibullah, Chairperson, National Commission for Minorities (NCM)
5. Mr. S.K. Kharventhan, Member, National Commission for Backward Classes (NCBC)

Four broadcast members are:

1. Mr. Ashok Nambissan (Multi Screen Media)
2. Mr. Sujeet Jain (Viacom 18)
3. Mr. Nitin Keni (Zee Network)
4. Mr. Deepak Jacob (STAR India)

The BCCC has held 15 meetings during the period - July 2011 to July 2012. BCCC has so far received 6397 complaints. Out of total complaints received 717 complaints related to content violation relating to their members of which 197 complaints were not upheld. Action was taken in 528 cases.

Self regulation of advertisements on TV channels

With regard to regulation of advertisements on TV channels, the Code adopted by the Advertising Standards Council of India(ASCI), which is a self-regulatory body, has been incorporated in the Advertising Code stipulated in Cable Television Networks (Regulation) Act 1995 and Rules framed thereunder. ASCI has set up a Consumer a Complaints Council (CCC) to consider complaints in regard to advertisements. The CCC currently has 21 members; 9 are from within the industry and 12 are from the civil society like well known doctors, lawyers, journalists, academicians consumer activists etc.

Under the Cable Television Networks (Regulation) Act, 1995, this Ministry had issued an order dated 6th September, 2005 designating the District Magistrates Sub-Divisional Magistrates and Commissioners of Police as 'authorized officers' to take action against violation of the Act. It was also directed to constitute a Monitoring Committee at the State and District level to review and deliberate on the litany of complaints received by authorized officer or take suo-motu cognizance of violations transmitted and re-transmitted in the local channels. The Committee takes a decision on the matters referred to it. So far State level Monitoring Committees have been set up in 18 States and 5 Union Territories. District level Monitoring Committees have been constituted in 274 Districts.

Role of Government in the wake of self-regulation

The self-regulation mechanism put in place by the broadcasters will, however, not replace the existing regulatory function of the Government, arising out of the extant statute, namely, Cable Television Networks (Regulation) Act, 1995 and Rules framed thereunder. While the self-regulation is aimed at facilitating better content regulation at broadcasters' level, it

does not mean that the Government will abdicate its overall statutory functions. Government will step in as warranted by the existing Act, wherever self-regulation does not succeed in content regulation.

The PCI takes cognizance, *suo moto* or on complaints of contents in print media which are in violation of the norms which also include cases of paid news. The PCI adjudicates upon such cases under section 14 of the Press Council Act, 1978.

Meanwhile, the Election Commission has also initiated measures to check election-time paid news. The Commission has issued instructions to Chief Electoral Officers of all the States to constitute District level and State level Media Certification and Monitoring Committees (MCMC) for scrutiny of paid news. These Committees have been instructed to do vigorous scrutiny of electronic media, print media and other modes of mass communication in order to locate political advertisements in the garb of news coverage appearing during the election period. In addition, the Commission has also constituted a Committee at its own level to examine references from State level MCMCs and to support policy formulation for issues related to paid news and those related to usage of electronic and print media for campaigning by parties and candidates.

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International practices

(Recommendations Sl. No. 12)

To have a better understanding of the international practice with regard to 'Paid News', effectiveness of self regulation and the oversight mechanism, the Committee asked the Ministry about the international position. The Committee have been informed by the Ministry that India's Self regulatory initiative is in line with the international best practices seen in developed countries such as USA, UK and Germany where they are known as SROs (Self Regulatory Organisations). The Committee are however, concerned to note that neither the Ministry nor any Self regulatory body viz. PCI/NBA, etc, has conducted any study to evaluate the mechanism adopted by other countries to tackle the menace of 'Paid News'. Even with regard to the existing mechanism to regulate media, they did not provide any information. However, the Committee note that the issue of culture, ethics malpractice in media has engaged serious attention worldwide. Very recently, an enquiry Commission under Lord Justice Leveson was set up by the UK Government. Hon'ble Justice Leveson conducted an enquiry into the culture, practices and ethics of the press and submitted his Report in November, 2012. In this Report various issues viz. regulatory models for future, protecting journalists, access to information, media employment, press and politics, plurality and media ownership, etc. have been dealt with. The Committee note from the implementation status of the Justice Leveson Report that after the publication of the Report there were mixed reactions and there were cross-party

discussions on how to implement the proposals of the Report. Reportedly the Government of UK will go ahead with the establishment of a body which will approve press regulators and the Leveson proposals will be put before the privy council which would meet on 8th May, 2013 for approval and then move on to the Queen for the final seal. Considering the post presentation developments of Leveson Report and in view of the ills, including 'Paid News', afflicting the Indian media, the Committee expect the Ministry to consider the recommendations and the developments associated with Leveson Report while dealing with the issue.

Reply of the Government

The Ministry of Information and Broadcasting has taken cognizance of the Regulatory model recommended by the Leveson Report and in order to formulate a structured response to the recommendations and the developments associated with the Leveson Report, the Ministry has convened a meeting of the Consultative Committee of the Members of Parliament attached to the Ministry for discussion on the subject 'Leveson Report and its relevance qua Indian milieu'. The preliminary views of the members of the Consultative Committee on the Leveson Report have been obtained and it has been observed that the regulatory models in other democratic countries are also required to be studied.

