

**DRAFT**

**TELECOM REGULATORY AUTHORITY OF INDIA**

**NOTIFICATION**

**New Delhi, the \_\_\_\_\_, 2013**

**THE TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES  
(\_\_\_\_\_) (THE DIRECT TO HOME BROADCASTING SERVICES) TARIFF ORDER,  
2013 (No. \_\_\_ of 2013)**

No. \_\_\_\_\_-B&CS.--- In exercise of the powers conferred by sub-clauses (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), read with notification of the Government of India, in the Ministry of Communication and Information Technology (Department of Telecommunications), No.39,---

(a) issued, in exercise of the powers conferred upon the Central Government by proviso to clause (k) of sub-section (1) of section 2 and clause (d) of subsection (1) of section 11 of the said Act, and

(b) published under notification No. S.O. 44 (E) and 45 (E) dated 9<sup>th</sup> January, 2004 in the Gazette of India, Extraordinary, Part II, Section 3,---

the Telecom Regulatory Authority of India hereby makes the following Order, namely:-

**1. Short title, extent and commencement.---**(1)This Order may be called “The Telecommunication (Broadcasting and Cable) Services (\_\_\_\_)(The Direct to Home Broadcasting Services) Tariff Order, 2013 (\_\_\_ of 2013)”.

(2) This Order shall apply throughout the territory of India.

(3) This order shall be applicable to Direct to Home Broadcasting Services.

(4) This Order shall come into force from the date of its publication in the Official Gazette.

**2. Definition.---** In this order, unless the context otherwise requires,-

a) “**alternative tariff package**” (ATP) means a tariff package which a service provider may offer, in addition to the standard tariff package, for supply of a customer Premises equipment to the subscriber for receiving programmes;

(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(24 of 1997);

(c) **“Customer Premises Equipment”** means the equipment, components and accessories installed at the premises of the subscriber to enable the reception of any broadcasting service offered through an addressable system and includes ----

(i) the set top box and the remote control for set top box; and

(ii) the dish antenna, where such dish antenna is essential for availing such service,-----

but shall not include a television receiver set, computer or any such end equipment ;

(d) **“direct to home operator”** means an operator licensed by the Central Government to distribute multi channel TV programmes in Ku band by using a satellite system directly to subscriber’s premises without passing through intermediary such as cable operator or any other distributor of TV channels;

(e) **“direct to home service”** means distribution of multi channel TV programmes by using a satellite system by providing TV signals directly to subscriber’s premises without passing through an intermediary such as cable operator or any other distributor of TV channels;

(f) **“set top box”** 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;

(g) **“subscriber”** means a person who receives the signals of a service provider at a place indicated by him to the service provider, without further transmitting it to any other person and includes ordinary subscribers and commercial subscribers unless specifically excluded;

(h) **“standard tariff package”** means a package of tariff as may be determined by the Authority for supply of a customer premises equipment to the subscriber of direct to home service by a service provider for receiving programmes;

**3. Tariff for supply of customer premises equipment.-** (1) Every direct to home operator shall compulsorily offer to its subscribers the standard tariff package for customer premises equipment specified in the Schedule annexed to this Order. In addition the direct to home operator will be free to offer alternative tariff packages for customer premises equipment in accordance with the existing regulatory framework. The subscribers shall have the freedom to choose from amongst the alternate tariff packages so offered and the standard tariff package specified by the Authority.

(2) A subscriber who desires to avail the services of the direct to home operator may make an application for supply and installation of one or more customer premises equipment at his premises as per the tariff contained in sub clause (1) above.

(3) A direct to home operator on receipt of a request under sub-clause (2), shall supply and install the customer premises equipment within two days of making such request by the subscriber, subject to technical or operational feasibility.

(4) **Communication of technical or operational non-feasibility.**---In case it is not technically or operationally feasible to provide direct to home services at the location where the services are requested by the applicant, the applicant shall be informed by direct to home operator , as the case may be, within two days from the date of receipt of the application, indicating the reasons as to why it is technically or operationally not feasible to provide services.

