

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:2457
ANSWERED ON:07.08.2003
GUIDELINES OF DTH FOR SPACE T.V.
V. VETRISLVAN

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government have allowed space TV to go ahead with its DTH telecast plan;
- (b) if so, whether M/o Finance and M/o Home Affairs have raised concerns over the company's equity level;
- (c) if so, the details of concerns raised by these Ministries; and
- (d) the reasons for ignoring these concerns by the Ministry?

Answer

THE MINISTR OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD)

(a): No, Sir.

(b) & (c): Ministry of Finance has clarified, through its letter of 17.1.2003, that the present equity of Space TV contributed by two employees of Star TV cannot be treated as domestic share-holding as the funding for this equity contribution has been raised through bank finance in India, against the security of a deposit of Rs. 10 crore made by Star TV. However, they have also stated that DTH guidelines do not make a distinction between stages of 'Letter of Intent' or issue of a licence or post licence operations, for applying eligibility criteria on the limit of foreign Equity holding. They opined that it is for the Ministry of I&B to interpret their own guidelines.

Ministry of Home Affairs has stated that there is nothing adverse against firm or its directors and the CEO and as such Ministry of Home has no objection to the proposal from security point of view. Ministry of Home has further stated that M/s Space TV Pvt. Ltd was incorporated on January 09, 2001. S/Shri G. Jagdish Kumar and Ajay K. Sharma are the promoters and G. Subramanian is the CEO of the firm. All the three are presently working with STAR India Pvt. Ltd. in different capacities. The Head Office and regional office addressed of M/s Space TV belong to STAR India Pvt. Ltd.

(d): In view of the above, Ministry of I&B has asked M/s SpaceTV to pay non-refundable entry fee of Rs. 10 crore to enable this Ministry to issue letter of Intent subject to its furnishing an affidavit that it has fulfilled the following conditions:-

(a) The Applicant Company will use an Indian satellite or any other satellite approved and recommended by the Deptt. of Space with its DTH project;

(b) The Applicant Company would adhere to the specifications stipulated by the Government on the architecture of the Set Top Box including provisions of its interoperability;

(c) Licence will be issued only when the Applicant company has fully complied with the eligibility criteria with respect to foreign equity holding, as laid down in the DTH Guidelines of March 2001, as also other terms and conditions necessary for such grant;

(d) The grant of licence shall be subject to the outcome of the final orders in the writ petition No. 1009 of 2003 filed by Shri Raghunath Prasad vs. Union of India & Ors in the High Court of Judicature for M.P., Jabalpur Bench at Gwalior.

(The W.P. has since been dismissed by the Hon'ble Court by order dated 26.6.2003)

It is clear from above that it is only after complying with the prescribed conditions including eligibility criteria with respect to equity holding that the licence will be issued to M/s Space TV.