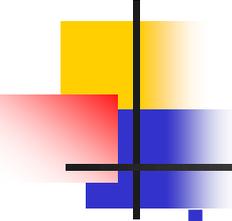


MSO and the Regulatory Framework

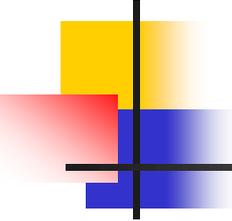


TRUTH AT THE GROUND LEVEL

- The charges payable by MSOs to broadcasters are fixed on mutually agreed / lump-sum amounts. The prevailing practice in the cable television industry in the non addressable system is to negotiate

- It is primarily the LCOs that collect the subscription revenues from the subscribers and the MSOs collect the subscription revenues from the LCOs based on lump sum / fixed contracts. Invariably MSOs ends up losing money, as the subscription money so collected from LCOs for distribution of TV channels is far lesser than the amount demanded by the pay broadcasters.

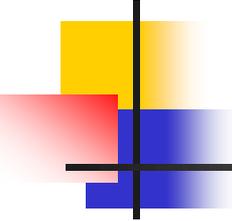
- Truth about Under-declaration:
 - Broadcaster's Published Rates: Rs. 475/- (All bouquets)
 - Taxes & other charges : Rs. 150/-
 - Total : Rs. 625/-
 - Avg. ARPU : Rs. 200/-
 - Hence there is an element of negotiation in the subscriber numbers / subscription fees, which is called as negotiated subscriber base



Key issues...

- Provision of signals
 - Broadcaster/MSO to provide signals to the MSO/LCO on non-discriminatory basis – all other issues can be adjudicated subsequently

- Migration of the LCO from one MSO to another without clearing outstanding
 - LCO to clear the outstanding stated in the latest monthly invoice

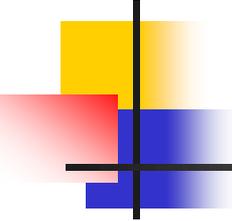


Key issues...

Finalizing Subscriber Base

- Between MSO and LCO
 - TDSAT should direct the MSO to provide signals to the LCO on a subscriber base based on either mutual discussion or on the historical declarations

- Between MSO and Broadcaster
 - TDSAT should direct the Broadcaster to provide signals to the MSO based on list of cable operators alongwith their subscriber base provided by the MSO

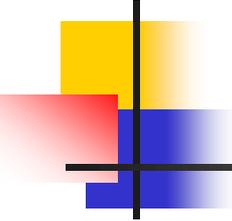


Key issues...

Finalization of Subscriber Base at the time of renewal of Agreement

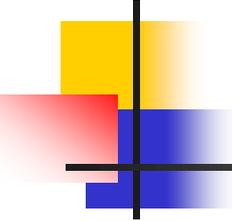
- Between MSO and LCO
 - TDSAT should direct the MSO to continue providing signals to the LCO at the agreed subscriber base subject to evaluation of changes in subscriber base of the LCO over the past 3 years, as well as the changes in subscriber base of other LCOs operating in the area in which the LCO is operating and its adjoining areas for the current period

- Between MSO and Broadcaster
 - TDSAT should direct the Broadcaster to continue providing signals to the MSO at the agreed subscriber base subject to evaluation of changes in subscriber base of the MSO over the past 3 years, as well as the changes in subscriber base of other MSOs operating in the area in which the MSO is operating and its adjoining areas for the current period



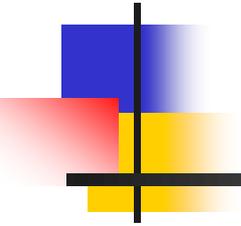
Objective

- The consumers will not be affected
- The stakeholders' business will not be affected
- Interim relief will force the stakeholders to mutually resolve the issues
- Less number of TDSAT disputes
- Development of sound business ethics
- Streamline operations



The Way Forward – Challenges Ahead

- At the time of Renewal of Agreement Broadcaster refuse to renew it unless MSO agrees for hike as per Broadcaster wish. The freeze on price should be in true spirit
- Broadcaster are refusing to give signals on Digital mode or even not allowing the MSOs to re-transmit the Signals on Digital Mode.
- New Technologies:
 - Advent of new technologies would lead to more disputes between existing MSOs/Cable operators and new technology players
 - Various technologies targeting same consumers



Thank You