

# **Comments Received after the Open House Discussion**

**held on 28.01.2016**

<b><u>S.No.</u></b>	<b><u>Name of Association</u></b>
<b>1.</b>	<b>All Delhi Cable Operators Association</b>
<b>2.</b>	<b>COFI</b>
<b>3.</b>	<b>Cable Operator Welfare Federation</b>

# **All Delhi Cable Operators Association (REGD)**

Regd Office: F-147, Ground Floor, Mansarover Garden, New Delhi: 110015.

Reg. No: 8901802

**Without Prejudice**

**By E-Mail/ Speed Post**

Date: 02/01/16

The Chairman,

Telecom Regulatory Authority of India,

Mahanagar Doorsanchar Bhawan,

Jawahar Lal Nehru Marg

New Delhi-110002

**Kind Attn: Shri S.K.Singhal, Advisor (B&CS) and Shri S.M.K.Chandra .**

Sub: Comments on TRAI Consultation Paper on Draft Model & Standard Interconnection Agreements between MSO and LCO dated 09 December 2015 for offering cable TV services through Digital Addressable Systems .

Dear Sir,

This is in reference to your Consultation Paper and draft model and standard and Interconnection Agreement between MSO and LCO dated 09 December 2015 and our comments sent to you earlier on your consultation on Interconnection Issues on 19 November 2015.

At the outset we wish to submit the following general points:-

ALL DELHI CABLE OPERATORS ASSOCIATION RESPONSE ON THE DRAFT MODEL & STANDARD INTERCONNECTION AGREEMENT ISSUED BY TELECOM REGULATORY AUTHORITY OF INDIA ON 9TH DEC, 2015

S. No	Reference	Particulars	ADCOA's Remarks
3.	TERMINATION OF THE AGREEMENT	3.1 Either Party has a right to terminate the Agreement through an advance notice of 21 days in writing to the other Party in event of	As per the clause if the parties do not cure the breach of the agreement within 30 days, than in that event 21 days termination notice can be sent after 30 days, which effectively deems that the default shall be a continuing one for 51 days period if not cured. Hence the period of 30 days should not be including the 21 days' notice period.
4	EFFECT OF TERMINATION AND EXPIRY OF THE AGREEMENT.	4.2 The LCO shall, within fifteen (15) days of the termination or expiry of the term, as the case may be, of this Agreement in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO, which are in the custody of the LCO. The LCO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the MSO, in custody of the LCO, within thirty (30) days from the receipt of notice to this effect from the MSO.	Regarding Hardware and Customer Premise equipment: <b>(DEFINITION OF PROPERTY AND ASSETS SHOULD BE DEFINED IRRESPECTIVE OF MSO AND LCO)</b> Handing over the properties shall be subject to the scheme opted by the Subscriber as in terms of TRAI Regulations; there can be various schemes through which the hardware/ STBs may be provided to the consumers therefore, it depends on the scheme which has been opted by the consumers.
5	PROVISION OF SERVICE	5.1 The MSO shall make available signal of TV channels to the LCO, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned Authorities.	The MSO shall non-exclusively make available signal of TV channels to the LCO in order to re-transmit the same (only in digital mode) to the Subscribers in the Territory in the same format and manner as received from MSO, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules,

			regulations, directions and orders of the concerned Authorities.
7	RIGHTS OF THE LCO	7.1 The LCO shall continue to have its right of ownership of its network used to deliver the cable TV services under this agreement and it can expand/ upgrade/ change/ replace/ re-design any part or full network subject to any such activity does not interrupt or degrade the Quality of Service (QoS) offered to the subscriber.	The LCO shall have the right of ownership of its network used to deliver the cable TV services under this agreement and it can expand / upgrade / change / replace / re-design any part or its full network subject to any such activity does not interrupt or degrade the Quality of service ( QOS ) offered to the subscriber <b>on its network.</b>
8	OBLIGATIONS OF THE MSO	8.5 The MSO shall generate bills for subscribers on regular basis, for charges due and payable for each month or as per the billing cycle applicable for that subscriber, within 3 days from the end of the billing cycle.  8.6 The MSO shall provide access to the relevant part of the SMS under its control to the LCO for the purpose of fulfilling responsibilities by the parties under the Agreement, and the applicable orders and regulations.	A. The MSO shall generate bills within 10 days from the end of the billing cycle to LCO. Based on the billing cycle chosen by subscriber in printed format and not on CD Drive, Pen Drive or any other format.  B. MSO should provide at least 2 to 3 spared frequencies to LCO for coverage of local area programs and DD Channels in case of failure of transmission provided by MSO.  C. Prior to any addition or deletion of channels / merging of package, created by MSO , should be informed to LCO  D. <b>Set-Top-Box procurement is the sole responsibility of the MSO.</b>

			<p>Keeping this in mind, there should be a system of supplying the STBs to the consumers via LCOs, giving proper documents i.e. invoice, warranty or hire purchase agreement etc. LCO should not be held responsible by MSO if a subscriber STB does not function properly or becomes faulty requiring replacement/repair. Faulty STBs (within warranty) must be replaced without any cost to LCO immediately to avoid disruption in service.</p> <p>E. No privileges allowed in the Agreement to allow LCOs least percent (our demand 2% of total Set Top Boxes) of demo type active Set Top Box without monthly charge</p>
	OBLIGATIONS OF THE LCO	<p>8.1 The LCO shall continue to have its right of ownership of its network used to deliver the cable TV services under this agreement and it can expand/ upgrade/ change/ replace/ re-design any part or full network subject to any such activity does not interrupt or degrade the Quality of Service (QoS) offered to the subscriber.</p>	<p>The MSO shall generate bills within 10 days from the end of the billing cycle to LCO. Based on the billing cycle chosen by subscriber in printed format, and not on CD Drive, Pen Drive or any other format.</p>
9		<p>9.5 The LCO shall – (iii) not interfere in any way with the signals provided by the MSO and also not use any decoding, receiving, recording equipment(s), counterfeit set top box or Smart card and any other like equipment's;</p>	<p>The LCO shall/ can provide connection to any Commercial Subscriber and to any other entity using the signals for personal use and not for further retransmission of the Cable T.V. signals</p>

10	Issue of Unique Identification Number (UIN) for the applicant	LCO	The UIN shall be generated from the SMS.
10.17	Redressal of consumer complaints as per the norms of the QoS regulations:- (iv) any other complaint.	Overall responsibility of MSO in his distribution network and, faults in the network of the LCO shall be rectified by the LCO.	The complaints redressed by the LCO shall be rectified within 24 hours and shall be updated to MSO.
10.20	Delivery of system generated itemized bills to subscribers	MSO	In cases where on mutual agreement basis, the system.  a) The MSO shall generate Bills/Invoices on OYC (to be delivered to the LCO printer hard copy) on the last day of every month.  b) The LCO shall deliver to Subscriber's printed hard copy of bills/invoices and distribute/issue all such Bills/invoices to the respective Subscribers on or before 7th days of the date of the invoice.
10.24	Payment of taxes to the Government.	MSO and LCO	The specific details of tax payment responsibilities need to be filled in the adjoining cells at the time of signing of the agreement as per the rules and regulations of the respective Tax authorities.
12	REVENUE SETTLEMENT BETWEEN THE LCO AND THE MSO AND RELATED RIGHTS AND OBLIGATIONS	Revenue Sharing is not proportionate with the present market value.	“TERMS OF REVENUE SHARE” SHOULD BE DEFINED IN DETAILS.  REVENUE SHARE OF CARRIAGE FEE, PLACEMENT FEE, ADVERTISEMENT AND SUBSCRIPTION REVENUE/ LCO REVENUE SHOULD BE SHARED BY ALL STAKE HOLDERS.  BROADCASTER GENERATE REVENUE

