

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

UNSTARRED QUESTION NO:2120  
ANSWERED ON:05.12.2014  
REDUCTION IN LICENCE FEE TO DTH PLAYERS  
Patil Shri Bheemrao Baswanthrao

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

- (a) whether the Direct to Home (DTH) players have sought further reduction in licence fee;
- (b) If so, the details of the demands made by the DTH operators;
- (c) whether the DTH players pay a high percent of its revenue as taxes;
- (d) If so, the details thereof;
- (e) whether the Telecom Regulatory Authority of India has made any recommendations regarding existing licence fee to their adjusted gross revenue; and
- (f) if so, the details thereof and the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF INFORMATION & BROADCASTING (COL RAJYAVARDHAN RATHORE (Retd.))

(a) & (b) The Telecom Regulatory Authority of India (TRAI) in its recommendations on "Issues related to New DTH Guidelines" dated 23.07.2014 has mentioned that some DTH players requested that the licence fee should be pegged initially at 6% of Adjusted Gross Revenue which may be reviewed later, based on the financial state of the industry. For calculating the AGR, it has been requested that deduction be made for content costs, Service tax, Entertainment tax, Sales tax, transponder costs, hardware sales revenue etc. These recommendations are available at TRAI's website: <http://www.trai.gov.in>.

(c) & (d) As per DTH Licence Agreement, DTH operators are required to pay 10% of Gross Revenue to the Ministry as Licence Fee every year. This Ministry does not collect taxes from the DTH operators.

(e) & (f) TRAI vide its recommendations dated 23.07.2014 has inter-alia recommended that the licence fee in the new DTH licensing regime should be charged @ 8% of Adjusted Gross Revenue (AGR) where AGR is calculated by excluding, Service tax, Entertainment tax and Sales tax/VAT actually paid to the Government, from the Gross Revenue (GR).

Policies are dynamic process which may be reviewed from time to time.