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Government of India
Ministry of Information and Broadcasting
(BP&L Division)

कार्यालय प्रधान सलाहकार (बी. एवं टी.एस.)
डायरी सं. 1244
दिनांक 15/3

New Delhi, the 12th March, 2018

To,
Shri R. S. Sharma,
Chairman,
Telecom Regulatory Authority of India,
Mahanagar Doordarshan Bhawan,
New Delhi.

fr Adv (B&L) (on leave)
14.3.18
Adv (I)

Secretary

Subject: Recommendations on "Issues related to new DTH licenses".

Sir,

I am directed to refer to the recommendations of TRAI on "Issues related to new DTH license" dated 23-07-2014 and to say that recommendations were further deliberated upon in the IMC meetings held in this Ministry and based on the recommendations of IMC meetings for obtaining approval of HMIB a draft Cabinet Note was circulated on 27-02-2017 for inter ministerial consultation. Comments of other Ministries/ Departments have been received. Based on the IMC recommendations, comments of other Ministries/ Department and opinion of this Ministry, it is now proposed to vary from the recommendations of TRAI on the following counts:-

- (1) Regarding the duration of the license in the new DTH regime, the IMC examined the technology advancement in the DTH sector alongwith the need to have reasonable continuity in the license period. It is, therefore, proposed to grant DTH license for an initial period of 10 years. Thereafter, renewal of the license to be for 10 years.
- (2) Entry fee is proposed to be increased to Rs.25 crores for the license period of 10 years, keeping in view inflation over the past 17 years.
- (3) While deliberating on the issue of rate of license fee it has been noted that the DTH sector is growing and being a network economy, the sector may get benefit of reducing marginal costs. It may also benefit from the technological innovation, thus reducing the costs of DTH operators. It is proposed to continue to charge license fee @10% of GR.
- (4) It is proposed to raise the bank guarantee to Rs.100 crore instead of the existing Rs.40 crore, keeping in view inflation over the past 17 years.
- (5) It is proposed that the DTH license shall be required to pay license fee on an annual basis, with an option of pre-payments by DTH operators.

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2. Further, it is proposed that the Ministry may allow renewal of license of only those DTH operators who have no dues outstanding, payable to Government and are security cleared. Further, nobody will be allowed to operate without the cover of a license. It is also proposed to ask DTH operators to install a chip in the new Set-Top-Boxes which can give data about channels watched and their duration.

3. As per proviso to section 11 of the TRAI Act, 1997, the matter is being referred back to TRAI for reconsideration and furnishing its recommendations on the above issues at an early date, to enable this Ministry to finalise the new DTH License policy.

Yours faithfully



(Imran Farid)

Under Secretary to the Govt. of India