		<p>A. BROADCASTER</p> <p>B. MSO.</p> <p>C. LCO</p>	<p>FROM SUBSCRIPTION FROM MSO AND ADVERTISEMENT ON PAY CHANNELS WHICH GOES HIGH DURING INTERNATIONAL EVENTS.</p> <p>MSO GENERATE REVENUE FROM CARRIAGE FEE, PLACEMENT FEE, ADVERTIESMENT FEE AND REVENUE FROM LCO.</p> <p>LCO GENERATE REVENUE ONLY FROM SUBSCRIPTION.</p>
13	DEFAULTS	<p>13.1 Without prejudice to such rights and remedies that the MSO or the LCO may have in law or under the provisions of this Agreement, in the event of any delay or failure by the MSO or the LCO to make payments of dues on or before the respective due dates, the MSO or the LCO shall have the right:- (iii) To charge a simple interest at the rate of base rate of interest of the State Bank of India plus two per cent from the date such amounts became due until they are fully and actually paid;</p>	<p>Rate of interest shall be rate of interest OF Four (4%) per cent PER annum.</p>

## **FORCE MAJEURE:**

Failure on the part of the MSO or the LCO to perform any of its obligations, shall not entitle either party to raise any claim against the other or constitute a breach of this Agreement to the extent that such failure arises from an event of Force Majeure. If through Force Majeure the fulfilment by either party of any obligation set forth in this Agreement is delayed, the period of such delay shall not be taken into account in computing periods prescribed by this Agreement. Force Majeure will include act of god, earthquake, tides, storm, flood, lightening, explosion, fire, sabotage, quarantine, epidemic, arson, civil disturbance, terrorist attack, war like situation, or enactment of any law or rules and regulation made by the Authorities or any circumstances beyond the reasonable control of the parties herein that directly or indirectly hinders or prevents either of the parties from commencing or proceeding with the consummation of the transactions contemplated hereby. The Party affected by such Force Majeure event shall promptly notify the other party of the occurrence of such event. It is agreed between the Parties that lack of funds shall not in any event constitute or be considered an event of Force Majeure. If the conditions of Force Majeure to continue for a period exceeding one month, the Parties shall meet to decide upon the future performance of the Agreement. If the Parties are unable to agree upon a plan for future performance, then the Agreement shall be terminated upon notice of either party to the other, on expiry of one month from the date of such notice.

## **NOTICE :**

Any notice to be served on any party by the other shall be deemed to have been validly sent if sent by Registered Post Acknowledgement Due (RPAD) or by hand delivery duly acknowledged at the address mentioned in the beginning or at such other changed address as the party may inform and the date of receipt of such notice shall be the date of receipt by the other party or 7 days from the date of dispatch of the notice by RPAD, whichever is earlier.

## **CONFIDENTIALITY :**

The parties shall keep in strict confidence, any information received by one from the other while participating in the affairs/business of each other and shall not disclose the same to any person or party not being a party to this agreement except regulatory/Statutory authorities as may be asked by them.

## **The following points may be inserted in the Interconnection Agreement. :**

- I. MSO MUST discuss the agreement before finalising with LCOs.
- II. The Interconnection Agreement between MSOs & LCOs should be on the “PRINCIPAL TO PRINCIPAL” basis instead of present recommendation of Respondent “PRINCIPAL TO Agent” basis.
- III. Period to pay LCO’s revenue share should be fixed
- IV. All Interconnect Agreements must be submitted with TRAI for record purposes



Thanking you

For All Delhi Cable Operators Association.

A.S. Kohli (President)

Vineet Tripathi (Gen. Sec.)

9868799717.

**COFI Comments and suggestions on draft Interconnection Agreement between MSO and LCO post Open House Discussions held on 28 January 2016**

**Date: 02/02/16**

**Draft Interconnection Agreement**

1. Points brought out in the OHD overlooked/ not considered by TRAI
  - a) *The interconnect agreements between an MSO and Broadcaster should clearly indicate the maximum retail price (MRP) of a pay channel or bouquet of channels, distribution margins for MSOs/ independent cable operators. Similarly the agreements between MSOs and LCOs should clearly indicate MRP and margins for LCOs.*
  - b) *MSO must attach a certificate to the effect, which all broadcasters have signed content and carriage/ placement agreements with him and at what rate. This certificate should also give out the ad contracts for platform services to bring transparency in the total value chain.*
  - c) *The agreement should be a Tripartite agreement between MSO, Broadcaster and LCO.*
  - d) *TRAI should take up with the government for increasing the period of registration of an LCO from one year to 10 years to be in concurrence with the licence period of an MSO which is 10 years. This will provide a level playing field.*
  - e) *Audit of the broadcasters, DTH, MSO / HITs, LCO and other service providers should be done quarterly to verify their SMS systems and payments for service/content so that consumer payments are duly accounted for and Tax paid to the government is in confirmation of the amount received from the consumers. This will also check the practice of having dummy servers for SMS to cheat the*

**government regarding the number of subscribers.**

**f) Companies should send details of all persons authorized to sign the Interconnection agreements including name, designation, contact numbers, addresses with their specimen signatures duly stamped with company seal to the Regulator. If a local person/JV is signing the agreement, he/she must attach an authority letter to the effect signed by the authorized person of the parent company with company seal. Any changes in the signing authority must be sent to the TRAI within 15 days.**

## **2. GENERAL POINTS**

**a) Clause A on Page 2.** The MSO is a cable operator, who has been granted registration No. \_\_\_\_\_ dated \_\_\_\_\_ under the Cable Television Networks Rules, 1994, by the Ministry of Information and Broadcasting, for providing cable TV services through digital addressable systems in the areas of \_\_\_\_\_ notified by the Central Government under Section 4A of the Cable Television Networks (Regulation) Act, 1995.

**Comments: MSO may be referred as Headend Service Provider (HSP) and not a Cable Operator as given in the above clause. As brought out in the OHD, MSO is only a mediator or a wholesaler of 'pay' TV broadcasters and aggregator of FTA channels.**

**b) Clause B on Page 2.** The LCO is a Cable operator, who has been granted registration under the Cable Television Networks Rules, 1994, having postal registration No. \_\_\_\_\_

dated \_\_\_\_\_, in the head post office \_\_\_\_\_, [Name of the head post office] for providing Cable TV Services in \_\_\_\_\_ [Mention the area].

**Comments: LCO should be referred as Last Mile Owner (LMO) as he builds, operates, maintains and upgrades the network connecting all consumers.**

c) **Clause C on Page 2. TERRITORY:** Territory, in the context of this Agreement is \_\_\_\_\_ [mention the name of area(s)/ city(ies)/ district(s)/ state(s) for which this agreement is being signed.]

**Comments :** *Map of the area of operation should be attached with the agreement.*

### 3. TERMS OF THE AGREEMENT

Insert the following Paras after Para 2.2:-

**2.3** *Subject to the terms and conditions of this Agreement, the right to receive signals of its Digital Cable TV and other allied services through the Trunk Line/ IP line/other permissible mode from the end of MSO and means for further instant re-transmission by the LCO to the subscribers in the Territory on the terms and conditions herein set out.*

*The present Agreement is purely a contract between the parties and cannot be construed as a partnership nor can be envisaged as an Employee and Employer relationship.*

**2.4** **Signing authority of interconnection Agreement** Interconnect Agreement should be signed by proprietor of cable network and an **officer not below the rank of MD/ CEO** new on the part of MSO with proper name & stamp of company. In case an authorized person is deputed to sign the Agreement, a copy of the authority letter signed by the MD/ CEO should be attached with this agreement.

### 3. TERMINATION OF THE AGREEMENT

#### **Clause 3.2 to 3.4**

**3.2** The LCO has a right to terminate the Agreement in the event of the MSO discontinuing the business of retransmission of signals of TV channels in the Territory.

**3.3** The MSO has a right to terminate the agreement in the event of the LCO discontinuing its

cable TV business.

3.4 If the MSO discontinues the business of retransmission of signals of TV channels for any reason, he shall give a notice in writing to the LCO at least 90 days prior to such discontinuation.

**Comments:**

- i) The points 3.2, 3.3 and 3.4 give a total monopoly to the MSO and situation worsens when MSO is a part of vertical integrated Group having DTH operation as a partner/ company.*
- ii) LCO has nothing in hand to bargain or to do his business.*
- iii) If only one MSO having monopoly in the area exists and plans to discontinue or want to sell/ merge with another party, a simple notice of 90 days may not be adequate for LCO to install his own headend or wait for another MSO to get connected.*
- iv) What option the Regulator has given to an LCO to sustain his business if his agreement is terminated by one MSO and another MSO refuses to give him the signal? The LCO does not have a DAS licence nor a Backup headend.**

**Note-** The Regulator has to find a solution to such a situation like permitting LCOs to run their basic tier of FTA channels and their video channels as a standby/ Backup arrangement. This will also help when an LCO's digital feed gets disrupted for a long time due to some reason like a technical fault, severe damage to the trunk lines, natural calamity etc.

