

PRESS RELEASE

FOR IMMEDIATE RELEASE

New Delhi: April 14, 2020..... Mr. Rajat Sharma, President, News Broadcasters Association (NBA), has addressed a letter dated 14.4.2020 to Mrs. Nirmala Sitharaman, Hon'ble Minister for Finance, which is attached, regarding request for removal of 18% GST on advertisements on broadcast media or reduce to 5% to be in par with print media.



**Annie Joseph
Secretary General**

Encl: As above

ONLY BYEMAIL <nsitharaman@nic.in, nsitharaman@gmail.com>

April 14, 2020

Mrs Nirmala Sitharaman
Hon'ble Minister for Finance
North Block
New Delhi

Dear Nirmala ji,

Subject: Request for removal of 18 % GST on advertisements on broadcast media or reduce to 5% to be in par with print media

The News Broadcasters Association (NBA) appreciates the proactive steps being taken by the government to protect its citizens and the economy from the adverse impact due to the spread of Covid-19 pandemic. NBA is confident that the Economic Response Task Force under your dynamic leadership will combat the impact of pandemic covid-19 on India's economy and the economy will sooner than later resume its potential growth trajectory.

NBA stands in complete solidarity with the government and extends its wholehearted support, to help the nation and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

To ensure social distancing from spread of the virus and for ensuring the safety of the editorial personnel, the news broadcasters has had to take various steps /make alternate arrangements within and outside the premises for news gathering/reporting purposes. This has resulted in the operating costs of news broadcasters during the current pandemic/lockdown having gone up exponentially.

You will appreciate that advertisements are an integral and essential part of the business and the main source of revenue for the news broadcasters which has come under severe pressure during this pandemic/lock down. Advertising agencies are putting huge pressure to defer the payments to broadcasters and to allow more time over and above the 60 days credit period; the recovery of bills is going to be hugely challenging, while facing an even bigger task of almost zero or negligible income in the next 30-90 days. While the news broadcasters are coping with the

financial problems of recovery of dues, we are also faced with serious problems of advertising inventory/ release orders being cancelled and inventory bookings being than 50 percent for even the top-rated news channels. Poor recovery and lack of future income would mean that the news broadcasters would have to weather the storm for two /three quarters and hope for a partial recovery towards the end of the financial year.

In these trying circumstances, as part of the stimulus package, we request you to kindly remove the 18% GST on advertisements or reduce it and bring it in par with the print media industry i.e. at 5%.

In this regard, we would like to draw your attention to the different rates of GST presently applicable:

| Chapter Heading | Particulars | Rate of GST |
|-----------------|---|-------------|
| 998361 | Selling of space for advertisement in print media. | 5% |
| 998362 | Other professional, technical and business services other than above. | 18% |
| 9984 | Telecommunications, broadcasting and information supply services. | 18% |

It may also be borne in mind that the news genre has been recognized as an “essential service” in various government circulars and advisories and also by the Hon’ble Prime Minister in his speech to the nation.

We are sure the Economic Response Task Force under your leadership will consider the request of the news broadcasters favourably and give the much-needed relief for the survival of the industry.

Thanking you,

Yours faithfully,



Rajat Sharma
President

CC: Mr. Ajay Bhushan Pandey, Finance Secretary <secy-fs@nic.in>
Mr. Atanu Chakraborty, Economic Affairs Secretary <secy-dea@nic.in>