



**भारतीय दूरसंचार विनियामक प्राधिकरण**  
**TELECOM REGULATORY AUTHORITY OF INDIA**  
**भारत सरकार / Government of India**



**F. No.:** R-1/14/(1)/2022-B AND CS(1 AND 3)

**Dated:** 21<sup>st</sup> August 2023

**To**

**The Secretary**  
**Ministry of Information and Broadcasting**  
'A' Wing, Shastri Bhawan  
New Delhi - 110001

**Subject: Recommendations on "License Fee and Policy Matters of DTH Services"**

The Ministry of Information and Broadcasting (MIB), vide letter No. 2/33/2021-BP&L dated 02.02.2022, sought recommendations of TRAI under Section (11)(1)(a) of the TRAI Act, 1997.

2. The reference alluded to the amendments carried out by the Department of Telecommunications (DoT) in the Unified License (UL) Agreement. Vide the amendments dated 25.10.2021 and 06.10.2021, DoT has rationalized the definition of Adjusted Gross Revenue (AGR) and Bank Guarantee (BG) quantum respectively under structural reforms.

3. DTH operation in India is governed by the policy guidelines for obtaining license for providing DTH broadcasting services in India. These guidelines prescribe a License Fee (LF). LF is a non-tax fee levied on a service provider against the privilege of being permitted to carry out a licensed activity. As per the provisions of the guidelines, the DTH operators are required to pay a LF, which is 8% of Adjusted Gross Revenue (AGR) on a quarterly basis to MIB.

4. Bank Guarantee (BG) is a type of financial instrument to ensure that a service provider pay their dues on time and are obligated to fulfil the terms and conditions of the license agreement. The extant DTH guidelines prescribe a BG for an amount of Rs 5 crore for the first two quarters, and, thereafter, for an amount equivalent to LF for two quarters and other dues not otherwise securitized.

5. Based on the reference, a Consultation Paper on "License Fee and Policy Matters of DTH Services" was issued on 13<sup>th</sup> January 2023, seeking comments and counter-comments from the stakeholders. An Open House Discussion was also conducted through video conference on 20<sup>th</sup> April 2023.

Page 1 of 2



महानगर दूरसंचार भवन, जवाहरलाल नेहरू मार्ग / Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg  
(ओल्ड मिनटो रोड), नई दिल्ली-110002 / (Old Minto Road), New Delhi-110002

फैक्स /Fax : +91-11-23213294, ईपीबीएक्स नं. /EPBX No. : +91-11-23664145 वेबसाइट/website www.trai.gov.in



6. Based on the comments of the stakeholders received during the above-mentioned consultation process and its own analysis, the Authority has finalized its recommendations on “License Fee and Policy Matters of DTH Services” which are enclosed herewith. As per TRAI’s analysis, immediate measures are required for the DTH sector to effectively address the challenges faced. The recommendations include:

- Revised definition of Gross Revenue, introduction of Applicable Gross Revenue and revised definition of Adjusted Gross Revenue.
- Revised Format of Form-D of DTH guidelines and devise Deduction Verification Process of Revenue through single window portal.
- Reduced percentage of License Fee in next 3 years and remove the License Fee liability thereafter to help create a level playing field.
- Rationalization of Bank Guarantee.
  - An initial Bank Guarantee for Rs. 5 crore and thereafter, an amount equivalent to initial Bank Guarantee (i.e., Rs. 5 crore) or 20% of License Fee for two quarters, whichever is higher.
  - Once the license fee becomes zero, a Bank Guarantee for a fixed amount equivalent to the initial Bank Guarantee (i.e., Rs. 5 crore)
- These recommendations including the definition of GR, ApGR, AGR and the percentage of AGR to calculate the License Fee may be made applicable ‘prospectively’.

7. In the highly competitive television distribution market, urgent measures are required for the DTH sector. These recommendations will ensure a conducive ecosystem in the broadcasting distribution sector and will boost confidence, investment and growth. Quick implementation of these recommendations will help the sector and enable all-round growth.

8. In keeping with the practice, a copy of this letter, along with recommendations, is being placed on TRAI website [www.trai.gov.in](http://www.trai.gov.in).

**Encl:** as above



**(V. Raghunandan)**

**Secretary, TRAI**

Tel: 23237448

E-mail: [secretary@traigov.in](mailto:secretary@traigov.in)