

## **Response of SITI NETWORKS LIMITED on**

### **Consultation Paper on**

#### **Issues relating to Uplinking and Downlinking Television channels in India**

---

#### **Definition of 'News and Current Affairs channels' and Non-'News and Current Affairs Channels'**

**Question 4.1** Is there any need to redefine “News and Current Affairs TV channels”, and Non-News and Current Affairs TV channels” more specifically? If yes, kindly suggest suitable definitions of “News and Current Affairs TV channels” and Non-News and Current Affairs TV channels” with justification.

**Ans :** *No. There is no need to redefine as the existing definition is sufficient and rightly worded.*

#### **Net-worth of eligible companies**

**Question 4.2** Should net-worth requirement of the applicant company for granting uplinking permission, and/ or downlinking permission be increased? If yes, how much should it be? Please elaborate with appropriate justification.

**Ans :** *The existing requirement as defined is reasonable. Any increase in the net worth requirement would deter first generation/ new entrepreneurs from entering the business thereby adversely impacting the competition.*

**Question 4.3** Should there be different net-worth requirements for uplinking of News and non-News channels? Give your suggestions with justification?

**Ans :** *The existing requirement as defined is reasonable. Any increase in the net worth requirement would deter first generation/ new entrepreneurs from entering the business thereby adversely impacting the competition.*

#### **Processing fee for application**

**Question 4.4** Is there any need to increase the amount of non-refundable processing fee to be deposited by the applicant company along with each

application for seeking permission under uplinking guidelines, and downlinking guidelines?, What should be the amount of non-refundable processing fee? Please elaborate with justification.

**Ans:** *The current processing fee of Rs.10,000 is very low and the same should be increased to Rs. 5,00,000 to deter non-serious players to apply.*

### **Grant of license/ permission for Satellite TV Channels**

**Question 4.5** Whether auction of satellite TV channels as a complete package similar to FM Radio channels is feasible? If yes, then kindly suggest the approach.

**Ans:** No.

*As both the business models are completely different, auction of satellite TV channel as a complete package should not be allowed. In case of satellite TV channels even there are different genre and auction of each genre across geographies will not only be a tedious process would derail the whole broadcasting sector.*

**Question 4.6** Is it technically feasible to auction individual legs of satellite TV broadcasting i.e. uplinking space spectrum, satellite transponder capacity, and downlinking space spectrum? Kindly explain in detail.

**Ans:** No.

*It may be technically feasible but practically it will create havoc in the sense that use of a particular uplinking satellite spectrum and the corresponding satellite transponder capacity are tightly coupled with each other i.e. the satellite transponder capacity allocated to a company cannot be used without corresponding uplinking satellite spectrum, and similarly, a particular uplinking satellite spectrum, beamed towards a particular satellite, is of no use if the corresponding right to use of that satellite transponder capacity is not available with the same entity. Therefore, for success of satellite TV broadcasting, it is important to ensure that right to use for a satellite transponder capacity and corresponding uplinking, downlinking satellite spectrum are allocated to the same entity.*

**Question 4.7** Is it feasible to auction satellite TV channels without restricting the use of foreign satellites, and uplinking of signals of TV channels from foreign soil? Kindly suggest detailed methodology.

**Ans: No.**

*Please refer to our answer for point no. 4.5 above.*

**Question 4.8** Is it advisable to restrict use of foreign satellites for satellite TV broadcasting or uplinking of satellite TV channels, to be downlinked in India, from foreign soil?

**Ans: No.**

*There should not be any restriction.*

**Question 4.9** Can there be better way to grant license for TV satellite channel then what is presently followed? Give your comments with justification?

**Ans: No.**

*The existing practice for grant of license for TV satellite channel is working efficiently and there is no requirement for changing the same.*

*Entry Fee and License fee*

**Question 4.10** If it is decided to continue granting of licenses for satellite TV channels on administrative basis, as is the case presently, what should be the entry fee for grant of license for uplinking of TV channels from India, downlinking of TV channels uplinked from India, and downlinking of foreign TV channels? Please suggest the fee amount for each case separately with appropriate justification.

