



COMMENTS BY
DEN NETWORKS LIMITED
ON THE CONSULTATION ON
THE DRAFT STANDARDS OF
QUALITY OF SERVICE AND
CONSUMER PROTECTION
(DIGITAL ADDRESSABLE
SYSTEMS) REGULATIONS,
2016



PREAMBLE

At the outset, we at **DEN NETWORKS LIMITED** (DEN) wish to express our sincere gratitude to the Telecom Regulatory Authority of India (the Authority) for its support, cooperation in the establishment and growth of Broadcasting & Cable TV industry in India and also resolving various issues, which have arisen from time to time.

In continuation with its vision for growth, streamlining and revamping the said industry, the Authority has come up with the Draft Regulations on Quality of Service and Consumer Protection (Digital Addressable Systems), 2016 keeping in mind the interest of all the stakeholders. We congratulate the Authority and its officials on all the hard work put behind the in-depth study and research and for having come up with the said Draft Regulations.

We specially thank the Authority for providing us an opportunity to submit our response on the same.

COMMENTS ON THE DRAFT REGULATION ON QoS AND CONSUMER PROTECTION

- **Clause 2(cc) reads as “(cc) “home channel” means a platform service generated and transmitted by distributor of TV channels to its subscribers and is displaced by default on television screen whenever the set top box is put on”.**

• **DEN’s response:** In our view, there is no need of a home channel and the definition of the same shall be deleted. Further, home channel, wherever appearing, shall be replaced with Customer care channel instead of suggested definition Home channel as suggested shall lead to a situation where DPOs revenue stream may get affected. However, in case the Authority if needed may define an EPG number as Home Channel across all platforms.

- **Clause 2(rr) reads as “(rr) “subscriber” means a person who is registered on the subscriber management system of the distributor of TV channels for receiving TV broadcasting services provided by a distributor of TV channels or local cable operator, at a place indicated by him without further transmitting it to any other person”.**

DEN’s response: It is submitted that the few amendments are necessary in the definition of subscriber as various Entertainment Tax departments have been consistently misreading the existing definition of subscriber under the extant Regulations and levying Entertainment Tax on the basis of each Set-Top Box irrespective of whether they are within the same customer premises. In essence, Entertainment Tax is a Tax imposed on the end consumer on availing Entertainment Services. However, the Departments relying upon the definition given under the Regulations treat each Set-Top Box as an independent customer, whereas in cases where multiple Set-Top Boxes are installed at an individual customer’s premises, they should not be treated as such for the purposes of Entertainment Tax. Various complaints have been received by MSOs from customers on account of the same, as it is the customer who has to pay the tax.

Proposed Definition: “subscriber” for the purposes of this Regulation means a person who is registered on the subscriber management system of the distributor of TV channels for receiving TV broadcasting services provided by a distributor of TV channels or local cable operator, at a place indicated by him without further transmitting it to any other person”.

- **Sub regulation 2 of Regulation 8 reads as “8. Non availability of channels on distributor of TV channels platform.—**

(2) No distributor of TV channels, on its own, shall substitute the dropped channel(s) from its platform with alternative channel(s) in lieu of the channel dropped”.

DEN’s response: In our view, if the Broadcaster has stopped the transmission of a channel and the same being not available on platform, in such an event, Distributor of TV channels shall have the right to substitute the same. Further, the dispute between the Broadcaster and DPOs will give an undue advantage to Broadcasters and cast an additional responsibility on DPOs to give reduction in retail price.

- **Point (b) of sub regulation 1 of Regulation 23, reads as “rental changes for CPE, if any”**

DEN’s response: There is a spelling mistake, thus replace “rental changes for CPE, if any” with “rental charges for CPE, if any”.

- **Regulation 25 reads as “Pre-paid billing and payment .— (1) Every distributor of TV channels or local cable operator, as the case may be, shall provide itemized usage details and amount debited to the prepaid subscriber account at the end of every billing cycle without any extra charges”.**

DEN’s response: This regulation shall be the same as applicable on the Telecom Sector. In our view, this shall be read as “(1) Every distributor of TV channels or local cable operator, as the case may be, on receiving a request from the subscriber shall provide itemized usage details and amount debited to the prepaid subscriber account for the previous one year ”.

- **Sub regulation 6 Regulation 26 reads as “(6) Every distributor of TV channels or local cable operator, as the case may be, shall be responsible for maintenance of Customer Premises Equipment offered under sub regulation (4) and sub regulation (5) for a minimum period of five years and the subscriber shall not be required to pay any charge towards repair and maintenance of the Customer Premises Equipment during such period”.**

DEN’s response: In our view, the requirement of Five years warranty on Set Top Box under the rental scheme and bundled scheme is too high. The authority would appreciate the fact that the manufacturer does not give warranty over the Set Top Box for more than a year and under such circumstances, we would cannot afford to give the additional four years warranty over the Set Top Boxes as suggested under the draft regulations. Presently, the STB manufacturers do not give any assistance, service and relaxation in the terms with regard to the issues in STBs installed at the consumer premise and the whole cost is borne by the MSO to repair/replace the STB, which is an burdened outflow for the MSO.

Further, we once again reiterate that “It is for the DPOs to implement the schemes and should not be regulated by the regulator. Market forces are equipped and responsible enough to sort the issue.

