

# Cabinet approves Revision in guidelines for providing Direct to Home (DTH) Services in India

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The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, has approved the proposal for revision of the guidelines for obtaining license for providing Direct-To-Home (DTH) broadcasting service in India. The salient features of the decision are:

- i. License for the DTH will be issued for a period of 20 years in place of present 10 years. Further the period of License may be renewed by 10 years at a time.
  - ii. License fee has been revised from 10% of GR to 8% of AGR. AGR will be calculated by deduction of GST from GR.
  - iii. License Fee will be collected on quarterly basis in lieu of presently annual basis.
  - iv. DTH operators shall be permitted to operate to a maximum of 5% of its total channel carrying capacity as permitted platform channels. A one-time non-refundable registration fee of Rs.10,000 per PS channel shall be charged from a DTH operator.
  - v. Sharing of Infrastructure between DTH operators. DTH operators, willing to share DTH platform and transport stream of TV channels, on voluntary basis, will be allowed. Distributors of TV channels will be permitted to share the common hardware for their Subscriber Management System (SMS) and Conditional Access System (CAS) applications.
  - vi. The cap of 49% FDI in the existing DTH guidelines will be aligned with the extant Government (DPIIT's) policy on FDI as amended from time to time.
  - vii. The decision will come into effect as per revised DTH guidelines are issued by the Ministry of Information and Broadcasting.
- The proposed reduction is intended to align the license fee regime applicable to Telecom sector and will be prospectively applied. The difference may also enable DTH service providers to invest for more coverage leading to increased operations and higher growth and thereby enhanced and regular payment of License Fee by them. Registration fee for Platform Services is likely to bring a revenue of approximately Rs. 12 Lakhs. Sharing of infrastructure by the DTH operators may bring in more efficient use of scarce satellite resources and reduce the costs borne by the consumers. Adoption of the extant FDI policy will bring in more foreign investment into the country.

The DTH is operable on pan-India basis. DTH sector is a highly employment intensive sector. It directly employs DTH operators as well as those in the call centres besides indirectly employing a sizeable number of installers at the grass-root level. The amended DTH guidelines, with longer license period and clarity on renewals, relaxed FDI limits, etc., will ensure fair degree of stability and new investments in the DTH sector along with employment opportunities.

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