

**TELECOM DISPUTES SETTLEMENT & APPELLATE TRIBUNAL
NEW DELHI**

Dated 29th May, 2015

Petition No.456(C) of 2014

Vaji Digital Network, A.P.Petitioner

Versus

Eenadu Television Pvt. Ltd. ...Respondent

Petition No.457(C) of 2014

Vaji Digital Network, A.P.Petitioner

Versus

Maa Television Network Ltd. ...Respondent

Petition No.458 (C) of 2014

Vaji Digital Network, A.P.Petitioner

Versus

Sun Distribution Services Pvt. Ltd. ...Respondent

Petition No.459 (C) of 2014

Vaji Digital Network, A.P.

....Petitioner

Versus

Taj Television India Pvt. Ltd.

...Respondent

BEFORE:

**HON'BLE MR. JUSTICE AFTAB ALAM, CHAIRPERSON
HON'BLE MR. KULDIP SINGH, MEMBER**

For Petitioner : Mr. Vadivelu Deenadayalan, Advocate

For Respondents in P. : Mr. Balaji Subrahmanyam, Advocate
No. 456(C) of 2014 Ms. Vaishnavi Subrahmanyam, Advocate
Mr. Prabhat Ranjan, AR

For Respondents in P. : Mr. S.K. Reddy, Advocate
No. 457(C) of 2014

For Respondents in P. : Mr. Nittin Bhatia, Advocate
No. 458(C) of 2014

For Respondent in : Mr. Tejveer Singh Bhatia, Advocate
P.No. 459(C) of 2014 Mr. Upender Thakur, Advocate

ORDER

The petitioner; Vaji Digital Network (**Vaji**), is a new entrant in the broadcasting sector as a multi-system operator in the area of

Rajahmundry, Andhra Pradesh which is non-DAS area. It filed these four petitions against four different broadcasters seeking their signals for retransmission in Rajahmundry.

The petitions were filed on 14 October 2014 and came up before the Tribunal on 15 October 2014. On that date, the parties were referred to the Tribunal's Mediation Centre to try to resolve their disputes through mediation. The mediation remained unsuccessful and the matter came back before us on 1 December 2014 when the respondents-broadcasters were directed to file their respective replies.

At this stage, it needs to be noted that the petitioner is a partnership firm and at the time of filing of these petitions, Mr. G. Srinivasa Rao and Mr. N. Ramanuja also happened to be partners in the firm.

In the replies filed on behalf of the respondents, an objection was taken that G. Srinivasa Rao and M. Ramanuja Verma were also partners in a firm operating as an MSO in the area of Vishakhapatnam in the name of Vaji Communications and each of the respondents-broadcasters claimed to have large amounts as dues against Vaji Communications in Vijayawada. It then appeared

that the primary objection of the respondents against supply of signals to the petitioner was based on the fact that the aforesaid two persons were the partners in the two firms. In light of the objection taken by the respondents, the petitioner took steps to reconstitute the partnership. The aforesaid G. Srinivasa Rao and M. Ramanuja Verma were retired from the petitioner firm and on 23 March 2015, Mr. Vadivelu Deenadayalan, counsel for the petitioner produced: (i) two deeds of retirement (from the petitioner partnership firm) executed by G. Srinivasa Rao and M. Ramanuja Verma, (ii) the amended deed of partnership, that no longer includes the aforesaid two persons in the firm and (iii) notices regarding reconstitution of the firm issued under section 63(1) of the Indian Partnership Act.

This was, however, not the end of the troubles for the petitioner. The respondents now raised objections in regard to the SLR submitted by the petitioner. The petitioner had submitted a list of 1152 subscribers. The respondents wanted to verify the correctness of the subscriber list submitted by the petitioner. Besides, it was contended that catering to such a small subscriber base will not even be commercially viable. It was pointed out that

the petitioner has laid out optic fibres in the entire area of Rajahmundry and his operations would surely not remain confined to the list of subscribers submitted by it. It was also stated that according to the 2011 census, Rajahmundry had a population of 4 lakhs and there would be at least 25000 homes watching TV.

In its anxiety to get the broadcasters' signals without any further delay, an offer was made on behalf of the petitioner for a fixed fee arrangement, keeping in view the amounts the respective broadcasters might be receiving from other MSOs in Rajahmundry area.

