

NXTDIGITAL Limited

Response to TRAI Consultation Paper Ease of Doing Business in Telecom & Broadcasting Sector

18th January 2022
Ref: NDL/TRAI/EODB/01

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1 NXTDIGITAL Overview

NXTDIGITAL Limited (NDL) is the media vertical of the Hinduja Group. The media and communications company is India's premier integrated Digital Delivery Platforms Company - delivering services via satellite, digital cable and broadband.

With a pan-India reach, **NXTDIGITAL** delivers television services through a dual delivery platform consisting of digital cable and the country's only **Headend-In-The-Sky (HITS) satellite platform**, under the brand names **INDigital** and **NXTDIGITAL** respectively. The Company's Digital Cable television platform **delivers 750+ channels across 100+ cities and towns** whilst the HITS service is available in over **1500 cities and towns covering more than 4400 Pin Codes**- with a significant presence in the fastest-growing demographics of semi-urban, semi-rural and rural India. The company is well established nationally through a franchisee base of nearly **10,000 Last Mile Owners**; delivering digital services to millions of customers across the length and breadth of the country.

A game-changer in the industry, the HITS platform also provides infrastructure sharing services to **Multi-System Operators (MSOs)**; providing them with a highly cost-effective way to deliver their services via satellite at a significantly improved level of quality of service. With its state-of-the-art HITS facility and data centres, it is the only company that can offer direct-to-network services to any corner of the country. The Company has also launched a network of 40 owned-and-operated **NXTHUBs**, each with the capability to deliver up to 650 TV services and broadband, but also emerging solutions like OTT and WiFi.

Other than Television services, its subsidiary **ONEOTT Intertainment Limited** is one of India's top 5 private Internet Service Providers and has a strong presence in Broadband and Internet services in **40+ cities**. Its services under the brand "**ONE Broadband**" provide converged services of Video, Data and Voice to consumers by delivering highspeed internet and services across multiple cities in India. With "ONE Gigafiber", the broadband company also provides FTTH (Fibre to the Home) services for consumers - providing speeds up to 1,000Mbps.

2 Background

TRAI has floated a consultation paper on Ease of Doing Business in Telecom & Broadcasting Sector to identify various bottlenecks and new process requirements, if any, and suggest measures for the reforms required in the regulatory processes, policies, practices, and procedures in the telecom and broadcasting sectors in creating a conducive business environment in India.

3 NDL Response on Issues for Consultation

Q1) Whether the present system of licenses/permissions/registrations mentioned in para no. 2.40 or any other permissions granted by MIB requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

a. Simple, online and well-defined processes

b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any

c. Precise and well-documented timelines along with the possibility of deemed approval

d. Well-defined and time bound query system in place

e. Seamless integration and approvals across various ministries/ departments with the end-to-end online system

f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/permission/registration

Give your suggestions with justification for each license/permission/ registration separately with detailed reasons along with examples of best practices if any.

Permission for Merger/De-Merger/Amalgamation – We recommend that a provision is added into the existing HITS Guidelines issued on 26th November 2009, on Merger/De-merger/Amalgamation for an existing permission holder. In the absence of this provision a complex process is currently being initiated which involves the signing of a new GOPA rather than a simple name amendment in the existing Grant of Permission Agreement (GOPA). The adding of this recommended provision will greatly cut down processes especially on the timeline as a new GOPA entails that fresh diligence/clearances are sought from all concerned ministries/bodies. As per the current process, MIB has to obtain fresh clearances from all concerned authorities. Due to the complex interdependencies, the timelines for executing the fresh GOPA are extremely lengthy which in turn leads to a situation where no other permissions can be sought till such time the new GOPA has been signed, bringing the existing up and running HITS business into considerable difficulty.

Furthermore, in the absence of a clear guideline on Merger/De-merger/Amalgamation for the existing permission holder, a fresh Bank Guarantee for an amount of Rs. 40 Crore has also to be submitted. As per the current guideline, this is only required when a fresh/new HITS business is being setup for which the conditions in the guideline are – **5.2 "...the permission holder should commence operations within a period of one year...."** & **5.3 "If the operator does not start the service within two years...the full bank guarantee will be forfeited ..."**. As the business is already an up and running business, there is no clear guideline on the return of the Rs 40crore bank guarantee. Furthermore, since it is only a name change in the GOPA, there should be no requirement for the 40crore bank guarantees in the first place at all.

Furthermore, there should be a single window online application portal and clearance system for anyone intending to modify the existing permission/license. The application process should be transparent providing the applicant information on the current status. The single window clearance system should also have a time frame within which the permission will be issued. In case of any delays, a conditional provisional permission should be given to ensure that the existing HITS business can continue to operate without any encumbrance.

