

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

UNSTARRED QUESTION NO:3935  
ANSWERED ON:20.04.2010  
DTH BROADCASTING  
Reddy Shri Magunta Srinivasulu

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

- (a) whether Direct-To- Home (DTH) service has helped in improving the quality of broadcasting through digitization in the country including rural areas;
- (b) if so, the details thereof;
- (c) whether the Government provides any support and encouragement to the media industry involved in DTH broadcasting to increase its popularity; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI C. M. JATUA)

(a) to (b) : Yes, Sir. Direct -To-Home service is a digital satellite service with the help of which subscribers can get direct television services anywhere in the country. This service does not make use of wires to transfer the signals but the programmes are sent to the television of the subscribers directly from satellites. This technology proves to be useful in reaching remote areas in which the cable networks do not exist or are of poor quality. DTH services provides the finest sound and picture quality.

(c) & (d): DTH Guidelines do not restrict the number of DTH players in India. Accordingly, licenses have been granted to all applicants who have fulfilled the eligibility criteria and completed all formalities. As a result unlike 2-3 DTH players, in other countries, in India apart from DD Direct+ India's first and only Free-to-Air DTH Service of Prasar Bharati there are six private DTH licensees offering paid DTH Service to customers, as on 31 March 2010. The multiplicity of DTH service providers has resulted in reduction in subscription and Set Top Box prices to the benefit of the subscribers. The Telecom Regulatory Authority of India on its part has finalized the road map for speedy conclusion of interconnection agreement between the broadcasters and DTH licensees on the basis of interactive discussions with the broadcasters of pay channels in the context of rates and packaging of channels being offered by them for Direct To Home Platform. TRAI regulations require the broadcasters of pay channels to publish their Reference Interconnect Offers specifying the technical and commercial terms and conditions for interconnection for the Direct To Home Operator. The aforesaid regulation makes it compulsory for the broadcasters to offer their pay channels on a-la-carte basis, in addition to the bouquets, to the DTH operators. As regards the composition of bouquets and pricing of a-la-carte channels and bouquets, the Broadcasters will offer the same bouquets to the DTH operators as are being offered by them for non-CAS cable distribution. The rates of bouquets and a-la-carte rates of pay channels offered to the DTH operators will be fifty per cent of the rates at which these bouquets/channels are being offered by them for non-CAS cable distribution i.e. non-addressable platform. All bouquet rates and the a-la-carte rates must satisfy the provisions of the aforesaid Inter-connection regulations.

Government is taking a number of steps to further support and encourage DTH services. These are enumerated as follows:-

(i) On the recommendations of a sub-committee of SIMCON headed by the Additional Secretary I&B, and discussions held in the 27th SIMCON on 5.12.2009, the Ministry has sent a recommendation to Finance Ministry to subsume the Entertainment Tax and Service Tax on broadcasting and cable services including the DTH service in the proposed Goods and Services Tax regime. If accepted this will rationalize the tax structure and will bring uniformity across States.

(ii) Presently, a DTH Licensee under Article 3 of the License Agreement has to pay an annual license fee to the Government an equivalent to 10% of its Gross Revenue. In this regard, it may be mentioned that a proposal to reduce the license fee has been under examination of the Government in the light of objections of Ministry of Finance on the basis of which the first proposal was turned down by the Ministry of Finance. However, the matter has not progressed further as some of the private DTH operators have been in dispute with Government of India over the applicability of license fee on Adjusted Gross Revenue (AGR) instead of Gross Revenue (GR) as per the terms and conditions of license. They have also sought exclusion of various items under GR including revenue earned from sale of Set Top Boxes (STBs). The matter is sub-judice and presently pending in the Supreme Court.

(iii) Ministry is separately considering raising of FDI level to 74% in DTH, teleport and multi system operator services.

(iv) The Government has permitted the DTH Licensee to assign its DTH License as security to the Banks/Financial Institutions for receiving financial loan for the setting /operation of DTH service through a Tripartite Agreement.

(v) The Ministry has also referred to TRAI the matter of licensing issues relating to DTH such as the need for any amendment of the license conditions to exclude personal video recorders (PVRs)/digital video recorders (DVRs) from the requirement of interoperability, DTH operators providing platform services to their subscribers to enable them to use the service efficiently, safeguards in the conditions for the use of Multiple Dwelling Unit (MDU) technology, provision of Services like Movie on Demand, Pay per view, Video on Demand, Near Video on Demand, provisioning of other value added/interactive service, and DTH platform services. The recommendations and views of TRAI are awaited.