REFERENCE INTERCONNECT OFFER

This RIO for DAS is issued and published by CSL Infomedia Private Limited pursuant to Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 (1 of 2020) (as amended from time to time).

Those DAS operators who are desirous of accepting this RIO must sign the Subscription Agreement appended hereunder and submit all the information and the documents as listed under the Subscription Agreement and its various Schedules.

Upon counter signature by CSL Infomedia Private Limited, the Subscription Agreement shall become binding on the parties and enforceable at law.

SUBSCRIPTION AGREEMENT

This Subscription Agreement ("**Agreement**") is entered on ---------- at Jaipur between

CSL Infomedia Private Limited, a company incorporated under the Companies Act, 1956 and having an office at IT-14, EPIP, RIICO industrial Area, Sitapura, Jaipur – 302022 (hereinafter referred to as "**CSL Infomedia**" or "**Broadcaster**", which expression unless repugnant to the context and meaning thereof shall mean and include its representatives, legal heirs, successors, administrators, group/affiliate companies and permitted assigns) of the FIRST PART;

And

_____, a company/ firm having its registered office at _____ (hereinafter referred to as "**Distributor**" which expression unless repugnant to the context and meaning thereof shall mean and include its representatives, legal heirs, successors, administrators and permitted assigns) of the SECOND PART.

CSL Infomedia and Distributor shall hereinafter be referred to severally as "**Party**" and collectively as "**Parties**" as the context may require.

WHEREAS:

A. **CSL Infomedia** is engaged in the business of production of news and other television programs and also broadcasts the television channel, namely, "JAN TV PLUS"

B. Distributor has represented to the Company that it has the necessary infrastructure, resources, experience and expertise in distributing the **CSL Infomedia** Channels to its various customers, through its distribution network and that it owns and operates a digital addressable cable television platform, as

provided under Section 4A of The Cable Television Network (Regulation) Act of 1995 ("**Cable TV Act**") and the Rules framed thereunder as amended from time to time, read with the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 (1 of 2020), as amended, from time to time ("**Interconnection Regulations**").

C. The Distributor further represents that it has completed and satisfied the requirements under the Interconnection Regulations and that it possesses a valid and subsisting registration permitting it to provide the services through the digital addressable cable television platform and the Distributor is desirous of carrying the Channels on its Platform (*defined below*).

D. Based on the representations of the Distributor, **CSL Infomedia** has agreed to grant a non-exclusive leave and redistribution license to the Distributor to downlink the JAN TV PLUS Channel on the Platform on the terms and conditions as contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, mutual covenants and agreements herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree to Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 (1 of 2020), as amended, from time to time ("**Interconnection Regulations**") as follows:

CHAPTER – I
PRELIMINARY

1. Short title, extent and commencement.—

(1) Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 (1 of 2020).

(2) (a) Except as otherwise provided in clause (b), these regulations shall come into force from 1st March, 2020

(b) Regulation 3 and regulation 5 shall come into force from 15th January, 2020.

2. Definitions.— (1) In these regulations, unless the context otherwise requires:-

(a) "Act" means the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);

(b) "active subscriber" for the purpose of these regulations, means a subscriber who has been authorized to receive signals of television channels as per the subscriber management system and whose set top box has not been denied signals;

(c) "addressable system" means an electronic device (which includes hardware and its associated software) or more than one electronic device put in an integrated system through which transmission of programmes including re-transmission of signals of television channels can be done in encrypted form, which can be decoded by the device or devices at the premises of the subscriber within the limits of the authorization made, on the choice and request of such subscriber, by the distributor of television channels;

(d) "a-la-carte" or "a-la-carte channel" with reference to offering of a television channel means offering the channel individually on a standalone basis;

(e) "Authority" means the Telecom Regulatory Authority of India established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);

(f) "average active subscriber base" means the number arrived by averaging the active subscriber base count in the manner specified in the Schedule VII;

(g) "bouquet" or "bouquet of channels" means an assortment of distinct channels offered together as a group or as a bundle and all its grammatical variations and cognate expressions shall be construed accordingly;

(h) "broadcaster" means a person or a group of persons, or body corporate, or any organization or body who, after having obtained, in its name, downlinking permission for its channels, from the Central Government, is providing programming services;

(i) "broadcaster's share of maximum retail price" with reference to a pay channel or a bouquet of pay channels means any fee payable by a distributor of television channels to a broadcaster for signals of pay channel or bouquet of pay channels, as the case may be, and for which due authorization has been obtained by such distributor from that broadcaster;

(j) "broadcasting services" means the dissemination of any form of communication like signs, signals, writing, pictures, images and sounds of all kinds by transmission of electro-magnetic waves through space or through cables intended to be received by the general public either directly or indirectly and all its grammatical variations and cognate expressions shall be construed accordingly;

(k) "cable service" or "cable TV service" means the transmission of programmes including re-transmission of signals of television channels through cables;

(l) "cable television network" or "cable TV network" means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;

(m) "carriage fee" means any fee payable by a broadcaster to a distributor of television channels only for the purpose of carrying its channels through the distributor's network, without, specifying the placement of such channels onto a specific position in the electronic programme guide or, seeking assignment of a particular number to such channels;

(n) "compliance officer" means any person designated so, who is capable of appreciating requirements for regulatory compliance under these regulations, by a service provider;

(o) "direct to home operator" or "DTH operator" means any person who has been granted licence by the Central Government to provide direct to home (DTH) service;

(p) "direct to home service" or "DTH service" means re-transmission of signals of television channels, by using a satellite system, directly to subscriber's premises without passing through an intermediary such as local cable operator or any other distributor of television channels;

(q) "distribution fee" means any fee payable by a broadcaster to a distributor of television channels for the purpose of distribution of pay channel or bouquet of pay channels, as the case may be, to subscribers and it does not include carriage fee;

(r) "distribution platform" means distribution network of a DTH operator, multi- system operator, HITS operator or IPTV operator;

(s) "distributor of television channels" or "distributor" means any DTH operator, multi-system operator, HITS operator or IPTV operator;

(t) "electronic programme guide" or "EPG" means a program guide maintained by the distributors of television channels that lists television channels and programmes, and scheduling and programming

information therein and includes any enhanced guide that allows subscribers to navigate and select such available channels and programmes;

(u) "free-to-air channel" or "free-to-air television channel" means a channel which is declared as such by the broadcaster and for which no fee is to be paid by the distributor of television channels to the broadcaster for signals of such channel;

(v) "head end in the sky operator" or "HITS operator" means any person permitted by the Central Government to provide head end in the sky (HITS) service;

(w) "head end in the sky service" or "HITS service" means transmission of programmes including re-transmission of signals of television channels—

(i) to intermediaries like local cable operators or multi-system operators by using a satellite system and not directly to subscribers; and

(ii) to the subscribers by using satellite system and its own cable networks;

(x) "interconnection" means commercial and technical arrangements under which service providers connect their equipments and networks to provide broadcasting services to the subscribers;

(y) "interconnection agreement" with all its grammatical variations and cognate expressions means agreements on interconnection providing technical and commercial terms and conditions for distribution of signals of television channel;

(z) "internet protocol television operator" or "IPTV operator" means a person permitted by the Central Government to provide IPTV service;

(aa) "internet protocol television service" or "IPTV service" means delivery of multi channel television programmes in addressable mode by using Internet Protocol over a closed network of one or more service providers;

(bb) "local cable operator" or "LCO" means a person registered under rule 5 of the Cable Television Networks Rules, 1994;

(cc) "maximum retail price" or "MRP" for the purpose of these regulations, means the maximum price, excluding taxes, payable by a subscriber for a-la-carte pay channel or bouquet of pay channels, as the case may be;

(dd) "multi-system operator" or "MSO" means a cable operator who has been granted registration under rule 11 of the Cable Television Networks Rules, 1994 and who receives a programming service from a broadcaster and re-transmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more local cable operators;

(ee) "network capacity fee" means the amount, excluding taxes, payable by a subscriber to the

distributor of television channels for distribution network capacity subscribed by that subscriber to receive the signals of subscribed television channels and it does not include subscription fee for pay channel or bouquet of pay channels, as the case may be;

(ff) "pay broadcaster" means a broadcaster which has declared its one or more channels as pay channel to the Authority under the provisions of applicable regulations or tariff order, as the case may be;

(gg) "pay channel" means a channel which is declared as such by the broadcaster and for which a share of maximum retail price is to be paid to the broadcaster by the distributor of television channels and for which due authorization needs to be obtained from the broadcaster for distribution of such channel to subscribers;

(hh) "programme" means any television broadcast and includes-

(i) exhibition of films, features, dramas, advertisements and serials;

(ii) any audio or visual or audio-visual live performance or presentation,

and the expression "programming service" shall be construed accordingly;

(ii) "QoS Regulations" means the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017;

(jj) "reference interconnection offer" or "RIO" means a document published by a service provider specifying terms and conditions on which the other service provider may seek interconnection with such service provider;

(kk) "service provider" means the Government as a service provider and includes a licensee as well as any broadcaster, distributor of television channels or local cable operator;

(ll) "set top box" or "STB" means a device, which is connected to or is part of a television receiver and which enables a subscriber to view subscribed channels;

(mm) "subscriber" for the purpose of these regulations, means a person who receives broadcasting services, from a distributor of television channels, at a place indicated by such person without further transmitting it to any other person and who does not cause the signals of television channels to be heard or seen by any person for a specific sum of money to be paid by such person, and each set top box located at such place, for receiving the subscribed broadcasting services, shall constitute one subscriber;

(nn) "subscriber management system" means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilized by the subscriber, channels or bouquets of channels subscribed by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber's

record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;

(oo) "tariff order" means the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017;

(pp) "television channel" means a channel, which has been granted permission for downlinking by the Central Government under the policy guidelines issued or amended by it from time to time and reference to the term 'channel' shall be construed as a reference to "television channel".

(2) All other words and expressions used in these regulations but not defined, and defined in the Act and rules and regulations made thereunder or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) and the rules and regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

CHAPTER II
INTERCONNECTION

3. General obligations of broadcasters.— (1) No broadcaster shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any distributor of television channels that prevents any other distributor of television channels from obtaining signals of television channel of such broadcaster for distribution.

(2) Every broadcaster shall, within sixty days of receipt of written request from a distributor of television channels for obtaining signals of television channel or within thirty days of signing of interconnection agreement with the distributor, as the case may be, provide, on non-discriminatory basis, the signals of television channel to the distributor or convey the reasons in writing for rejection of the request if the signals of television channel are denied to such distributor:

Provided that imposition of any term or condition by the broadcaster, which is unreasonable, shall be deemed to constitute a denial of request:

Provided further that this sub-regulation shall not apply to a distributor of television channels, who requests signals of a particular television channel from a broadcaster while at the same time demands carriage fee for distribution of that television channel or who is in default of payment to the broadcaster and continues to be in such default.

(3) If a broadcaster, proposes or stipulates for, directly or indirectly, placing the channel in any specified position in the electronic programme guide or assigning a particular channel number, as a pre-condition for providing signals, such pre-condition shall also amount to imposition of unreasonable condition.

Explanation: For removal of doubt, it is clarified that if a pay broadcaster offers discount, in non-discriminatory manner, through its reference interconnect offer on the maximum retail price of pay channel, within the limit as specified in sub-regulation (4) of regulation 7, to distributors of television channels for placing the channel in any specified position in the electronic programme guide or assigning particular channel number, such offer of discount shall not be considered a pre-condition.

(4) No broadcaster shall propose, stipulate or demand for, directly or indirectly, packaging of the channel in any particular bouquet offered by the distributor of television channels to subscribers.

(5) No broadcaster shall propose, stipulate or demand for, directly or indirectly, guarantee of a minimum subscriber base or a minimum subscription percentage for its channel or bouquet.

Explanation: For removal of doubt, it is clarified that the subscription percentage of a channel or bouquet refers to the percentage of subscribers subscribing to a specific channel or bouquet out of average active subscriber base of a distributor.

4. General obligations of distributors of television channels.— (1) No distributor of television channels shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any broadcaster that prevents any other broadcaster from obtaining access to the network of such distributor for distribution of its channel.

(2) No distributor of television channels shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any local cable operator that prevents any other local cable operator from obtaining signals of television channels from such distributor for further distribution.

(3) Every distributor of television channels shall declare coverage area of each distribution network as a target market:

Provided that it shall be permissible for a distributor to declare, in non-discriminatory manner, any area within the coverage area of distribution network as a target market.

Provided further that for a multi-system operator or Internet Protocol Television Operator or Headend-in-the-Sky (HITS) operator the target market shall in no case be larger than a State or a Union Territory.

Explanation: For the purpose of this regulation, each Head-end or Earth Station, as the case may be, and its associated network used for distribution of signals of television channels shall constitute one distribution network.

(4) Every distributor of television channels shall, within thirty days from the commencement of these regulations or within thirty days from the commencement of its operations, as the case may be, on its website, publish—

(a) target markets as declared under sub-regulation (3) of this regulation;

(b) the total channel carrying capacity of its distribution network in terms of number of standard definition channels;

(c) list of channels available on the network;

(d) number of channels for which signals of television channels have been requested by the distributor from broadcasters and the interconnection agreements signed;

(e) spare channel capacity available on the network for the purpose of carrying signals of television channels; and

(f) list of channels, in chronological order, for which requests have been received from broadcasters for distribution of their channels, the interconnection agreements have been signed and are pending for distribution due to non-availability of the spare channel capacity:

Provided that the list of channels in chronological order, under clause (f), shall be prepared on the basis of date and time of receipt of the written request from the broadcaster:

Provided further that for the purpose of calculating spare channel capacity of the distribution network, one high definition channel shall be equal to two standard definition channels:

Provided further that spare channel capacity available on the network under clause (e) shall be the difference between the total channel carrying capacity of the distribution network and numbers of channels available on the distribution network in terms of standard definition channels:

Provided further that any subsequent change, due to addition or reduction in total channel carrying capacity of the distribution network or due to addition of channels on the distribution network or dueto discontinuation of existing channels available on distribution the network, shall be reflected in the spare channel capacity:

Provided also that any change in the information, published under this sub-regulation, shall be updated on the website within seven calendar days from the date of occurrence of such change.

(5) Every distributor shall allocate every alternate spare channel capacity on its network to the channels, in sequential manner, listed under clause (f) of sub-regulation (4), for distribution of the television channels.

(6) Nothing contained in the sub-regulation (5) shall apply if no request for distribution of a television channel is pending under clause (f) of sub-regulation (4).