**4. Reporting Requirement.**---(1) Every direct to Home operator shall report to the Authority tariff packages, including all terms and conditions, associated with the supply of customer premises equipment to the subscribers. The first such report shall be sent by\_\_\_, 2013 and thereafter any changes to these tariff packages shall be reported 7 days prior to the launch of a new tariff package.

**(Wasi Ahmad)**  
**Advisor (B&CS)**

Note: The explanatory Memorandum annexed to this order explains the objects and reasons of “The Telecommunication (Broadcasting and Cable) Services (\_\_\_\_)(The Direct to Home Broadcasting Services) Tariff Order, 2013 (\_\_\_ of 2013)

**Schedule**

**Standard Tariff Package for Customer Premises Equipment  
for DTH service**

**OPTION – I**

<b>Sl.</b>	<b>Particulars</b>	<b>Monthly Rental Scheme</b>
1	Rent per month per Customer Premises Equipment	Rs. 47.28 (exclusive of taxes)
2.	Security Deposit [Refundable]	Rs. 500/-
3.	Deduction from Refundable Security Deposit	Nil
4.	Installation Charges	Nil
5.	Activation charges	Nil
6.	Smart Card/Viewing Card Charges	Nil
7.	Repair and Maintenance Cost	Nil

**Note :-**

1. No monthly rentals will be payable after the period of five years and the Customer Premises Equipment will become the property of the subscriber (except smart card/ viewing card) after the expiry of five years and full security deposit shall be refunded to the subscriber without any deductions. Interest on security deposit has been adjusted in Rent per month per Customer Premises Equipment.
2. The full security deposit without any deduction shall be refunded to the subscriber if he/she returns the Customer Premises Equipment at any point of time within a period of five years provided that the Customer Premises Equipment is not tampered with.
3. No repair or maintenance charges would be levied by DTH operator on the subscriber, towards repair or maintenance of Customer Premises Equipment up to the period of five years from activation of the Customer Premises Equipment. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.
4. No installation charges or re-installation charges (except in case of shifting of connection) or activation charges or smartcard/ viewing card charges is to be levied by the DTH operator on the subscriber.

## OPTION – II

Sl.	Particulars	Monthly Rental Scheme
1	Rent per month per Customer Premises Equipment	Rs. 41.03 (exclusive of taxes)
2.	Security Deposit [Refundable]	Rs. 1000/-
3.	Deduction from Refundable Security Deposit	Nil
4.	Installation Charges	Nil
5.	Activation charges	Nil
6.	Smart Card/Viewing Card Charges	Nil
7.	Repair and Maintenance Cost	Nil

### Note :-

1. No monthly rentals will be payable after the period of five years and the Customer Premises Equipment will become the property of the subscriber (except smart card/ viewing card) after the expiry of five years and full security deposit shall be refunded to the subscriber without any deductions. Interest on security deposit has been adjusted in Rent per month per Customer Premises Equipment.
2. The full security deposit without any deduction shall be refunded to the subscriber if he/she returns the Customer Premises Equipment at any point of time within a period of five years provided that the Customer Premises Equipment is not tampered with.
3. No repair or maintenance charges would be levied by DTH operator on the subscriber, towards repair or maintenance of Customer Premises Equipment up to the period of five years from activation of the Customer Premises Equipment. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.
4. No installation charges or re-installation charges (except in case of shifting of connection) or activation charges or smartcard/ viewing card charges is to be levied by the DTH operator on the subscriber.

### OPTION – III

Sl.	Particulars	Monthly Rental Scheme
1	Rent per month per Customer Premises Equipment	Rs. 41.63 (exclusive of taxes)
2.	Security Deposit (Adjustable)	Rs. 500/-
3.	Amount of Security Deposit refunded on return of the Customer Premises Equipment	As per attached table-A
4.	Installation Charges	Nil
5.	Activation charges	Nil
6.	Smart Card/Viewing Card Charges	Nil
7.	Repair and Maintenance Cost	Nil