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Comments of the Committee (Please see Para No. 18 of Chapter I)

Regulation of Advertisements by DAVP

(Recommendation Sl. No. 15)

The Directorate of Advertising and Visual Publicity (DAVP) is the nodal multimedia advertising central agency of the Government under the Ministry of Information and Broadcasting to execute publicity campaigns through advertisements etc., on behalf of various Ministries/ Departments of Government of India, autonomous Bodies and Public Sector Undertakings. However, it has been brought to the notice of the Committee by various stakeholders that advertisements are used by the Government to arm-twist media companies to have favourable coverage and even stopping advertisements to the media houses who are critical about the Government. In view of the serious irregularities advanced by numerous editors/media personnel/media houses, the Committee are not satisfied with the Ministry's contention that there is an established advertisement policy of the Government and the advertisement spending of the Government is always in accordance with this established Advertisement policy.

The Committee feel that the advertisement policy of the Government is a matter of great public concern. In a democratic set up like India there is a need for having transparency in providing advertisements by Government body like DAVP. The Committee, therefore, strongly recommend for a more transparent and unbiased policy for allocation of advertisements by the Central Government/State Government Departments which is open to scrutiny. Besides, there should be disclosure about disbursement of advertisements expenditure from DAVP for advertisements on its website. Similarly, it should be made mandatory for all media houses to disclose details of all forms of concessions granted to them and about the advertising revenue from Government and private parties, on their websites. In view of allegations by many stakeholders/experts that the issue of circulation of paper/viewership of channels is being manipulated to get more TRP's/benefits from the Government to influence the public in believing wrong information, it is imperative that the Ministry examine and take appropriate action in the matter in consultation with concerned organisations and Government bodies and inform the Committee in detail about the action taken in this regard.

Reply of the Government

Television Rating Points (TRPs) have been a much debated issue in India since the present system of TRP is riddled with several maladies such as small sample size which is not representative, lack of transparency, lack of reliability and credibility of data etc. Shortcomings in the present rating system have been highlighted by key stakeholders that include Individuals, Consumer Groups, Government, Broadcasters, Advertisers, and Advertising Agencies. A comprehensive examination of TRPs was taken up by the Standing Committee on Information Technology. In the 67th Report (2008-2009), titled "Television Audience Measurement in India", the Standing Committee critically examined the entire system of TRP generation in India and made several recommendations to address the deficiencies in the present system.

The Committee noted that the industry has jointly formed a Broadcasting Audience Research Council (BARC) to oversee and control the television rating system in India. However, the Committee recommended that some sort of Government oversight, regulation should be brought to make the TRP System credible and accountable. In 2008, MIB had sought recommendations of TRAI on evolving a foolproof rating system and various aspects relating thereto. TRAI, in its recommendations dated 19th August 2008, had, inter-alia, recommended the approach of self-regulation through the establishing of an industry-led body, the Broadcast Audience Research Council (BARC). The Ministry had also constituted a Committee under the Chairmanship of Dr. Amit Mitra, the then Secretary General FICCI in 2010 to review the existing TRP system In India.

The Committee had also recommended that self-regulation by the industry was the best way to go forward. Since BARC is still in process to finalize its systems to generate TRPs and a credible and transparent mechanism for TRP generation has remained elusive, the MIB had

again sought recommendations TRAI in August 2012 on comprehensive guidelines/accreditation mechanism with TRAI as accrediting agency for television rating agencies in India to ensure fair competition, better standards and quality of services by television rating agencies.

TRAI made its recommendations' on Guidelines for Television Rating Agencies on 11.9.2013. While supporting self-regulation of television ratings through an industry-led body like BARC, TRAI recommended that television rating agencies shall be regulated through a framework in the form of guidelines to be notified by the MIB. It also recommended that all rating agencies, including the existing rating agency, shall require registration from MIB in accordance with the terms and conditions prescribed under the said guidelines. Based on the recommendations of TRAI, the Ministry has formulated policy guidelines for Television Rating Agencies in India. These guidelines, inter-alia, cover detailed procedure for registration of rating agencies, eligibility norms, terms and conditions of registration, cross-holdings, methodology for audience measurement, complaint redressal mechanism, sale and use of ratings, audit, disclosure, reporting requirements and action upon non-compliance of guidelines etc. The Ministry had sought the approval of the Cabinet on these Guidelines. The Cabinet has approved the Policy Guidelines for TV Rating Agencies in India which have been notified on 16th January 2014.

Directorate of Advertising & Visual Publicity (DAVP) empanels newspapers on the basis of recommendations of the Panel Advisory Committee (PAC). DAVP announces the outcome of the process of empanelment on its website and informs the applicants about the reasons for not being empanelled in writing. The publishers, whose applications are rejected, are also given an opportunity to personally verify their files. DAVP being a Government agency is bestowed with the responsibility of giving publicity to the government programme and policies at an optimum cost, has the responsibility to verify the claims of circulation made by the newspapers. It has to satisfy itself about the genuinity of circulation claims for best utilization of public money and for this purpose, DAVP asks for copies of documents like audited balance sheet, Income Tax returns etc. The Advertisement Policy of DAVP takes into account circulation figures of the newspapers and publications as verified by the Audit Bureau of Circulation (ABC) or verified by the Chartered Accountants in case of small newspapers. ABC is a non-profit, voluntary organization consisting of Publishers, Advertisers and Advertising Agencies. The Bureau certifies circulation figures of member publications for a six-monthly audit period. DAVP also takes into account the circulation figures of newspapers verified by Registrar for Newspapers in India (RNI).