MSO Registration – A single window clearance system should have a time frame by which the permission/registration to MSOs will be issued to applicants in case all documents are in order. The application process should be transparent for the applicant to know the status. In case of any delays, a conditional provisional permission should be given to ensure that the existing business can continue to operate without any encumbrance.

Director Clearances by MHA – We recommend a process where MHA maintains a database of cleared Directors that MIB/DOT can access to speed up the process. Even within the MIB, if MHA clearance has already been received for a Director by a particular department, the process need not be re-repeated for MHA clearance for a separate application that has been initiated within another department within MIB thereby duplicating the process. A considerable amount of time can be saved if the MHA clearance for a Director can be provided to another department within MIB, if so required. In case of any delays, a conditional provisional permission should be given to ensure that the existing business can continue to operate without any encumbrance.

Permission for Change of Satellite – In case of contingency situation which necessitates the need for an existing business to migrate running services to another satellite, a clear guideline needs to be put into place that facilitates the business continuity of the existing business by providing conditional provisional permission to ensure that the existing business can continue to operate without any encumbrance. Further to this, in case of contingency situation which necessitates the need for an existing business to migrate running services to another satellite, an easier mechanism is required for foreign remittance to satellite companies so that services can continue without interruption. We recommend that based on the conditional provisional permission that has been received, RBI can be approached for forex remittance in this regard.

Q2) Whether the present system of licenses/permissions/registrations mentioned in para no. 3.81 or any other permissions granted by DoT requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes**
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any**
- c. Precise and well-documented timelines along with the possibility of deemed approval**
- d. Well-defined and time bound query system in place 45**
- e. Seamless integration and approvals across various ministries/ departments with the end-to-end online system**
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/permission/registration**

Give your suggestions with justification for each license/permission/ registration separately with detailed reasons along with examples of best practices if any.

The present system of licenses/permissions/registrations mentioned in para no. 3.81 is available from DoT for online filling of applications, there is a need for an online query-based system which will show the progress/status of the application in a time bound manner.

Also, the application which passes through various stages for grant of permission with pre-identified parameters should be screened and scrutinised in advance to avoid any

intermediate time delay whilst being processed. This would enable an applicant to plan for business and resources efficiently.

However, the system for integration and approvals for the applications across various ministries/departments have evolved up to a commendable level, the same would be more helpful in Ease of doing Business if coordination and information flow between various approval agencies is enhanced. This will help the applicant to conceptualize and implement the projects in planned timelines.

The application which passes through various stages for grant of permission with pre identified parameters should be screened and scrutinised in advance to avoid any intermediate time delay while being under process of approval by any notice/appeal for rejection/cancellation of license/permission/registration. Further in any such case where the application is being rejected /put on hold for any factors, a reasonable effort to timely clear such rejection/Hold status should be made available to the applicant or an interim conditional approval should be granted till such time that doubts are clarified and that requisite conditions are met that are put forth by DOT.

Q3) What are the issues being faced in the existing processes of granting registration to IP-I providers? Identify and suggest measures to address the same.

Presently, the IP-I registration process is fully offline. TSPs are currently in the process of deploying higher/ advanced technologies and need to roll out their infrastructure rapidly for the Digital India Mission. In this case the IP-I holder is the key role player to establish and maintain TSPs passive networks like Dark Fibre, Right of Way, Tower and Duct Space. For this purpose, DoT should introduce a user friendly, transparent and time-bound online application process.

Q4) What measures should be taken to promote small and medium telecom infrastructure providers with ownership of the network created by them for maintaining the quality of services?

There is a need to protect the interests of small and medium telecom infrastructure providers who are financially not as strong as compared to the big players. Regulation that offers these smaller players more revenue opportunities to monetise their existing networks is required for their survival. One of the inhibiting factors for growth for small and medium players may have been attributed to licensing fee conditions.

As per the Unified License - Part-II Chapter-IX 2.1 iii For the ISP Licensee - "Voice communication to and from a telephone connected to PSTN/PLMN/GMPCS and use of E.164 numbering is prohibited.' By allowing the above, there will be significant benefit to the small operators to grow their revenues.

DoT can further create a database with updated region-wise telecom infrastructure/ capacity providers details, which can be accessed online and the respective infrastructure provider can be contracted by any prospective telecom service provider or MSO or Government agency for sharing or hiring of the Infrastructure under regulatory guidelines.

Q8. What mechanism do you think should be followed in DoT to facilitate investors in exploring possibilities of business opportunities in the field of telecom? Provide your comments with justifications. Also, provide best international practices and adoption of new technologies for various processes and suggested process flow that could be adopted for further facilitating ease of doing business in India.