**Note: -**

1. No monthly rentals will be payable after the period of five years and the Customer Premises Equipment will become the property of the subscriber (except smart card/viewing card) after the expiry of five years. An amount equal to the sum of security deposit to be refunded per month and interest per month on balance security deposit has been adjusted in Rent per month per Customer Premises Equipment. The Full amount of security deposit stands adjusted in a period of five years.
2. Up to five years, on returning of the Customer Premises Equipment, the Security Deposit shall be refunded as per attached table-A, provided that the Customer Premises Equipment is not tampered with.
3. In case of un-installation/discontinuance of service before the last day of the month, balance security deposit shown as refundable at the end of that month will be refunded on return of Customer Premises Equipment.
4. No repair or maintenance charges would be levied by DTH operator on the subscriber, towards repair or maintenance of Customer Premises Equipment up to the period of five years from activation of the Customer Premises Equipment. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.
5. No installation charges or re-installation charges (except in case of shifting of connection) or activation charges or smartcard/ viewing card charges is to be levied by the DTH operator on the subscriber.

**Table-A (OPTION-III)***Figure in Rs.*

<b>Year</b>	<b>End of Month</b>	<b>Security deposit refundable</b>
1	1	494.36
	2	488.64
	3	482.85
	4	476.99
	5	471.06
	6	465.05
	7	458.97
	8	452.81
	9	446.58
	10	440.27
	11	433.88
	12	427.40
2	13	420.85
	14	414.22
	15	407.50
	16	400.70
	17	393.81
	18	386.84
	19	379.78
	20	372.63
	21	365.40
	22	358.07
	23	350.65
	24	343.14
3	25	335.53
	26	327.83
	27	320.03
	28	312.14
	29	304.15
	30	296.05
	31	287.86
	32	279.56
	33	271.16
	34	262.66
	35	254.04
	36	245.32

4	37	236.50
	38	227.56
	39	218.51
	40	209.34
	41	200.07
	42	190.67
	43	181.16
	44	171.53
	45	161.78
	46	151.91
	47	141.91
5	48	131.79
	49	121.54
	50	111.16
	51	100.66
	52	90.02
	53	79.25
	54	68.35
	55	57.31
	56	46.13
	57	34.81
	58	23.35
	59	11.75
	60	0.00



#### OPTION - IV

Sl.	Particulars	Monthly Rental Scheme
1	Rent per month per Customer Premises Equipment	Rs.29.74 (exclusive of taxes)
2.	Security Deposit (Adjustable)	Rs.1000/-
3.	Amount of Security Deposit refunded on return of the Customer Premises Equipment	As per attached table-B
4.	Installation Charges	Nil
5.	Activation charges	Nil
6.	Smart Card/Viewing Card Charges	Nil
7.	Repair and Maintenance Cost	Nil

**Note: -**

1. No monthly rentals will be payable after the period of five years and the Customer Premises Equipment will become the property of the subscriber (except smart card/viewing card) after the expiry of five years. An amount equal to the sum of security deposit to be refunded per month and interest per month on balance security deposit has been adjusted in Rent per month per Customer Premises Equipment. The Full amount of security deposit stands adjusted in a period of five years.
2. Up to five years, on returning of the Customer Premises Equipment, the Security Deposit shall be refunded as per attached table-B, provided that the Customer Premises Equipment is not tampered with.
3. In case of un-installation/discontinuance of service before the last day of the month, balance security deposit shown as refundable at the end of that month will be refunded on return of Customer Premises Equipment.
4. No repair or maintenance charges would be levied by DTH operator on the subscriber, towards repair or maintenance of Customer Premises Equipment up to the period of five years from activation of the Customer Premises Equipment. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.
5. No installation charges or re-installation charges (except in case of shifting of connection) or activation charges or smartcard/ viewing card charges is to be levied by the DTH operator on the subscriber.