The parties were heard on the suggestion made on behalf of the petitioner on a number of dates. In course of hearing, Mr. S.K. Reddy, counsel for MAA Television Network Ltd. (MAA), [respondent in petition no.457(C) of 2014] stated that earlier MAA had an interconnect agreement with an MSO in Rajahmundry and it had recently executed an interconnect agreement with another MSO there on the fixed fee of Rs.90,000/- (exclusive of taxes) per month. He submitted that MAA was ready to execute an interconnect agreement with the petitioner at the same rate on which it is giving its signals to the second MSO in Rajahmundry. Mr. Deenadayalan,

counsel appearing on behalf of the petitioner accepted this offer.

Petition no.457(C)/2014 is accordingly disposed of with the consent of both sides with a direction to MAA to execute an interconnect agreement with Vaji, the petitioner on a fixed fee of Rs.90,000/- (exclusive of taxes) per month. The agreement may be executed forthwith and not later than a week from today and supply of signals should commence immediately on that basis.

Taj Television (India) Pvt. Ltd. (Taj), respondent in petition no.459(C)/2014 too, after some back and forth negotiations, aided by some suggestions and persuasions by the Tribunal, was able to settle the matter with the petitioner. Mr. Tejveer Singh Bhatia, counsel for Taj submitted that in Rajahmundry area the broadcaster was receiving Rs.6,95,975/- as the monthly subscription fee for the Taj group of channels. He further submitted that Taj was willing to give the signals of its channels to the petitioner on monthly subscription at the rate of 30% of the subscription fee received by it from the other MSO for the first quarter, 35% of that amount for the second quarter and 40% of the amount for the third and fourth quarters. The offer made by Mr. Bhatia is accepted by Mr. Deenadayalan, counsel for the

petitioner. Accordingly, petition no.459(C)/2014 is disposed of with the consent of the parties with the direction to enter into an interconnect agreement in the aforesaid terms. The agreement may be executed forthwith and not later than a week from today and supply of signals should commence immediately on that basis.

Counsel for Eenadu Television Pvt. Ltd. (Eenadu), respondent in petition no.456(C)/2014 and SUN Distribution Services Pvt. Ltd. (SUN), respondent in petition no.458(C)/2014 expressed their inability to come to terms with the petitioner and submitted that their respective clients could consider giving the signals of their channels to the petitioner only after a proper verification of its SLR and a survey to assess the potential of its growth.

In view of the stand taken by these two broadcasters, it is not possible to dispose of these two petitions with any direction to execute interconnect agreements on the basis of any fanciful SLR or a fixed fee amount and either the SLR or the fixed fee or CPS can be determined only on a consideration of all the relevant materials produced before the Tribunal.

But this cannot be a ground to further deny the petitioner the supply of the channels of these two broadcasters. As noted above,

the petition was filed in October 2014. It has thus already remained pending for seven months. During this period, the broadcasters raised from stage to stage, different grounds to deny their signals to the petitioner. In a competitive market like broadcasting, such a long delay can have highly adverse commercial consequences for the petitioner.

We, accordingly, deem it fair, just and reasonable to make an interim order directing Eenadu and SUN to enter into an interim and provisional interconnect agreements with the petitioner on a fixed monthly fee at the rate 25% of the aggregate amount of monthly subscription fee that they are receiving from their MSOs in Rajahmundry. Eenadu has one MSO from which it receives Rs.7,48,225/- (exclusive of taxes) as the monthly subscription fee. SUN has two MSOs in Rajahmundry from whom it receives an aggregate of Rs.11,92,929/- as the monthly subscription fee. The provisional agreements with the petitioner will be at the rate of 25% of the aforesaid amounts respectively. It is made clear that the interim agreements will be without prejudice to the rights and contentions of the parties and the amount fixed for the provisional agreement will abide by the final determination in these two

petitions. The agreements, as directed, may be executed forthwith and not later than a week from today and supply of signals should commence immediately on that basis.

In the result, petitions nos.457(C)/2014 and 459(C)/2014 are disposed of.

Petitions nos.456(C)/2014 and 458(C)/2014 are directed to be listed for orders on 22.07.2015.

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(Aftab Alam)
Chairperson

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(Kuldip Singh)
Member

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