**Ans:**

<b>Item</b>	<b>Existing</b>	<b>Recommended</b>	<b>Justification</b>
<i>Entry Fee for Uplinking of TV Channel from Indian Soil</i>	<i>Nil</i>	<i>Rs.5 Lakhs</i>	<i>To deter non serious players to enter the market</i>
<i>License Fee for Uplinking of TV Channel from Indian Soil</i>	<i>Rs. 2 lakhs per annum</i>	<i>Rs. 5 lakhs per annum</i>	<i>To deter non serious players to enter the market</i>
<i>Entry Fee for Downlinking of TV Channel uplinked from Indian</i>	<i>Nil</i>	<i>Rs.5 Lakhs</i>	<i>To deter non serious players to</i>

<i>Soil</i>			<i>enter the market</i>
<i>License Fee for Downlinking of TV Channel uplinked from Indian Soil</i>	<i>Rs. 5 lakhs</i>	<i>Rs. 10 Lakhs per annum</i>	<i>To deter non serious players to enter the market</i>
<i>Entry Fee for Downlinking of TV Channel uplinked from Foreign Soil</i>	<i>Rs.10 Lakhs</i>	<i>Rs.20 Lakhs</i>	<i>To deter non serious players to enter the market</i>
<i>License Fee for Downlinking of TV Channel uplinked from Foreign Soil</i>	<i>Rs. 15 lakhs</i>	<i>Rs. 25 Lakhs per annum</i>	<i>To deter non serious players to enter the market</i>

**Question 4.11** What should be the license fees structure, i.e. fixed, variable, or semi-variable, for uplinking and downlinking of satellite TV channels? Please elaborate if any other license fee structure is proposed, with appropriate justification.

**Ans:** *please refer to our answer to point no. 4.10 above.*

**Question 4.12** If the variable license fee structure is proposed, then what should be rate of license fee for TV channels uplinked from India and TV channels uplinked from abroad, and what should be the definition of AGR?

**Ans:** *There should not be any variable license fee levied on TV channels. AGR has been a bone of contention and lot of matter with regard to AGR are sub-judice and any levy of AGR is highly opposed.*

**Question 4.13** If the semi-variable license fee structure is proposed, then what should be the minimum amount of license fee per annum for domestic channels (uplinked and downlinked in India), uplink only channels, and downlinking of foreign channels (uplinked from abroad)?

**Ans.:** *Not applicable as variable license fee not recommended.*

**Question 4.14** If the fixed license fee structure is proposed, then what should be the license fee per annum for domestic channels, uplink only channels, and downlinking of foreign channels?

*Ans: Please refer to our answer to point 4.10 above.*

**Question 4.15** What should be the periodicity for payment of the license fee to the Government? Please support your answer with justification.

*Ans.: per annum.*

**Question 4.16** What should be the periodicity for review of the entry fee and license fee rates?

*Ans.: Every Five Years*

### **Encryption of TV channels**

**Question 4.17** Should all TV channels, i.e. pay as well as FTA satellite TV channels, be broadcasted through satellite in encrypted mode?

Please elaborate your responses with justification.

*Ans: As digitization across India is already over, any unencrypted channels should not be allowed at all.*

### **Operationalisation of TV channel**

**Question 4.18** Is there a need to define the term "operationalisation of TV channel" in the uplinking guidelines, and downlinking guidelines?

If yes, please suggest a suitable definition of "operationalisation of TV channel" for the purpose of the uplinking guidelines, and the downlinking guidelines separately.

*Ans.: Operationalization of a TV Channel means that a satellite TV channels is available on various distribution platforms for a minimum period of six months from the date of downlinking.*

**Question 4.19** Maximum how many days period may be permitted for interruption in transmission or distribution of a TV channel due to any reason, other than the force-majeure conditions, after which, such interruption may

invite penal action? What could be suggested penal actions to ensure continuity of services after obtaining license for satellite TV channel?

*Ans.: Seven days*

### **Transfer of License**

**Question 4.20** Whether the existing provisions for transfer of license/permission for a TV channel under uplinking guidelines, and downlinking guidelines are adequate? If no, please suggest additional terms and conditions under which transfer of license/permission for a TV channel under uplinking guidelines, and downlinking guidelines may also be permitted? Please elaborate your responses with justification.

*Ans.: The other license governing the industry like DAS license for MSOs and Postal License for Cable Operators are not transferable, the license for a TV channel should not be transferable.*

**Question 4.21** Should there be a lock in period for transfer of license/permission for uplinking, or downlinking of a TV channel? If yes, please suggest a suitable time period for lock in period. Please elaborate your responses with justification.

*Ans.: Not applicable as not recommended.*

**Question 4.22** Should the lock in period be applicable for first transfer after the grant of license/ permission or should it be applicable for subsequent transfers of license/ permission also?

*Ans.: Not applicable as not recommended.*

**Question 4.23** What additional checks should be introduced in the uplinking, and downlinking permission/ license conditions to ensure that licensees are not able to sub-lease or trade the license? Please suggest the list of activities which are required to be performed by Licensee Company of a satellite TV channel and can't be outsourced to any other entity to prevent hawking, trading or subleasing of licenses.

**Ans.:** *As suggested in the consultation paper trade mark registration of the name of channel and logo in the name of licensee company, editorial responsibility of the programs being telecasted, teleport/ satellite agreement in the name of licensee company, disclosure of licensee company name on website of the channel as well as on channel transmission, scheduling of programs etc.*