DAVP uploads the details of expenditure incurred on advertisements to various publications on its website on monthly basis.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Need for Awareness/Education/Training programmes

(Recommendations Sl. No. 18)

The Committee note that due to the 'camouflage' nature and subtle way in which paid content is presented as advertorial/news, it becomes difficult not only for common man but also for the experts in the field to distinguish between genuine and paid content. The Committee, therefore, feel that there is a definite need for creating awareness amongst the masses about this malaise of 'Paid News' by educating the people on this aspect. Though the Ministry has suggested that the adjudication of paid news case by PCI/Ministry/self regulatory bodies may be published in prominent newspapers or telecast in electronic media for public awareness, the Committee are concerned to note that no concrete action has yet been taken in this regard. The Committee, therefore, recommend for a coordinated effort from the Ministry, PCI, Self Regulatory Bodies, Election Commission, etc. for organizing awareness campaigns on the issue and educate common masses/voters to distinguish between 'paid reporting' and 'balanced/unbiased reporting'. The Committee also recommend for taking the civil society/research groups in the loop while conducting awareness campaigns. The Committee also feel that enhancement of training in media ethics for media personnel will also add to this measure. On this aspect, the Committee would also recommend the Ministry to plan a National Help Line number for addressing the citizen's concerns in this regard.

The Committee also observe that the Sectoral Innovation Council of the Ministry of Information and Broadcasting, constituted under the Chairpersonship of Smt. Asha Swarup has submitted its Report. The Report contains 64 recommendations in seven key areas concerning the media and entertainment sector such as Broadcasting, Films, Print Media, Advertising, Media Education, Animation, Gaming and VFX. The Committee are of the firm view that some of the recommendations viz. availability of reliable single source data on all medium of advertising, comprehensive media policy integrating all existing media segments, comprehensive National Media Policy, regulating media education to ensure orderly growth of the discipline, making DAVP's functioning online so as to bring greater transparency, etc, if implemented, in true spirit would go a long way in curbing the menace of paid news. The Committee, therefore, recommend that while taking policy decisions in regard to control the menace of paid news the Ministry should consider the recommendations of the Council, especially those relating to Broadcasting, Print Media, Advertising and Media Education and apprise them about the action taken accordingly.

Reply of the Government

In view of the recommendations made by the Sectoral Innovation Council, the Ministry of Information & Broadcasting has set up an Innovation Cell with following Terms of Reference (ToRs):

- i. Innovation Cell will identify the problem areas, policy challenges etc.
- ii. Innovation Cell will invite suggestions on these areas from all the stakeholders including NGOs and Civil society.
- iii. Innovation Cell will examine the suggestions/ideas received from various stakeholders for their operationalisation.

Keeping in view the feasibility of the innovative ideas, the Cell will submit the proposal sector-wise alongwith the detailed implementation plan which may *inter alia* include cost, year-wise financial phasing, financial and physical targets.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

CHAPTER –III

**RECOMMENDATION / OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE
IN VIEW OF THE REPLIES OF THE GOVERNMENT**

**Transparency regarding Revenue/Assets of Media Houses and Right to Information Act , 2005
(RTI)**

(Recommendations Sl. No. 17)

The Committee note that due to clandestine nature of financial transactions involved in 'Paid News' there is no transparency with regard to accounts of media houses as well as on the part of the parties providing favour/money. The Committee are concerned to note that when the media is asked for disclosure of the source of income or details of revenue generated through advertisements, some section of them take the plea that it is against freedom of the Press. The most worrisome piece of evidence is submission of a former Chief Election Commissioner that the Election Commission faces difficulty in knowing the source of income for the suspected case of 'Paid News/advertorial/advertisement' and they find themselves at the dead end. The Committee can not but express their displeasure to note that despite SEBI's guideline for disclosure of shares/stakes held by media companies there are media houses/group who avoid/evade the guideline. In this regard, the Committee take note of the suggestions in many submissions that media should be subjected to Right to Information Act, 2005 and brought under the ambit of Lok Pal Bill particularly the media's source of income/revenue. Considering the fact that people's right to unbiased information weighs more than the individual's/companies right, the Committee are of considered view that there is an urgent need to protect public from misguided and camouflaged paid content. The Committee also opine that the media houses should be open and transparent about the sources of their revenue, shares, stakes and more importantly about the sponsored programme/review/editorial, etc. Further, disagreeing with the media's plea that seeking accountability and transparency with regard to source of revenue tantamount to infringement of Right to Freedom of Press, the Committee strongly feel that media is accountable to the public and disclosure of source of revenue is not only their duty under the Companies Act, 1956, the Income Tax Act, 1961, etc. Nevertheless, taking cognizance of Prasar Bharati's submission that there might be a danger of over regulation by audit of each and every account of media, the Committee opine that there should be some provision to hold media accountable to the public and their accounts should be subject to examination. Media should not hide the revenue source/detail for the suspected article/programme/review/talk show. Here, the Committee would also like to reemphasize and reiterate their recommendation made in their Forty Second Report on 'The Press and Registration of Books and Publication Bill, 2011' wherein it was recommended to incorporate a suitable provision in the Bill for disclosure of annual income from advertisements so as to check the menace of paid news. The Ministry may apprise the Committee about the action taken in this regard.