**Table-B (OPTION-IV)***Figure in Rs.*

<b>Year</b>	<b>End of Month</b>	<b>Security deposit refundable</b>
1	1	988.71
	2	977.28
	3	965.71
	4	953.99
	5	942.12
	6	930.11
	7	917.94
	8	905.63
	9	893.16
	10	880.53
	11	867.75
	12	854.81
2	13	841.70
	14	828.43
	15	815.00
	16	801.40
	17	787.62
	18	773.68
	19	759.56
	20	745.27
	21	730.79
	22	716.14
	23	701.30
	24	686.27
3	25	671.06
	26	655.66
	27	640.07
	28	624.28
	29	608.29
	30	592.11
	31	575.72
	32	559.12
	33	542.32
	34	525.31
	35	508.09
	36	490.65

4	37	472.99
	38	455.11
	39	437.01
	40	418.69
	41	400.13
	42	381.34
	43	362.32
	44	343.06
	45	323.56
	46	303.81
	47	283.82
	48	263.58
5	49	243.08
	50	222.33
	51	201.32
	52	180.05
	53	158.51
	54	136.70
	55	114.62
	56	92.26
	57	69.62
	58	46.70
	59	23.50
	60	0.00

**Explanatory Memorandum**

1. Consumer protection is one of the focus areas of Telecom Regulatory Authority of India (TRAI). The Authority has taken several measures to, protect the interest of the consumers, facilitate availability of broadcasting and cable television services at affordable price and ensure Quality of Service being provided to the consumer in the broadcasting and cable television sector.
2. Direct to home (DTH) services in India have been growing at a rapid pace since its inception in the year 2003, and the number of registered pay DTH subscribers is around 54.52 million as on December 2012. The number of private DTH operators has also grown from two in the year 2003 to six operators now. These operators have launched their services by deploying to different transmission and compression standards and encryption solutions.
3. In DTH service, the subscribers need Customer Premises Equipment (CPE) to be connected with the TV set for reception of TV programmes as the signal transmission is in digital and encrypted form. Since variegated technologies co-exist, the CPEs deployed by one operator may not be compatible with the network of another operator, hampering easy migration of the subscriber from one operator to another, in case the subscriber wishes to do so, without re-investing in new CPE.
4. The Authority is of the view that the interests of the consumers can be largely protected through the provision for commercial interoperability of CPE. The commercial interoperability provides an exit option for a subscriber in case the subscriber wishes to change the operator for any reason. Accordingly, in the relevant Regulations/ Tariff orders of TRAI, it has been mandated that the operators of Digital Addressable Systems shall give an option to every subscriber to procure the CPE either on outright purchase basis or hire purchase basis or rental basis, or in accordance with the scheme, if any, prescribed by the Authority. The relevant provisions of various TRAI Regulations/ Tariff Order in this regard are attached as Appendix-I.
5. It However, it is observed in case of DTH services, the predominant Digital Addressable platforms at the moment, the schemes for CPEs offered to the subscribers by the DTH operators, have wide variations and at times are such that no viable exit option is available to the subscribers. Instead the consumer has to re-invest in new hardware in case of migration from a particular operator or platform.
6. The Authority is of the view that in order to, provide an easy exit option to the subscribers, ensure availability of CPEs at reasonable cost and terms and at the same time to protect the interest of the service providers a Standard Tariff Package, for CPEs, as provided for

in the existing Regulations/ Tariff Orders be prescribed by the Authority. Accordingly Standard Tariff Package for CPEs for DTH service has been worked out. In addition to offering the CPE as per the Standard Tariff Package prescribed by the Authority, the operators are free to offer their own schemes for supply of CPE to its subscribers in accordance with the existing Regulations/ Tariff Orders and the subscribers shall have option to choose from the Standard Tariff Package prescribed by the Authority and the alternative schemes offered by the operators.