**In such disruptions, consumer refuses to pay/ cuts the monthly subscription but MSO and broadcaster wants full money.**

#### **4. EFFECTS OF TERMINATION AND EXPIRY**

**Clause 4.2:** The LCO shall, within fifteen (15) days of the termination or expiry of the term, as

the case may be, of this Agreement in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO, which are in the custody of the LCO. The LCO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the MSO, in custody of the LCO, within thirty (30) days from the receipt of notice to this effect from the MSO.

**Comments:** *List of hardware or any other property or asset including STBs belonging to MSO and installed in the network of the LCO for delivery of services should be attached with the Agreement.*

**MSO should be responsible for daily upkeep and maintenance of such equipment meant to provide service to the LCO. LCO will compensate only such damage that has been caused due to his negligence/ willful damage and not otherwise.**

## **5. PROVISION OF SERVICE**

**Clause 5.1:** The MSO shall make available signal of TV channels to the LCO, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned Authorities.

**Comments:** *Minimum Quality of service standards in respect of TV signal and other services to be complied with by MSO at the LCO headend and consumer end should be specified/ mentioned clearly in the Agreement. Financial disincentives, penalties etc against faults, delays etc. should also be clearly specified.*

Add the following Para before Para 6 - 'Rights of MSO' and Para 7- 'Rights of LCO':-

### **CO-OPERATION AND CO-ORDINATION BETWEEN MSO & LCO:**

***In respect to the mutual consequence, MSO & LCO recognize to achieve success in the business in the Digitization mode and shared unity of purpose to deliver best service and content to the Cable TV Subscribers to uphold digitization in the following manner.***

- i) Both the parties shall act together and in harmony with each other for betterment of facilities and services to be provided to the end subscriber and shall***

***educate the subscribers on the subject of the promotional offer time to time and applicable regulations governing Cable TV from time to time.***

***ii) Joint efforts will be made by both the parties towards upgradation of the Cable TV Network and adoption of future Technology as required.***

***iii) Both MSO & LCO will be attentive to generate additional revenue for each other through their service based on modernization of the existing Cable TV Network.***

***iv) LCO will ensure that upon termination of the business relations between the parties, it will return the Set Top Boxes taken from the MSO provided, on Hire / Rental basis as well as the accounts till the date of termination of this agreement. The MSO also undertakes to refund the Security Deposit charged by it towards the said Set top boxes to the LCO.***

***v) The MSO (HSP) shall not have any right whatsoever in the network of the LCO and his role is restricted to providing signals to LCO at a pre-specified point beyond which the MSO ( HSP) cannot encroach unless written permission from the LCO.***

***vi) Agreement should clearly mention the method of giving an STB to consumer (rental, purchase, hire purchase etc) and activation fee if charged.***

***vii) MSO should provide digital signal of specified quality and standards listed in the agreement as fixed by TRAI.***

***viii) MSO should be penalized for giving poor quality signal or improper service.***

***ix) Money should be deducted for deficit service as per quality of service Regulations.***

## 6. RIGHTS OF THE MSO

**Clause 6.3 :** The MSO shall specify the maximum retail price of each channel, as payable by the subscriber.

**Comments:** *All package/ channel rates, discount schemes, STB hiring schemes for subscribers will be decided by the MSO in consultation with the LCOs.*

**Clause 6.4:** The MSO shall have the right to package the channels/ services offered on the network, as per its business plan and as per prevailing norms, policies, the applicable laws and rules, regulations and tariff orders.

**Comments:** *All business plans made by the MSO where LCO network is being used, will be made jointly by the MSOs and the LCOs. LCOs area of operation and choice of consumers of that area is very important in making business plans.*

**Clause 6.5:** The MSO shall have the right to specify the rate of Basic Service Tier (BST) in compliance with the provisions of the applicable tariff order and regulations notified by the Authority from time to time.

**Comments:** *Free to air basic service tier channels will be decided by the MSO in consultation with LCOs and consumers or Civil Society (RWAs) etc.*

*MSO should not be allowed to shift the channel placing on their whims. Notice must be given to the LCO and the consumers before any change in the placements as prescribed.*

**Note:** *It should be mandatory for all MSOs to provide a basic tier of minimum 100 FTA channels at a cost of Rs 100/- per month*

**Clause 6.6:** The MSO shall have the right to specify the rates of bouquets of channels, if offered by the MSO, in compliance with the provisions of the applicable tariff Orders notified by the Authority.

**Comments:** *Constitution of Pay TV Bouquets will be decided in consultation with LCOs and Civil Society of the area to meet the public demand and thrust upon them in a monopolistic manner.*



## **7. RIGHTS OF THE LCOS**

**Comments: add the following paras after 7.1 and 7.2:-**

**7.3 For the sake of business and on the issue of technical feasibility of Cable TV Network, LCO may decide to enter to the interconnect agreement with one or more alternate MSO or HITs or any other technology operator, for which, the present MSO, being the party to this Agreement will not have any objection.**

**7.4 LCO will share the response from subscribers and insist for content and service of the Cable TV Subscribers with MSO.**

**7.5 Considering the business preposition of LCO, and on the issue of inadequate service of MSO referring to the technological crisis day after day, and dissatisfactory reception of Cable TV Signal from MSO, or substandard Set Top Boxes, LCO may desire to terminate this agreement for the total area of his network or part of his network at any time with a notice.**

## **8. OBLIGATIONS OF MSOS**

**Clause 8.12:** The MSO shall provide online payment gateways, prepaid system for subscribers and facility for electronic acknowledgment to the subscriber on the receipt of payment from the subscriber.

**Comments: Billing should be done through LCO/LMO whether online or offline, because LCO/LMO gives service to the consumers and collects the subscription amount. MSO has no role to play in this.**

**Also add the following clauses-**

**8.13 MSO will declare the list of vendors selling compatible STBs for subscribers to enable him to purchase an STB from the market directly as required in Cable TV Rule 13 and he will be obliged to pair it with his system for service to the subscriber.**

**8.14 MSO should give an annual certificate to TRAI that they are abiding by all TRAI regulations and Tariff Orders.**

8.15 MSO should not do cartelization with other MSOs, deciding not to provide signal feed to an LCO to destroy his business. MSOs should not trap LCOs in false criminal/civil cases.

8.16 MSO should not raise dummy operators in LCO's area or disturb the signal feed to harm his business or do direct networking as an LCO in the same area.

8.17 MSO should give NOC to the LCO every month along with the billing invoice if there are no arrears due. Arrears if any should be clearly mentioned. This is to avoid harassment to the LCO when he renews his annual agreement in the Post office where he is asked to give the NOC. From various authorities.

## **9. OBLIGATION OF THE LCO**

**Clause 9.4:** The LCO shall have no right, without the prior written consent of the MSO, to assign or transfer any of its rights or obligations under this Agreement.

**Comment:** *This clause needs to be amended as follows:-*

*The LCO is an independent business entity offering his network to the MSO to pass through his services to the consumers. His liability to the MSO is limited to only the services provided jointly. Hence this clause is not required. He need not take any permission to do his business.*

**Clause 9.5:** not alter or temper the Hardware including the seal (seal to prevent opening of set top box), misuse, replace, remove and shift the Smart card or set top box without the written consent of MSO from their respective original addresses;

**Comments:** *Regulator should decide the ownership of the Set Top Box. If the STB belongs to the MSO, the responsibility of service and repairing should be given to the MSO.*

*If it belongs to consumer, the consumer will pay for service and repairs*

## **10. Clause 10: ROLES AND RESPONSIBILITIES OF MSOS AND LCOS**

### **Point 24, Page No 15: Payment of Taxes to the Government**

- i) Entity that generates the bill should pay the taxes.