Reply of the Government

Recommendation made by the Standing Committee on IT in its 42nd Report on 'the Press and Registration of Books and Publications Bill, 2011' to incorporate a suitable provision in the Bill for disclosure of annual income from advertisements has been examined in the Ministry and after discussions with the stakeholders, it is felt that it would be difficult for big groups and multi-edition newspapers to send mammoth details of their advertisement income or annual statement for each edition and for the Government to maintain records. Also whenever need arises the financial details can be asked for under provisions proposed in other relevant sections of the proposed Bill.

However, inclusion of provisions in the PRBP Bill to check the incidences of Paid News has been proposed.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

CHAPTER –IV

RECOMMENDATION / OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Working conditions of Media personnel – contractual employment; wage scenario and Editorial Section v/s Management/Owners of Media Houses

(Recommendations Sl. No. 6)

The Committee note that 'Paid News' is not only the outcome of the convergence of the editorial, advertising, public relations (PR), lobbying group and the 'industry' but is also due to the decline in independence of the journalists/reporters. In this regard, the Committee feel that the emergence of contract system of employment is the primary cause for erosion of the independence of journalists/reporters as the system has the affect of reducing their status to mere marketing agents. According to PCI, the journalists are often under pressure to show 'results' till the renewal of contract which is often uncertain and they are under fear of an 'abrupt transfer' without having choice of freedom and there are numerous instances of exploitation of journalists under the contractual system of employment. The Committee also note that the decisive role of Editors of the Media have been dampened by the interference of the marketing departments and owners of the media houses. The Committee note from the Report of PCI's Sub-Committee on 'Election, Coverage, Monitoring in Gujarat', according to which, several Editors and Journalists have accepted that Paid News contract deals are signed at the top level and they get time to time 'instructions' to carry a particular news item or photograph which is contrary to the provision of Para 37 (A) of Norms of Journalistic Conduct by PCI relating to Management-Editor Relationship which in essence provides that the editor under no circumstance can be asked by the proprietor to serve his private interests.

Another related issue that has plagued the working conditions of Journalists/Reporters, is that of wage/salary of the media personnel. The Committee find that journalists on contractual system, may be except in big cities, are paid very meagre wages which could be less than even the minimum wages prescribed by the Government, or sometimes paid commission on given fixed targets for business/ advertisements. In addition, some of the media houses even use stringers who are given the I-cards of the media house and are expected to earn for themselves and for that particular media house by way of collecting advertisements.

Taking a holistic view of the scenario, the Committee feel perturbed at the pathetic working conditions of the significant part of the media personnel while strongly disapproving the tendency of the media houses to hire and fire. The Committee strongly feel that contract employment should not be used as a tool for attraction/allurement. Sharing the concerns about the mounting pressure on the Editorial/Journalists/Reporters compelling them to indulge in 'Paid News' phenomenon, the Committee are inclined to conclude that inspite of having several

guidelines for segregating Editor and Management/Owners, the same are not being enforced efficiently. The Committee, therefore, recommend that the Government/concerned regulatory bodies should take all necessary steps for improving the working conditions of the journalists/media personnel and also ensure that the autonomy of the editorial staff is upheld forth with. More importantly, the media houses will have to rise to the occasion and act. The Committee desire that all the employees of media houses should be covered under the Working Journalists Act and be given the protection under the various provisions of the Act. The Committee also feel that there is a need for constitution of Media Commission to review the working conditions for media personnel i.e. covering print and electronic media. The Committee, therefore, recommend that the Ministry while taking into consideration all these factors should formulate the regulatory mechanism and make provisions for periodic review of the working scenario/wage conditions of media personnel. The Committee would like the Government to apprise them about the specific action taken in the matter.

Reply of the Government

The Working Journalists and Other Newspapers Employees (Condition of Service and Miscellaneous Provisions) Act, 1955' provides for fixing/revisiting of wages and for regulating service conditions of working journalists and non-journalist newspaper employees. Under section 9 and 13C of 'The Working Journalists & Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955', the Wage Boards are constituted by the Ministry of Labour and Employment having representatives of employees, employers and independent members. The guiding principle for wage fixation is the capacity of the employer.

The Act defines 'Working Journalist' as a person whose principal avocation is that of a journalist and who is employed as such either whole-time or part-time, in, or in relation to one or more newspaper establishment and includes an editor, a leader, writer, news-editor, sub-editor, feature-writer, copy-tester, reporter, correspondent, cartoonist, news-photographer and proof-reader but does not include any such person who is employed mainly in a managerial, administrative or supervisory capacity.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Comments of the Committee (Please see Para No. 12 of Chapter I)

CHAPTER –V**RECOMMENDATION / OBSERVATIONS IN RESPECT OF WHICH REPLIES ARE OF INTERIM IN NATURE****Cross Media Holdings****(Recommendations Sl. No. 8)**

