

RESPONSE OF DISH TV INDIA LIMITED

TO

CONSULTATION PAPER

ON

KYC OF DTH SET TOP BOXES

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Submitted by:

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PRELIMINARY SUBMISSIONS:

It has been more than a decade since the DTH services were started by Dish TV India Limited. From a single player industry in 2003, there are number of licensed DTH operators having significantly contributed to the implementation of digitalization initiative of the Government.

Soon after its launch in India, DTH became one of the most important source of dissemination of news, views, knowledge & current affairs to masses even in villages & the remotest parts of the country because of its wider reach. Besides entertainment channels, DTH operators deliver lot of value added services considering the viewership pattern and choice of the ultimate subscribers.

DTH was the most important tool to drive digitalization and to penetrate into the areas where the cable TV has not yet reached. The estimates based on the market research conducted by Media Partners Asia showed that India has maximum potential for DTH service growth in Asia. There are far flung rural and remote areas where the dwelling pattern is not clustered and Cable TV in these areas is unviable. DTH being a satellite driven technology, because of its wider reach can service these areas and thus the people living in those places, can also have access to satellite television. Even the people living in hilly areas and defence personnel deployed at high altitudes where cable service cannot reach, are availing the DTH services and taking benefit of DTH operations.

DTH is highly capital intensive sector. The DTH service providers have already invested in total of USD 3.5 billion. However, on account of heavy burden of license fee, multiple taxation, high content cost and skewed Government policies & regulations, the DTH operators have already incurred a combined losses around USD 1 billion and which is only increasing.

The DTH operators have to provide subsidies on Customer Premises Equipment (STB) in order to popularize and achieve the penetration in the market which was hitherto mainly dominated by analogue cable. The heavy license fee coupled with taxation burden has resulted in huge losses for DTH operators which are clearly reflected in their financial statements.

From the above, it is apparently clear that the DTH industry, despite contributing towards various initiatives of the Government, has been burdened with huge costs because of which the DTH industry continues to bleed. The DTH operators have to pay huge satellite cost, technology cost as well as higher cost towards the set top boxes.

Regarding the reference of MIB letter no.8/10/2018-BP&L dated 26th March 2019, we provide our observations as under:

- a. The DTH operators are providing DTH services under a Licenses from Ministry of Information and Broadcasting and Wireless and Planning Commission, Department of Communication, Government of India. For the purpose of providing the DTH services, the DTH operators have been allotted space on the Satellites by Antrix Corporation Limited, a wholly owned Corporation of Government of India. Antrix Corporation – as Nodal agency of Government of India is responsible for providing the satellite capacity to DTH operators in India and DTH operators, are not permitted to acquire satellite capacity directly from the owner of the satellite. Therefore the choice of satellite is not in the hands of the DTH operators.
- b. Due to the above situation, the DTH operators are provided capacity on foreign satellites none of which have any feature of India specific footprints. Further, it may be noted that a globally recognized phenomenon that satellite services are used for transmission of TV channels and the footprints of the Satellites cannot be confined to political / geographical boundaries of any particular country which is purely because of the nature of satellite based operations. This phenomenon is recognized by United Nations and is termed as spill-over.
- c. DTH operators have already spent around 100 Crores per year in Foreign Exchange towards providing CI Slots which is a redundant technology. Further loss of hundreds of crores would be incurred in providing the GPS/LBS feature.

We would now like to ponder upon the installation process follows by Dish TV which is akin to the process bring followed by any other DTH operator. It may be noted that Dish TV follows a robust process of the installation under which the installation is done by trained technicians which is then verified by a follow up call on behalf of the Company to the concerned subscriber to record the satisfaction level of the subscribers. The Company has appointed around 3000 services franchisees solely for the purpose of speedy and effective services to the subscribers towards installation and after sales services.

The process being followed by the Company is provided as under:

1. Prospective subscribers intending to avail a DTH connection of the Company approaches the Company through various modes including dealer shops, website etc.
2. The request of the subscribers is generated on the CRM with his details, Offer details & Activation amount.
3. Installation request flows to concerned service centre CRM based upon the area Pin Code where the subscriber resides.

4. Service centre backend speaks to the subscriber to fix appointment for technician visit for physical installation of the connection.
5. Technician visits customer place along with the Consumer Premises Equipment (CPE) and installs the same subject to technical feasibility. Subscriber is required to fill and sign the Consumer Application Form and hand it over to the technician. It is pertinent to note that the CPE is always carried by the technicians and at no point of time before the technician does the subscriber gets hold of the same.
6. Post installation, the connection is activated from backend in the presence of the technician as per the details mentioned in SAF.
7. After activation, the technician provides demo of the product to subscriber customer and leaves customer premises.
8. The Installation request number is closed in the CRM.
9. Within 3 days of installation, a verification call is made to the subscriber on his Register Mobile Number to ensure that the connection is installed properly.

In view of the above, it may be stated that the entire process of installation is closely monitored by the Company. It may further be noted the CPEs are proprietary product and are not sold in the open market and therefore there is no scope of any activation of any STB at an alternate premise vis-à-vis the address captured in the CAF/CRM.

Further, there are adequate checks and safeguards are already in place to ensure physical address verification during installation. Therefore, the process of verification is adequately ensured and there is no need for adding any more steps and processes. However, the periodic physical premise verification to account for the already installed STB's is not feasible as the same would entail a huge of the manpower to be deployed in the market which would require huge amount to be spent by the DTH operators. Under the current competitive scenario where DTH operators are already incurring huge cost with long ROI period, imposition of any additional cost would only be detrimental to the entire industry.

In the above backdrop, we provide our response to the issue for consultation as under:

1) Is there a need for KYC or e-KYC of DTH Set Top Boxes to address the concern raised by MIB in their letter mentioned in paragraph 1.5 of this consultation paper? Give your answer with justification.

2) If your answer to Q1 is in the affirmative, then what process is to be followed?

Dish TV Response: For the reasons stated hereinabove, there is neither any need nor any valid occasion for prescription of KYC of DTH Set Top Boxes.

3) Whether one-time KYC is enough at the time of installation or verification is required to be done on periodic basis to ensure its actual location? If yes, what should be the periodicity of such verification?

Dish TV Response: We are of the strong opinion that initial KYC done by the Company is adequate enough and no further KYC is required thereafter.

4) Whether KYC of the existing DTH STBs is also required to be done along with the new DTH STBs? If yes, how much time should be given for verifying the existing STBs for DTH?

Dish TV Response: Already dealt in point no. 3 above.

5) Whether the location-based services (LBS) needs to be incorporated in the DTH set top boxes to track its location? Will there be any cost implication? Give your response with supporting data and justification.

Dish TV Response: This issue has been dealt at length and for the stated reason we strongly oppose this suggestion.

6) Any other issue relevant to KYC of DTH Set Top Boxes?

Dish TV Response: For the purpose of the KYC verification process, any Government ID provide by the Subscriber or any mobile number provided by the subscribers to the DTH operators as a registered mobile number, for he reason that the same is already KYC verified by the telecom operators, should be treated as sufficient enough for fulfilment of KYC process by the DTH operators.