## **11. BILLING**

### **Comments:**

- i) consolidated subscriber ID wise Billing should be given by the MSO to LCO for making individual bills.*
- ii) No prepaid payments should be permitted as MSO service is generally very poor, full of disruptions and subscribers refuse to pay or pay reduce the amount of subscription.*
- iii) Billing should be done on Pro-Rata basis.*

## **12. REVENUE SETTLEMENT BETWEEN THE LCO AND THE MSO AND RELATED RIGHTS AND OBLIGATIONS**

### **Comments:**

- i) Revenue share should be like CAS Model which was never disputed in any court.*
- ii) MRP of Pay channels should be declared for the consumers as done for CAS regime when Sh Nripendra Mishra was the TRAI Chairman (Now Principal Secretary to the PM, Sh Narendra Modi).*
- iii) FTA Revenue was given 100% to the LCO as his basic service charges.*

## **13. DEFAULTS**

**Clause 13.1** Without prejudice to such rights and remedies that the MSO or the LCO may have in law or under the provisions of this Agreement, in the event of any delay or failure by the MSO or the LCO to make payments of dues on or before the respective due dates, the MSO or the LCO shall have the right:-

- (i) to disconnect the services subject to the compliance of the applicable rules,

regulations, directions or orders of the competent authority;

(ii) to terminate this Agreement, subject to compliance of the applicable laws in force;

(iii) to charge a simple interest at the rate of base rate of interest of the State Bank of India plus two percent from the date such amounts became due until they are fully and actually paid;

**Comments: *The LCO has no such service provided to the MSO which can be disconnected. It is only the LCO who is made to suffer the act of disconnection of the signal. This is a one sided clause and needs to be modified or deleted.***

**Clause 13.2:** Upon disconnection of the service as mentioned in clause 13.1 above, whether accompanied by termination of this Agreement or not, the LCO or the MSO shall be liable to deposit forthwith all sums payable by it to the MSO or the LCO, as the case may be. In the case of termination, accounts shall be settled within thirty days and for delayed payments by either party shall pay simple interest at the rate of base rate of interest of the State Bank of India plus two percent.

**Comments: *There should be a law to make the consumer also pay the subscription amount with interest if he makes a delayed payment like it is done for mobile, telephone and other public services.***

## **15. PREVENTION OF PIRACY**

LCO must be permitted to install a mini headend to cable cast digital FTA TV channels and his own video channel as a standby/ backup to MSO services to be used in case of long duration technical faults or breakdown due to some other reason.

**Add the following para after Para 15.**

## **CONSUMER CHARTER**

***MSO should provide a booklet containing consumer charter, MRP of channels, list of pay and FTA channels, A-la-carte and bouquet price and details about consumer rights and duties under the Act.***

## **16. DISCLAIMER AND INDEMNITY**

If any act of MSO forces the broadcaster to switch off its signals disrupting consumer services in any manner that makes collection of revenue difficult for the LCO, MSO must compensate the LCO for the damages suffered.

## **17. Governing Law and Dispute Resolution**

**Clause 17.1:** As mandated by law (TRAI Act, 1997), the Parties shall not institute any suit or seek injunction or interim orders in any court or judicial tribunal/ authority in India with respect to any claims, dispute or differences between the Parties arising out of this Agreement save and except before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi

(“TDSAT”). The Parties agree that all disputes between the Parties shall be resolved solely through proceedings instituted before the TDSAT.

***Comments: Since TDSAT is situated only in Delhi and LCOs are present in far flung areas, it is not possible to approach TDSAT in time to get a quick relief, LCOs must be permitted to approach local courts for a remedy. The TRAI Act must be amended accordingly so that LCOs in far off areas can get immediate relief in their respective states.***

## **20. RESTRICTION ON TRANSFER**

The either Party shall not remove, sell, assign, mortgage, transfer/sublet and encumber all or any part of the network which belongs to the other Party. If the Party indulges in any of the above-mentioned acts, the said acts shall be illegal and void ab-initio and the Party shall also be liable for any action under the applicable law.

***Comments: It should be restricted to the extent where the network facilities of each other are being shared and used.***

***MSO should not include LCO network and his connections as his assets while dealing with investors/ SEBI or while seeking FDI.***

**Cable Operator Welfare Federation**  
**A201, Dr. Ambedkar Nagar, Sector-2, New Delhi-110062**

Date: 02/01/16

Hon'ble Sir,

With reference to captioned subject, we are around 1200 Cable Operators enunciated with COWF India. There are few necessary suggestions which we all suggest your good selves to look at those suggestions. You are requested to please consider the above said facts for the benefits of both LCO & MSO.

Your necessary actions will be highly appreciable.

Thanks

**DRAFT**

**MODEL AND STANDRAD INTERCONNECTION AGREEMENT BETWEEN  
MULTI SYSTEM OPERATOR AND LOCAL CABLE OPERATOR FOR OFFERING  
CABLE TV SERVICES THROUGH DIGITAL ADDRESSABLE SYSTEMS(DAS).**

This Technical and Commercial Interconnection Agreement along with its Schedules and Annexures is executed on this            day of \_\_\_\_\_ 201\_ by and between:

\_\_\_\_\_, having its office at

\_\_\_\_\_, through its Authorised Signatory (hereinafter referred to as the “MSO” which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors, assignees, legal heirs and executors) of the **ONEPART**.

MSO's Status: Individual/Firm/Company/Association of Persons/Body of Individuals (strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)

**AND**

\_\_\_\_\_, having its office at

\_\_\_\_\_, through its Authorised Signatory (hereinafter referred to as the “**LCO**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors, assignees, legal heirs and executors) of the **OTHER PART** LCO’s Status: Individual/Firm/Company/Association of Persons/Body of Individuals (strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)

The **MSO** and the **LCO** are hereinafter individually referred to as ‘Party’ and collectively referred to as “**Parties**”.

**WHEREAS**



A. The MSO is a cable operator, who has been granted registration No. \_\_\_\_\_ dated \_\_\_\_\_ under the Cable Television Networks Rules, 1994, by the Ministry of Information and Broadcasting, for providing cable TV services through digital addressable systems in the areas of \_\_\_\_\_ notified by the Central Government under Section 4A of the Cable Television Networks (Regulation) Act, 1995.

B. The LCO is a Cable operator, who has been granted registration under the Cable Television Networks Rules, 1994, having postal registration No. \_\_\_\_\_ dated \_\_\_\_\_, in the headpost office \_\_\_\_\_, [Name of the headpost office] for providing Cable TV Services in \_\_\_\_\_ [Mention the area].

C. TERRITORY: Territory, in the context of this Agreement is \_\_\_\_\_ [mention the name of area(s)/ city(ies)/ district(s)/ state(s) for which this agreement is being signed.]

D. The Parties have mutually agreed to execute this Agreement between them to govern the roles, responsibilities, rights, obligations, technical and commercial arrangement in regard to the distribution of Television channels in the territory.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants contained herein, the Parties agree as follows:-

## **1. DEFINITIONS**

The words and expressions used in this Agreement shall have meanings as assigned to them in the Schedule to this Agreement. All other words and expressions used in this Interconnection Agreement, but not defined, and defined in the Act and rules and regulations made there under or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## **2. TERM OF THE AGREEMENT**

- 2.1 The Agreement shall commence on \_\_\_\_\_ [dd/mm/yyyy] and remain in force till \_\_\_\_\_ [dd/mm/yyyy] or the date of expiry of registration of the MSO or the LCO, as the case may be, whichever is earlier, unless terminated by either Party as per the terms and conditions of the Agreement.
- 2.2 The duration of the Agreement may be extended on terms and conditions to be mutually agreed between the Parties and recorded in writing.

### **3. TERMINATION OF THE AGREEMENT**

3.1 Either Party has a right to terminate the Agreement through an advance notice of 21 days in writing to the other Party in event of:-

- (i) material breach of the Agreement by a Party which has not been cured within thirty (30) days of being required in writing by one Party to do so by the other party; or
- (ii) the bankruptcy, insolvency or appointment of receiver over the assets of either Party; or
- (iii) the other party indulging in, or allowing or inducing any person to indulge in piracy or carrying programming service provided on the channel which is in violation of the Programme & Advertising Codes prescribed in the Cable Television Network Rules, 1994, as amended from time to time.

3.2 The LCO has a right to terminate the Agreement in the event of the MSO discontinuing the business of retransmission of signals of TV channels in the Territory. **Period of disconnection and reason thereof is required.**

3.3 The MSO has a right to terminate the agreement in the event of the LCO discontinuing its cable TV business. **Discontinuation should effect after prior notice of atleast 30 days & after opportunity of being heard to LCO with a reason thereof.**

3.4 If the MSO discontinues the business of retransmission of signals of TV channels for any reason, he shall give a **valid** notice in writing **by reason thereof** to the LCO at least 90 days prior to such discontinuation.