(7) Subject to the availability of spare channel capacity on the distribution network, under sub-regulation (4), every distributor of television channels shall, within sixty days of receipt of written request from a broadcaster for distribution of television channel or within thirty days of signing of written interconnection agreement with the broadcaster, as the case may be, carry, on non-discriminatory basis, the signals of such television channel or convey the reasons in writing for rejection of request if the distribution of such television channel is denied to the broadcaster:

Provided that imposition of any term or condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request:

Provided further that nothing contained in this sub-regulation shall apply to a broadcaster who refuses to pay the carriage fee to the distributor of television channels or who is in default of payment to the distributor and continues to be in such default.

(8) It shall be permissible to the distributor of television channels to discontinue carrying of a television channel in case the monthly subscription percentage for that channel is less than the discontinuation threshold calculated as per Schedule VIII, in each of the immediately preceding six consecutive months:

Provided that for the purpose of calculation of monthly subscription percentage for high definition television channel, the monthly average active subscriber base shall be of subscribers capable of receiving high definition television channels.

Explanation: In case the downlinking permission issued by the government specifies multiple languages as the language of the television channel, then the language proportion of the television channel shall be calculated by adding the proportionate percentage of all such languages together for a target market."

(9) A distributor of television channels shall not be under obligation to carry a channel which has been discontinued as per sub-regulation (8), for a period of one year from the date of such discontinuation.

(10) If a distributor of television channels, before providing access to the network for distribution of television channels requested by a broadcaster, directly or indirectly, proposes, stipulates or demands for a minimum guarantee for period or number of channels, as a pre-condition for providing access to the network, such pre-condition shall also amount to imposition of unreasonable condition.

(11) Every distributor of television channels shall, within sixty days of receipt of written request from a local cable operator or within thirty days of signing of written interconnection agreement with the local cable operator, as the case may be, provide, on non-discriminatory basis, signals of television channels to such local cable operator or convey the reasons in writing for rejection of request if the signals are denied to such local cable operator:

Provided that imposition of any term or condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request:

Provided further that in case, it is not feasible to provide signals of television channels at a location where the signals have been requested by the local cable operator, the distributor of television channels shall inform the local cable operator within thirty days from the date of receipt of request the reasons for such non-feasibility:

Provided further that this sub-regulation shall not apply in case of a local cable operator who is in default of payment of a distributor of television channels and continues to be in such default:

Provided also that a local cable operator shall not be treated as being in default of payment to a distributor if it has made payment of all bills of preceding six months.

(12) No distributor of television channels shall, for providing signals of television channels to a local cable operator, propose, stipulate or demand for, directly or indirectly, guarantee of a minimum subscriber base.

(13) Nothing contained in the sub-regulation (11) and sub-regulation (12) of this regulation shall apply to a DTH operator.

5. General obligations of service providers.— (1) No service provider shall, directly or indirectly, prohibit another service provider from providing its services to any subscriber or in any geographical area, as the case may be.

(2) No service provider shall, propose, stipulate or demand for, directly or indirectly, payment of a minimum guarantee amount by other service provider for providing signals of television channels or access to the network, as the case may be.

(3) Every service provider shall issue monthly invoice, to the other service provider with whom interconnection agreements have been entered into, for collection of payment and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date for payment.

(4) Any claim for arrears by the service provider under these regulations, shall be accompanied by proof of service of invoices for the periods to which the arrears pertain.

CHAPTER III
REFERENCE INTERCONNECTION OFFER

6. Compulsory offering of channels on a-la-carte basis.— (1) Every broadcaster shall offer all its television channels on a-la-carte basis to the distributors of television channels:

Channel	Genre	A-la-carte Rates (in INR)
JAN TV PLUS	News & Current Affairs	NIL* *JAN TV PLUS is FTA channel

Provided that the broadcaster may also offer its pay channels, in addition to offering of pay channels on a-la-carte basis, in form of bouquet:

Provided further that such bouquet shall not contain--

(a) any 'free-to-air channel'; and
(b) High definition (HD) and Standard Definition (SD) variants of the same channel.

7. Publication of reference interconnection offer by broadcaster for pay channels.— (1) Every broadcaster shall publish, on its website, reference interconnection offer, in conformance with the regulations and the tariff orders notified by the Authority, for providing signals of all its pay channels to the distributor of television channels—

(a) within sixty days of commencement of these regulations; and
(b) before launching of a pay channel.

and simultaneously submit, for the purpose of record, a copy of the same to the Authority.

(2) The reference interconnection offer, referred to in sub-regulation (1), shall contain the technical and commercial terms and conditions relating to, including but not limited to, maximum retail price per month of pay channel, maximum retail price per month of bouquet of pay channels, discounts, if any, offered on the maximum retail price to distributors, distribution fee, manner of calculation of 'broadcaster's share of maximum retail price', genre of pay channel and other necessary conditions:

Provided that a broadcaster may include in its reference interconnection offer, television channel or bouquet of pay channels of its subsidiary company or holding company or subsidiary company of the holding company, which has obtained, in its name, the downlinking permission for its television channels from the Central Government, after written authorization by them.

Explanation: For the purpose of these regulations, the definition of "subsidiary company" and "holding company" shall be the same as assigned to them in the Companies Act, 2013 (18 of 2013).

(3) Every broadcaster shall declare a minimum twenty percent of the maximum retail price of pay channel or bouquet of pay channels, as the case may be, as the distribution fee:

Provided that the rate of distribution fee declared by the broadcaster shall be same for pay channel and bouquet of pay channels and shall be uniform across all the distribution platforms.

(4) It shall be permissible to a broadcaster to offer discounts, on the maximum retail price of pay channel, to distributors of television channels, not exceeding fifteen percent of the maximum retail price:

Provided that the sum of distribution fee declared by a broadcaster under sub-regulation (3) and discounts offered under this sub-regulation in no case shall exceed thirty five percent of the maximum retail price of pay channel:

Provided further that offer of discounts, if any, to distributors of television channels, shall be on the basis of fair, transparent and non-discriminatory terms:

Provided also that the parameters of discounts shall be measurable and computable.

(5) Every broadcaster of pay channel shall mention in its reference interconnection offer the names of persons, telephone numbers, and e-mail addresses designated to receive request for receiving interconnection from distributors of television channels and grievance redressal thereof.

(6) The terms and conditions mentioned in the reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement on signing by other party, for distribution of television channels.

(7) The Authority, *suo-motu* or otherwise, may examine the reference interconnection offer submitted by a broadcaster and on examination if the Authority is of the opinion that the reference interconnection offer is not in conformance with the provisions of the regulations and the tariff orders notified by the Authority, it may, after giving an opportunity of being heard to such broadcaster, direct such broadcaster to modify the said reference interconnection offer and such broadcaster shall amend reference interconnection offer accordingly and publish the same within fifteen days of receipt of the direction.

(8) Any amendment to the reference interconnection offer shall be published in the same manner as provided under the sub-regulations (1), (2), (3), (4), (5) and (6) of this regulation.

(9) In the event of any amendment to the reference interconnection offer by a broadcaster under sub-regulation (8), the broadcaster shall give an option to all distributors, with whom it has written interconnection agreements in place, within thirty days from the date of such amendment and it shall be permissible to such distributors to enter into fresh interconnection agreement in accordance with the amended reference interconnection offer, within thirty days from the date of receipt of such option, or continue with the existing interconnection agreement.

8. Publication of reference interconnection offer by distributor of television channels.— (1) Every distributor of television channels shall publish, on its website, reference interconnection offer, in conformance with the regulations and the tariff orders notified by the Authority, for carrying channels—

(a) within sixty days of commencement of these regulations; and

(b) before starting a new distribution network:

and simultaneously submit, for the purpose of record, a copy of the same to the Authority.

Provided that such reference interconnection offer shall be applicable only in the cases where a broadcaster requests a distributor of television channels to carry the broadcaster's channels on the distribution network.

(2) The reference interconnection offer, referred to in sub-regulation (1), shall contain the technical and commercial terms and conditions relating to, including but not limited to, target market, rate of carriage fee per month, average active subscriber base of standard definition set top boxes and high definition set top boxes at the time of publication of the reference interconnection offer, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee payable to the distributor and other necessary conditions:

Provided that the rate of carriage fee per standard definition channel per subscriber per month to be declared by a distributor of television channels shall not exceed twenty paisa and the total carriage fee payable for such television channel per month, by a broadcaster to a distributor of television channels, shall, in no case, exceed rupees four lakh:

Provided further that the rate of carriage fee per high definition channel per subscriber per month to be declared by a distributor of television channels shall not exceed forty paisa and the total carriage fee payable for such television channel per month, by a broadcaster to a distributor of television channels, shall, in no case, exceed rupees eight lakh:

Provided also that a distributor of television channels shall calculate the carriage fee amount for television channels as per the provisions specified in the Schedule I, which shall change with the changes in monthly subscription percentage of such television channels.

(3) It shall be permissible to a distributor of television channels to offer discounts to broadcasters on the rate of carriage fee which shall not exceed thirty five percent of the rate of carriage fee declared under sub-regulation (2):

Provided that offer of discounts, if any, to broadcaster on the carriage fee, shall be on the basis of fair, transparent and non-discriminatory terms:

Provided further that the parameters of discounts shall be measurable and computable:

Provided also that it shall be permissible for a distributor of television channels to offer discounts exceeding thirty five percent of the rate of carriage fee declared under sub-regulation (2) for the channel specified by the Authority, through a direction, in the public interest.

(4) Every distributor of television channels shall, in its reference interconnection offer, mention the names of persons, telephone numbers, and e-mail addresses, designated for receiving interconnection requests from broadcasters and grievance redressal thereof.

(5) The terms and conditions mentioned in the reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channels.

(6) The Authority, *suo-motu* or otherwise, may examine the reference interconnection offer submitted by a distributor of television channels and on examination if the Authority is of the opinion that the reference interconnection offer has not been prepared in conformance with the provisions of the regulations and the tariff orders notified by the Authority, it may, after giving an opportunity of being heard to such distributor, direct such distributor to modify the said reference interconnection offer and such distributor shall amend reference interconnection offer accordingly and publish the same within fifteen days of receipt of thedirection.

(7) Any amendment to the reference interconnection offer shall be published in the same manner as provided under the sub-regulation (1), (2), (3), (4) and (5) of this regulation.

(8) In the event of any amendment in the reference interconnection offer by a distributor of television channels under sub-regulation (7), the distributor shall given an option to all broadcasters, with whom it has written interconnection agreements in place, within thirty days from the date of such amendment and it shall be permissible to such broadcasters to enter into fresh interconnection agreements in accordance with the amended reference interconnection offer within thirty days from the date of receipt of such option or continue with the existing interconnection agreements.

CHAPTER IV

INTERCONNECTION AGREEMENT

9. General provisions relating to interconnection agreements.— (1) It shall be mandatory for service providers to reduce the terms and conditions of all their interconnection agreements to writing.

(2) A service provider shall not incorporate any provision in the interconnection agreement with the other service provider which would require, directly or indirectly, the latter to pay a minimum guaranteed amount and any agreement to contrary shall be void.

(3) It shall be mandatory for service providers to either renew or amend all their existing interconnection agreements in compliance with the provisions of the regulations and the tariff orders notified by the Authority, within one hundred and fifty days of commencement of these regulations.

10. Interconnection agreement between broadcaster and distributor of television channels.— (1) No broadcaster shall provide signals of pay channels to a distributor of television channels without entering into a written interconnection agreement with such distributor of television channels.

(2) No distributor of television channels shall distribute pay channels of any broadcaster without entering into a written interconnection agreement with such broadcaster.

(3) It shall be mandatory for a broadcaster and a distributor of television channels to enter into written interconnection agreement on a-la-carte basis for distribution of pay channels.

(4) Every broadcaster shall devise an application form for request of signals of television channel by distributors of television channels in accordance with the Schedule II.

(5) A distributor of television channels desirous of obtaining signals of television channels shall make a written request in the application form devised by the broadcaster.

(6) Every distributor of television channels before requesting signals of television channels from a broadcaster shall ensure that the addressable systems to be used for distribution of television channels meet the requirements as specified in the Schedule III.

(7) If a broadcaster, before providing signals of television channels, is of the opinion that the addressable system, being used by the distributor for distribution of television channels, does not meet the requirements specified in the Schedule III, it may, without prejudice to the time limit specified in sub-regulation (2) of the regulation 3, cause audit of the addressable system of the distributor by M/s. Broadcast Engineering Consultants

India Limited, or any other auditor empanelled by the Authority for conducting such audit and provide a copy of the report prepared by the auditor to the distributor:

Provided that unless the configuration or the version of the addressable system of the distributor has been changed after issuance of the report by the auditor, the broadcaster, before providing signals of television channel shall not cause audit of the addressable system of the distributor if the addressable system of such distributor has been audited during the last one year by M/s. Broadcast Engineering Consultants India Limited, or any other auditor empanelled by the Authority and the distributor produces a copy of such report as a proof of conformance to the requirements specified in the Schedule III.

(8) Every broadcaster of pay channel, within thirty days of receipt of written request from a distributor of television channels, shall enter into a written interconnection agreement with the distributor of television channels for providing signals of its pay channel in accordance with the terms and conditions of the reference interconnection offer published by the broadcaster:

Provided that the 'broadcaster's share of maximum retail price' payable by a distributor of television channels under the interconnection agreement shall be calculated on the basis of the maximum retail price of pay channel or bouquet, the distribution fee and the discounts agreed in the interconnection agreement:

Provided further that the period of the interconnection agreement in no case shall be less than one year from the date of commencement of the agreement:

Provided also that in case more than one interconnection agreement are entered into with a distributor in respect of television channel or bouquet of pay channels, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that distributor for such channel or bouquet, as the case may be.

Explanation: For the removal of doubt, it is clarified that on receipt of a written request from a distributor by a broadcaster for obtaining signals of pay channels, the written interconnection agreement, between the broadcaster and the distributor, shall be entered into within thirty days of receipt of such request, and, the broadcaster shall provide signals of its pay channels, within thirty days from the date of signing of written interconnection agreement, to the distributor of television channels.

(9) It shall be permissible to a broadcaster to sign the interconnection agreement with distributors of television channels for a-la-carte pay channel or bouquet of pay channels of its subsidiary company or holding company or subsidiary company of the holding company, which has obtained, in its name, the downlinking permission for its television channels from the Central Government, after written authorization from such companies.

(10) It shall be permissible to a distributor of television channels to sign the reference interconnection offer published by a broadcaster under sub-regulation (1) of regulation 7, as an interconnection agreement, for obtaining signals of television channels and send the said agreement to the broadcaster for providing signals.

(11) A broadcaster shall not incorporate any provision, directly or indirectly, in its interconnection agreement with a distributor of television channels which require such distributor of television channels to include the channel or bouquet of pay channels offered by the broadcaster in any particular bouquet of channels offered by such distributor to the subscribers and any agreement to contrary shall be void.

