

Bharti rules out foreign investment in DTH biz

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BHARTI Airtel, India's largest telecom operator, said that its direct-to-home (DTH) venture, Bharti Telemedia does not require the approval of the Foreign Investment Board (FIPB), as the investment has come from Bharti Airtel's internal accruals.

Responding to questions raised by FIPB regarding foreign investments in Bharti Telemedia, the company said there is no cash flow or investment from any foreign entity into Telemedia either directly or through Airtel.

In a letter to FIPB, Telemedia said FDI investment into Airtel has been in accordance with the norms and cap in the telecom sector and duly approved by FIPB.

"Further, there is no FDI investor who has invested in Airtel specifically for downstream investment in the

DTH sector. Accordingly, Bharti Telemedia did not apply for FIPB approval as it was not seeking fresh FDI or overseas investment," it added.

This communication has come in response to a query from FIPB, which said approval for Bharti's DTH services was "subject to compounding" (confirmation) by the Reserve Bank of India. Bharti said that "compounding" was not applicable in this case as only Indian money has been invested in Telemedia and no foreign money was routed to the company.

The government had earlier said the shareholding structure provided by Bharti Telemedia did not have FIPB approval and this was not in accordance with existing FDI policy. Last year, the Information & Broadcasting Ministry had also raised questions about Bharti Telemedia not

having FIPB approval for foreign investments coming into it on a pro-rata basis through investing firms, including Airtel.



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