Another factor giving rise to 'Paid News' which was brought before the Committee is that of 'Cross Media Holding/ownership' having the effect of promoting monopolies in media and coming in the way of free flow of information. The Committee note that so far as Cross Media Holdings/Ownerships across print, television and radio sectors of the media is concerned, there are no restrictions as of now and this has led to the problem of 'surrogate entities'. The Committee note that the Ministry of Information and Broadcasting in the year 2008 made a reference to TRAI on this issue seeking their recommendations for bringing out a policy for the restriction in ownership of companies seeking licenses/permissions/registrations under various policy guidelines. After following a exhaustive consultation process TRAI gave their recommendations in February, 2009 covering vertical and horizontal integration in media inter-alia recommending that for the time being necessary safeguard should be put in place to ensure that plurality and diversity are maintained across the 3 media segment viz. Print, Television and Radio and this issue could be reviewed after 2 years. In this regard, the TRAI also recommended the Ministry of Information and Broadcasting to carry out an analysis based on detailed market study. In pursuance of this, the Ministry sponsored a study through Administrative Staff College of India, Hyderabad of India. Subsequently, the Ministry of Information and Broadcasting in May 2012 again requested the TRAI to re-examine the whole issue and to suggest measures with respect to cross media (holdings) ownership with an objective to ensure plurality of news and views to the consumers. The Committee have been apprised that TRAI has released a Consultation Paper on 15th February, 2013 taking into consideration the Administrative Staff College of India's Report and has sought views from various stakeholders on the need, nature and level of restriction and safeguards with respect to vertical integration in the broadcasting and distribution sectors and cross holdings across various media sectors. In this regard, the Committee, in their Thirty-second Report on Demands for Grants (2012-13) and Fortieth Action Taken Report on Demands for Grants (2012-13) had expressed an urgency to frame rules for cross media ownership to regulate both the vertical and horizontal integration so as to prevent monopolistic practice.

Since it is already over 5 years when the matter was first referred to TRAI in 2008 and during this period the cross holdings could have multiplied, the Committee strongly recommend that the Ministry and the TRAI to consider this important issue having national ramifications on priority basis. Needless to emphasise that TRAI should come out with its

recommendations and the Ministry should promptly take conclusive action on it and apprise the Committee within six months from the presentation of this Report.

Reply of the Government

The Ministry vide its reference dated 16th May, 2012 sought TRAI recommendation on the issue of vertical integration in the broadcasting and TV distribution sector and cross media holdings across the TV, Print & Radio sector. TRAI has been asked to suggest measures that can be put to address vertical integration in order to ensure fair growth of the broadcasting sector. Further, recommendations of TRAI were also sought with respect to cross media ownerships with an objective to ensure plurality of news and views and availability of equality services at reasonable prices to the consumers. In view of urgency of matter, the Ministry has been issuing reminders to TRAI to expedite their recommendations on the issue. The TRAI had issued a consultation paper on 'Issues Relating to Media Ownership' on 15th February, 2013 seeking comments of the stakeholders. TRAI has also undertaken open house discussions with the stakeholders in the matter to elicit their views and suggestion. Ministry will apprise the Committee of the recommendations, as and when received from TRAI.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

The case of M/s Jindal Steel Power Limited and M/s Zee Ltd – highlighting loophole in the existing guidelines/code/ mechanism

(Recommendations Sl. No. 11)

The Committee came across the live case of M/s Jindal Steel and Power Limited (JSPL) v/s M/s Zee News wherein M/s JSPL had alleged that M/s Zee News has aired considerable number of programmes containing wrong, manipulated, untrue and per-se defamatory contents against JSPL in violation of the provisions of Code of Ethics and Broadcasting Standards of the News Broadcasters Association and Rules framed under the Cable Television Networks (regulation) Act, 1995. During the course of evidence, M/s JSPL submitted before the Committee that no action has been taken by the Ministry of Information and Broadcasting despite repeated complaints presumably on the pretext that the matter is sub-judice. M/s JSPL had also stated that since the license is granted by the Ministry of Information and Broadcasting, it can be revoked only by the Ministry of Information and Broadcasting and not by any other authority.

The Committee have been apprised by the Ministry of Information and Broadcasting that the matter has been referred to the Inter Ministerial Committee (IMC) to look into the violations of Programme and Advertising codes by private satellite TV networks which has

already heard both the parties and has sought further clarifications from them so as to ensure that any decision taken by IMC withstands the legal scrutiny. The Committee note that the instant case is not only a reflection of severity of malpractices that take place in media for earning revenue but also highlights the helplessness of regulatory bodies in proceeding ahead/taking action in the absence of any statutory/legal powers conferred upon them. The Committee deplore the indecisiveness on the part of the Ministry of Information and Broadcasting which is highlighted by the fact that the Ministry lacks clarity as to how to proceed when the matter being sub-judice and in deciding whether a dispute between two entities is a matter of public interest or national security. Even the self-regulatory body like NBSA has pleaded its helplessness in taking cognizance of the matter on the plea that the matter is sub-judice. The Committee, therefore, strongly recommend the Ministry to complete examination of the case at the earliest and take appropriate action on the Inter-Ministerial Committee's recommendations which is presently seized of the matter. The Ministry should also ensure that henceforth such cases are decided in shortest possible time frame. The Committee are of the view that administrative machinery should not come to halt if any of the parties approach the Court unless there is specific stay orders granted by the judiciary. The Committee may be apprised of the follow-up action taken in this regard.

Reply of the Government

A complaint dated 16.10.2012 was received in the Ministry from M/s Jindal Steel & Power Ltd. (JSPL), complaining against Zee News & Zee Business TV channels, owned by M/s Zee News Ltd. (ZNL) for telecasting allegedly false, defamatory programmes and manipulating facts in a well calculated way so as to injure and harm the reputation of their company and its management. They also alleged attempt by ZNL to extort advertisement contracts worth Rs.100 crore in exchange for stopping telecast of news reports based on alleged involvement of JSPL and other companies under Sh. Navin Jindal in irregularities relating to allotment of Coal Blocks. ZNL disputed these claims.

Inter Ministerial Committee (IMC) constituted to look into the specific violations of Programme and Advertising Codes took up these complaints on 19th December, 2012 and decided to grant a personal hearing to JSPL and Zee News Ltd on 4th January, 2013.