(12) A broadcaster shall not incorporate any provision, directly or indirectly in its interconnection agreement with a distributor of television channels which requires such distributor of television channels to give a guarantee for a minimum subscriber base or a minimum subscription percentage for the channels offered by the broadcaster and any agreement to contrary shall be void.

Explanation: For removal of doubt, it is clarified that any discount, offered as an incentive by a broadcaster on the maximum retail price of the pay channel, based on actual number of subscribers or actual subscription percentage, recorded in a month shall not amount to guarantee for a minimum subscriber base or a minimum subscription percentage for its channel**.**

(13) It shall be the responsibility of every broadcaster who enters into an interconnection agreement with a distributor of television channels to hand over a copy of such interconnection agreement to that distributor of television channels within a period of fifteen days from the date of execution of the interconnection agreement and retain a copy of an acknowledgement so obtained from the distributor.

(14) Every broadcaster shall enter into a new written interconnection agreement with distributor of television channels before the expiry of the existing interconnection agreement:

> Provided that the broadcaster shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the distributor of television channels to enter into new written interconnection agreement:
>
> Provided further that in case the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the broadcaster shall not make the signals of television channels available to the distributor of television channels on expiry of the existing interconnection agreement:

Provided also that the distributor of television channels shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on the channels included in the said agreement—

(a) the date of expiry of its existing interconnection agreement; and

(b) the date of disconnection of signals of television channels in the event of its failure to enter into new interconnection agreement.

(15) No distributor of television channels shall carry television channels, for which a request has been received from a broadcaster for distribution of television channels, without entering into a written interconnection agreement with such broadcaster.

(16) Every distributor of television channels shall devise an application form, for seeking access to its distribution network for distribution of television channels by broadcasters, in accordance with the Schedule IV.

(17) A broadcaster desirous of distribution of its television channel shall make a written request in the application form devised by the distributor of television channels.

(18) Every distributor of television channels, within thirty days of receipt of written request from a broadcaster for distribution of television channels, shall enter into a written interconnection agreement with the broadcaster for carrying television channels in accordance with the terms and conditions of the reference interconnection offer published by the distributor:

Provided that the carriage fee payable by a broadcaster to the distributor of television channels under the interconnection agreement shall be calculated on the basis of the rate of carriage fee and the discounts agreed in the interconnection agreement:

Provided further that the period of the interconnection agreement in no case shall be less than one year from the date of commencement of the agreement:

Provided also that in case more than one interconnection agreement are entered with a broadcaster in respect of a television channel, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that broadcaster for such channel.

Explanation: For the removal of doubt, it is clarified that on receipt of a written request from a broadcaster by a distributor for carrying television channels, the written interconnection agreement, between the distributor and the broadcaster, shall be entered into within thirty days of receipt of such request and, the distributor shall distribute television channels of such broadcaster's within thirty days, from the date of signing of written interconnection agreement or from the date of availability of spare channel capacity on the distribution network, whichever is later, through the distribution network.

(19) It shall be permissible to a broadcaster to sign the reference interconnection offer published by a distributor of television channels under sub-regulation (1) of regulation 8, as an interconnection agreement, for carrying television channels and send the said agreement to such distributor for providing access to the distribution networks.

(20) It shall be the responsibility of every distributor of television channels who enters into an interconnection agreement with a broadcaster to hand over a copy of written interconnection agreement to that broadcaster within a period of fifteen days from the date of execution of the interconnection agreement and retain a copy of an acknowledgement so obtained from the broadcaster.

(21) Every distributor of television channels shall enter into a new written interconnection agreement, for carrying television channels requested by a broadcaster, before the expiry of the existing interconnection agreement:

Provided that the distributor of television channels shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the broadcaster to enter into new written interconnection agreement:

Provided further that in case the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor of television channels may not carry such television channels on expiry of the existing interconnection agreement:

Provided further that a distributor of television channels shall not discontinue carrying a television channel if the signals of such television channel remain available for distribution and monthly subscription percentage for that particular television channel is more than twenty percent of the monthly average active subscriber base in the target market:

Provided also that if the distributor of television channels decides to discontinue carrying a television channel due to expiry of the existing interconnection agreement, it shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on the channels included in the said agreement—

(a) the date of expiry of its existing interconnection agreement; and

(b) the date of disconnection of signals of television channels in the event of its failure to enter into new interconnection agreement.

11. Territory of interconnection agreement.— (1) The interconnection agreement signed between a broadcaster and a multi-system operator shall include the following details for describing the territory for the purpose of distribution of signals of television channels --

(a) the registered area of operation of the multi-system operator as mentioned in the registration granted by the Central Government;

(b) the names of specific areas for which distribution of signals of television channels has been agreed, initially, at the time of signing of the interconnection agreement; and

(c) the names of the corresponding states/ union territories in which such agreed areas as referred in clause (b) of this sub-regulation are located.

(2) It shall be permissible to the multi-system operator to distribute the channels beyond the areas agreed under sub-regulation (1), by giving a written notice to the broadcaster, after thirty days from the date of receipt of such written notice by the broadcaster and the said notice shall deemed to be an addendum to the existing interconnection agreement:

Provided that such areas fall within--

(a) the registered area of operation of the multi-system operator; and

(b) the states or union territories in which the multi-system operator has been permitted to distribute the signals of television channels under the interconnection agreement.

(3) Nothing contained in sub-regulation (2) shall apply if written objections with reasons from the broadcaster have been received by the multi-system operator during the said thirty days notice period:

Provided that any objection by the broadcaster, which is unreasonable, shall be deemed to constitute a denial of provisioning of signals beyond the areas agreed under the clause (b) of sub-regulation (1).

12. Interconnection agreement between distributor of television channels and local cable operator.— (1) No distributor of television channels shall provide signals of television channels to a local cable operator without entering into a written interconnection agreement with such local cable operator.

(2) No local cable operator shall distribution television channels of any broadcaster to any subscriber without entering into a written interconnection agreement with a distributor of such television channels.

(3) Every multi-system operator shall, within thirty days of receipt of written request from a local cable operator, enter into a written interconnection agreement with such local cable operator for providing signals of television channels, on lines of the model interconnection agreement as set out in the Schedule V by mutually agreeing on the clauses 10, 11 and 12 of the said agreement:

Provided that the multi-system operator and the local cable operator, without altering or deleting any clause of the model interconnection agreement, may add, through mutual agreement, clauses to the model interconnection agreement however such addition shall not have the effect of diluting any of the clauses as laid down in the model interconnection agreement:

Provided further that in case the multi-system operator and the local cable operator fail to enter into interconnection agreement, the multi-system operator and the local cable operator shall enter into the standard interconnection agreement as specified in the Schedule VI.

Explanation: For removal of doubt, it is clarified that in the event of any conflict between the terms and conditions of the model interconnection agreement and new terms and conditions added through mutual agreement by the parties, the terms and conditions of the prescribed model interconnection agreement shall prevail.

(4) Every multi-system operator, upon entering into a written interconnection agreement with a local cable operator, shall provide signals of television channels, within thirty days of entering into the written interconnection agreement, to such local cable operator.

(5) It shall be the responsibility of every multi-system operator who enters into an interconnection agreement with a local cable operator to handover a copy of such agreement to that local cable operator within a period of fifteen days from the date of execution of the agreement and retain a copy of an acknowledgement so received from the local cable operator.

(6) Every multi-system operator shall enter into a new written interconnection agreement with local cable operator before the expiry of the existing interconnection agreement:

Provided that the multi-system operator shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the local cable operator to enter into new written interconnection agreement:

Provided further that in case, the parties fail to enter into new written interconnection agreement before the expiry of the existing interconnection agreement, the distributor shall not make available the signals of television channels to the local cable operator on expiry of the existing interconnection agreement:

Provided also that the multi-system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on the channels included in the said agreement—

(a) the date of expiry of its existing interconnection agreement; and

(b) the date of disconnection of signals of television channels in the event of its failure to enter into new interconnection agreement.

(7) The settlement of service charges between local cable operator and multi-system operator shall be governed by mutual agreement:

Provided that in cases the multi-system operator and the local cable operator fail to arrive at a mutual agreement for settlement of service charges, then the network capacity fee amount and the distribution fee amount shall be shared in the ratio of 55:45 between multi-system operator and local cable operator.

(8) The provisions of sub-regulations (3), (4), (5), (6) and (7) of this regulation shall, with necessary adaptations and modifications, apply to HITS operator and IPTV operator.

13. Non-Applicability to DTH operator.— Nothing contained in the regulations 11 and 12 shall apply to a DTH operator.

CHAPTER V
SUBSCRIPTION REPORT AND AUDIT

14. Subscription report and monthly fee.— (1) Every distributor of television channels shall, within seven days from the end of each calendar month, provide, in the format specified in the Schedule VII, complete and accurate monthly subscription report of channels and bouquets of pay channels, to the broadcasters, with whom the written interconnection agreements have been entered into for distribution of channels:

Provided that it shall be permissible to a broadcaster to disconnect the signals of its television channel after giving written notice of three weeks to the distributor if the distributor fails to provide the monthly subscription report under this regulation.

(2) On the basis of monthly subscription report, the broadcaster shall issue monthly invoice to the distributor for 'broadcaster's share of maximum retail price' payable by such distributor to the broadcaster and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date for payment:

Provided that the broadcaster shall allow a time period of at least fifteen days to the distributor of television channels for making payment from the date of receipt of invoice by the distributor:

Provided further that in case the distributor fails to provide the monthly subscription report within the period of seven days from the end of the calendar month, the broadcaster shall have the right to raise a provisional invoice, for an amount increased by ten percent of the 'broadcaster's share of maximum retail price' payable by the distributor to the broadcaster for the immediate preceding month, and the distributor shall be under obligation to make the payment on the basis of such provisional invoice:

Provided also that it shall be mandatory for the broadcaster and the distributor to carryout reconciliation, between the provisional invoice and the final invoice raised by the broadcaster on the basis of the monthly subscription report sent by the distributor, within three months from the date of issue of such provisional invoice.

(3) Every distributor of television channels shall issue monthly invoice to the broadcasters, with whom the written interconnection agreements have been entered into for carrying channels, for payment of the carriage fee payable by such broadcaster along with the average active subscriber base in the target market in the month and the monthly subscription report for the channel of the broadcaster carried by the distributor of television channels in the format specified in the Schedule VII and such invoices shall clearly specify the current payment dues and arrears, if any, along with the due date for payment:

Provided that the distributor shall allow a time period of at least fifteen days to the broadcaster for making payment from the date of receipt of invoice by the broadcaster.

15. Audit.— (1) Every distributor of television channels shall, once in a calendar year, cause audit of its subscriber management system, conditional access system and other related systems by an auditor to verify that the monthly subscription reports made available by the distributor to the broadcasters are complete, true and correct, and issue an audit report to this effect to each broadcaster with whom it has entered into an interconnection agreement:

Provided that the Authority may empanel auditors for the purpose of such audit and it shall be mandatory for every distributor of television channels to cause audit, under this sub-regulation, from M/s Broadcast Engineering Consultants India limited, or any of such empanelled auditors:;

Provided further that any variation, due to audit, resulting in less than zero point five percent of the billed amount shall not require any revision of the invoices already issued and paid.

(1 A) If any distributor fails to cause audit once in a calendar year of its subscriber management system, conditional access system and other related systems, as specified under sub-regulation (1), it shall, without prejudice to the terms and conditions of its license or permission or registration, or the Act or rules or regulations or order made or direction issued thereunder, be liable to pay, by way of financial disincentive, an amount of rupees one thousand per day for default up to thirty days beyond the due date and an additional amount of rupees two thousand per day in case the default continues beyond thirty days from the due date, as the Authority may, by order, direct: Provided that the financial disincentive levied by the Authority under this sub-regulation shall in no case exceed rupees two lakhs: Provided further that no order for payment of any amount by way of financial disincentive shall be made by the Authority unless the distributor, has been given a reasonable opportunity of representation against the contravention of the regulations observed by the Authority.;

(2) In cases, where a broadcaster is not satisfied with the audit report received under sub-regulation (1) or, if in the opinion of a broadcaster the addressable system being used by the distributor does not meet requirements specified in the Schedule III, it shall be permissible to the broadcaster, after communicating the reasons in writing to the distributor, to audit the subscriber management system, conditional access system and other related systems of the distributor of television channels, not more than once in a calendar year:

Provided that the Authority may empanel auditors for the purpose of such audit and it shall be mandatory for every broadcaster to cause audit, under this sub-regulation, from M/s Broadcast Engineering Consultants India limited, or any of such empanelled auditors:

Provided further that if such audit reveals that additional amount is payable to the broadcaster, the distributor shall pay such amount, along with the interest at the rate specified by the broadcaster in the interconnection agreement, within ten days and if such amount including interest due for any period exceed the amount reported by the distributor to be due for such period by two percent or more, the distributor shall bear the audit expenses, and take necessary actions to avoid occurrence of such errors

in the future:

Provided also that it shall be permissible to the broadcaster to disconnect signals of television channels, after giving written notice of three weeks to the distributor, if such audit reveals that the addressable system being used by the distributor does not meet the requirements specified in the Schedule III.

(3) Every distributor of television channels shall offer necessary assistance to auditors so that audits can be completed in a time bound manner.

CHAPTER VI
MISCELLANEOUS

16. Change in the maximum retail price and the nature of a channel.— Every broadcaster, before making any change, in the maximum retail price of the pay channel or the bouquet of pay channels, or in the nature of the channel, as the case may be, declared under the tariff order notified by the Authority, shall follow the provisions of these regulations including but not limited to the provisions pertaining to publication of reference interconnection offer by broadcasters of pay channels.

17. Disconnection of signals of television channels.— No service provider shall disconnect the signals of television channels without giving at least three weeks' notice in writing to other service provider, clearly specifying the reasons for the proposed disconnection:

Provided that the period of three weeks' notice shall start from the date of receiving the notice by the other service provider:

Provided further that the distributor of television channels shall, fifteen days prior to the date of disconnection, inform the subscriber, through scrolls on the channels proposed to be disconnected, the date of disconnection of signals of such television channels:

Provided also that no service provider shall display notice for disconnection of signals of television channels in form of static images overlaid on the television screen, obstructing normal viewing of the subscribers.

18. Listing of channels in electronic programme guide.— (1) Every broadcaster shall declare the genre of its channels and such genre shall be either 'Devotional' or 'General Entertainment' or 'Infotainment' or 'Kids' or 'Movies' or 'Music' or 'News and Current Affairs' or 'Sports' or 'Miscellaneous'.