35 If the LCO discontinues its business of providing signals of TV channels to the subscriber, he shall give a notice in writing to the MSO at least 90 days prior to such discontinuation.

#### **4. EFFECT OF TERMINATION ANDEXPIRY.**

4.1 In the event of termination or expiry of the term of the Agreement, as the case may be, at the instance of either Party each party shall pay all amounts due and payable up to the date of termination or expiry to the otherparty. **Financial amount as mutually in writing decided by both the parties.**

4.2 The LCO shall, within fifteen (15) days of the termination or expiry of the term, as the case may be, of this Agreement in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO , which are in the custody of the LCO. The LCO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the MSO, in custody of the LCO, within thirty (30) days from the receipt of notice to this effect from theMSO.-**All properties pertains to MSO in LCO;s custody should be in writing for all assets provided to LCO and same should be acknowledged by LCO thereof. All wear & tear expenses & responsibilities should be born by MSO.**

4.3 The MSO shall, within fifteen (15) days of the expiration or termination, as the case may be, of this Agreement in terms of the provisions mentioned herein, hand over to the LCO all properties and assets belonging to the LCO , which are in the custody of the MSO. The MSO shall also be liable to make good all losses or damages, if any, caused to such properties and assets belonging to the LCO, in the custody of the MSO, within thirty (30) days from receipt of notice to this effect from theLCO.

Explanation:- The clause 4.2 and 4.3 above shall not have any application in respect of Hardware or any other equipment belonging to the MSO or the LCO, as the case may be, which are installed at the premises of thesubscribers.

4.4 If the LCO or the MSO, as the case may be, fails to hand over the assets or make good losses or damages caused to such properties and assets within the above said period, the defaulting Party shall be liable to make payment for the same together with simple interest calculated at the rate of base rate of interest of the State Bank of India plus twopercent.-**In Case of STB & other equipments, if subscribers peacefully handover**

**the same to LCO, in that case will hand over the same to MSO.**

## **5. PROVISION OF SERVICE**

5.1 The MSO shall make available signal of TV channels to the LCO, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned Authorities.

5.2 The roles and responsibilities of the Parties to the Agreement are contained in **clause 10** of this Agreement.

5.1.1 In consideration of roles and responsibilities mentioned in **clause 10** of the Agreement, the revenue settlement between the LCO and the MSO have been mentioned in the **clause 12** of the Agreement.

## **6 RIGHTS OF THE MSO**

6.1 The MSO shall continue to have a right of ownership of its network used to deliver the cable TV services under this agreement and it may expand/ upgrade/ change/ replace/ redesign any part or entire network subject to the condition that any such activity shall not interrupt or degrade the Quality of Service provided to the subscribers.- **This is against the fundamental rights as it is complete properties of LCO instead of MSO.**

6.2 The MSO shall sign the interconnection agreement with broadcasters for re-transmission of signals of TV Channels as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned Authorities.

6.3 The MSO shall specify the maximum retail price of each channel, as payable by the subscriber.

6.4 The MSO shall have the right to package the channels/ services offered on the network, as per its business plan and as per prevailing norms, policies, the applicable laws and rules, regulations and tariff orders.- **Any package (MRP) to collect from subscribers should be pre decided by MSO & LCO in writing & written consent from LCO needed because of LCO is directly interact with the subscribers on ground.**

6.5 The MSO shall have the right to specify the rate of Basic Service Tier (BST) in compliance with the provisions of the applicable tariff order and regulations notified by the Authority from time to time. **As mentioned above, BST should be mutually decided by MSO & LCO in writing in consultation with TRAI.**

6.6 The MSO shall have the right to specify the rates of bouquets of channels, if offered by the MSO, in compliance with the provisions of the applicable tariff Orders notified by the Authority.

6.7 The MSO shall have the right to get all requisite information from the LCO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations.

## **7. RIGHTS OF THE LCO**

7.1 The LCO shall continue to have its right of ownership of its network used to deliver the cable TV services under this agreement and it can expand/ upgrade/ change/ replace/ re-design any part or full network subject to any such activity does not interrupt or degrade the Quality of Service (QoS) offered to the subscriber.

7.2 The LCO shall have right to get all the requisite information from the MSO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations. Further if LCO and its subscribers are not satisfied with the services of MSO's then LCO have right to change MSO with the notice of 30 days.

## **8. OBLIGATIONS OF THE MSO**

8.1 MSO shall set up and operationalise the Head-end, Conditional Access System (CAS) and Subscriber Management System (SMS) for ensuring efficient and error-free services to the subscribers by recording and providing individualized preferences for channels, billing cycles or refunds.

8.2 The MSO shall make available to the LCO, the necessary and sufficient information relating to the details of channels, bouquets of channels, and services offered to the subscribers.

8.3 The MSO shall provide web based grievance redressal mechanism for addressing the

complaints of LCOs in relation to the provision of services, revenue settlements and quality of services.

8.4 The MSO shall not distribute pre-activated STBs and the STBs shall be activated only after the details of the Customer Application Form (CAF) have been entered into the subscriber management system.

8.5 The MSO shall generate bills for subscribers on regular basis, for charges due and payable for each month or as per the billing cycle applicable for that subscriber, within 3 days from the end of the billing cycle. **Unacceptable to LCO.**

8.6 The MSO shall provide access to the relevant part of the SMS under its control to the LCO for the purpose of fulfilling responsibilities by the parties under the Agreement, and the applicable orders and regulations.- **The package updating & downgrading, Alacarte facility should be operated by LCO.**

8.7 The MSO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the LCO or person associated with such transmission.

8.8 The MSO shall comply with all the applicable statutes or laws for the time being in force, or any rules, codes, regulations, notifications, circulars, guidelines, orders, directions etc. issued, published or circulated under any law for the time being in force.

8.9 The MSO shall not do any act or thing as a result of which, any right or interest of the LCO in respect of cable TV signals under this Agreement or any property of the LCO may be infringed or prejudiced.

8.10 The MSO shall be responsible for encryption of the complete signal, transmitted through its network and the network of the LCO, up to the STB installed at the premises of the subscriber.

8.11 The MSO shall not disconnect the signals of TV Channels, without giving three weeks' advance notice to the LCO and clearly specifying the reasons for the proposed disconnection as envisaged in the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.

8.12. The MSO shall provide online payment gateways, prepaid system for subscribers and facility for electronic acknowledgment to the subscriber on the receipt of payment from the subscriber.

## 9 OBLIGATIONS OF THE LCO

9.1 The LCO shall handover a copy of application form received from subscribers within 15 days to the MSO;

9.2 The LCO shall be responsible for entering the details of the bill amount paid by the individual subscriber to the LCO for the Cable TV service in the SMS.

9.3 The LCO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the MSO, or any other person associated with such retransmission.

9.4 The LCO shall have no right, without the prior written consent of the MSO, to assign or transfer any of its rights or obligations under this Agreement.

9.5 The LCO shall—

- (i) not transmit or retransmit, interpolate or mix any signals which are not transmitted or generated by the MSO without the prior written consent of the MSO;— **LCO should be provided sufficient space for local video channel.**
- (ii) not insert any commercial or advertisement or information on any signal transmitted by the MSO. Any such tampering of signals or interpolating of signals shall be deemed to be a violation of this Agreement and shall constitute sufficient cause for termination of this Agreement by the MSO by giving such notice as prescribed under the law or under this agreement;
- (iii) not interfere in any way with the signals provided by the MSO and also not use any decoding, receiving, recording equipment(s), counterfeit set top box or Smart card and any other like equipments;
- (iv) not alter or temper the Hardware including the seal (seal to prevent opening of set top box), misuse, replace, remove and shift the Smart card or set top box without the written consent of MSO from their respective original addresses;

(v) not use, either before or after the installation of set top box, of any decoding, receiving, recording equipment(s), counterfeit set top box(es), Smart card(s) other than the set top box(es), Smart cards and any other equipments supplied/ approved by the MSO, and to take actions as directed by the MSO against such subscribers.

