

Information Note to the Press (Press Release No. 02/2023)

For Immediate Release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI releases Consultation Paper on “License Fee and Policy matters of DTH Services”

New Delhi, 13th January 2023 - The Telecom Regulatory Authority of India (TRAI) has today released a Consultation Paper (CP) on ‘License Fee and Policy matters of DTH Services’.

2. License fee is a non-tax fee levied on a service provider against the privilege of being permitted to carry out a licensed activity. In India, currently, the DTH operators are required to pay a license fee of 8% of Adjusted Gross Revenue (AGR) on a quarterly basis to Ministry of Information & Broadcasting (MIB), where AGR is calculated by excluding Good and Services Tax (GST) from Gross Revenue (GR).

3. The Department of Telecommunications (DoT), on 25th October 2022, carried out amendments in the Unified License (UL) Agreement for AGR. As per the amendment, Applicable Gross Revenue (ApGR) shall be equal to GR of the licensee by reducing certain revenue components as mentioned in the amendment. Further, the definition of AGR is also amended and shall be arrived by excluding some components from ApGR.

4. The extant DTH guidelines prescribe a Bank Guarantee (BG) for an amount of Rs 5 crore for the first two quarters, and, thereafter, for an amount equivalent to License fee for two quarters and other dues not otherwise securitized. DoT has also carried out certain amendments for rationalization of BGs on 06th October 2021.

5. In view of the aforesaid amendments carried out by DoT, and on the request of DTH association and DTH operators, MIB has sent a reference to TRAI on 02nd February 2022, requesting TRAI to examine the following issues from policy angle and furnish its recommendations under section 11(1)(a) of the TRAI Act, 1997:

- i. Issue of exclusion of non-licensed activities from definition of Gross Revenue in respect of DTH License fee as in case of recent amendments carried out by Department of Telecommunications (DoT) and/or identify any other base for levy of the license fee. Accordingly, the format of Form-D in DTH sector as per GR/AGR criteria may also be provided;

- ii. Percentage/amount of Bank Guarantees (BGs) in respect of private DTH services as in case of recent amendments carried out by Department of Telecommunications (DOT); and
- iii. Issue of Uniform License Fee (Level playing field) in respect of all Distribution Platform Operators (DPOs).

6. Accordingly, this Consultation Paper has been prepared to seek the comments/views of the stakeholders on issues related to License Fee payable and Bank Guarantee furnished by DTH operators. Written comments on the consultation paper are invited from the stakeholders by 13th February 2023. Counter comments, if any, may be submitted by 27th February 2023. The comments and counter-comments may be sent, preferably in electronic form on the email:- advbcs-2@traf.gov.in and jtadviser-bcs@traf.gov.in.

7. For any clarification/information, Shri Anil Kumar Bhardwaj, Advisor (B&CS) may be contacted at Tel. No.: +91-11-23237922.

8. Full text of the consultation paper is available in TRAI's website www.traf.gov.in.


(Rajiv Sinha)
Secretary I/c, TRAI/13/01/2023