(2) It shall be mandatory for the distributor to place all the television channels available on its platform in the electronic programme guide, in such a manner that all the television channels of a particular language in a genre are displayed together consecutively and one television channel shall appear at one place only.:

(3) Every distributor of television channels shall assign a unique channel number for each television channel available on the distribution network.

(4) The channel number once assigned to a particular television channel shall not be altered by the distributor without prior approval of the Authority:

Provided that this sub-regulation shall not apply in case the channel becomes unavailable on the distribution network:

Provided further that if a broadcaster changes the genre or language of a channel then the channel number assigned to that particular television channel shall be changed in order to place such channel with the channels of the new genre or language in the electronic program guide.

19. Details of service providers.— (1) The Authority may, in order to protect the interest of the consumer or service provider or to promote and ensure orderly growth of the broadcasting and cable television sector or for monitoring and ensuring compliance of these regulations, by order or direction, specify website for the purpose of reporting of the details by service providers.

(2) Every service provider shall report, its name, address, contact number, e-mail address and license/ permission/ registration details issued by the Central Government on the website specified by the Authority, within thirty days from the date of commencement of these regulations or within thirty days from the specification of website for the purpose, whichever is later.

(3) Any service provider, who commences its operations after coming into effect of these regulations shall report, its name, address, contact number, e-mail address and license/ permission/ registration details issued by the Central Government on the website specified by the Authority, within thirty days from the date of commencement of its operations or within thirty days from the specification of website for the purpose, whichever is later.

(4) It shall be mandatory for a service provider to verify, from the website specified by the Authority, that the service provider seeking interconnection for providing signals of television channels or access to the network, as the case may be, has reported its details under sub-regulation (2) and sub-regulation (3):

Provided that this sub-regulation shall be applicable in the event of the Authority specifying such website.

20. Designation of compliance officer and his obligations.— (1) Every broadcaster and distributor of television channels shall, within thirty days from the date of commencement of these regulations, designate a compliance officer.

Compliance Officer Name	Designation	Address	Phone	Email
Manoj Agarwal	Technical Head	IT-14, EPIP, RIICO Industrial Area, Sitapura, Jaipur-302022, Rajasthan	9509877669, 9785643461	manoja@jantv.in

(2) Every broadcaster and distributor of television channels, who commences its operations after coming into effect of these regulations, shall, within thirty days from the date of commencement of its operations, designate a compliance officer.

(3) Every broadcaster or distributor of television channels, as the case may be, shall, within thirty days from the date of designation of the compliance officer under the provisions of this regulation, furnish to the Authority the name, complete address, contact number and e-mail address of the compliance officer along with authenticated copy of the board's resolution authorizing the designation of such compliance officer:

> Provided that the distributor of television channels, which is not a company, shall, within thirty days from the date of designation of the compliance officer under the provisions of this regulation, furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the authorization letter authorizing the designation of such compliance officer.

(4) In the event of any change in the name of the compliance officer so designated under provisions of this regulation, the same shall be reported to the Authority by the service provider within thirty days from the date of occurrence of such change along with authenticated copy of the board's resolution or authorization letter, as the case may be.

(5) In the event of any change in the address or contact number or email address of the compliance officer, the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change.

(6) The compliance officer shall be responsible for—

(a) generating awareness for ensuring compliance with the provisions of these regulations;
(b) reporting to the Authority, with respect to compliance with these regulations and directions of the Authority issued under these regulations; and
(c) ensuring that proper procedures have been established and are being followed for compliance of these regulations.

(7) The provisions contained in the sub-regulation (6) shall be in addition to the liability of the service provider to comply with the requirements laid down under these regulations.

21. Intervention by the Authority.— The Authority may, in order to protect the interest of the consumer or service provider or to promote and ensure orderly growth of the broadcasting and cable television sector or for monitoring and ensuring compliance of these regulations, by order or direction, intervene, from time to time.

22. Repeal and saving.— (1) The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 are hereby repealed.

(2) The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, to the extent they are applicable to addressable systems, are hereby repealed.

(3) Notwithstanding the repeal of regulations mentioned, under sub-regulation (1) and sub-regulation (2) of this regulation, anything done or any action taken or proposed to have been done under the said regulations shall be deemed to have been done or taken under the corresponding provision of these regulations.

Schedule I

(Refer sub-regulation (2) of the regulation 8)

Calculation of the carriage fee amount

The carriage fee amount, for each month or part thereof, during the term of the interconnection agreement shall be calculated as given below:-

Sl.	Calculation of the carriage fee amount
1	If monthly subscription for a channel in the target market is less than five percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by the average active subscriber base of the distributor in that month in the target market.
2	If monthly subscription for a channel in the target market is greater than or equal to five percent but less than ten percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.75 times of the average active subscriber base of the distributor in that month in the target market.
3	If monthly subscription for a channel in the target market is greater than or equal to ten percent but less than fifteen percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.5 times of the average active subscriber base of the distributor in that month in the target market.
4	If monthly subscription for a channel in the target market is greater than or equal to fifteen percent but less than twenty percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.25 times of the average active subscriber base of the distributor in that month in the target market.
5	If monthly subscription for a channel in the target market is greater than or equal to twenty percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to 'Nil'.

Note:- (1) For the purpose of calculation of carriage fee amount for a high definition channel, the average active subscriber base of the distributor in that month in the target market shall be of subscribers capable of receiving high definition television channels.

(2) The average active subscriber base of the distributor in a month shall be calculated in the manner as prescribed in the Schedule VII.

(3) The monthly subscription for a channel shall be calculated in the manner as prescribed in the Schedule VII.

(4) The Illustration-I (for standard definition channel) and Illustration-II (for high definition channels) given below explains the calculation of carriage fee amount:-

ILLUSTRATION-I

Suppose a distributor of television channels has an agreement with a broadcaster for carriage of a standard definition channel called 'X' at the rate of Rs. 0.20 per subscriber per month. The carriage fee amount payable by the broadcaster to the distributor would be calculated as follows:-

Month	**Average Active Subscriber Base over the month**	**Monthly subscription percentage of the standard definition Channel 'X'**	**Rate of Carriage Fee (in Paisa)**	**Multiplier**	**Carriage Fee Amount in (Rs.)**
(A)	(B)	(C)	(D)	(E)	(F)=(B)x(D)x(E)
January	1000	4%	20	1	200.00
February	800	8%	20	0.75	120.00
March	1500	12%	20	0.50	150.00
April	2000	19%	20	0.25	100.00
May	3000	20%	20	0	0.00
June	4000	22%	20	0	0.00
July	10000	17%	20	0.25	500.00
August	20000	25%	20	0	0.00

ILLUSTRATION-II

Suppose a distributor of television channels has an agreement with a broadcaster for carriage of a high definition channel called 'Y' at a rate of Rs. 0.40 per subscriber per month then the carriage fee amount payable by the broadcaster to the distributor would be calculated as follows:-

Month	**Average Active Subscriber Base, of high definition STBs, over the month**	**Monthly subscription percentage of the high definition Channel 'Y'**	**Rate of Carriage Fee (in paisa)**	**Multiplier**	**Carriage Fee Amount in (Rs.)**
(A)	(B)	(C)	(D)	(E)	(F)=(B)x(D)x(E)
January	100	2%	40	1	40.00
February	80	5%	40	0.75	24.00
March	150	11%	40	0.50	30.00
April	160	16%	40	0.25	16.00
May	180	20%	40	0	0.00
June	200	22%	40	0	0.00
July	190	17%	40	0.25	19.00
August	170	25%	40	0	0.00

Schedule II

(Refer sub-regulation (4) of the regulation 10)

Application form for request of signals of television channels

1. Name of the distributor of television channels:
2. The names of Owners/Directors/Partners of the distributor:
3. Registered Office address:
4. Address for communication:
5. Name of the contact person/ Authorized Representative:
6. Telephone:
7. Email address:
8. Copy of certificate of registration/ permission/ license (Attach a Copy):
9. Details of Head-end, Conditional Access Systems (CAS) and Subscriber Management Systems (SMS) deployed by the distributor:
10. Details of the areas, corresponding States/ UTs and details of the Head-end from which the signals of television channels shall be distributed in such areas:
11. Area wise present subscriber base of the distributor:
12. List of channels and bouquets for which signals of television channels are requested:
13. Service Tax registration number:
14. Entertainment Tax Number:
15. PAN No. (Attach a copy):
16. Are the CAS/ SMS in compliance with the regulations: YES / NO
17. Copy of the report of the Auditor in compliance of the Schedule III of the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable System) Regulations 2017, if available:

_____

(Signature)

Date and Place

DECLARATION

I_____s/o, d/o_____,_____(Owner/Proprietor/Partner /Director/ Authorized Signatory), of_____(Name of Distributor of television channels), do hereby declare that the details provided above are true and correct. I state that the addressable systems installed for distribution of television channels meet the technical and other requirements specified in the Schedule III of the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable System) Regulations 2017. The configuration and the version of the addressable system have not been changed after issuance of the report by the Auditor.

_____

(Signature)

Date and Place

Schedule III

(Refer sub-regulation (6) of the regulation 10 and regulation 15)

Scope and Scheduling of Audit

(A) Scope: The annual Audit caused by Distributor shall include the Audit to validate compliance with this Schedule and the Subscription Audit, as provided for in these regulations.

(B) Scheduling: The annual Audit as caused by Distributor under regulation 15 (1) shall be scheduled in such a manner that there is a gap of at-least six months between the audits of two consecutive calendar years. Further, there should not be a gap of more than 18 months between audits of two consecutive calendar years.

Addressable Systems Requirements

(C) Conditional Access System (CAS) and Subscriber Management System (SMS):

1. The distributor of television channels shall ensure that the current version of the CAS, in use, do not have any history of hacking. Explanation: A written declaration available with the distributor from the CAS vendor, in this regard, shall be construed as compliance of this requirement.
2. The SMS shall be independently capable of generating, recording, and maintaining logs, for the period of at least immediate preceding two consecutive years, corresponding to each command executed in the SMS including but not limited to activation and deactivation commands.
3. It shall not be possible to alter the data and logs recorded in the CAS and the SMS.
4. The distributor of television channels shall validate that the CAS, in use, do not have facility to activate and deactivate a Set Top Box (STB) directly from the CAS terminal. All activation and deactivation of STBs shall be done with the commands of the SMS.
5. The SMS and the CAS should be integrated in such a manner that activation and deactivation of STB happen simultaneously in both the systems. Explanation: Necessary and sufficient methods shall be put in place so that each activation and deactivation of STBs is reflected in the reports generated from the SMS and the CAS terminals.
6. The distributor of television channels shall validate that the CAS has the capability of upgrading STBs over-the-air (OTA), so that the connected STBs can be upgraded.
7. The fingerprinting should not get invalidated by use of any device or software.
8. The CAS and the SMS should be able to activate or deactivate services or STBs of at least Five percent (5%) of the subscriber base of the distributor within 24 hours.
9. The STB and Viewing Card (VC) shall be paired from the SMS to ensure security of the channel.
10. The CAS and SMS should be capable of individually addressing subscribers, for the purpose of

generating the reports, on channel by channel and STB by STB basis.

11. The SMS should be computerized and capable of recording the vital information and data concerning the subscribers such as:

(a) Unique customer identification (ID)
(b) Subscription contract number
(c) Name of the subscriber
(d) Billing address
(e) Installation address
(f) Landline telephone number
(g) Mobile telephone number
(h) E-mail address
(i) Channels, bouquets and services subscribed
(j) Unique STB number
(k) Unique VC number.

12. The SMS should be capable of:

(a) Viewing and printing of historical data in terms of the activations and the deactivations of STBs.
(b) Locating each and every STB and VC installed.
(c) Generating historical data of changes in the subscriptions for each subscriber and the corresponding source of requests made by the subscriber.

13. The SMS should be capable of generating reports, at any desired time about:

(a) The total number of registered subscribers.
(b) The total number of active subscribers.
(c) The total number of temporary suspended subscribers.
(d) The total number of deactivated subscribers.
(e) List of blacklisted STBs in the system.
(f) Channel and bouquet wise monthly subscription report in the prescribed format.
(g) The names of the channels forming part of each bouquet.
(h) The total number of active subscribers subscribing to a particular channel or bouquet at a given time.
(i) The name of a-la carte channel and bouquet subscribed by a subscriber.
(j) The ageing report for subscription of a particular channel or bouquet.

14. The CAS shall be independently capable of generating, recording, and maintaining logs, for the period of at least immediate preceding two consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS.
15. The CAS shall be able to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that such VC or the STB cannot be re-deployed.
16. It shall be possible to generate the following reports from the logs of the CAS:
(a) STB-VC Pairing / De-Pairing
(b) STB Activation / De-activation
(c) Channels Assignment to STB
(d) Report of the activations or the deactivations of a particular channel for a given period.
17. The SMS shall be capable of generating bills for each subscriber with itemized details such as the number of channels subscribed, the network capacity fee for the channels subscribed, the rental amount for the customer premises equipment, charges for pay channel and bouquet of pay channels along with the list and retail price of corresponding pay channels and bouquet of pay channels, taxes etc.
18. The distributor shall ensure that the CAS and SMS vendors have the technical capability in India to maintain the systems on 24x7 basis throughout the year.
19. The distributor of television channels shall declare the details of the CAS and the SMS deployed for distribution of channels. In case of deployment of any additional CAS/ SMS, the same should be notified to the broadcasters by the distributor.
20. Upon deactivation of any subscriber from the SMS, all programme/ services shall be denied to that subscriber.
21. The distributor of television channels shall preserve unedited data of the CAS and the SMS for at least two years.

(D) Fingerprinting: -

1. The distributor of television channels shall ensure that it has systems, processes and controls in place to run finger printing at regular intervals.
2. The STB should support both visible and covert types of finger printing. Provided that only the STB deployed after coming into effect of these Amendment regulations shall support the covert finger printing.
3. The fingerprinting should not get invalidated by use of any device or software.
4. The finger printing should not be removable by pressing any key on the remote of STB.
5. The finger printing should be on the top most layer of the video.
6. The finger printing should be such that it can identify the unique STB number or the unique VC

number.

7. The finger printing should appear on the screens in all scenarios, such as menu, Electronic Programme Guide (EPG), Settings, blank screen, and games etc.

8. The location, font colour and background colour of fingerprint should be changeable from head end and should be random on the viewing device.

9. The finger printing should be able to give the numbers of characters as to identify the unique STB and/or the VC.

10. The finger printing should be possible on global as well as on the individual STB basis.

11. The overt finger printing should be displayed by the distributor of television channels without any alteration with regard to the time, location, duration and frequency.

12. Scroll messaging should be only available in the lower part of the screen.

13. The STB should have a provision that finger printing is never disabled.

14. The watermarking network logo for all pay channels shall be inserted at encoder end only. Provided that only the encoders deployed after coming into effect of these Amendment regulations shall support watermarking network logo for all pay channels at the encoder end.

