

To,

Prof. M. Kasim,

Advisor (B&CS) – III,

Telecom Regulatory Authority of India

**Subject: Sri Adhikari Brothers Television Network Limited
Recommendations on TRAI Pre-consultation paper on “Ease of Doing
Business in Broadcasting Sector”**

Dear Sir,

We, Sri Adhikari Brothers Television Network Limited are a leading Indian Media & Entertainment conglomerate with interests in Broadcast, films, content production and publishing.

We appreciate TRAI’s *suo-motu* initiative for releasing pre consultation paper on “Ease of doing business in Broadcasting Sector”.

Below we identify few issues for your kind consideration:

1. Calculation of Net Worth of the Applicant Company

As per the policy guidelines for downlinking all satellite television channels, the entity applying for permission for downlinking a channel should have a minimum net worth as prescribed below:

| S.No | Item No. | Required Net Worth |
|-------------|--|---------------------------|
| 1 | For Downlinking of First (Non-News or News & Current Affairs) Television Channel | Rs. 5 Crore |
| 2 | For Downlinking Each Additional Television Channel | Rs. 2.5 Crore |

Hence, the applicant company needs to have a minimum net worth as stated in the grid above for eligibility. The formula for calculating net worth is: Total **assets** minus total liabilities = net worth and assets are defined, as an asset is anything with a monetary value attached. Assets may be real or personal property, which may be used for payment of debts. Assets also include intangibles, such as **audio video content, rights to audio video contents**, business good will, trademarks, and rights to market a product etc.

However, the formula adopted by the Hon'ble Ministry of Information and Broadcasting, Government of India does not take into consideration the value of the audio video content/library content owned by the applicant company. Whereas as assets are anything of value that is owned by a company, this exclusion of not considering the intangible assets as assets of the applicant company is towards the forfeiture of the stakeholders and the applicant company as the companies and stakeholders in the media & broadcast company invest heavily into content production than in buying brick and mortar places and machineries.

Therefore, in the light of aforesaid I crave that the Hon'ble Ministry of Information and Broadcasting to kindly consider both tangible and intangible assets while calculating the Net Worth of the Applicant Company for granting downlinking license.

Also, the applicant company shall be provided an opportunity to provide an explanation regarding the calculation of the Net Worth and/or for a hearing for the same.

2. Prescribing fixed Time Period/Timelines for the process of granting/rejecting Downlinking/Uplinking license

Currently the present policy guidelines prescribe for no fixed timelines of granting uplinking/downlinking license(s) to the applicant company. There are numerous instances where the applicant company has applied for the licenses, but its been granted after a long wait.

Therefore, I crave that the Hon'ble Ministry of information and Broadcasting shall provide for a fixed timelines for granting/rejecting the applicant's company license application.

3. Conflict between the Legislations

I wish to draw your attention towards the conflict between the legislations that often go unnoticed.

I shall explain the same by way of an example: Suppose a private limited company operating with 2 directors for its expansion converts into a deemed public company, the present Companies Act mandates the appointment of 5 directors but on the contrary the concerned ministry(s) takes too much time to provide security clearances and hence it proves as an impediment for the companies to comply with the provisions of Companies Act 2013 and thereby inviting penalties.

Therefore, I crave that the Hon'ble Ministry of Information and Broadcasting shall provide for a favourable resolution to the same, where the Companies be allowed to appoint directors without seeking prior approval and shall be at liberty to intimate the concerned authorities/ministry upon appointment of such directors.

4. Transfer Permission

The present guidelines do not allow transfer of licenses. We request that a provision should be made to provide for transfer of permission in case of mergers, demergers, amalgamation and acquisitions. It may be mentioned in the guidelines that permission upon such reconstructions and/or transactions shall be allowed on compliance of the guidelines in place.

Thank you.

Sincerely,

For **Sri Adhikari Brothers Television Network Limited**

Smith Chandra