Q9) Whether the present system of licenses/clearances/certificates mentioned in para no. 3.94 or any other permissions granted by WPC requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes**
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any**
- c. Precise and well-documented timelines along with the possibility of deemed approval**
- d. Well-defined and time bound query system in place**
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system**
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/clearance/certificate**

As per Section 3.88 of the Consultation, the WPC approval process for satellite services requires a Letter of Intent before the obtaining of the final WPC Wireless Operating License (WOL). It is recommended that a seamless approval process is used, where no letter of intent is required prior to the approval. Additionally, we recommend that, as much as feasible, the WOL approval procedure should be done online, using portal which is similar to 'SaraSanchar'.

Moreover, SACFA clearances need to be obtained for each of the sites allocated/ deployed in different frequency bands as well as technology chosen to provide wireless services. There should be only one SACFA clearance for a site/ tower for multi-band/multi-technology deployment by TSP/ Satellite Service providers for providing wireless services. WPC, ETA, TEC/ MTCTE certificate/ license approvals for running smooth business operations should have a reduced lead time.

These measures would enable a faster clearance and hence, much faster roll-out by the industry. It would optimize the overall work to be done and would enhance work efficiency in terms of faster approvals at WPC.

Q10) Whether the present system of permission/approval mentioned in para no. 3.101 or any other permissions granted by NOCC requires 53 improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes**
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any**
- c. Precise and well-documented timelines along with the possibility of deemed approval**
- d. Well-defined and time bound query system in place**
- e. Seamless integration and approvals across various ministries/ departments with the end-to-end online system**
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of permission/approval**

As per Section 3.95 of the Consultation, the functions of NOCC include online operational control, coordination, and monitoring of all the satellite-based services in India. TSPs/ Satellite service providers are required to approach WPC and NOCC separately though they are housed under the same Department.

We propose the NOCC approval to be integrated in the WPC approval procedure. The NOCC network clearance procedure should not be distinguished from the WPC licensing procedure, as this adds unnecessary burden and extends the licensing timeline.

In most cases related to satellite networks, the stakeholders/users belong to two nodal Government Departments/Ministries – DoT (Telecom) and MIB (Broadcasting). These two Govt Departments have the biggest interplay with DOS (Dept of Space). As there are multiple agencies below each of these Departments/Ministries, especially those that come under DOT like WPC, NOCC, SACFA, TEC etc. It may be suggested that a single window across all these departments/ministries/agencies approve an application process within which all these agencies and departments are coordinated.

Q11) Whether the present system of permissions/approvals mentioned in para no. 3.107 or any other permissions granted by TEC, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes***
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any***
- c. Precise and well-documented timelines along with the possibility of deemed approval***
- d. Well-defined and time bound query system in place***
- e. Seamless integration and approvals across various ministries/ departments with the end-to-end online system***
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of permission/approval***

The present system of licenses/permissions/registrations mentioned in para no. 3.107 is available for online filling of applications, there is a need for an online query-based system which will show the progress/status of the application in a time bound manner.

TEC by way of its available voluntary certification schemes based on product and interface related technical standards certify the product/equipment/solution based on the testing against the various parameters and conditions laid down in the respective TEC technical standards. The testing is generally carried out on-site at the OEMs premises or in lab environment. TEC should publish all the relevant testing details online to the applicant and the reasons for test fail/rejection.

We support TRAI's statement in Section 3.105 (iii) of the Consultation, according to which there is an overlap and duplicity in standards and testing of equipment in India. We agree that multiple certification requirements should be avoided as much as possible and that a simple procedure comprising simplified equipment certification should be applicable. Moreover, a single authority should undertake all the relevant certification and standards review. This authority could be TEC as the competent body without the involvement of other authorities.

If the test results for a particular telecom product to be imported which requires TEC approval is communicated in a time bound manner, the same would enable a much faster import and roll out of services.

The application which passes through various stages for TEC evaluation should be screened and scrutinised in advance in tandem with the applicant to avoid any intermediate time delay, while being under process of approval. Further in any such case where the application is being rejected /put on hold for any factors, a reasonable effort to timely clear such rejection/Hold status should be made available to the applicant.

Q13) Whether the present system of getting fresh and additional space segment capacity on Indian and foreign satellites for various services mentioned in para no. 4.15 or any other new service from DOS, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes**
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any**
- c. Precise and well-documented timelines along with the possibility of deemed approval**
- d. Well-defined and time bound query system in place**
- e. Seamless integration and approvals across various ministries/ departments with the end-to-end online system**
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of space segment capacity**

As mentioned in Sections 4.4 and 4.5 of the TRAI Consultation, the operation of a Satellite network requires several regulatory approvals from different authorities. Most of the steps involved, follow an offline process which is not transparent and time consuming. The entire process gets repeated in case of network expansion or during changes in service.