(E) Set Top Box (STB): -

1. All STBs should have a Conditional Access System.

2. The STB should be capable of decrypting the Conditional Access messages inserted by the Head-end

3. The STB should be capable of doing finger printing. The STB should support both Entitlement Control Message (ECM) and Entitlement Management Message (EMM) based fingerprinting.

4. The STB should be individually addressable from the Head-end.

5. The STB should be able to receive messages from the Head-end.

6. The messaging character length should be minimal 120 characters.

7. There should be provision for global messaging, group messaging and the individual STB messaging.

8. The STB should have forced messaging capability including forced finger printing display.

9. The STB must be compliant to the applicable Bureau of Indian Standards.

10. The STBs should be addressable over the air to facilitate OTA software upgrade.

11. The STBs with facilities for recording the programs shall have a copy protection system.

Schedule IV

(Refer sub-regulation (16) of the regulation10)

Application form for access to the network for distribution of a television channel

1. Name of the broadcaster:

2. The names of CEO/MD of the broadcaster:

3. Registered Office address:

4. Address for communication:

5. Name of the contact person/ Authorized Representative:

6. Telephone:

7. Email address:

8. Name of channel for which request for distribution has been made:

9. Copy of permission letter issued by the ministry of information and broadcasting for downlinking of the channels mentioned above in India:

10. Nature of channel (pay or free- to- air)

11. Genre of channel:

12. Language(s) of channel:

13. Downlinking parameters of the channel:

    a. Name of satellite:

    b. Orbital location:

    c. Polarisation:

    d. Downlinking frequency:

14. Modulation/coding and compression standard of channel:

15. Encryption of channel: encrypted/unencrypted

_____
(Signature)
Date and Place:

DECLARATION

I_____s/o, d/o_____,_____(Authorized Signatory), of_____(Name of the broadcaster), do hereby declare that the details provided above are true and correct.

_____
(Signature)
Date and Place:

Schedule VII

(Refer sub-regulations (1) and (3) of the regulation 14)

Subscription Reports

A: Monthly subscription reports of channels or bouquets to be provided by a distributor of television channels to a broadcaster.

Reported Month:_____ Year:_____

A.1 Monthly subscription of a channel or bouquet shall be arrived at, by averaging the number of subscribers subscribing that channel or bouquet, as the case may be, recorded four times in a month, as provided in table-1 and table-2 respectively. The number of subscribers shall be recorded at any point of time between 19:00 HRS to 23:00 HRS of the day.

Table 1- Monthly subscription for a-la-carte channels

Sl.	Name of the channel	Number of subscribers of the channel on 7th day of the month	Number of subscribers of the channel on 14th day of the month	Number of subscribers of the channel on 21st day of the month	Number of subscribers of the channel on 28th day of the month	Monthly subscription of the channel
(1)	(2)	(3)	(4)	(5)	(6)	(7)=[(3)+(4)+(5)+(6)]/4
1.						
2.						

Table 2- Monthly subscription for bouquets of pay channels

Sl.	Name of the bouquet of pay channels	Name of constituent channels of bouquet of the broadcaster	Number of subscribers of the bouquet on 7th day of the month	Number of subscribers of the bouquet on 14th day of the month	Number of subscribers of the bouquet on 21st day of the month	Number of subscribers of the bouquet on 28th day of the month	Monthly subscription of the bouquet
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=[(4)+(5)+(6)+(7)]/4
1.							
2.							

B: Subscription reports in cases where the transaction of carriage fee is involved.

Reported Month:_____ **Year:_____**

Target Market:_____

B1: Monthly subscription for the channel and bouquet of the broadcaster carried by the distributor of television channels shall be calculated in the manner specified above in the table-1 and table -2 of this schedule, respectively.

B2: Average active subscriber base in the target market in the month shall be arrived at, by averaging the active subscriber base count recorded four times in a month, in the manner as provided in the table-3. The active subscribers base count of the network shall be captured from the subscriber management system at any point of time between 19:00 HRS to 23:00 HRS of the day.

Table 3 –Average active subscriber base in a month in the target market

Type of STB	active subscriber base count on 7th day of the month	active subscriber base count on 14th day of the month	active subscriber base count on 21st day of the month	active subscriber base count on 28th day of the month	Average active subscriber base in the month
(1)	(2)	(3)	(4)	(5)	(6)=[(2)+(3)+(4)+(5)]/4
Standard Definition STB					
High Definition STB					

B3: For the purpose of calculation of carriage fee for standard definition channel, the average active subscriber base of standard definition STBs as well as high definition STBs deployed in target market shall be taken into account.

B4: For the purpose of calculation of carriage fee for high definition television channel, the average active subscriber base of high definition STBs deployed in target market shall be taken into account.

Note:

1. Each set top box, located at a place indicated by the subscriber for receiving the subscribed broadcasting services from the distributor of television channels, shall constitute one subscriber.
2. The reports shall be generated in non-editable PDF format, with read only permission.

Schedule VIII

(Refer sub-regulation (8) of regulation 4)

Calculating the discontinuation threshold for a television channel

1. The 'discontinuation threshold' for a channel shall be the number arrived at by multiplying the average active subscriber base of the concerned distributor in its declared target market with the 'discontinuation multiplier' for the language of that channel.

2. The 'discontinuation multiplier' for a language shall be five percent of the total percentage of the population speaking that language in the declared target market of the concerned distributor as per the latest Census data.
   (a) In case the declared target market of the concerned distributor is 'All India', the 'discontinuation multiplier' shall be calculated as per the following table (until more recent Census data is available):

S no	**Language**	**Total Population**	Speakers' strength of the language (in percentage)	**Discontinuation Multiplier (in percentage)**
1	Hindi	691564035	57.11	**2.856**
2	English	128539090	10.62	**0.531**
3	Bengali	107472243	8.88	**0.444**
4	Telugu	94501603	7.8	**0.390**
5	Marathi	99058786	8.18	**0.409**
6	Tamil	76595866	6.33	**0.317**
7	Urdu	63239445	5.22	**0.261**
8	Gujarati	60289309	4.98	**0.249**
9	Kannada	58750799	4.85	**0.243**
10	Malayalam	35639342	2.94	**0.147**
11	Odia	42589333	3.52	**0.176**
12	Punjabi	36081753	2.98	**0.149**
13	Assamese	23629076	1.95	**0.098**
14	Any other language	14284294	1	**0.050**

Source: Census 2011 data: C-17 Population by bilingualism and trilingualism

(b) In case a distributor declares multiple states as target market under the provisions of the regulations, the discontinuation multiplier shall be calculated in proportion to the speaking strength of the language of that television channel in all the states constituting the target market.

(c) In case a distributor declares a State or a Union Territory as the target market under the provisions of the regulations, the discontinuation multiplier shall be calculated in proportion to the speaking strength of the language of the television channel in that state or Union Territory. (Refer Census Data of India, Statement 3: Distribution of 10,000 persons by language – India, States and Union Territories-2011;
http://censusindia.gov.in/2011Census/Language-2011/Statement-3.pdf or latest census data)

3. The following illustrations explain the criteria for determining the continuance or otherwise of a television channel.

ILLUSTRATION-I

Target Market: All India: - Let us assume that the distributor has declared all India as its target market and its monthly average active subscriber base is 1,00,00,000 in each of the immediately preceding six consecutive months. Now, for a distributor, to check whether it has flexibility to continue or discontinue a television channel based on the 'discontinuation threshold' one has to look at the language(s) declared by the broadcaster and the number of subscribers in constituent of target market areas [state(s) and/or Union Territory(ies)] for a given television channel. Assuming in this case a broadcaster of a television channel that has declared Bengali as its language. One can note that as per the Census Data table (above), the speakers' strength of the Bengali language (in %) is 8.88.

The distributor will calculate 8.88% of its subscriber base (i.e. 8.88% of 1,00,00,000 = 8,88,000). If the monthly subscription of the above-mentioned television channel of Bengali language is less than 5% of 8,88,000 i.e. 44,400 in each of the immediately preceding six months in the target market specified by the distributor in the interconnection agreement (i.e. all India in this case), then it may discontinue carrying the channel on its platform.

Alternatively, distributor may calculate the threshold by multiplying 'Discontinuation Multiplier (in %)' with the monthly average active subscriber base of a distributor i.e., 0.444% of 1,00,00,000 = 44,400. If the monthly subscription of the above-mentioned television channel of Bengali language is less than 44,400 in each of the immediately preceding six months in the target market specified by the distributor in the interconnection agreement (i.e. all India in this case), then it may discontinue carrying the channel on its platform.

ILLUSTRATION-II

Target Market: Combination of State(s) & Union Territory(ies):- Let us assume that the distributor has declared Gujarat, Daman & Diu and Dadra & Nagar Haveli as its target market and its monthly average active subscriber base is 2,00,000 in the target market in each of the immediately preceding six consecutive months. The subscriber base is sub-divided as 1,50,000 in Gujarat, 40,000 in Daman & Diu and 10,000 in Dadra & Nagar Haveli. Now, for a distributor, to check whether it has flexibility to continue or discontinue a television channel based on the 'discontinuation threshold', one has to look at the language(s) declared by the broadcaster for a given television channel in respective target market [state(s) and/or Union Territories]. Assuming in this case a broadcaster of a television channel that has declared Gujarati as its language.

The distributor will calculate the speakers' strength of the Gujarati language in Gujarat, Daman & Diu and Dadra & Nagar Haveli (in %) using census 2011 data (Statement - 3 - Distribution of 10,000 persons by language - India, States and Union Territories – 2011) which is 85.97%, 50.83% and 21.48% respectively.

The distributor will calculate the threshold for his above-mentioned target market as follows:

= 5% of (85.97% of its subscriber base in Gujarat) + 5% of (50.83% of its subscriber base in Daman & Diu) + 5% of (21.48% of its subscriber base in Dadra & Nagar Haveli)

= 5% X (85.97% X 1,50,000) + 5% X (50.83% X 40,000) + 5% X (21.48% X 10,000)

= 6448 + 1017 + 107

= 7572

If the monthly subscription of television channel of Gujarati Language is less than 7,572 in each of the immediately preceding six months in the target market specified by the distributor in the interconnection agreement, i.e. Gujarat, Daman & Diu and Dadra & Nagar Haveli in this case, then it may discontinue carrying the given channel on its platform.

ILLUSTRATION-III

Target Market: All India- Multiple: Languages: - Let us assume that the distributor has declared 'all India' as its target market and the monthly average active subscriber base of the distributor is 1,00,00,000 in the target market in each of the immediately preceding six consecutive months. Now, for a distributor, to check whether it has flexibility to continue or discontinue a television channel based on the 'discontinuation threshold' one has to look at the language(s) declared by the broadcaster for a given television channel. Assuming in this case a broadcaster of a television channel that has declared English and Hindi as its languages.

The distributor will calculate the speakers' strength of the Hindi & English language (in %) using census 2011 data (Statement - 3 - Distribution of 10,000 persons by language - India, States and Union Territories – 2011) which is 57.11% and 10.62% respectively.

The distributor will calculate the threshold for his above-mentioned target market as follows:

= 5% of (57.11% of its subscriber base) + 5% of (10.62% of its subscriber base)

= 5% X [(57.11+10.62) % of 1,00,00,000]

= 3,38,650

If the monthly subscription of television channel, of English and Hindi language, is less than 3,38,650 in each of the immediately preceding six months in the target market specified by the distributor in the interconnection agreement, i.e. all India in this case, then it may discontinue carrying the given channel on its platform."

(Sunil Kumar Gupta)
Secretary, TRAI

Note 1 The principal regulations were published in the Gazette of India, extraordinary, Part III, Section 4 vide notification No. 21-4/2016-B&CS dated the 3rd March, 2017.

Note 2: The principal regulations were amended vide notification No. 21-6/2019-B&CS dated 30th October, 2019 (7 of 2019).

Note 3----- The Explanatory Memorandum explains the objects and reasons of the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020.

Explanatory Memorandum

1. Keeping in view the implementation of Digital Addressable Systems (DAS) and to enable the sector to realize its benefits, the Telecom Regulatory Authority of India (TRAI), after due consultation process, published a 'new regulatory framework' for digital addressable systems on 3rd March 2017. This framework comprises of the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017, the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 and the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 for providing broadcasting services relating to television through the digital addressable systems. The new regulatory framework was notified in March 2017. However, pursuant to legal challenges to the said regulations, the regulations were notified on 3rd July 2018 and came into effect from 29th December 2018 after satisfying legal pronouncements.

2. During the past few months, the Authority received several representations from many regional/ FTA broadcasters on issues related to exorbitant carriage fee due to large area declared as the target market and undue threat of removal as the subscription of regional channels continue to remain lower than the minimum prescribed subscription threshold.

3. Accordingly, the Authority issued a consultation paper on 'Issues related to Interconnection Regulation, 2017' on 25th September 2019. The main objective of this consultation process was to consult all the stakeholders on issues related to charging of exorbitant carriage fee by the distributors of television channels (DPOs) and removal of channels with subscription lower than the minimum prescribed threshold and to review the provisions of the existing Interconnection Regulation 2017, if so required.

4. The comments of the stakeholders were invited by 23rd October 2019 and counter comments by 6th November 2019. On the request of stakeholders, the deadline to submit the comments was extended till 4th November 2019 and counter comments by 13th November 2019. Thirty comments and one counter comment were received from stakeholders. Subsequently, an Open House Discussion (OHD) was held on 28th November, 2019 in Delhi, which was attended by large number of stakeholders. A few additional comments were also received after OHD.

5. After taking into consideration the comments received from the stakeholders and in-house analysis, the Authority has finalized the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 [hereinafter referred to as the 'Second Amendment Regulations']. The subsequent paragraphs explain the objects and reasons of the Second Amendment Regulations.

Carriage fee and Target Market

6. Quite a few broadcasters of regional or niche channels have submitted representations regarding the declaration of bigger target market by DPOs. The regulations provide freedom to the DPOs to declare their target market for the purpose of ascertaining the carriage fee. Some of the distribution platform operators (particularly DTH operators) have declared PAN India as their target market. In case these regional broadcasters desire that their channel(s) is carried on such distribution platforms, they are required to pay carriage fee on national subscription figures of such distributors. Whereas, such regional

channels have a clear strategy to create content suited to certain regional markets or specific audience genre. Due to this mismatch of the channel's focus (on a regional or niche market) and carriage fee payment on the basis of the national market, such channels are constrained to pay a much higher carriage fee and find it difficult to survive.

7. This has created an economic barrier for regional channels thereby limiting their presence on smaller distribution platforms. The proposition to pay carriage fee for national market makes it unviable for such channels.