The representatives of JSPL reiterated the allegations already made in various complaints received from JSPL. They also made a presentation highlighting specific instances from the programmes telecast by ZNL in support of their allegations including that of extortion. The representative of JSPL stated that after the CAG report regarding Coal Block Allocation was tabled in Parliament on 17th August, 2012, ZNL launched a vilification campaign against their company and the management by means of telecast of false and defamatory programmes on 07.09.12, 09.09.12 and 10.09.12. During the presentation, they stated that on 10th September, Zee News Editor raised a demand of Rs. 20-25 Crore for a period of 4-5 years as advertisement

commitment to stop the coverage of JSPL. They further informed that JSPL had secretly taped the subsequent conversations which took place on 13,15,17,19 and 25 September, 2012 with the representatives of Zee News and Zee Business channels in order to create evidence of extortion bid on part of ZNL. The representative of JSPL contended that ZNL was continuously telecasting defamatory programmes such as "Operation Media Ka Sauda" on 19.10.12 and 20.10.12 which was said to be an afterthought based on fabricated and forged C&AG report to cover their track. He further stated that Zee News aired yet another programme on 27.11.12 again containing defamatory contents intended at influencing the legal course of action which had already started.

The representatives of ZNL denied the allegation leveled by JSPL and stated that the news aired by their Channels was true and based on the report tabled by C&AG in the Parliament, news items appearing in public domain, various media reports and documents received from the Coal Ministry as well as different States. They stated that complaint of JSPL was mischievous and aimed at distracting media from doing their legitimate job. They further opined that Ministry should not take over the jurisdiction of self-regulatory mechanism in the form of NBSA for resolving the issues falling within its jurisdiction and where it had already refused to entertain the particular matter being sub-judice. The representative of ZNL further stated that a suit filed by JSPL for defamation and damages against the officials of Zee was pending before the Hon'ble High Court of Bombay, another suit filed by the Zee News Ltd. On the same subject matter was also pending before Hon'ble Court of Delhi, and the allegations of defamation and criminal proceedings were yet to be proved in the court of law. They indicated that they cannot be forced to reveal their defense outside the courts; and that if on the same facts/ allegations, criminal proceedings are pending then all other proceedings would await the outcome of the criminal proceedings, no further action could be taken.

IMC considered the deliberations held with both JSPL and ZNL and observed that there were certain specific issues arising out of the allegations made by JSPL in their complaints which needed further clarification from ZNL. Therefore, the clarifications were sought from ZNL vide this Ministry's letter dated 31.1.2013. However, ZNL approached the Hon'ble Supreme Court with a request to quash the letter of this Ministry. This was clubbed with another Writ Petition No. 25 filed by ZNL in the Hon'ble Supreme Court praying for quashing of 3 FIRs registered by Delhi Police.

In the meantime, a letter dated 11.2.2013 was received from JSPL. wherein it was alleged that in programmes repeatedly aired on 11.01.13 and 12.01.13 by Zee News and Zee Business channels, ZNL blatantly twisted the facts and reported falsely with a view to mislead the general public in case of JSPL's Tamnar Power project. JSPL cited another instance where, on the date of hearing of the matter i.e., on 12.02.13, the Hon'ble Supreme Court was pleased to issue notices against the writ petition filed by them. However, Zee flashed the news in its channel claiming that "Supreme Court issues notice in the case for transferring the matter out

of the hands of Delhi Police”, whereas the writ petition had been filed for quashing of the FIRs on which notice was issued.

The matter had been placed before the IMC on 19.12.12, 4.1.2013, 7.3.13 and 21.3.13. The IMC concluded that the programmes telecast by Zee News and Zee Business channels on 7th, 9th and 10th September 2012 and 19th & 20th October as also of 11th & 12th January 2013 and 12th February 2013, prima facie appeared against good taste; to contain defamatory, deliberate, false and suggestive innuendos and half truths; to criticize, malign and slander an individual and thus, in violation of Rule 6 (1)(a), 6(1)(d) and 6(1)(i) of the Programme Code and recommended to issue Show Cause Notices to the said Channels.

Accordingly, a Show Cause Notice (SCN) was issued to M/s. Zee News Ltd on 18.4.2013 for having telecast allegedly false/defamatory programmes against JSPL. Zee News Ltd. responded that since the subject matter was sub judice before the Hon’ble Supreme Court of India, the SCN may be considered to be withdrawn and/or the proceedings relating thereto may be kept in abeyance till the final adjudication thereof.

The Zee News in the meantime filed two cases in the Hon’ble Supreme Court (W.P. (Civil) No.84/2013 and WP (Crl.)No.25/2013. Parawise comments in the WP (Civil) No.84/2013 were forwarded to Shri Mohan Parasharam, Ld. Solicitor General of India, vide letter dated 20.3.2013. When the matter came up for hearing on 05.08.2013, Ld. S.G. assured the Court that till further orders passed by this Court, no adverse action will be taken pursuant to the SCN dated 18.4.2013. Counter Affidavit in this case was forwarded to the Central Agency Section of Supreme Court vide letter dated 27.09.2013. The case came up for hearing on 19.11.2013 and 10.12.2013 but was not taken up by the Court. The matter is not listed in the Court at present.