Considering the above challenges faced by the industry we recommend -

- Entire process should be well defined with each stage elaborated. Every step involved should have specified timeline and status of the application should be available to respective stake holders.
- There should be an online portal for each satellite related service which include a) single window application facility, b) simple online application with detailed process of application filing, documents required at each stage, checklist, etc. Queries should be shared and addressed completely online.
- It should be noted that several of these approvals are needed each time new capacity is added to the network, even though it may be on the same satellite and the same network.
- In the fast-changing satellite environment where satellite industry is using high throughput satellites and new generation LEO/MEO constellation are making their way, the service provider should be allowed to directly contract with empanelled foreign satellites for capacity to take advantage of market competition by liberalising the policy.
- There exist uncertainties in the process, for eg DOS can revise any charges retrospectively and can collect the difference for any period of time. This should be amended with long-term fixed contracts being put in place.

- There should be an agreement between service provider and DOS on spectrum fee payment which should not be charged from day one and be deferred to a date that is closer to the start of service.

Q14) Whether the existing procedures to acquire a license for providing satellite-based services in the existing framework is convenient, fast, and end-to-end online for the applicants? If not, what other measures are required to simplify the various processes to enable ease of doing business in India for satellite-based services? Give details along with justification.

The existing procedures to acquire licenses for providing satellite-based services in the existing framework is not user friendly. It is very time consuming and mostly offline where tracking of the request is not possible in an efficient manner. Multiple departments and ministries are involved which makes the process more cumbersome and time-consuming.

Considering the above challenges faced by the industry it is recommended that-

- Entire process should be well defined and elaborated at each stage involved.
- Every step involved should have specified timeline and status of the application should be accessible to every stake holder.
- All approvals should be made possible through one single window.
- Although status of the application at each stage should be available online along with a single point of contact who can be contacted any time in case online feature in under maintenance/not working.
- There should be a mechanism for faster approvals in case of contingency or emergency situations for business survival and service continuity.

Q20) What measures are required to be taken to simplify the various submissions/filings made by teleport operators, DTH operators, MSOs, and other stakeholders at MIB? Provide your detailed reply with justifications.

As present, there is no functional online mechanism for submission/filing of regulatory approvals/ compliance by teleport operators, DTH, HITS and MSOs. The approval/ compliance procedure should be done online, using a system similar to the 'SaraSanchar' portal of the Department of Telecommunication.

Q24) Are there any other issues in the present system of licenses/ permissions/registrations granted by MIB/DoT/WPC/NOCC/TEC/DOS/ MeitY/MoP that can be identified as relevant from the perspective of ease of doing business in the telecom and broadcasting sector? If yes, provide a list of those processes and suggest ways for their improvement.

Bank Guarantee in the HITS guideline viz Merger/De-Merger/Amalgamation – As earlier mentioned, further clarity is requested in the absence of a clear guideline on Merger/De-merger/Amalgamation for the existing HITS permission holder on the issue of fresh Bank Guarantee for an amount of Rs. 40 Crore that has to be submitted again.

As per the current guideline, PBG is only required when a fresh/new HITS business is being setup for which the conditions in the guideline are – **5.2 "...the permission holder should commence operations within a period of one year...."** & **5.3 "If the operator does not start the service within two years...the full bank guarantee will be forfeited ..."**.

As the business is already up and running service, there is no clear guideline on the return of the Rs 40crore bank guarantee. Furthermore, since it is only a name change in the GOPA, there should be no requirement for the 40crore bank guarantees.

Director Clearances by MHA – As earlier mentioned in the document, we recommend a process where MHA maintains a database of the security cleared Directors that MIB/DOT can access to speed up the process. Even within the MIB, if MHA clearance has already been received for a Director by a particular department, the process need not be re-repeated for MHA clearance for a separate application that has been initiated within another department within MIB thereby duplicating the process. A considerable amount of time can be saved if the security clearance which has already been received for a Director and can be provided to another department within MIB, if so required. In case of any delays, a conditional provisional permission should be given to ensure that the existing business can continue to operate without any encumbrance.

Permission for Change of Satellite – In case of contingency situation which necessitates the need for an existing business to migrate running services to another satellite, a clear guideline needs to be put into place that facilitates the business continuity of the existing business by providing conditional provisional permission to ensure that the existing business can continue to operate without any encumbrance. Further to this, in case of contingency situation which necessitates the need for an existing business to migrate running services to another satellite, an easier mechanism is required for foreign remittance to the satellite companies so that the services can continue without any interruption. We recommend that based on the conditional provisional permission that has been received from the MIB, RBI can be approached for forex remittance in this regard.

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