8. According to regulation 4 of the Interconnection Regulation, 2017

"(3) Every distributor of television channels shall declare coverage area of each distribution network as a target market:

Provided that it shall be permissible for a distributor to declare, in non-discriminatory manner, any area within the coverage area of distribution network as a target market.

Explanation: For the purpose of this regulation, each Head-end or Earth Station, as the case may be, and its associated network used for distribution of signals of television channels shall constitute one distribution network."

"(4) Every distributor of television channels shall, within thirty days from the commencement of these regulations or within thirty days from the commencement of its operations, as the case may be, on its website, publish—

(a) target markets as declared under sub-regulation (3) of this regulation;....."

9. As per regulation 8 of the Interconnection Regulation, 2017

"(2) The reference interconnection offer, referred to in sub-regulation (1), shall contain the technical and commercial terms and conditions relating to, including but not limited to, target market, rate of carriage fee per month, average active subscriber base of standard definition set top boxes and high definition set top boxes at the time of publication of the reference interconnection offer, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee payable to the distributor and other necessary conditions:

Provided that the rate of carriage fee per standard definition channel per subscriber per month to be declared by a distributor of television channels shall not exceed twenty paisa:

Provided further that the rate of carriage fee per high definition channel per subscriber per month to be declared by a distributor of television channels shall not exceed forty paisa:

Provided also that a distributor of television channels shall calculate the carriage fee amount for television channels as per the provisions specified in the Schedule I, which shall change with the changes in monthly subscription percentage of such television channels....."

10. As per Schedule I of Interconnection Regulation 2017, the carriage fee amount, for each month or part thereof, during the term of the interconnection agreement shall be calculated as given below:

a. If monthly subscription for a channel in the target market is less than five percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by the average active subscriber base of the distributor in that month in the target market

b. If monthly subscription for a channel in the target market is greater than or equal to five percent but less than ten percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.75 times of the average active subscriber base of the distributor in that month in the target market.

c. If monthly subscription for a channel in the target market is greater than or equal to ten percent but less than fifteen percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.5 times of the average active subscriber base of the distributor in that month in the target market.

d. If monthly subscription for a channel in the target market is greater than or equal to fifteen percent but less than twenty percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.25 times of the average active subscriber base of the distributor in that month in the target market.

e. If the monthly subscription for a channel in the target market is greater than or equal to twenty percent of the average active subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to 'Nil'.

11. In the existing regime, the broadcasters are required to pay monthly carriage fee depending upon the average active subscriber base of the DPO in the target market declared by the DPO.

12. The regulations provides flexibility to the DPOs to declare their target market for the purpose of ascertaining the carriage fee. The only guiding factor for target market is on the basis of the Head-end of a DPO. The target market should be confined to an area covered by a single head-end or a sub-set of such area covered by a single head-end. This in-turn means that based on coverage of satellite foot-print of their signals, DTH and HITS operators can declare whole of India as their target market.

13. Many regional broadcasters have represented to TRAI that several distributors have declared either ‘the whole country’ or ‘combination of some states together’ as their target market. As a result they are required to pay exorbitant carriage fee since the active subscriber base of the DPO in entire India is taken into account for the purpose of determining carriage fee. In such cases, the Reference Interconnect Offer based carriage fee agreements become unviable for regional channels. Accordingly the regional

channels are constrained to enter into negotiations for signing alternate agreements, terming these as placement or marketing arrangements. Such alternative agreements render the carriage fee regulations expendable.

14. Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT) also recommended the Authority to examine the issue. TDSAT vide its order dated 29.07.2019 in broadcasting petition no. 165/2019 adjudicated, "*the main challenge appears to be to the wisdom of the Regulator in giving liberty to DTH operators to declare their target areas*".

15. The Authority held several meetings with each group of stakeholders in the industry including News Broadcasters, Broadcasters, DTH operators, MSOs and regional broadcasters to discuss the issues arising out of flexibility provided to distributors on declaring the target market. In these meeting the viewpoints and suggestions of each group/ type of the stakeholders were heard. On the basis of the representation, the stakeholders' meetings and the analysis, it became apparent that the regulatory provisions related to the target market area and the carriage fee entail a comprehensive review.

16. Accordingly, consultation paper on 'Issues related to Interconnection Regulation, 2017' was issued on 25th September 2019. Vide this paper, the Authority sought specific comments on the aspect regarding the flexibility available to the DPO in defining the target market. Stakeholders were enjoined to provide detailed comments on the distortions (if any) arising out of the available freedom with the DPO. The authority also solicited the requisite facts from stakeholders duly supported with the documents/ data. The scheme, of the questions in the consultation paper, makes it incumbent upon stakeholders to suggest possible solutions.

17. In response quite-a-few broadcasters commented that the flexibility, of defining the target market, is in-fact being misused by the DPOs. While almost all the DPOs considered the available flexibility as the necessary freedom to carry out their business, none of the DPOs accepted any misuse of the flexibility or adopting any unfair practice. The DPOs rather justified the declaration of the target market as a natural consequence of the technology choice of the distribution platform. Some broadcasters also stated that they are not aware of any instance(s) of misuse of the flexibility by DPOs while defining the target market.

18. A group of stakeholders opined that the broadcaster is in the best position to determine its own target market, keeping in mind the kind of content being programmed for the TV channels. Similarly, one stakeholder suggested that the Target Market should always be decided by demand side rather than supply side economics. Target Market should be decided based on the demand for such channel from its consumers (i.e. demand side) rather than where a channel can be supplied by the DPOs (supply side). In their opinion, it is the broadcaster, as the creator of content, who is aware of the demand side target market. Therefore, it should be left to the broadcasters to declare the Target Market. Another stakeholder opined that target market and active subscribers for Regional language channels in the DTH platform may be re-defined as the linguistic geography / State. Alternatively the average monthly subscriber base, used for calculating the carriage fee for a regional language television channel, may be limited to the actual subscription of the regional language packs offered by such DPO. One of the stakeholders suggested that the demand for regional language channels may traverse beyond the state(s) where the particular language is widely spoken. However, the definition of Target Market for

regional channels ought to be restricted to such state(s) where its language is predominantly spoken. Another stakeholder commented that Carriage Fee in whatever form should be completely eliminated especially for FTA News channel. If the same is to continue then the same should be substantially brought down from 20/15/10 paisa. One individual stakeholder questioned the legality of charging of carriage fee by MSOs in the light of provisions of the Cable Television. Networks (Regulation) Act, 1995 and the Rules thereunder.

19. In the consultation paper the authority had also sought comments as regards the necessity of a cap on the amount of carriage fee. Stakeholders were also prompted to suggest suitable amount of such capping, if considered expedient, that a broadcaster may be required to pay to a DPO and the basis of arriving at the same.

20. In response to this question some of the broadcasters have submitted that there should be a cap on the amount of carriage fee. On the other hand some of the DPOs have opined against any cap on the amount of carriage fee. One stakeholder suggested that the new regulatory framework must not provide any enabling provisions for a DPO to charge a carriage fee. A group of stakeholders opined that carriage fees should not be permitted to continue in the DAS regime, since bandwidth constraints cannot be an excuse for DPOs to seek rental arbitrage. As the authority has already provisioned Network Capacity Fee (NCF) @Rs. 130 per STB in order to address recovery of capacity cost and also 20% commission per channel per month for any other overheads associated with DPO operations. One stakeholder commented that DPOs are already charging NCF from the consumers to recover the infrastructure and other related costs. Hence, further carriage fees on the pretext to recover the cost for carrying channels is not warranted.

21. During the consultation process the authority had also sought comments of the stakeholders on how should cost of carrying a channel be determined both for DTH platform and MSO platform. The authority had asked the stakeholders to provide detailed justification and facts supported by documents/ data.

22. In response, a group of stakeholders opined that it may be feasible to determine the cost of carrying a channel by working out the capital and operational cost of the DPO's network. An endeavor may be made to consider – cost attributable to one-time establishment, and recurring costs with respect to maintenance / upkeep of the systems, operational issues and retransmission of channels. A group of DPOs commented that the cost of carrying a channel may be determined after taking into consideration the OPEX and CAPEX of the DPOs. Another DPO while agreeing with OPEX and CAPEX based calculations, observed that the same may have wide variance depending on the quality of the equipment used and the size and spread of the network. Hence, no specific formula can be derived for arriving at a uniform cost of carrying a channel across DPO(s). Some DPOs mentioned that the carriage fee has been fixed by the Authority after due consideration and consultation, the same needs no fresh intervention at present.

23. As mentioned in the consultation paper, there is a cost associated with the development of DPO's infrastructure. Such as, for seeking transponder capacity, the DTH operators are required to pay satellite bandwidth charges or the transponder costs. Similarly, the MSOs also create the infrastructure at their Head-end to transmit a given number of channels by deploying encoders and related equipment. In addition, there are recurring costs in the form of bandwidth charges paid to the bandwidth providers or the cost of OFC network to transmit signal from Head-end to LCOs. Thus, every DPO makes

proportionate investments (one-time establishment cost as-well-as recurring costs) to transmit TV channels.

24. Provisions of the Cable Television. Networks (Regulation) Act, 1995 and rules thereunder were reviewed from legal perspective. There are no provisions that prohibit the carriage fee agreements. The Authority expected that in the new regulatory framework the DPOs would design their RIO's so as to create a reasonable carriage fee regime. However, by resorting to declaring largest possible target markets, small and regional broadcasters have been put in commercially difficult situation. By exploiting the flexibility as provided for the target market, DPOs are looking at maximizing the carriage fee receivables without balancing interests with the broadcasters. This has created an economic barrier for regional channels thereby limiting their presence on large distribution platforms. It is not viable for a regional channel to pay a carriage fee on the basis of national target market. As the small MSOs do not cater to areas bigger than a state, the carriage fee/ Target market related issues mainly arise on account of multi-state MSOs and the DTH operators.

25. The carriage fee regime owes its origins to the limited capacity of erstwhile analogue platforms that had limited capacities in terms of carrying a channel. Additional channel capacities entailed additional investments. The implementation of Digital Addressable System (DAS) has reduced such expenses to a great extent. Post DAS implementation, the number of channels available of MSO platforms have increased. An average MSO now provides around four hundred (400) TV channels. For DTH sector also there's a cost of additional transponders and associated expenses for providing additional channels.

26. The regulatory framework provides a comprehensive revenue structure for DPOs. There are multiple revenue streams that accrue from subscribers or broadcasters. For the revenue analysis it is important to consider all the available revenue sources for a DPO. For a remunerative business model, one has to examine as to whether the revenue from all sources sufficiently covers all the costs and provides reasonable return on investments. A detailed examination was undertaken on the basis of financial data of previous financial year with respect to all the major MSOs and the DTH service providers. In addition to the published data, information related to balance sheet and profit and Loss Account was sought from Ministry of Corporate Affairs. This data provided sufficient insights of the cost structures and expenses of these major MSOs and DTH providers.

27. For further analysis, more details as regards the revenue from various streams (NCF, Distribution Fee/ Discounts, carriage fee, other revenues) for the recent quarters was obtained from DTH service providers and major MSOs. On the expenses side, the cost structure vis-à-vis expenses on account of Set-Top-Box (STB) were also obtained. The expenditure was sifted further by breaking down the depreciation vis-à-vis the STB (or the Customer Premises Equipment) and others capital costs, as per the information provided by the DTH service providers. Broad analysis of revenue and expenses suggest that the Network Capacity Fee and the revenue received from broadcasters covers major expenses and a fair return on equity. However, incremental expense need to be reimbursed for carrying additional channel under must carry provisions.

28. The Authority also sought the details of cost of carrying a channel from all DTH operators and fifteen large MSO. Despite several reminders, few DPOs did not submit the information citing that in a multiple head-end scenario with different number of channels being provisioned under different head-end, arriving at this cost is extremely cumbersome. Yet the data was provided by the DTH service providers and quite-a-few

MSOs. The cost data pertaining to transmission/ transponder cost on per channel basis was also obtained from few DPOs.

29. The actual receipt with respect to carriage fee by various DPOs were also considered. Many stakeholders (DPOs as-well-as the broadcasters) though shared that due to prohibitive carriage fee costs, most of the agreements are being signed as Placements fee agreements or other agreements. Therefore the authority needs to take into account all the revenues being accrued from carriage fee, placement fee and other agreements together.

30. Having analyzed the cost and expense data in sync with the regulations and tariff order, it is clear that the framework provides flexibility to DPOs to create an independent revenue structure for STBs. The framework provides for outright purchase model, the rent based model or a combination of the two to recover the cost/ expenditure ascribable to STBs/ CPE. Therefore, the expenses/ depreciation in respect of STBs must be taken out of consideration while analyzing the revenue and expenses from operations.

31. Various analysis reflect that the market related to carriage fee agreements operate independent of other revenue stream for a DPOs. There are many factors that are applied by a DPO while deciding whether to carry a channel on its network or not. The demand pull of any channel is an important factor in this decision. Many a times the decision to carry a local/ regional channel is made by the DPOs, if it wants to expand its consumer base in the said region. In such cases, as the DPO approaches the television channel with an aim to provide the same to its consumers, the broadcaster does not pay any carriage fee.

32. The Authority also considered the current stipulation of declaring target market areas with a view to consider target market on the basis of spoken language-wise regions or states. However, almost all DTH service providers have made submissions against such stipulation. DTH service providers have averred that it is due to the technology choice that they cover whole of the country with one feed. In line with this technological restraint they have declared all India as their target market. Large MSOs, however, in-principal agreed to declare target market on the basis of linguistic regions/ state during the consultations. Many of them cited that the target markets declared by them are already aligned to a state or to an area having similar linguistic and cultural essence. Considering that there are many channels, specially New and GEC channels that are aligned to states, it seems prudent to define target market area on the basis of a state. Therefore, the Authority is of the view that in case of MSO, IPTV operator or a HITS operator the target market shall be a State or a Union Territory or any area within a State or a Union Territory covered by the head-end.

33. Considering all the different factors as above, especially conclusion in para 27 above, it is pertinent to consider the need/ rationale of carriage fee. Normally a DPO carries those channels that are in-demand by its subscribers. The 'carriage fee' is demanded from such channels that, in the opinion of DPOs do not have adequate demand pull. It is therefore DPOs mechanism to get compensation for carrying a channel that is not in high demand by consumers. While deciding the issue of carriage fee, one must respect the market principle of demand and supply. More than Nine Hundred channels in India are operational and many more are under consideration for downlinking permission. An average MSO platform carries four hundred television channels whilst the big DTH service providers are carrying around five hundred and eighty television channels. Therefore, by the principle of demand and supply, carriage fee is the markets' way of

remuneration of DPOs who provide the visibility to such channels using their limited channel carrying capacity.

