



Date: September 11, 2014

To,  
Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi – 110002.

**Kind Attention: Mr. S.K. Singhal**

Dear Sir,

Please find the responses by IndusInd Media & Communications Ltd. to TRAI in response to the **Consultation Paper on draft amendment regulation namely the Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2014**

This is for your uploading in the website as per TRAI process.

Thanking You,

For INDUSIND MEDIA & COMMUNICATIONS LTD.

Subhashish Mazumdar  
(Authorized Signatory)



## **Response to the Draft Amendment above:**

We submit below our Response to the draft amendment to the Standards of Quality of Service Digital (Addressable Cable TV Regulations, 2014 seeking to amend, inter alia, with regard to the billing mechanism in respect of subscribers of Digital Addressable Cable TV Systems (DAS) and related matters.

In our comprehension after perusal of the Explanatory Memorandum to the proposed amendments, the Authority is relying on complaints where subscribers have not been provided with bills or proper receipts for payments made by them.

This forms the genesis of the issue sought to be addressed by way of the proposed amendments.

In our humble submission, IndusInd Media & Communications Limited has not been a recipient of any direct or indirect complaint to this effect and hence it would be in the interest of propriety to share any such complaints with details, with us to form an objective assessment of the basic premise warranting such harsh penal implications as are sought to be imposed through the proposed amendments.

Hence, we request that details of instances of such billing and receipt complaints be provided to us to examine and resolve such grievances.

Now dealing with specifics, we provide our comments on the Draft Amendments as under:

1. (2) – The period for commencement be deferred to “one hundred and twenty days” as opposed to “thirty” days in the light of various administrative actions that are to be preceded before rolling out such practices, such as Entertainment Tax, and the various petitions pending in the Honb’le TDSAT with regard to the broadcaster issues. The new insertion in the form of casting the responsibility of granting the pre-paid option “in electronic pre-paid mechanism” encompasses higher capital outlay and robust technology systems and setting up a suitable machinery which requires due and serious considerations. While we appreciate the intent of the Regulator, we urge the Regulator to give due consideration to the fact that the electronic pre-paid mechanism has thus far not been part of the earlier Regulation. Owing to this, the transition needs substantial investments, time and machinery to be put into place, which demands extended timelines.
2. Regulation 15 of the principal regulations, sub-regulation (5) –

The onus for issuance of proper receipt for every payment made by a subscriber and the details of the receipt as desired is to be placed on the Last Mile Operator and not the Multi System Operator.

The LMO has a direct relationship with the subscriber as he caters to the requirements of the subscriber on an ongoing basis and is the direct beneficiary as the de facto owner of the subscriber base. The MSOs are mere aggregators and facilitators of the cable television services with little or no say in the LMO – Subscriber relationship. Therefore to cast such onerous obligations as are sought, would be seen as misconceived.

## INDUSIND MEDIA & COMMUNICATIONS LIMITED



The Regulator's attention is being invited to the various ground forces that make a strong case in support of our views:

- a) the issues pertaining to Entertainment Tax being contested by the LMOs seeking their direct payment to the authorities in view of their contention that they own the last mile / subscriber.
  - b) swapping of Set Top Boxes by the competitors, thereby the subscriber ownership vesting in different hands.
  - c) content deals with broadcasters not being in place due to their irrational demands, thereby MSOs inability to offer packages to the LMO / subscriber. This has a ripple effect on billing as the basis of billing is not established in the absence of content.
3. We submit that the Regulator's objective of introducing electronic pre-paid systems and thereby drawing an analogy with the mobile and Direct to Home (DTH) operators cannot be extended to the context of cable TV services. The ownership of the subscriber vests with the mobile and DTH operators, unlike in the case of the MSO, where the subscriber ownership is with the Last Mile Operator. Hence this requires a re-look in the light of the ground realities.
4. Proposed 16A – The Regulator has to consider the severe impact of such a amendment in view of the above stated reasons coupled with the fact that the MSOs have incurred heavy costs in the form of huge investments in line with the digitization mandate of the Regulator and are currently severely hard pressed for liquidity due to poor revenue returns. Bearing these factors in mind, we urge to keep the MSO out of the ambit of such penal / financial disincentive.