IMC has actively heard this case and given their recommendations at each stage. Even though the matter has been taken to the Supreme Court by Zee, this did not deter the government to go ahead on the case and show cause notice was also issued to them. However, Zee has not responded to the points raised in SCN on merits but have again approached the hon’ble court to include the same as impugned document. Hence, at this stage it appears appropriate to await decision of Supreme Court. The Standing Committee would be apprised of their decision and consequent action taken by the government within six months of receiving the same.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Role of Press Council of India (PCI) in tackling Paid News**(Recommendations Sl. No. 13)**

While assessing the PCI's role in handling 'Paid News' cases, since 2009-10 upto 2012-13, the Committee find that of the 40 complaints received more than a quarter of them were closed due to non pursuance and in only 17 cases the papers were warned/censured for having indulged in 'Paid News' cases. The Committee are given to understand by the Ministry that Press Council of India has been fulfilling its objective of preserving the freedom of press and maintaining and improving the standards of the newspapers in the country and safeguarding the interest of public at large. However, the Committee are extremely unhappy to note from the Press Council of India's submission that the Council is vested only with authority of oral observations which carry ethical and moral force and in the absence of an express authority it is difficult to enforce compliance of its directions. PCI has, therefore, sought amendment in the Press Council Act seeking more powers. To the utter surprise of the Committee, almost all the submissions made to them on the subject have insisted that the composition of PCI need to be re-examined and its mandate be expanded to give it more powers. The Committee are also startled at the Ministry's silence on this issue thus giving an impression that the Ministry is apathetic about the empowerment/revamp of PCI. The Committee are shocked to learn about the underlying pressure within PCI because of its composition, as revealed by one of the former PCI member, who was also the head of the two member Sub-Committee constituted by PCI on Paid News during 2009 General Elections, wherein he had stated that due to the pressure from media owners who were part of PCI, the original report of the Sub-Committee on 'Paid News' could not be annexed with the final Report of PCI. Worse is the revelation that the Report of the Sub-Committee was voted out by a very thin majority with show of hands and even the dissenting notes by the Sub-Committee Members were not allowed. In the light of disturbing revelation the Committee are sceptical about the Secretary, PCI's submission that though the composition of PCI needs revaluation but it is not on the count that the Members tend to protect each other, which has not happened in PCI during the last 40 years. The Committee, therefore, note that in its existing composition there could be tendency of members coming together to protect their interest within the PCI.

The Committee note that about 35 years back when the PCI was set up under the provisions of the PCI Act, 1978, the media was basically dominated by the print section and the presence of electronic media was the Governmental one. At that time the PCI was mandated with the task of governing only Print media. The Committee are unhappy to note that though over last two decades the electronic media has emerged very strongly yet neither the mandate of the PCI has been expanded to include electronic media nor any specific statutory regulatory body has been put in place for regulating it and ensuring compliance of provisions of the Cable TV Network Regulation Act, 1995 and various rules/guidelines framed thereunder.

Reply of the Government

The Press Council of India is a unique mix of representatives from the print media industry and representation from Parliament, Academia, Legal and Literary fields. It is headed by a former judge of the Supreme Court, who is selected by a transparent process. The Council is autonomous as such that no single group dominates its proceedings or voting rights.

Regarding regulation of the electronic media, the Ministry had formulated a draft Broadcasting Service Regulation Bill for ensuring orderly growth of Broadcasting Services in 2007. The Ministry had constituted a Task Force in the Ministry in 2009 to evolve a consensus amongst stakeholders on the issue. However, there were a spectrum of views and opinions which emerged during the consultation process. Meanwhile, the News Broadcasters Association (NBA) and Indian Broadcasting Foundation (IBF) have set up self regulatory mechanisms for regulating News and general entertainment channels through the News Broadcasting Standards Authority (NBSA) and Broadcasting Content Complaints Council (BCCC) respectively. The Broadcasters are required to comply with Programme Code and Advertising Code enshrined under Cable Television Networks (Regulation) Act, 1995 and rules framed there under. The Ministry is exercising statutory powers conferred by the Cable Television Networks (Regulation) Act, 1995 with regard to violation of content.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

PCI's Sub-Committee Report on paid news during 2009 General Election titled 'Paid News: How corruption in the Indian media undermines democracy'

(Recommendations Sl. No. 14)

Realising the dangers of 'Paid News' to democracy as well as the right to freedom of expression enshrined in Article 19 of the Constitution of India, Press Council of India (PCI) appointed a Committee to examine the menace of paid news observed during the General Elections, 2009 and after deliberating on the issue it released the final Report on Paid News on 30th July, 2010 and submitted to the Ministry. However, to the dismay of the Committee the Ministry is still considering the Report. When asked to spell out the status of the Report, the Committee have been informed that a GoM was constituted by the Government to examine the Report, to give views on a comprehensive policy and institutional mechanism to address the phenomenon of paid news. The Committee express their strong displeasure that though the issues were deliberated upon by the GoM, yet the recommendations of the GoM could not be finalized. Not only this, it was also decided that the GoM on Paid News would not be re-constituted and the issue as and when considered necessary may be placed before appropriate Cabinet Committee/Cabinet. The Committee are also given to understand that since the issue is sensitive and requires Inter-Ministerial consultations, the Ministry has requested the Cabinet

Secretariat to re-constitute the GoM on Paid News. In the considered opinion of the Committee, the Government is dithering on this important policy initiative on one pretext or the other as the same is revealed by the failure of the Government in taking a decision on the recommendations of the PCI appointed Committee made in July, 2010 on the shortcomings noticed in 2009 General Elections. The Committee, therefore, strongly recommend the Ministry to take expeditious action on the Report of PCI and apprise the Committee of the Government's stand.