(vi) intimate the MSO promptly about any alteration, tampering with the Hardware including the seal, misuse, replacement, removal and shifting of Smart cards and set top boxes, without the written consent of MSO, from their respective original addresses and also about the use, either before or after the set top boxes, of any decoding, receiving, recording equipment(s), counterfeit set top box(es) and Smart card(s) other than the set top box(es), Smart card(s) and any other items of Hardware supplied by the MSO, and to take actions as directed by the MSO against such subscribers.

9.6 The LCO shall not provide connection to any entity for further retransmission of the Cable T.V.signals.

9.7 The LCO shall not record and then retransmit Cable TV Signals or otherwise to block or add or substitute or otherwise tamper with the signal being transmitted by the MSO or with the trunk line nor shall allow any other person to do so.

9.8 The LCO shall not do any act or thing as a result of which, any right or interest of the MSO in respect of the Cable T.V. signals under this Agreement or any property of the MSO may be infringed or prejudiced.

9.9 The LCO shall provide access of the systems under its control to the MSO for the purpose of fulfilling responsibilities by the parties under the Agreement, and the applicable orders and regulations.

9.10 The LCO shall not disconnect the signals of TV Channels, without giving three weeks' notice to the MSO and clearly specifying the reasons for the proposed disconnection as envisaged in the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.



## 10 ROLES AND RESPONSIBILITIES OF THE MSO AND THE LCO:

Sl. No.	Role	Responsibility of the MSO or the LCO as mutually agreed by the parties - fill the cell accordingly	Responsibility in the event of agreement signed on the basis of fall back revenue share arrangement prescribed in the Tariff Order.	Remarks
(1)	(2)	(3)	(4)	(5)
1	Publishing of Schemes for obtaining and returning the Set Top Boxes (STBs) by the subscriber and the warranty/ repairing policy applicable thereof.		<b>MSO</b>	The MSO shall supply copies of such published schemes to the LCO.
2	Devising of formats of application as specified in the schedule-I of the QoS regulations for; (i) seeking connection, disconnection, reconnection, transfer, and shifting of Cable TV services; (ii) obtaining and returning of STB.			The MSO shall adopt the devised format as application form and supply the application forms to the LCO.
3	Publication of Manual of Practice (MoP)			The MSO shall supply copies of the MOP to the LCO for onward delivery to the subscriber.
4	Publication of Consumer Charter.			The MSO shall supply copies of the consumer charter to the LCO for display in the office.

5	Setting up of Website containing information pertaining to services, details of complaint centre, complaint redressal system, complaint monitoring system, citizen charter, nodal officer etc.		<b>MSO</b>	
6	<ul style="list-style-type: none"> <li>a. Establishment of Complaint centre for <ul style="list-style-type: none"> <li>(i) addressing service requests of subscribers,</li> <li>(ii) redressal of complaints of subscribers.</li> </ul> </li> <li>b. Establishment of web based Complaint Monitoring system.</li> <li>c. Providing Toll free Consumer Care Number and its publicity.</li> <li>d. Maintenance of records of all complaints filed by the consumer as provided in the Complaint Redressal Regulations.</li> </ul>		<b>MSO</b>	The MSO shall communicate to the LCO the details of complaint centre for onward communication to subscribers.
7	Specification of a system of discount or rebate to the subscriber due to interruptions in service and creating awareness about such scheme.		<b>MSO</b>	The MSO shall communicate to the LCO, the details of such scheme for onward communication to subscribers.

8	<p>a. Providing information to the subscriber about the schemes for obtaining and returning the STB and the warranty/ repairing policy applicable thereof.</p> <p>b. Providing of the application form along with the MOP to the applicants/ subscribers and</p> <p>c. Receiving of application form from applicants/ subscribers for</p> <p>(i) connection, reconnection, transfer, and shifting of Cable TV services;</p> <p>(ii) obtaining and returning of set top box.</p> <p>d. Returning of the duplicate copy of the application form to the applicant/ subscriber as an acknowledgment of receipt of application.</p> <p>e. Communication of shortcomings or deficiency, in the application form, in writing to the applicant, within 02 (two) days of receipt of the application.</p> <p>f. Communication of technical or operational non-feasibility to the applicant, in case it is technically or operationally non-feasible to provide connection, reconnection, shifting of service or supply of set top box at the location, where the services are requested by the applicant, within 2 days of receipt of the application.</p>		<b>LCO</b>	<p>The LCO shall update the information in the Subscriber Management System (SMS) in each case within one day of receipt of the application.</p>
9	<p>Issue of Unique Identification Number (UIN) for the applicant.</p>		<b>LCO</b>	<p>The UIN shall be generated from the SMS.</p>

10	Installation of STB at the premises of the subscriber and activation through SMS.		<b>LCO</b>	
11	Providing rebate to the subscriber for delay in installation and activation of STB.		<b>MSO</b>	In cases where the delay can be attributed to the LCO, for such cases the MSO may recover the rebate amount from the LCO.
12	Issuance of advance notice of 15 days regarding discontinuing or disconnection of cable service to the subscriber <b>by MSO</b> , indicating the reasons for such discontinuation or disconnection.		<b><u>MSO</u></b>	The notice to be initiated by the LCO on its own or it can be on the written directions of the MSO.
13	Receipt of request from the subscriber for disconnection or suspension of service.		<b>LCO</b>	The <b><u>MSO</u></b> shall update the information in the SMS immediately.
14	Disconnection or suspension of cable services on receipt of request from the subscriber. - <b><u>What to do in case of non payment by subscribers.</u></b>		<b>LCO</b>	The LCO shall disconnect cable services through the SMS.
15	Notice to the Subscribers regarding disruption of signals for preventive maintenance.		<b>LCO</b>	The notice to be initiated by the LCO on its own or it can be on the written directions of the MSO.
16	Response to the consumer complaints as per norms of the QoS regulations.		<b>MSO</b>	The complaints received by the LCO shall be immediately updated in the web based complaint monitoring system so that the necessary corrective action can be taken by the Parties in time and the same can be monitored by the complainant.

17	Redressal of consumer complaints as per the norms of the QoS regulations:- (i) relating to 'No signal'; (ii) relating to STB; (iii) relating to subscriber's billing and receipts; (iv) any other complaint.		<b>Overall responsibility of MSO, faults in the network of the LCO shall be rectified by the LCO.</b>	The complaints redressed by the LCO shall be immediately updated in the web based complaint monitoring system.
18	Designation of nodal officer as per the provisions of the consumer complaint redressal regulation.		<b>MSO</b>	
19	Communication to subscriber about redressal of the complaint received from the Authority.		<b>MSO</b>	
20	Delivery of system generated itemized bills to subscribers.		<b>MSO</b>	In cases where on mutual agreement basis, the system generated bills and/ or receipts are delivered to the subscribers by the LCO, then the LCO shall update the information in the SMS immediately.
21	Delivery of payments receipts to subscribers.		<b>MSO</b>	
22	Electronic acknowledgement to subscriber within three (03) days of making of payment by the subscriber.		<b>MSO</b>	
23	Providing information relating to itemised usage showing actual usage of service in case of prepaid bills for any period within 6 months.		<b>MSO</b>	The requests received by the LCO shall be immediately updated in the SMS so that the MSO can provide the requisite details to the subscriber in time.

24	Payment of taxes to the Government.	<b>MSO and/ orLCO</b>	<b>MSO and/ orLCO</b>	The specific details of tax payment responsibilities need to be filled in the adjoining cells at the time of signing of the agreement as per the rules and regulations of the respective Tax authorities.
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**Note:-**The responsibilities for various roles mentioned in the column (2) above can be mutually agreed by the parties and accordingly the cells of the column (3) to be filled. The fix responsibilities, of the parties in the event of agreement signed on the basis of fall back revenue share arrangement prescribed in the Tariff Order, has been provided in the column (4)above.

## 11 BILLING

11.3.1 The billing for subscriber shall/will be in the name of \_\_\_\_\_ . However, each party shall ensure that the applicable rules and regulations relating to taxes are complied with.

