

RESPONSE OF ODISHA TELEVISION LIMITED

(ISSUES FOR CONSULTATION ON UPLINKING AND DOWNLINKING OF TV CHANNELS.)

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

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.

There is no requirement to redefine “News and Current Affairs TV channels”, and Non-News and Current Affairs TV channels”.

Net-worth of eligible companies.

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.

The net worth requirement should not be increased. It has already been increased in the latest guideline. Further the net-worth requirement is continued one which means the broadcaster has to maintain the required net-worth throughout the period of license. Further the calculation of net-worth is such that intangible assets are not considered for net-worth for which the broadcaster has to forgo substantial part of its investment from its eligible net-worth. In addition the regional channels like us are facing huge competition from national players and any increase in the net-worth requirement may create entry barrier. We suggest the intangible assets being a major investment for TV channels should be considered for Net-worth calculation.

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

The present guideline for different net-worth requirements for uplinking of News and non-News channels should continue. News being more serious and impact on society should continue with higher net-worth requirements.

Processing fee for application.

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.

There is no requirement for increasing non-refundable processing fees by the applicant. This is more so in the era of online application and processing of applications. However a nominal increase may not have impact on the applicants.

Grant of license/ permission for Satellite TV Channels.

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.

We are not in favour of auctions for TV channels, hence no comment.

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.

No Comment.

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.

No Comment.

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?

There should not be any restriction on use of foreign satellites. The licensee must be allowed to access options to run its business in best economic and efficient ways. Availability of Indian Satellite capacity with economic cost is always preferred. No Comment on auction specific.

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

The present system looks fine. Only an online transparent tracking of application should be provided. A time limit should be specified in processing the applications.

Entry Fee and License fee.

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.

There should not be any entry fee for grant of license for uplinking of TV channels from India, downlinking of TV channels uplinked from India. The existing system is fine. Considering the number of TV channels and the regional spread no entry fee should be levied.

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.

It should be fixed as it prevails now. This will reduce the uncertainties for payout of the license fee for the small regional players. In addition, the calculation of AGR and its interpretations are complex for which any kind of variable license fee may affect the broadcaster heavily.

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?

No comment.

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 gndia), uplink only channels, and downlinking of foreign channels (uplinked from abroad)?

No comment.

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?

The existing fees should be continued.

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

Annual. It will ease the financial planning and also ensure recurring income to Government.

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

License fees may be reviewed once in 10 years.

Encryption of TV channels.

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.

It should be left to the discretion of broadcaster considering the investment and its viability.

Operationalisation of TV channel.

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.

Operationalisation can be defined the date from the channel is distributed with at least one DPO and reported MIB as such.

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?

The interruption in transmission can be for many reasons beyond force-majeure conditions. Since MIB is having monitoring cell it can spot such interruption and the Channel may also be required to intimate such interruption as and when anticipated/happened. The Channel should be given

opportunity to place the reason of such interruption and in case not convincing MIB can take action including penalty on case to case basis.

Transfer of License.

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.

In addition to existing provision, slump sale within the group company including holding and subsidiary of Licensee Company should be permitted. Of course the transferee group company (including holding/subsidiary) should comply all other uplinking and downlinking guidelines.

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.

There should not be any lock in period for transfer of license duly approved by MIB. Any lock in conditions will reduce potential business opportunity to consolidate or concentrate.

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?

No comment.

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.

A periodic undertaking (say yearly) or a certificate from the Statutory Auditor from the Licensee Company may be obtained for compliance to license conditions. This certificate may also include one statement that the Channel is not outsourced to any other entity in any means. In addition MIB may have special audit provision only in this regard.

Meaning of a teleport.

4.24 Whether specific definition of a teleport is required to be incorporated in the policy guidelines? If yes, then what should be the appropriate definition? Please elaborate responses with justification.

No comment.

Entry fee, Processing fee, and License fee for teleport license.

4.25 Is there any need to increase the amount of non-refundable processing fee to be paid by the applicant company along with each application for teleport license? If yes, what should be the amount of non-refundable processing fee? Please elaborate with justification.

No need for any change.

4.26 Should entry fee be levied for grant of license to set up teleport? If yes, what should be the entry fee amount? Please give appropriate justification for your response.

No entry fee should be levied.

4.27 What should be the license fee structure for teleport licensees? Should it be fixed, variable or semi-variable? Please elaborate if any other license fee methodology is proposed, with appropriate justification.

The present practice of fixed fee should continue.

4.28 What should be the rate of such license fee? Please give appropriate justification for your response.

No comment.

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

Annual.

4.30 What should be the periodicity for revision of the entry fee, and license fees rate for teleport licensees?

10 yearly.

Restriction on the number of teleports.

4.31 Whether there is a need to restrict the number of teleports in India? If yes, then how the optimum number of teleports can be decided? Please elaborate your responses with justification.

Should not be restricted. This gives advantages to broadcaster to have own teleport for business efficiency.

4.32 Whether any restriction on the number of teleports will adversely affect the availability or rates of uplinking facilities for TV channels in India?

Yes may affect adversely.

Location of teleports.

4.33 What should be the criteria, if any, for selecting location of teleports? Should some specific areas be identified for Teleport Parks? Please elaborate your responses with justification.

Existing practice should be continued. In addition a teleport park may be identified to address as DR sites.

Optimum use of existing teleport infrastructure.

4.34 Please suggest the ways for the optimal use of existing infrastructure relating to teleports.

No comment.

Unauthorised Uplink by Teleport operator.

4.35 What specific technological and regulatory measures should be adopted to detect, and stop uplink of signals of non-permitted TV channels by any teleport licensee? Please elaborate your responses with details of solution suggested.

No comment.

Any other issue.

4.36 Stakeholders may also provide their comments on any other issue relevant to the present consultation.

All license application, other applications/amendment and status tracking may be made online. All documents may be uploaded in such sites so that repetitive submission is avoided. MIB should be single point coordination cell with other departments related to license.

For ODISHA TELEVISION LIMITED

Manoranjan Sarangi

CFO