

**By Courier/Email**

**Date: 05.02.2018**

**To,**

**Mr. S K Singhal**

**Advisor (B&CS)**

The Telecom Regulatory Authority of India

Mahanagar Doorsanchar Bhawan,

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New Delhi - 110002

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**Sub: Response from Hathway on Consultation paper for Empanelment of Auditors for Digital Addressable Systems**

Hathway wishes to express its sincere gratitude to the Telecom Regulatory Authority of India (the Authority) for its support and cooperation in the establishment and growth of Broadcasting & Cable TV industry in India. The Federation further thanks the Authority for providing an opportunity to submit comments/ response on the Consultation Paper on "**Consultation paper for Empanelment of Auditors for Digital Addressable Systems**" as issued by the Authority.

In this regard, please find our pointwise response as below:

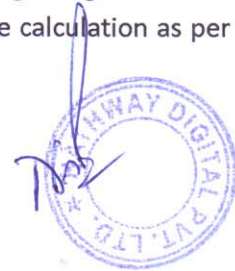
**Q1. Do you agree with the scope of technical audit and subscription audit proposed in the consultation paper? Give your suggestions along with justification?**

The Technical audit validates CAS & SMS version & STB make model to ensure the technology used is up to date. Hence we are in agreement with the scope of technical and subscription audit proposed in the consultation paper. This would ensure transparency and build trust among various stakeholders.

**Q2. Is there a need to have separate panel of auditors for conducting technical audit and subscription audit?**

Yes, both Technical and Subscription Audits are independent from each other and both have their own set of expertise. To elaborate further, Technical auditor should have knowledge and understanding of CAS and SMS systems, while the subscription auditor should have understanding of agreement terms and ensure the validation / accuracy of submitted subscriber report and revenue calculation as per the agreed terms.

संलग्नकर (बी.एच.सी.एस.-II)  
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दिनांक 6/2/18



**Hathway Digital Private Limited**

(Formerly known as Hathway Datacom Central Private Limited)

Regd. Off.: 805/806, 8th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098.

Tel No. 022- 67742500 / Fax No. 022- 67742400 / CIN: U92130MH2007PTC290016

Website : [www.hathway.com](http://www.hathway.com)

**Q3: Should there be a different list of empanelment of auditors based on the model/make of CAS and SMS installed by distributor? Will it be feasible to operate such panel of auditors?**

No, there should not be separate panel for each make/model/version of CAS & SMS, but we recommend grouping the distributors as a category based on technology will help to identify required skill set of empaneled auditors. Empanelment auditors should be allocated basis of the category. This would help to reduce time to identify and deploy task to the auditors.

**Q4: What should be various parameters forming eligibility criteria for seeking proposals from independent auditors (independent from service providers) for empanelment? How would it ensure that such auditors have knowledge of different CAS and SMS systems installed in Indian TV sector?**

In our opinion, auditors should have completed/concluded minimum 10 similar audits or minimum 2 years of audit experience in similar industry. Auditors should be well equipped with related software/tools and sufficient resource to manage the audit requirement. Although empanel auditors have to have a non-disclosed agreement with distributor and authority.

**Q5: Should the minimum period of experience in conducting the audit be made a deciding parameter in terms of years or minimum number of audits for empanelment of auditor?**

Please refer to our answer of question no.4. The auditors must have conducted audit of any telecom /cable & Broadcasting company in last two financial years.

**Q6: Any suggestions on type of documents in support of eligibility and experience?**

A self-declaration by auditors on listing of audits done in two years along with the audit reports/audit certificate should be submitted to the regulator.

**Q7: What should be the period of empanelment of auditors?**

The empanelment should be for three years thereafter can be renewed based on performance.

**Q8: What methodology to decide fee of the auditor would best suit the broadcasting sector? and Why?**

There should not be minimum fees or fixed fee, as it could be unfair with small distributors. We recommend audit fee should be based on subscriber base of distributor depending upon various slabs as decided by the authority.

**Q9: How the optimum performance of the auditors can be ensured including maximum permissible time to complete audit? Give your suggestions with justification.**

To achieve maximum optimum performance of the auditors, the audit process should be divided into four segments.

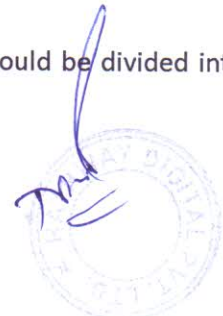
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1. Scope / Methodology of audit – 3 working days
2. Conduct audit based on the scope and methodology of audit – 7 working days
3. Queries and discussion – 3 working days
4. Report finalization – 3 working days.

**Q10: What can be the parameters to benchmark performance of the Auditor? What actions can be taken if the performance of an Auditor is below the benchmark?**

The parameter to Bench mark the performance of the Auditor Should be :

1. Timely completion of audit
2. Accuracy of the analysis of subscriber data
3. Transparency on audit observation

In case of performance below the benchmark, TRAI should have the right to take action including de-empanelment of the auditor and he should not be allowed to be empaneled for next 3 years.

**Q11: Should there be different time period for completion of audit work for different category of the distributors? If yes what should be the time limits for different category of distributors? If no what should be that time period which is same for all categories of distributors?**

No. Please see answer to question no. 9 for the same. The timelines should be similar for all categories of distributors.

**Q12: Are the conditions cited sufficient for de-empanelling an auditor? If not what should be the conditions for de-empanelling the auditor?**

In our Opinion, the conditions cited in Q10 are sufficient for de-empaneling an auditor.

**Q13: Comments on re-empanelment if any?**

No comments

**Q14: Any suggestion relating to the audit framework.**

Scope of audit should cover maximum period of past twelve months from the date of audit.

For Hathway Digital Private Limited

N M RAO

Vice President (Content)

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