

Cable TV Industry – INDIA

A Digital and CAS perspective
TDSAT meeting August- 2008



Growth Trends Television industry



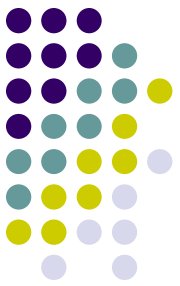
Rs. in Billion

TELEVISION INDUSTRY (RS B): EXPECTED GROWTH TREND

	2004	2005	2006	2007P	2008F	2009F	2010F	2011F	2012F	CAGR 2008-12
Television Distribution	75.0	97.0	117.0	136.5	167.0	204.0	253.0	310.0	380.0	22.8
Share (%)	58.3	61.2	61.2	60.4	60.1	60.6	60.4	61.6	63.3	
Television Advertising	48.0	54.5	68.2	80.0	100.0	120.0	150.0	175.0	200.0	18.9
Share (%)	37.3	34.4	34.6	35.4	36.0	35.6	35.8	34.8	33.3	
Television content	5.7	7.0	8.0	9.4	11.0	12.8	16.0	18.0	20.0	18.1
Share (%)	4.4	4.4	4.2	4.2	4.0	3.8	3.8	3.6	3.3	
Total	128.7	168.5	191.2	225.9	278.0	336.8	419.0	503.0	600.0	21.2

Source: FICCI PWC Entertainment & Media 2008

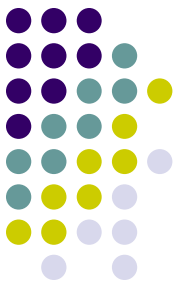
TRAI and its ROLE in Regulating B&CS



- Cable Television Services brought under Telecom Regulatory Authority of India in 2004
- A Fast track judicial body (Telecom Disputes Settlement Appellate Tribunal – TDSAT) now available for settlement of disputes between broadcasters and MSOs /cable operators
- Cable Act 1994 amended in 2006 empowering TRAI to issue new customer friendly CAS Regulations.
- TRAI issued three regulations in August 2006 to create a legal framework for smooth implementation of CAS.
- These included a tariff order, interconnect regulation and QOS regulation.
- TRAI's key roles on Regulating the Broadcast and Cable Industry includes powers for :
 - Interconnect regulations
 - Tariff Orders
 - Pricing regulations
 - Revenue Share methodology and process

Opening up for Transparency and Level Playing Field

Key Recommendations of TRAI



- Restructuring of Cable Industry with a larger role for MSOs and Digitalization plan within five years
- Head end in the Sky (HITS) policy to be announced by Government , TRAI completes all recommendations on this
- DTH policy on tariff and Quality of Services
- New recommendations on FDI policy in cable- upto 74 % by TRAI
- Internet Telephony allowed for ISP's .
- Cable Broadband focus with easier Right of Way (RoW) and Wireless possibilities
- Non CAS tariff regulations for TV subscribers
- Cable Companies can provide IPTV. Recommendations cleared by Government. MSOs can consider this opportunity, marketwise
- Ala carte choice of Channels by MSOs from Broadcasters in non CAS
- New Television Rating points (TRP), Television Audience Measurement (TAM) policy by TRAI
- MVNO policy announced

TRAI's Recent recommendations on Restructuring of Cable Industry Needing Attention of Ministry of I&B



- Greater emphasis laid on network digitization, increased addressability and to encourage voluntary CAS
- Incentives prescribed to Multi System Operators (MSOs) to introduce total digitized networks
- The registration for cable TV operator to be replaced by a comprehensive and supportive licensing framework
- Separate licensing frameworks for Cable TV operators (LCOs) and Multi System Operators (MSOs)
- Eligibility criterion made specific to identify the entities who can act as LCOs and MSOs
- Option and flexibility to choose Service area given both to LCOs and MSOs

Recommendations Pending Government Clearances



- CAS extension to the remaining three metros and subsequently followed by digitalization of 55 cities within a span of 3 years (with addressability)
 - ***The digitalization process can only work, if there is a planned (phased) mandate for pay channels discontinuation in analog. Without this, MSOs may continue to spend huge amounts for digitalization ,but subscribers may not switch for a STB (digitalization)***
 - ***This was also made aptly clear during the finalization of the document on Voluntary CAS for 55 cities and it was agreed by all stakeholders including Broadcasters.***
- HITS platform – licensing policy and rules
- Internet Telephony
- Cable industry should get a equal footing like other platforms in terms of regulations or the absence of it!

Thank You