It is submitted that DPOs should be given freedom to formulate their packages/ offerings for provision of maintenance of CPE after expiry of guarantee/ warranty period. As the DPO market is highly competitive, the same can be left to market forces. It also has to be taken into account that the DPO is a service provider, and not the manufacturer of the CPE. The DPO would have to tie-up with the manufacturer/ 3rd party to provide maintenance of the CPE”.

- **Sub regulation 7 of Regulation 26 reads as under “(7) Every distributor of TV channels providing direct to home services may charge an amount not exceeding rupees two hundred and fifty as visiting charge per registered complaint requiring visit of a person to subscriber’s premises for repair and maintenance:**

Provided that no visiting charges will be levied to the subscribers for any complaint relating to set top box.

Provided further that such visiting charge shall not be debited from the pre-paid subscription account of the subscriber.

Provided also that the receipt for payment shall be issued to the subscriber by the DTH operator for such charges”.

DEN’s response: This draft sub regulation is only applicable on Direct to home services. In our view, this sub regulation shall also be applicable across all DPOs in the same way as its being applicable on Direct to home services. The DPOs in case of other schemes other than rental will require additional manpower resulting in additional investment. Thus, DPOs should also be allowed to recover such additional investments incurred towards such repairs etc.

- **Sub regulation 8 of Regulation 26 reads as “ (8) Every distributor of TV channels or local cable operator, as the case may be, shall repair set top box within twenty four hours, from the time of registering the complaint relating to malfunctioning of set top box, and charges for such repair shall be regulated under the regulation.**

Provided that it shall be open to a distributor of TV channels or local cable operator, as the case may be, to provide maintenance spare set top box in case the malfunctioning set top box cannot be repaired within twenty four hours.

Provided further that nothing contained in this sub-regulation shall apply if the set top box has been tampered with or physically damaged by the subscriber”.

DEN’s response: In our view, time line of “Twenty Four Hours” is very short with respect to MSOs and cannot be applied to all DPOs as the MSO the complaint shall be routed through LCOs and thus time lines of “Twenty Four Hours” may not be sufficient enough to rectify or resolve the complaints. Accordingly, we would request you to kindly replace the timelines from “Twenty Four hours” to “Forty Eight Hours”.

- **Sub regulation 1 of Regulation 28 reads as “(1) Every distributor of TV channels, who is offering any kind of platform services , shall designate a channel for the purpose of consumer awareness and the same shall be referred as consumer care channel.”**

DEN’s response: The Customer care channel shall also be displaced at 999.

Further, in our view, this sub-regulation shall be read as “(1) Every distributor of TV channels, who is offering any kind of platform services , shall designate a channel for the purpose of consumer awareness and the same shall be displaced at EPG on 999 across all platforms, be referred as consumer care channel.”

- **Regulation 33 reads as “Display of channels in EPG. — (1) Every distributor of TV channels shall list all channels available on its platform in the electronic programme guide in the respective genres along with applicable a-la-carte prices.**

Provided that in case of pay channels distributor of TV channels shall indicate MRP declared by the broadcaster in the electronic programme Guide and for the free to air channels such prices shall be indicated as zero”.

DEN’s response: The MRP declared by the Broadcasters is region wise, as a result of which there shall be different MRP for different geographical

areas. In our view, this information shall not be mandated to be displayed on EPG as the same is already available on Customer Care Channel. Further, EPG is software developed by third agency and will require additional huge investment by already bleeding MSOs during the crunch situation where the loans are already scaling heights and revenues are limited.

- **Sub regulation 1 of Regulation 35 reads as “(1) Every distributor of TV channels shall, within thirty days from the date of commencement of these regulations, appoint a compliance officer:**

Provided that nothing contained in this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time”.

DEN’s response: In our view, the time period of 30 days shall be increased to 60 days, as in most cases new hiring would have to be done by the service providers in terms of the Regulations and any new hiring in an organization would be difficult to manage within a period of 30 days.

Further, this sub regulation shall be read as “(1) Every distributor of TV channels shall, within sixty days from the date of commencement of these regulations, appoint a compliance officer:

Provided that nothing contained in this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time”.

- **Sub regulation 4 of Regulation 35 reads as ”(4) In the event of any change in the name of the compliance officer so appointed under sub regulation (1), the same shall be reported to the Authority by the every distributor of TV channels within ten days from the date of occurrence of such change along with authenticated copy of board’s resolution or authorization letter, as the case may be.**

DEN’s response: In our view, the time period of 10 days shall be increased to 30 days. The same is on account of the fact that in event of any change in the compliance officer, 10 days is not sufficient to recruit a



replacement. Furthermore, at times employees can resign at very short notice period and therefore, sufficient time is required to appoint a replacement.

To conclude our submissions, we once again express our deepest gratitude to the Authority for taking up an exhaustive exercise and coming up with the said draft regulations and we request the Authority to consider our comments/suggestions made above.

In case of any queries or clarification required by the Authority, we further request the Authority to contact Mr. Ashish Yadav –Deputy General Manager – Legal @ ashish.yadav@denonline.in or Ms. Ritika Arora- Officer-Legal @ ritika.arora@denonline.in DEN Networks Limited.