**\*\* Billing amount will be decided mutually by MSO & LCO time to time.**

## 12. REVENUE SETTLEMENT BETWEEN THE LCO AND THE MSO AND RELATED RIGHTS AND OBLIGATIONS

12.1 The revenue settlement between the LCO and the MSO shall be in the following manner:-

- (a) the charges collected from the subscription of channels of Basic Service Tier, free to air channel and bouquet of free to air channels shall be shared in the ratio of \_\_\_\_\_ : \_\_\_\_\_ between MSO and LCO respectively; and
- (b) the charges collected from the subscription of channels or bouquet of channels or channels and bouquet of channels other than those specified under clause (a) shall be shared in the ratio of \_\_\_\_\_ : \_\_\_\_\_ between MSO and LCO respectively.

### Note:-

For mutual agreement cases where the roles and responsibilities of the MSO and the LCO have been agreed as per column (3) of clause (10), this clause can be suitably amended based on mutual agreement. However, in cases, where the agreement is signed on the basis of fallback revenue share arrangement, as prescribed in the Tariff Order, the responsibilities of the MSO and the LCO shall be as per column (4) of the clause (10) of this agreement.

12.2 In cases where:-

- a) **the bills to the subscribers are issued and subscription payments have been received by the LCO, the MSO shall issue monthly invoice to the LCO towards dues payable by the LCO and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date of payment which shall not be less than seven days. All amounts billed as per statements/ invoices shall be payable on or before the due dates as mentioned therein.- Should be deleted**

**OR**

b) the bills to the subscribers are issued and subscription payments have been received by the MSO, the MSO shall share the complete information with the LCO enabling him to raise invoice for its dues for the services rendered by the LCO. The monthly invoice issued to the MSO towards revenue share payable by the MSO shall clearly specify the current payment dues and arrears, if any, along with the due date of payment which shall not be less than sevendays.- **Acceptable to us**

**(Strike out whichever is not applicable)**

12.3 In cases where the subscription amount has not been realised from the subscriber, the LCO or the MSO, whoever is issuing bills to the subscriber, shall update the details in the SMS within three days from the due date.- **It should be mutually decided between MSO & LCO**

### **13. DEFAULTS**

13.1 Without prejudice to such rights and remedies that the MSO or the LCO may have in law or under the provisions of this Agreement, in the event of any delay or failure by the MSO or the LCO to make payments of dues on or before the respective due dates, the MSO or the LCO shall have the right:-

- (i) to disconnect the services subject to the compliance of the applicable rules, regulations, directions or orders of the competent authority;
- (iii) to terminate this Agreement, subject to compliance of the applicable laws in force;
- (iv) to charge a simple interest at the rate of base rate of interest of the State Bank of India plus two percent from the date such amounts became due until they are fully and actually paid;

13.2 Upon disconnection of the service as mentioned in clause 13.1 above, whether accompanied by termination of this Agreement or not, the LCO or the MSO shall be liable to deposit forthwith all sums payable by it to the MSO or the LCO, as the case may be. In the case of termination, accounts shall be settled within thirty days and for delayed



payments by either party shall pay simple interest at the rate of base rate of interest of the State Bank of India plus two percent.

#### 14 UNDERTAKINGS

14.1 Each party shall recognize the exclusive ownership of the property owned and installed by the other party and shall not have or claim any right, title or interest or lien of whatsoever nature.

14.2 Nothing contained herein shall constitute either Party as the agent or partner or the representative of the other for any purpose and neither Party shall have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other Party and the relationship between the MSO and the LCO is on "Principal to Principal" basis.

14.3 It is expressly understood by the parties that "\_\_\_\_\_ " logo(s) is a Registered Trade Mark of the MSO, and the LCO shall use the said logo only during the currency of this Agreement for the benefit of the cable television networking business of the MSO. Consent of the MSO be and is hereby given to the LCO to use the said logo, to the extent of or in connection with the business of the MSO.

14.4 It is expressly understood by the parties that "\_\_\_\_\_ " logo(s) is a Registered Trade Mark of the LCO, and the MSO shall use the said logo only during the currency of this Agreement for the benefit of the cable television networking business of the LCO. Consent of the LCO be and is hereby given to the MSO to use the said logo, to the extent of or in connection with the business of the LCO.

14.5 It is clearly understood and accepted by each party that it shall have no right to use any intellectual property of the other on its Cable TV Service or otherwise on or after the withdrawal by the other party of its consent for such uses.

14.6 In case of the LCO or the MSO, as the case may be, decides to transfer its interest in respect of its business of providing Cable T.V. Service to any other party / person (third party), in whole or in part, the LCO or the MSO, as the case may be, shall give prior

notice to the MSO or the LCO. Parties shall not have any objection to such transfer if the other Party has complied with its obligations under this contract and has paid all its dues.

**Provided**, however, that such other third party shall sign and execute a deed of adherence to the terms & conditions of this Agreement and other undertaking/ bonds to the satisfaction of the MSO or the LCO, as the case may be, in order to give effect to the provisions of this Agreement.-**Transition period for replacement/ repair of box should be born by MSO in case STB lying with him.**

14.7 The LCO to maintain and continue to maintain its Postal Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and to comply with the terms and conditions of the registration certificate issued by the Postal Authority.

14.8 The MSO to maintain and continue to maintain its Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and to comply with the terms and conditions of the registration.

14.9 Both the parties shall comply with the Laws for the time being in force in India, as applicable to them.

## **15 PREVENTION OF PIRACY**

15.1 The Parties shall not indulge or allow any person to indulge in Piracy or in reverse engineering any technology used in the Hardware or any component thereof nor shall they use the Hardware to be connected to any equipment for setting up a mini head-end for retransmission of the signals generated from the same.

15.2 Any subscriber shall be disconnected by the MSO or the LCO, as the case may be, after giving due notice, if found to be indulged in or abetting any Piracy.

## **16. DISCLAIMER AND INDEMNITY**

16.1 In no event, the MSO shall be liable to the LCO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption

or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of theMSO.- **LCO is not responsible for any technical or otherwise fault in the system incurred directly or indirectly by MSO.**

16.2 In no event, the LCO shall be liable to the MSO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of theLCO.

16.3 LCO shall indemnify the MSO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience, loss or annoyance caused to them due to any default of the LCO or due to termination of the Agreement or suspension of the Service due to LCO'sbreach.-**As mentioned in above point**

16.4MSO shall indemnify the LCO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience, loss or annoyance caused to them due to any default of the MSO or due to termination of the Agreement or suspension of the Service due to MSO'sbreach.

## **17 GOVERNING LAW AND DISPUTERESOLUTION**

17.1As mandated by law (TRAI Act, 1997), the Parties shall not institute any suit or seek injection or interim orders in any court or judicial tribunal/ authority in India with respect to any claims, dispute or differences between the Parties arising out of this Agreement save and except before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi ("TDSAT"). The Parties agree that all disputes between the Parties shall be resolved solely through proceedings instituted before theTDSAT.

## **18 FORCEMAJEURE**

18.1.1 Failure on the part of the MSO or the LCO to perform any of its obligations, shall not entitle either party to raise any claim against the other or constitute a breach of this

Agreement to the extent that such failure arises from an event of Force Majeure. If through Force Majeure the fulfilment by either party of any obligation set forth in this Agreement is delayed, the period of such delay shall not be taken into account in computing periods prescribed by this Agreement. Force Majeure will include act of god, earthquake, tides, storm, flood, lightening, explosion, fire, sabotage, quarantine, epidemic, arson, civil disturbance, terrorist attack, war like situation, or enactment of any law or rules and regulation made by the Authorities or any circumstances beyond the reasonable control of the parties herein that directly or indirectly hinders or prevents either of the parties from commencing or proceeding with the consummation of the transactions contemplated hereby. The Party affected by such Force Majeure event shall promptly notify the other party of the occurrence of such event. It is agreed between the Parties that lack of funds shall not in any event constitute or be considered an event of Force Majeure. If the conditions of Force Majeure to continue for a period exceeding one month, the Parties shall meet to decide upon the future performance of the Agreement. If the Parties are unable to agree upon a plan for future performance, then the Agreement shall be terminated upon notice of either party to the other, on expiry of one month from the date of such notice.

18.2 Any accrued payment obligation of a Party prior to the commencement of Force Majeure shall survive the termination of this Agreement pursuant to such ForceMajeure.

## **19 NOTICES**

19.1.1 Any notice to be served on any party by the other shall be deemed to have been validly sent if sent by Registered Post Acknowledgement Due (RPAD) or by hand delivery duly acknowledged at the address mentioned in the beginning or at such other changed address as the party may inform and the date of receipt of such notice shall be the date of receipt by the other party or 7 days from the date of dispatch of the notice by RPAD, whichever is earlier.