34. Having examined various cost and expense structures, the Authority is of the view that there is a need to rationalize the carriage fee payout especially in cases where the subscriber base is large. The marginal cost of carrying one additional channel with appropriate return can be one way to find the possible carriage fee. The DPOs cost structure are disparate for the DTH service provider and the MSOs. Even among the MSOs, the cost of small networks and the large networks are also very-very different. Sometimes the cost depends on the factors such as availability and cost of inter-city bandwidth and the dispersion of consumers across a given geographical area. Further, the current structure of carriage fee regulation vide the Schedule-I provides balance to the interest of broadcasters and the small MSOs. In case of MSOs with smaller subscriber base, it is easier for a local channel to achieve average subscription levels of Twenty percent and above. As soon as a television channels achieves a subscription level of twenty percent, the carriage fee reduces to zero. MSOs also do not loose in such case, as the consumers stick to the platform owing to availability of such local content. Similar situation occurs in case of multi-state MSOs if they declare multiple target markets comprising of smaller areas/ state. Simply put, MSOs in most of the cases will receive little/ no carriage fee as the regional television channels can easily achieve subscription level of 10%/ 15%/ 20%. The structure of carriage fee that reduces as a channel achieves higher subscription level acts as a countervailing force, thereby balancing the interests of stakeholders.

35. It is clear that existing regime balances the interest of both broadcasters and distributors in cases where the target market is aligned with the linguistic regions/ state. The cost structure requires examination with respect to large DPOs only. The Authority examined the marginal cost of providing one additional channel for each of the four DTH operators and few top MSOs. The cost of carriage has been estimated by adding the Transponder Cost, Spectrum Fee & WPC Cost. Given there are employee costs and other expenses over the direct cost, an estimated 15 % overheads were added. The return on equity and the tax on such returns was also taken into account. Over and above all the costs, it was noted that DTH service providers are required to pay license fee @ 10 %. By adding all the costs including the overheads, taxes, license fee etc. it was seen that effective cost with license fee and overheads per Standard Definition (SD) channel per month for DTH service providers varies between Rs. two lakhs fifty thousand (Rs. 2.50 Lakh) to three lakhs ninety-six thousand only (Rs. 3.96 Lakh). The difference among various service providers arises because of the different transponder cost of Indian and foreign satellite and also the period of hiring of transponders. In a similar way the marginal cost for few large MSOs was calculated. Almost in all cases the cost of carrying per channel per month is lower than the DTH service providers' cost.

36. Based on above, the Authority considers that while the existing methodology and basis of carriage fee is reasonably correct, there is a need to specify a capping on the maximum permissible carriage fee per channel per month for a DPO. In case of MSOs, the authority is of the view that the technology and commercial arrangement justifies limiting the target market area as a State or a Union Territory or within a State or a Union Territory, thereby limiting maximum payout. In principle, highest instance of carriage fee should not exceed the highest marginal cost of the network per channel. There can be various methods to fix the carriage fee at mean or median level of the marginal cost per channel per month. However, such capping will put some DPOs, whose marginal cost would be higher than such cap, into loss making situation. Accordingly, the authority is of the view

that the Carriage fee cap will be a maximum amount that a DPO can charge. Therefore, the authority, after considering all the factors views that carriage fee may be capped at Rs. four lakhs (Rs. 4 Lakh) per Standard Definition (SD) Channel per month for a DPO. Given that prescribed carriage fee for a High Definition (HD) Channel is two times that of SD channel, the Carriage fee cap for HD channel has been prescribed at Rs. Eight lakhs (Rs. 8 Lakh) per HD channel per month for a DPO. This cap shall be the maximum amount (cumulative sum) that a broadcaster may be required to pay to one DPO per channel irrespective of target area(s) declared by a DPO. This will enable a level-playing field among various DPOs viz HITS, IPTV, MSOs and DTH operators.

37. A suitable provision has been made in the regulation, limiting the assignment of target market to a State or a Union Territory or within a State or a Union Territory in case of an MSO, IPTV or HITS service provider. Suitable provisions have been included in the regulations making the cap applicable of SD or HD channels. The authority will continue to assess the actual carriage fee payout from time to time and review capping of carriage fee, if considered expedient.

Discontinuation of a channel

38. Many regional broadcasters of regional/ niche channels have represented to TRAI that several distributors have declared either 'the whole country' or 'combination of some states together' as their target market. As a result, number of subscribers in notified target market is very high and hence the percentage of subscribers viewing their channel in the target market is likely to be far less than five (5) percent. As such, subscription of their channels on national level or in combination of states continues to be lower than the minimum threshold of 5% despite very high subscription in their respective regional market. This gives an opportunity to DPOs to misuse the existing provisions in the regulation to drop their channels from DPOs platform. These broadcasters have represented that they are left to the mercy of the distributors as the distributor is not mandated to carry such channels which have a subscription of less than five percent (5%) of monthly average active subscriber base, in each of the immediately preceding six consecutive months. Pertaining to this issue broadcasters have represented to the authority to review this unbridled right granted to the DPOs.

39. According to regulation 4 of the Interconnection Regulation, 2017

"(8) It shall be permissible to the distributor of television channels to discontinue carrying of a television channel in case the monthly subscription percentage for that channel is less than five percent of the monthly average active subscriber base of that distributor in the target market specified in the interconnection agreement, in each of the immediately preceding six consecutive months:"

"(9) A distributor of television channels shall not be under obligation to carry a channel which has been discontinued as per sub-regulation (8), for a period of one year from the date of such discontinuation."

40. The Authority had noted that such provision existed in the Interconnections, 2012 which was applicable for DAS. The Authority was of the view that such provision would ensure that non-popular channels do not occupy the space on a distribution network. Therefore, the provision was retained in the Interconnection Regulation 2017 with slight modification.

41. Accordingly, in the consultation paper on 'Issues related to Interconnection Regulation, 2017' dated 25 September 2019, the Authority had sought comments of the stakeholders on the issue as to whether in their opinion the right granted to the DPO to decline to carry a channel having a subscriber base less than 5% in the immediately preceding six months is likely to be misused? If yes, what can be done to prevent such misuse?

42. During the consultation process some stakeholders were of the opinion that the provision that allows removal of a TV channel, if it does not attain the minimum subscription, is being misused by the DPOs. As a result Regional channels are facing undue uncertainty. Some of the stakeholders suggested that the viewing subscribers should have the flexibility and opportunity to watch the channel of their choice. A new channel launched takes time to pick up and be viewed/used by the subscribers/consumers at large therefore, a channel should be carried irrespective of the percentage of subscribers viewing it. Some stakeholders opined that no broadcaster's channel should be dropped from the DPO's platform on the basis of low penetration. In the consumer interest, as long as it makes business and commercial sense for a particular broadcaster to broadcast a particular channel, they should be allowed to do so without any intervention on the part of DPOs even if the viewership goes below 5%. Another group of stakeholders suggested that the time period of six consecutive months as prescribed is sufficient to ascertain whether or not a channel is being well-received and/ or demanded by the subscribers. Moreover, for channels that fail to garner less than 5% viewers on a platform, then carrying it for a longer time period results in blocking the entry of new channels. The criteria of a minimum subscription threshold is clearly on the basis of the consumer choice, which is the cornerstone of the current regulatory framework.

43. The Authority undertook the analysis on the basis of current channel-wise subscription of leading platforms that have declared large areas (including all India in some cases) as the target market. It is observed that a very large number of channels, amounting to more than 15 % channels (more than 90 channels), do not meet the minimum subscription threshold. This reflects that the concerns of broadcasters is correct as continuance of a large number of channels is dependent on the distribution platform operators. As per the basic principles, the regulation should strive to balance the interests and powers of various stakeholders in a regulated environment. Any provision that put one set of stakeholders in a commanding position may result in undue distortion of the market.

44. Further analysis of the type of channels that were not meeting the criteria of minimum threshold, reflected that list comprises mostly of the regional language channels. India is a nation of multiple languages. Regional language channels enable the local content and help promoting local artists and content developer. Plurality of content is important for a multi-lingual country like India.

45. The provision in existing regulatory framework regarding dropping a channel has been made to facilitate removal of such channels from a DPO platform which are not subscribed by minimum number of subscribers, so that such capacity may be utilized to give opportunity to other broadcasters. This provision does not envisage dropping or removing a regional or niche channel, popular in some region or area. Accordingly appropriate provisions have to be made to safeguard interest of regional / niche channels.

46. The language of a channel and its relevant market plays an important role. The authority considered various available data set for determining language based television market. The authority noted that the language-wise data as published under the Census Data is

most exhaustive and reliable. The Census data publishes a table of the population on the basis of spoken language using the bilingualism and tri-lingualism. The percentage of the population speaking a particular language is available in the census data. A DPO shall consider the percentage of the population speaking a particular language in the nation using latest census data, for determining the continuance or otherwise of a channel of that language on his platform. The DPO will multiply that percentage (obtained from census data of a particular language) with his/her monthly average active subscriber base in the target market specified in the interconnection agreement, in each of the immediately preceding six consecutive months. DPO may discontinue carrying of a television channel in case the monthly subscription percentage for that channel is less than specified percent as per the provisions specified in the Schedule VIII of the monthly average active subscriber base of that distributor in the target market specified in the interconnection agreement, in each of the immediately preceding six consecutive months. Considering projected subscribers knowing the language of the channel, the criteria for determining continuance or other wise of a television channel is described in Schedule VIII along with the illustrations thereunder.

47. Schedule VIII defines the 'discontinuation threshold' of a channel on the basis of its language(s). The 'discontinuation threshold' for a channel shall be the number arrived at by multiplying the average active subscriber base of the concerned DPO in its declared target market with the 'discontinuation multiplier' for the language of that channel. The 'discontinuation multiplier' for a language shall be five percent of the total percentage of the population speaking that language in the declared target market of the concerned DPO as per the latest Census data.

48. Stating in simple terms, the criteria for discontinuing a channel will take into account the actual proportion of the people, in a target market, who speak or understand a language. The proportion of people has been considered on the basis of *trilingualism,* i.e. for every person, upto the three languages she/ he can speak or understand. Such data is enumerated and published by Registrar General of Census of India vide table C-17 Population by bilingualism and trilingualism for all India basis. Furthermore, the language-wise distribution for each state is also available in other tables. For example the proportionate Hindi speaking population is 57.11%. The revised criteria suggest applying this proportion to arrive at the discontinuation threshold. Therefore, for a channel of Hindi language, with all India as target market the discontinuation threshold will be multiple of 5% with the proportionate Hindi speaking population i.e. 57.11%, hence 2.856%. The authority is of the view that this revised discontinuation threshold, as incorporated in Schedule VIII, fairly balances the criteria for regional language channels. The authority will continue its oversight on developments and will review the provisions as and when considered necessary.

49. The language of the channel shall be the language that the broadcaster has declared to MIB and which is mentioned in the uplinking/downlinking permission granted by MIB. In case a broadcaster has declared the language of channel as "English and Hindi" then percentage of the population speaking both the languages together in the census data shall be taken into consideration. There are cases where the broadcaster has declared the language of channel as "English, Hindi and all other language". In such cases the percentage of the population speaking all the languages being 100 % shall be taken into consideration.

50. In case a broadcaster wants to change/ correct the language of a channel that specified in the permission granted by Ministry of Information and Broadcasting, (MIB),

Government of India, then the broadcaster can declare the specific language pursuant to TRAI framework. This language will be used for both the purpose of arriving at the minimum threshold for continuance of a channel as-well-as for placement of the channel in Electronic Program Guide of a platform. It will be incumbent upon the broadcaster to get its permission amended from the government. In case such broadcaster fails to get requisite revision in the permission by 30th June, 2020, then DPO shall calculate the threshold for determining continuance or otherwise of a channel as per the actual permission issued by the government for such television channel.

Placement of channels in Electronic Program Guide (EPG)

51. The sequencing of channels in the electronic program guide (EPG) has been a topic of discussion. The current framework provides to put all television channels of one genre together with further classification within the genre on the basis of respective language of television channels. This classification methodology has been termed as genre-language based listing. Furthermore, the distributor of the televisions channels may place a channel under sub-genre within the genre declared for the channel by the broadcaster. In the first multi-stakeholders meeting held after the implementation of the new regime during February 2019, DPOs raised certain issues in adhering to the prescribed structure of EPG. The Authority constituted a stakeholders' committee in April 2019 to discuss issue and suggest possible alternatives. Pursuant to the recommendations of the said stakeholders' committee, further interactions were held with different DPOs.

52. According to regulation 18 of the Interconnection Regulation, 2017
*"**18. Listing of channels in electronic programme guide.—** (1) Every broadcaster shall declare the genre of its channels and such genre shall be either 'Devotional' or 'General Entertainment' or 'Infotainment' or 'Kids' or 'Movies' or 'Music' or 'News and Current Affairs' or 'Sports' or 'Miscellaneous'.*

(2) It shall be mandatory for the distributor to place channels in the electronic programme guide, in such a way that the television channels of same genre, as declared by the broadcasters, are placed together consecutively and one channel shall appear at one place only:

Provided that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide:

Provided further that it shall be permissible to the distributor to place a channel under sub-genre within the genre declared for the channel by the broadcaster.

(3) Every distributor of television channels shall assign a unique channel number for each television channel available on the distribution network.

(4) The channel number once assigned to a particular television channel shall not be altered by the distributor for a period of at least one year from the date of such assignment:

Provided that this sub-regulation shall not apply in case the channel becomes unavailable on the distribution network:

Provided further that if a broadcaster changes the genre of a channel then the channel number assigned to that particular television channel shall be changed to place such channel together with the channels of new genre in the electronic program guide."

53. Vide the consultation paper on Tariff Related Issues, stakeholders were asked to suggest suitable methodology for listing of the television channels in the EPG. In response stakeholders have been divided in their opinion. Some stakeholders suggested that DPOs should get the flexibility to list the television channels either language-genre wise or genre-language wise. However, all the channels of a particular language and genre should be placed together. They also suggested that DPOs should not include platforms services, VAS, non-relevant services such as local channels, shopping channels within the regular genre listing of satellite TV channels.

54. Some stakeholders suggested that channels should be listed in the EPG first language wise and then within each language, genre wise, categorized as language-genre type listing. They mentioned that in such arrangement, consumers who understands specific language are not required to move all across the languages to watch his own language channel if he intends to watch GEC, News, Movies, etc. According to them this requires amendment to the present regulations.

55. Few stakeholders are of the view that channels should be listed genre wise like News, Entertainment, Movies, Infotainment, Kids etc. followed by classification in sub-genres like Hindi GEC, Regional GEC and Hindi news, English News etc.