Reply of the Government

The Government had constituted a Group of Ministers (GoM) on Paid News to examine the PCI's 'Report on Paid News' and to give views on comprehensive policy and institutional mechanism to address the phenomenon of paid news. The GoM deliberated upon the related issues in meetings, however the recommendations of the GoM could not be finalized before it was decided not to re-constitute the GoM upon election of the former Finance Minister as Hon'ble President of India. It has been decided that that notes on the following issues may be forwarded to the M/o Law & Justice for examination and to submit a note to M/o I&B:

- i. Representation of the People Act, 1951, be amended to make incidence of Paid News a punishable electoral malpractice.
- ii. The PCI must be fully empowered to adjudicate the complaints of 'Paid News' and give final judgement in the matter.

Thereafter, M/o I&B may move an appropriate note to the Cabinet.

Accordingly, notes on the issues have been forwarded by M/o I&B to the M/o Law & Justice. On the basis of the examination by the M/o Law & Justice, the issues would be considered further and if required, the proposal would be submitted for approval of the Cabinet, accordingly.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

Penalty

(Recommendations Sl. No. 16)

So far as the penalty for 'Paid News' menace is concerned, the Committee note that under the existing set up, for print media the penalty can be administered only in the form of warning/ admonishing/censuring the erring newspaper under the PCI Act and for the electronic media there is a provision for cancelling the licence for offences or inconsistencies in the programme under section 8 of the Policy Guidelines for Uplinking of Television Channels from India.

Examination of the subject by the Committee has revealed that existing penal provisions have not been proved effective at all. Various stakeholder have advocated for a strict law to penalise all the guilty parties involved in the menace. Going by the submissions of stakeholders, the Committee agree that there is a need for imposing strict penalty provisions for all the parties involved in 'Paid News'. In the opinion of the Committee, the penalty may range from warning, censure, fine and even cancellation/revocation of licence of the media house, imprisonment, depending upon the gravity of the violation as well as the repetition of violations. The Committee also feel that the decision of imposition of penalty should be prompt and swift if it has to serve as a strong deterrent.

Another aspect related to penalty is that of the designated authority to take action/impose penalty. The Committee note that with existence of multiple bodies like Ministry of Information and Broadcasting, PCI, Election Commission of India, various self regulatory bodies, etc., there is lack of clarity in regard to specific authority who would be final authority in deciding a case of irregularity in this regard. The Committee are of the opinion that in the envisaged oversight regulatory mechanism there should also be a cell for complaint redressal with the authority/legal backing to implement its verdict for penalty and the decision of that cell should be binding on all parties involved including the media. The Committee find that, based on PCI's findings on 'Paid News' in a case relating to the 2009 UP Assembly Elections, the Election Commission of India disqualified a candidate using its power under Section 10(A) of the Representation of People Act, 1951, whereas, in another similar case relating to the 2009 Election of Maharashtra Assembly where a candidate was alleged to have indulge in 'Paid News' the Election Commission was prevented to exercise the same power on ground of its jurisdiction to exercise such power under the Representation of People Act, 1951 and the issue is pending in the Supreme Court. The Committee, therefore, feel that the ambiguity on such issues needs to be done away with and the power of imposing penalties of the nature of disqualification of contesting candidates/ sitting MPs/MLAs on account of paid news should remain with the Election Commission of India. Further, looking at the poor disposal status of 'Paid News' complaints by PCI wherein 11 cases out of 40 have been closed because of lack of pursuance, the Committee feel that PCI in its existing form is not fulfilling the role expected to be performed by it. The Committee, therefore, stress upon the need for revamping the PCI so that it functions like a Regulatory authority and strengthening PCI so that it can adjudicate the paid news cases and award penalties to the guilty individuals and organisations. The Committee would like to be apprised about the action taken in this regard.

Reply of the Government

The empowerment of the Press Council of India by way of amendment in the Press Council Act, 1978 is under consideration of the Government. The Group of Ministers (GoM) on Paid News has also discussed the issue. The M/o I&B has forwarded a background note on the issue of further empowerment of the Press Council of India (PCI) to the M/o Law & Justice with

request to examine the issue and submit a note to M/o I&B in this regard. The matter would be considered further accordingly and if required, the proposed amendments to the Press Council Act, 1978 would be drafted carefully after consultations with the stakeholders on the sensitive issues related to the media.

(Ministry of Information and Broadcasting O.M. No. H-11013/17/2013 – Press Dated 25.04.2014)

New Delhi;
11 August, 2015
20 Shravana, 1937 (Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THEIR FORTY-SEVENTH REPORT
(FIFTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

(i)	Observations/ Recommendations which have been accepted by the Government		
	Para Nos.:- 1,2,3,4,5, 7,9,10,12,15 and 18		
		Total	11
		Percentage	61.10
(ii)	Observations/ Recommendations which the Committee do not desire to pursue in view of the replies of the Government		
	Para No.:- 17		
		Total	01
		Percentage	5.56
(iii)	Observations/ Recommendations in respect of which replies of the government have not been accepted by the Committee and require reiteration		
	Para Nos.:- 6		
		Total	01
		Percentage	5.56
(iv)	Observations/ Recommendations in respect of the reply which is of interim nature		
	Para Nos.:- 8,11,13,14 and 16		
		Total	05
		Percentage	27.78