## **20 RESTRICTION ON TRANSFER**

20.1.1 The either Party shall not remove, sell, assign, mortgage, transfer/sublet and encumber all or any part of the network which belongs to the other Party. If the Party indulges in any of the above-mentioned acts, the said acts shall be illegal and void ab-initio and the Party shall also be liable for any action under the applicable law.

## **21 CONFIDENTIALITY**

21.1 The parties shall keep in strict confidence, any information received by one from the other while participating in the affairs/business of each other and shall not disclose the same to any person or party not being a party to this Agreement.

21.2 The parties shall also bind their employees, officers, advisors, associates, contractors, agents, authorized persons and other similar persons to whom the above mentioned information may be disclosed, to the obligations of confidentiality.

**22. MODIFICATIONS**

22.1.1 The Agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including Addendum Agreements, Annexures, schedules or any other document, called by whatever name, but executed in relation to this Agreement, shall be mutually agreed to in writing and executed by or on behalf of the Parties.

**23. BINDING EFFECT**

23.1 This Agreement modifies all prior understanding of the parties as to the subject matter thereof and shall not be amended except in writing by both the parties. Any other understanding between the parties (if any) with regard to any other matter or any accrued rights and obligation of the Parties not covered under this agreement, if any, shall continue to be in full force and effect.

**IN WITNESS WHEREOF** the parties have set and subscribed their respective hands to this Agreement on the date and year appearing herein above.

Signed on behalf of the MSO

( \_\_\_\_\_ ) In the presence of

1. ....

2. ....

Signed on behalf of the LCO

( \_\_\_\_\_ ) In the presence of

1. ....

2. ....

**DEFINITIONS AND INTERPRETATIONS**

**A. DEFINITIONS**

In the Agreement unless the context requires otherwise, the following words and expressions shall have the meanings set out hereinbelow:

- (a) **“Addressable System”** shall have the same meaning as assigned to it in the CTV Act;
- (b) **"Authority"** means the Telecom Regulatory Authority of India established under subsection (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997;
- (c) **“Basic Service Tier”** shall have the same meaning as assigned to it in the Tariff Order.
- (d) **“Bouquet” or “bouquet of channels”** means an assortment of distinct channels, offered together as a group or as a bundle;
- (e) **"Broadcaster"** means a person or a group of persons or body corporate, or any organisation or body providing programming services and includes his authorised distribution agencies;
- (f) **"Cable service or cable TV service"** means the transmission by cables of programmes including retransmission by cables of any broadcast television signals;
- (g) **"Cable television network or cable TV network"** means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (h) **“Channel or TV channel”** which has been registered under-----
  - (i) the guidelines for uplinking from India, issued vide No. 1501/2/2002-TV(I)(Pt.) dated the 2nd December, 2005; or
  - (ii) policy guidelines for downlinking of television channels, issued vide No. 13/2/2002-BP&L/BC-IV dated the 11th November, 2005,-----as amended from time to time, or such other guidelines for uplinking or downlinking of television channels, as may be issued from time to time by Government of India Ministry of Information and Broadcasting and reference to the term ‘channel’ shall be construed as a reference to “channel or TV channel”;

- (i) **“Competent Authority”** means any authority constituted under any statute, any department or sub-division thereof, any court or tribunal, including the department of post and tax authorities;
- (j) **“Complaint Centre”** means a facility established by the multi-system operator or his linked local cable operators, as the case may be, under regulation 3 of the Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012;
- (k) **“Consumer Complaint Redressal Regulation”** means the Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012 (13 of 2012), dated 14<sup>th</sup> May 2012.
- (l) **“CTV Act”** means the Cable Television Networks (Regulation) Act, 1995 (7 of 1995), as amended from time to time.
- (m) **“Encryption”** in respect of a signal of cable television network, means the changing of such signal in a systematic way so that the signal would be unintelligible without use of an addressable system;
- (n) **“Free To Air channel”** shall have the same meaning as assigned to it in the Tariff Order.
- (o) **“Hardware”** means a multi system operator (MSO) approved set top box to enable the decryption of signals of Channels transmitted in encrypted form, the remote and other associated components and accessories.
- (p) **“Headend”** means a facility that contains satellite receivers, modulator, compression equipment, multiplexes, and conditional access facilities, other transmission equipments and has antennas which receive signals from Satellite and/or from local studio for retransmission to subscribers directly or through linked LCOs;
- (q) **“Interconnection Regulation”** means the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012, dated 30.04.2012, as amended from time to time.
- (r) **“Manual of Practice (MoP)”** means the Manual of Practice referred in the QoS regulation;
- (s) **“Nodal Officer”** means the officer appointed or designated by a multi-system operator or his linked local cable operator, under regulation 8 of the Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012

- (t) **“Package”** means the type of the Channels either individual or in the form of bouquets subscribed by the subscriber which may include the Pay Channels as availed by the subscriber from time to time.
- (u) **“Pay Channel”** shall have the same meaning as assigned to it in the Tariff Order.
- (v) **“Piracy”** means unauthorized reception of Cable T. V. Signal by any person by any means and modes including but not limited to any alteration, tampering of the seal or any component or accessory thereof or misuse, replacement, removal and/or shifting of Hardware or any use, either before or after the set top box, any decoding, receiving, recording equipment(s), counterfeit or unauthorized devices or any activity, which has the effect of, or which may result into, infringement and violation of trade mark and copyright of the MSO or the LCO as the case may be;
- (w) **“Programme”** means any television broadcast and includes;
- (i) exhibition of films, features, dramas, advertisements and serials;
  - (ii) any audio or visual or audio-visual live performance or presentation; and----  
the expression "programming service" shall be construed accordingly;
- (x) **“QoS Regulation”** means the Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 (12 of 2012), dated 14.05.2012 as amended from time to time.
- (y) **“Set top box or STB ”** means a device, which is connected to, or is part of a television and which allows a subscriber to receive in unencrypted and descrambled form subscribed channels through an addressable system;
- (z) **“Smart Card”** means the card duly approved by the multi system operator (MSO) as part of the Hardware, which enables the subscriber to gain access to the Cable T.V. signals of Channels.
- (aa) **“Subscriber”** means the end viewers/individual households who receive Cable T.V. Signal through the LCO.  
“For removal of doubts it is clarified that each television set connected to a set top box in a single dwelling would constitute a subscriber.”
- (bb) **“Subscriber management system or SMS”** means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilised by the subscriber, channels or bouquets of channels subscribed to by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquet of channels, a log of all actions performed on a



subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;

(cc) **“Tariff Order”** means the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems ) Tariff Order, 2010 (1 of 2010), dated 21<sup>st</sup> July 2010, as amended from time to time.

(dd) **“Trunk Line”** means the coaxial/optic fiber cable network and other allied equipment such as receiver nodes, amplifiers, splitters etc. owned and installed by the multi system operator (MSO) or its associate companies for the purpose of transmitting Cable T.V. Signal to various LCOs till the receiving end of various LCOs, including the LCO, to enable them to re-transmit the Cable T.V. Signal to respective subscribers.

All other words and expressions used in this interconnection agreement but not defined, and defined in the Act and rules and regulations made thereunder or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) and the rules and regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case maybe.

## **B. INTERPRETATION**

In this Agreement, unless the context otherwise requires:

- (a) Any reference to the singular in the Agreement shall include a reference to the plural and vice versa and words importing one gender only shall include all other genders unless the context otherwise requires.
- (b) The word “person” shall include individuals, corporations, partnerships, association of persons and any other entities;
- (c) Any references to Article, clauses, sub-clauses, appendices, annexure and schedules are references to Articles, clauses, sub-clauses, appendices, annexure and schedules to the Agreement unless the context otherwise expressly provides;
- (e) References to a “month” are to a calendar month;
- (f) Headings and titles are for ease of reference only and shall not affect the interpretation of this agreement and in no way be read to give a construction not harmonious with the interpretation of various clauses of this agreement done otherwise independent of the title.

(g) Any reference to law, regulation, statutory provision, order, guideline, policy, etc, includes references to such law or regulation or provision, order, guideline, policy, etc., as modified, codified, amended or re-enacted from time to time.