

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

STARRED QUESTION NO:373

ANSWERED ON:15.12.2009

HEADEND IN THE SKY SERVICES

Satpathy Shri Tathagata;Shanavas Shri M. I.

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

- (a) whether the Government while allowing Headend in the Sky (HITS) services in the country has taken steps against the emergence of monopolies in the sector and adequately protected the interests of workers employed in the cable industry;
- (b) if so, the details of measures taken in this regard;
- (c) whether the existing cable viewers and cable service providers would have the flexibility to shift to HITS and help bring down the cost of viewership rentals;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the extent to which HITS services is likely to benefit viewership in rural areas?

**Answer**

THE MINISTER OF INFORMATION AND BROADCASTING (SHRIMATI AMBIKA SONI)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) THE LOK SABHA STARRED QUESTION NO. 373 TO BE REPLIED ON 15.12.2009

(a) & (b): Yes, Sir. The Government has made adequate provisions in the 'Guidelines for providing Headend in the Sky (HITS) Broadcasting Service in India' (hereinafter referred to as the Policy Guidelines') to ensure the prevention of monopolies and protect the interests of workers employed in the cable industry. Provisions pertaining to restrictions on cross holding and adoption of a Band neutral policy are two specific provisions kept with a view to prevent vertical and horizontal monopolies and promote competition.

The policy guidelines allows HITS operations both in C-Band and Ku-Band keeping in view the limitations on the availability of satellite transponder space so that more players can be accommodated thus enabling greater competition.

As per clause 1.6 of the Policy guidelines, the Broadcasting Company(ies) and/or DTH licensee company (ies) will not be allowed to collectively hold or own more than 20% of the total paid up equity in the company at any time during the permission period. Simultaneously, the HITS permission holder should not hold or own more than 20% equity share in a broadcasting company and/or DTH licensee company. Further, any entity or person holding more than 20% equity in a HITS permission holder company shall not hold more than 20% equity in any other Broadcasting Company(ies) and/or DTH licensee and vice versa. This restriction, however, will not apply to financial institutional investors. However, there would not be any restriction on equity holdings between a HITS permission holder company and a MSO/cable operator company. Under Clause 1.7 of the guidelines, it has been further provided that while determining the shareholding of a Company or entity or person as per clause 1.6., both its direct and indirect shareholding will be taken into account. The cross holding restrictions which take into account both direct and indirect holdings vis-à-vis Broadcasters prevents vertical integration and ensures inter-alia that HITS service provider is not controlled by a particular broadcaster and thus does not block content from other broadcasters. The restrictions vis-à-vis Direct-to-Home service providers prevents horizontal integration across distribution platforms thus ensuring that the platforms compete with each other to the benefit of the viewer not only with regard to pricing and quality of service but also ensuring diversity of content delivered. This also benefits broadcasters and provides them ease of access to the subscriber.

The policy prohibits a HITS service provider from providing his services directly to subscriber and requires him to route his signals necessarily through a cable operator thereby protecting the cable industry. Further, the existing cable operators most of whom are providing their services in analog form are under business compulsion to digitalise and upgrade their services to be able to survive and withstand competition from DTH and IPTV services. Digitalisation of a cable headend is a capital intensive project which a local cable operator cannot afford. By making available digital multichannel television signals on a pan-India basis, the HITS policy brings down the cost of digitalization for the last mile local cable operator and thereby enabling him to retain his business.

(c) to (d): HITS is purely voluntary on the part of either the multi system operator or cable operator or subscriber. The HITS policy framework is of enabling nature only and there is no mandate for either the cable operators or subscribers to necessarily obtain signals from a HITS platform/network. The subscribers and cable operators can continue with the existing system. In case they find

merit they may decide to switchover to the HITS provider network. Since HITS increases the choice of distribution platforms for the subscriber it is expected to bring more value for the subscriber.

(e): A subscriber of HITS service in rural area will have the benefit of high quality digital picture combined with value added services and a large choice of channels as a larger number of channels can be packed into the same spectrum when digitally transmitted through the HITS platform transmitted through the HITS platform. The lower investments required to start digital cable operations by subscribing to signals from a HITS provider enables spread of cable operations into rural areas thereby providing an opportunity of infotainment provided by the TV channels to such areas. The increased competition amongst different service providers is expected to result in reduced tariff and better quality of service to the subscribers.