56. Some stakeholders mentioned that structure of the EPG need not to be regulated by TRAI, except to ensure that any channel cannot be placed twice or more in the same EPG. They further suggested that the structure of the EPG and genres should be decided solely by the broadcasters and the DPO with an aim to provide the best customer experience.

57. Some stakeholders are of the view that the manner in which channels are presently listed on the EPG seems to be adequate and any change in EPG at this point may cause inconvenience to subscribers in locating channels in EPG as they have accepted / familiarized themselves with the present placement of channels on the EPG. Some of these stakeholders mentioned that the channel listing in EPG by the DPOs is being done on the basis of their understanding of the consumer requirements and area of operation. Given that all the major DPOs have been in operation since more than ten to fifteen years, their customer base has become acquainted with the manner of listing of channels on the EPG. Compliance to the regulations entails widespread changes that may cause inconvenience to consumers. Further, the regulations prescribe that channels of the same genre have to be placed together. This requirement is being followed by the DTH operators. According to them there are adequate measures already prescribed in the Interconnection Regulations, 2017 and hence there is no requirement for regulatory intervention at this stage as the customers do not have any concerns regarding the same.

58. The Authority has noted that DPOs have adopted different approaches for placement of channels in EPG. Some DPOs have arranged channels first language wise and then genre wise under each language. Whereas some DPOs have arranged channels first genre wise and then language wise under each genre. Furthermore, some DPOs have adopted a mixed approach where some combination of language-genre wise and genre-language wise has been used. To ensure ease of viewing channel listing for consumers while

maintaining a balance between interests of broadcasters and DPOs a standard arrangement for listing the channels on the EPG is essential.

59. In the current framework every distributor of television channels is required to list each channel under the respective genre of the channel as declared by the broadcaster and classify the channels under one genre into sub-genres based on language or region. Channels should be assigned unique logical channel numbers (LCN) within the sub-genres. The Authority noted that in this arrangement, a consumer who understand specific language is required to jump across various genres to watch different channels (pertaining to different genres) in one language. For example if a DPO has listed GEC from LCN 100 to 300 & movies from LCN 300 to 400, a consumer choosing to shift from a Punjabi/ Tamil GEC to a Punjabi or Tamil Movies will require to shift a long list of channels. Therefore, putting together all the television channels of Punjabi/ Tamil language will be more consumer friendly.

60. However, in case a pure alternative of language-genre based LCN allocation is considered, some DPOs will have to revisit their current plan of LCN allocation. Based on area of operation DPOs prefer a mix allocation where they may put all GEC channels together for two languages that may be popular in a given region. For example, in Maharashtra[1] state while Seventy Three percent (73.1) homes have Marathi as language most spoken at home, more than fifty five percent (55.6%) homes view Hindi Channels. In such cases, to provide easier options for consumer perhaps a DPO may place Hindi and Marathi channels of same genre together while placing television channels of other languages in distinct LCN groups separately. There are many other similar regional markets like Punjab[1] , where Punjabi language constitute as language most spoken at more than 80 % homes, the viewership of Hindi television channels is close to 60% with Punjabi Channels acquiring another 24 % viewership.

61. The primary objective to regulate the EPG is as given below:
    (a) To ensure ease of viewing the television channels by consumer.
    (b) To provide flexibility to the distributors to arrange the television channels as per regional/local requirements.
    (c) To ensure that fair treatment is given to broadcaster to place their channels appropriately in respective genre to get the viewership.
    (d) To ensure that the DPOs wilfully doesn't place channel of few broadcasters out of genre to reduce their adoption by subscribers/viewership.

62. Considering these objectives, the Authority has decided that the distributors should have flexibility to list the channels in the EPG to some extent to meet the requirement of the subscribers while broadly protecting the interest of broadcaster. Accordingly, Authority has decided that DPOs will have flexibility to organise the channel on EPG based on Language(L) or Genre (G) ensuring that pair of a channel of the language and the genre remains together i.e. to say the combination of (L_xG_y) will remains together on the EPG. This framework will provide adequate flexibility to the DPOs in organising the channel in the EPG. To elaborate the provisions further, a DPO can assign language/genre on the LCN table with Language L_1 to L_x. Similarly, genres can be assigned as genre G_1 to G_9. Any channel be classified into combination of language as L_nG_m or G_nL_m. Now depending upon LCN assignment plan the DPO is required to put all channels with

[1] As per analysis provided by Broadcast Audience Research Council on the basis of BARC India survey of TV Homes 2018 and viewership data.

assignment L_nG_m or G_nL_m together. The DPO can devise its own plan with a combination but should keep channels of same language & same genre together as a single group.

63. It will also ensure that broadcaster of each genre and language are given adequate protection from any malfeasance and arbitrariness. Authority has further decided that each DPO will report the EPG layout on their platform to Authority within 30 days from date of notification of this amendment. Once EPG is decided as per their own plans within the broad framework by the DPO, there will be no requirement to frequently change such plans unless there are compelling reasons arising out of technical difficulties or substantial increase in one type of television channels. In such case DPOs has to submit their revised plans for EPG layout to the Authority for prior approval before carrying out such modifications.

64. It will however, remain mandatory that each channel is allocated to a unique LCN only. It shall be mandatory for the distributor to declare its plan to place channels in the electronic programme guide to the Authority and on its website. Further, in order to ensure fairness to all broadcasters as far as placement of their channels is concerned, the Authority has decided that the LCN once allocated to a channel should not be changed by a DPO till that channel is available on the platform of DPO.

65. Accordingly, regulation 18 of the Interconnection Regulations 2017 dated the 3rd March, 2017, have been duly amended. The Telecommunication (Broadcasting and cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 are also being duly amended separately.

Placement and other agreements between broadcasters and Distributors

66. In the Interconnection Regulation 2017, the provision related to listing of the channels in the Electronic Program Guide (EPG) were made so that visibility of a channel in given genre can be ensured. This was done primarily to protect the interest of the broadcaster. However, as per details herein-above there were certain issues with the allocation of LCN to various channels while following the regulatory provisions. Therefore, quite-a-few stakeholders did not fully implement the EPG regulations.

67. Quite a few complaints were received from various broadcasters whereby it was alleged that some DPOs are pushing for signing of marketing/placement/promotion agreement. Such instances were also the result of very high carriage fee arising out of much larger target market, so declared by the DPOs.

68. Accordingly, in the consultation paper on 'Interconnection Issues' the authority had sought opinion of the stakeholders in regard to placement/ marketing agreement. Stakeholders were asked whether there should be a well-defined framework for Interconnection Agreements for placement, should placement fee be regulated and if yes, what should be the parameters for regulating such fee. In addition, the authority also asked the stakeholders on ways and means to restrain the possible misuse of flexibility presently available with DPOs as regards the placement and marketing agreements.

69. In response, a group of stakeholders submitted that there should be a framework for Interconnection Agreements for placement and the placement fee should be regulated as news channels are being forced to sign placement / marketing agreements. Further that in some instances exorbitant fees are being charged under these heads by the DPOs. The

arbitrary demands of the DPOs by whatever label leads to the blackmailing of the news channel. News channels are expected to pay the fees as demanded or face removal from the platforms. One of the stakeholders commented that it is necessary to cover placement/marketing/any other arrangements under the Regulations to ensure a level- playing field amongst stakeholders and to ensure transparent and non-discriminatory arrangements between broadcasters and DPOs. The objective should be that, all business arrangements between a DPO and a broadcaster should be transparent and non- discriminatory. To ensure a fair and transparent distribution margin, the Authority should ensure that the total pay-out from broadcaster to DPO (under any head including distribution fee, incentives, placement, marketing or any other arrangements) should not exceed 35% of the MRP. Otherwise, the MRP to consumers will be illusory. However, one stakeholder has opined that there is no need for the Authority to define a framework for agreements for placement. Another group of stakeholders referred to the order of Hon'ble TDSAT dated May 29, 2019 regarding the issues related to the landing page. The said order held that the subject matter of placement of a channel of broadcaster, by the distributor on the landing page of a subscriber is not "interconnection" and hence outside the power and jurisdiction of the Authority. Since the appeal on said order is pending the matter remains sub-judice, the Authority should not proceed with the consultation process on these issues/agreements or define a framework for agreements for placement. One broadcaster suggested that in the new regulatory framework, the carriage and placement have been clearly distinguished. The carriage fee has been regulated and the must carry provisions are made to ensure access to the distribution networks in a transparent and non-discriminatory manner. Detailed provisions relating to placement are already provided, however, if a broadcaster still wishes to place its channel at a particular position or on a specific number, subject to the provisions of new regulations, the broadcaster may offer discount within the prescribed framework or pay the mutually agreed fee, after signing the interconnection agreement, to a distributor for placing the channel. The regulations already disallow placement as a precondition to provide signals. In view of the above, the stakeholder is of the opinion that the present provisions relating to placements are adequate and the Authority should not consider any further regulation in this aspect.

70. It is pertinent here that the regulations related to EPG have now been duly amended. The regulations so revised will ensure that no DPO changes the allocated LCN of a channel number unless it is approved by the authority. After the revisions, it is envisioned that there is hardly any instance where a DPO may force a broadcaster to seek any specific placement agreement. Though there are probable scenarios where a broadcaster may seek a certain easy to remember/ identify LCN within the allocation scheme adopted by a DPO. In such circumstance also, an LCN once allocated will remain allocated to such television channel in perpetuity. Therefore, the Authority is of the view that pursuant to amendments there is hardly any obligation for a broadcaster to enter into placement agreements.

71. Another factor driving the signing of placement agreements was occurring due to very high carriage fee instances or discontinuation of channels. As a commercial & pragmatic alternative to very high carriage fee agreement some stakeholders were signing the placement agreements. The authority having reviewed the carriage fee provisions has specified a ceiling on the maximum carriage fee. Similarly the provisions related to the 'discontinuation threshold' have been duly incorporated to address the concerns of regional/ niche channels. The authority is of the view that now broadcasters will have no reason to look for alternative arrangements. The framework explicitly provides that a channel can be provided to or removed from a customer only on the basis of an explicit

choice. Every DPO is required to provide and ensure complete freedom to its subscribers for making their choice(s). Therefore, it is envisioned that no packaging agreement can be done with the DPO with an intention to forcibly promote/ assign a channel to subscribers. Considering all the factors and provisions together, the instance of placement fee agreement will be minimal like cases where a broadcaster is keen on certain LCN. Therefore, the Authority does not consider it expedient to bring-in restrictions on the placement/ marketing agreements.

72. While prescribing the regulations, the authority is aware that two entities (The Broadcaster and the DPO) may wish to work together to promote/ advertise a channel. Having considered various submissions the Authority is of the view that marketing measures by a broadcaster may be of varied character and types. The present provisions seem sufficient to maintain a level playing field among the broadcasters and DPOs. In addition, the Register of Interconnection regulations provide for submission of placement/ marketing/ other agreements to the Authority. This will help the Authority to maintain an oversight over such agreements. The Authority is also of the view that marketing and other agreements may continue to be in forbearance as at present. The Authority will continue to keep an eye on markets and will review the situation as-and-when deemed necessary.

Penetration incentive on bouquets

73. One of the main objectives of the new regulatory framework is to ensure that consumer becomes the real decision maker and has complete freedom to choose what he/she wishes to watch and pay only for that. After a thorough analysis of the market it is believed that offer of penetration-based incentives on the bouquets, by the broadcasters to the DPOs, may lead to pushing of bouquets by DPOs to consumers, in order to avail penetration-based incentives. This defeats one of the main objectives of the new regulatory framework of promoting the consumer choice.

74. As per sub-regulation 12 of Regulation 10 of Interconnection Regulation 2017

"(12) A broadcaster shall not incorporate any provision, directly or indirectly in its interconnection agreement with a distributor of television channels which requires such distributor of television channels to give a guarantee for a minimum subscriber base or a minimum subscription percentage for the channels offered by the broadcaster and any agreement to contrary shall be void.

Explanation: For removal of doubt, it is clarified that any discount, offered as an incentive by a broadcaster on the maximum retail price of the pay channel or the bouquet of pay channels, based on actual number of subscribers or actual subscription percentage, recorded in a month shall not amount to guarantee for a minimum subscriber base or a minimum subscription percentage for its channel."

75. The Consultation Paper on Tariff Related issues for Broadcasting and Cable services published on 16 August 2019 deals with issues related to pricing of Bouquets vis-à-vis a-la-carte channels, bundling of channels in a bouquet and the discounting structure. Pursuant to comprehensive analysis of stakeholders' submission under that paper, it is explicit that the discount offered to the distributors (as part of distribution incentive in addition to the distribution fee) on the bouquets by the pay channel broadcasters is intertwined with the pricing structure and manner of offering of the bouquets. In-fact offering a discount of fifteen percent (15%) as an incentive on subscription of certain

minimum subscription of bouquets of pay channels to DPOs may align their commercial interests with the broadcasters. Prima-facie it is violative of the consumers' right to choose.

76. It is imperative to restrain practices that compromise the effective choice of customers. While reviewing the provisions related to the offering of bouquets and it is necessary to review the explanation to Sub-Regulation 12 of Regulation 10. Many of the concerns were shared with the stakeholders by the Authority in the consultation paper on Tariff Related Issues. In response the Broadcasters and their Associations have submitted well-articulated views, mostly countering concerns expressed by Consumers and their Groups. The Authority has carefully considered their submissions and with positive conviction. However, consumers' right to exercise choice is the cornerstone of the regulatory framework and cannot be compromised. The Authority is enjoined by the Statute to protect the interests of service providers and consumers while ensuring orderly growth.

77. The regulatory framework endeavors to ensure that consumer becomes the real decision maker and has complete freedom to choose what he/she wishes to watch and pay only for that. The discount offerings on bouquets are in addition to already reduced prices vis-à-vis the sum of a-la-carte channels. Further such discounts remain with the DPOs and do not pass-on to the consumers or shared with the local cable operators in most of the cases. The issue has been dealt in details in the matters regarding the 'Tariff related issues' and the authority has duly considered to provide higher discounting cap vis-à-vis the sum of a-la-carte price of the constituent channels while forming the bouquets so that such benefit can be passed on to subscribers. The primary objective for doing so is that the advantages of such discount (on bouquets) passes on to the consumers directly. Therefore, any discount to the DPOs defeats one of the prime objectives of the regulatory framework. It also distorts the market offerings further, thereby rendering a-la-carte prices inconsequential in most cases. To discourage this anti-consumer practice and to ensure that DPO do not have monetary incentives to push bouquets, the Authority is of the view that the broadcasters may be permitted to offer penetration-based incentives only for the a-la-carte channels. The authority expects that the revised provision will engender to promote the interest of the consumers and extend real choice(s). Appropriate modifications have been carried out in the relevant provision(s).

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