



COMMENTS BY
DEN NETWORKS LIMITED
ON THE CONSULTATION
PAPER ON EASE OF DOING
BUSINESS IN BROADCASTING
SECTOR



PREAMBLE

At the outset, we at **DEN NETWORKS LIMITED** (DEN) wish to express our sincere gratitude to the Telecom Regulatory Authority of India (the Authority) for its support, cooperation in the establishment and growth of Broadcasting & Cable TV industry in India and also resolving various issues, which have arisen from time to time.

In continuation with its vision for growth, streamlining and revamping the said industry, the Authority has been working towards Ease of doing business in Broadcasting sector to provide a hassle free, easy start, healthy and competitive environment to the new entrant and the existing players in this sector. Concerned this, a Pre-Consultation paper was issued by the Authority on 19th April, 2017 for identifying the issues likely to be caused from the view of the Industry players before going for an elaborate consultation. Consequent to the comments received on the said pre consultation paper, the Authority came up with an elaborative Consultation paper on "Ease of doing business in Broadcasting sector on 31st July, 2017. Further, comments of the Industry players have been sought on the said consultation paper.

We specially thank the Authority for providing us an opportunity to submit our response on the same.

COMMENTS ON THE CONSULTATION PAPER ON EASE OF DOING BUSINESS IN BROADCASTING SECTOR

We, at DEN, would like to comment only on those issues which are relevant to its business/sector i.e Cable TV sector. Our submission on the said consultation paper is set out herein below:

Q9. What are the specific issues affecting ease of doing business in cable TV sector? What modifications are required to be made in the extant framework to address these issues? Give your comments with justification.

DEN's Response: We would like to draw the attention of the Authority to Press Note 7 of 2012 Series dated 20th September, 2012 whereby some very stringent conditions were casted upon the MSOs with Foreign Direct Investment such as to obtain **prior** approval from MIB for change in board of directors/ appointment of



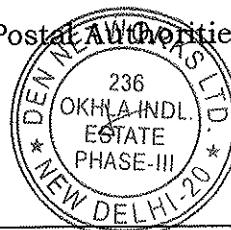
key personnel or any new appointment to the board. Such permission takes months as the Ministry of Information grants such approval only after receiving a security clearance from Ministry of Home Affairs which itself takes substantial time. Thus, the delay in approvals leads to unnecessary obstacles to the business. Further, these conditions are again made part of Consolidated FDI Policy (Effective from August 28, 2017) issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. Primarily, MSOs are only retransmitting signals received from broadcasters "on is received basis" hence such stringent conditions should be done away with. In the alternative, "**prior approval**" should be replaced with information to Ministry of Information & Broadcasting.

We would also take this opportunity to raise an issue which has been noted in detail in the consultation paper is the problems faced by MSOs in obtaining permission for Right of Way. At present, multiple permissions are required from different authorities, who also demand variable amounts, making it very difficult, time consuming and an expensive affair to obtain such permissions. It is suggested that a single-window clearance be set up by the State Government, from which permission can be sought. Also, the charges for Right of Way permission, should be fixed in a uniform manner.

Q10. Is there a need to increase validity of LCO registration from one year? In your view, what should be the validity of LCO registration? Give your comments with justification.

DEN's Response: We agree with the suggestion of the TRAI that the validity of LCO Registration should be extended to 5 years. Providing a longer registration period, will allow both the MSO and the LCO to make a long term business plan and also avoid issues with regard to execution and/ or renewal of Interconnect Agreements on account of non-renewal of LCO Registration.

It is also proposed that the process of Registration of LCOs, ought to be centralized and brought under the ambit of the MIB/TRAI, rather than the Postal Department. It is submitted with utmost respect, that the Postal Authorities have no role to play



in the Broadcasting Sector and all registrations should be done with the Nodal Ministry i.e. MIB or the Sectoral Regulator TRAI. The Registration with MIB/TRAI, will also ensure setting up of a centralized database of LCOs, which will be beneficial to all the stakeholders. Currently, TRAI has launched Service Provider Portal for Broadcasting sector seeking online registrations for improving communication with service providers, so by making the LCO registration process online through MIB/ TRAI will benefit the Regulatory Authorities by syncing the LCO data with the said TRAI portal and will also help the MIB/TRAI in identifying the exact number of LCOs who are operating in the Sector and would be useful in getting feedback and redressal of grievances. It is suggested that the process of Registration can be done through an Online Portal, so as to simplify the procedure and to easily provide access to such services even in Remote Areas, without requiring the personal presence of the concerned individuals. It is also imperative, that the process of Registration remains mandatory and strict action be taken against all stakeholders who flout the same.

To conclude our submissions, we once again express our deepest gratitude to the Authority for taking up an exhaustive exercise. Further, we request the Authority to consider our comments/suggestions made above.

In case of any queries or clarification required by the Authority, we further request the Authority to contact Mr. Ashish Yadav –Deputy General Manager – Legal @ ashish.yadav@denonline.in or Ms. Ritika Arora- Officer- Legal @ ritika.arora@denonline.in DEN Networks Limited.