7. Authority has observed that The operators are offering to its subscribers various types of CPEs having different features/ capabilities such as “recording facility”, “Internet / broadband compatibility”, “ High definition/ 3D reception capability” etc., in addition to the basic functionalities. Since for such CPEs there would be wide variations in terms of features and cost and hence the Standard Tariff Package is provided only for the basic/ vanilla CPEs meant for reception of Standard Definition TV signals (SDTV) conforming to the relevant Indian Standard set by the Bureau of Indian Standards.
8. The Standard Tariff Package has been worked out on the basis of the following facts and figures as provided by Industry stakeholders/ Associations;
  - a) The total cost of CPE has been taken as Rs. 2250/-.
  - b) Life span of CPE has been taken as 5 years.
  - c) The residual value has been taken as nil.
  - d) Rental per month is based on cost of CPE on Equated Monthly Installment (EMI) Basis @15% per annum (@1.25% per month) for a period of 60 months.
9. The Authority is of the view that prescription of a Standard Tariff Package would promote healthy competition among the operators to provide better viewing experience to the consumer at an affordable cost so as to retain the existing consumer as well as to rope in new ones too. Such competition would ultimately benefit all the stakeholders of the sector including the consumers.

**Extract from “The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007**

“4. Option to provide Direct To Home Customer Premises Equipment on outright purchase or hire purchase or rent. -----

(1) Every direct to home operator shall give an option to every person making request under regulation 5 to make available to him, the Direct To Home Customer Premises Equipment conforming to the Indian Standard set by the Bureau of Indian Standards as applicable, on outright purchase basis or hire purchase basis or rental basis, ---

- (a) in accordance with the scheme, if any, made by the Authority in this behalf;
- (b) in case no such scheme as referred to in clause (a) has been made by the Authority, then in accordance with the schemes made by the direct to home operator or his agent authorised by him in this behalf and such schemes shall, inter alia, provide for the following, namely:-
  - (i) the period of hire-purchase together with the details of installments;
  - (ii) no charges payable towards repair and maintenance of Direct to Home Customer Premises Equipment acquired under the hire purchase scheme or on rental scheme during the period of hire purchase or rental scheme:

Provided that this sub-regulation shall not apply to cases where it is found that the Direct to Home Customer Premises Equipment has been tampered with;

- (iii) the terms and conditions for return of Direct to Home Customer Premises Equipment by a direct to home subscriber to the direct to home operator, before completion of period of hire purchase;
- (iv) refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments in case of return of Direct to Home Customer Premises Equipment by a direct to home subscriber to the direct to home operator:

Provided that, in case the Direct to Home Customer Premises Equipment made available to any direct to home subscriber before the commencement of these regulations does not conform to the Indian Standard set by the Bureau of Indian Standards as applicable, the direct to home operator shall, within seven days of commencement of these regulations, replace, without any extra charge, the Direct To Home Customer Premises Equipment made available before such commencement with the Direct to Home Customer Premises Equipment conforming to the Indian Standard set by the Bureau of Indian Standards as applicable.

(2) Every direct to home operator shall give all the three options, namely, (a) on outright purchase basis, (b) on hire purchase basis, and (c) on rental basis, as referred to in sub-regulation (1), for making available the Direct to Home Customer Premises Equipment to the person making the request for the same under that sub-regulation.”

**Extract from “The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010.**

7. Option to provide Customer Premises Equipment on outright purchase or hire purchase or rent.—

“Every service provider, who provides broadcasting services or cable services using an addressable system to its ordinary subscribers, shall give an option to every ordinary subscriber to make available to such subscriber, the Customer Premises Equipment, conforming to the Indian Standard, if any, set by the Bureau of Indian Standards, on outright purchase basis or hire purchase basis or rental basis,—

- (a) in accordance with the scheme, if any, made by the Authority in this behalf;
- (b) in case no such scheme as referred to in clause (a) has been made by the Authority, then in accordance with the schemes made by such service provider or his agent authorised by him in this behalf:

Provided that any such scheme made by the service provider shall provide for the following, namely:-

- (i) terms and conditions for return of the Customer Premises Equipment by a subscriber to the service provider, before completion of period of hire purchase or rental and refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments towards depreciation (not exceeding 25% for each half year or part of it) in case of return of Customer Premises Equipment by a subscriber to the service provider;
- (ii) replacement of faulty Customer Premises Equipment and repair and maintenance of Customer Premises Equipment acquired under hire purchase scheme or on rental scheme during the period of hire purchase or rental scheme without any payment.

**Written comments on the draft tariff order prescribing Standard Tariff Package for Customer Premises Equipment (CPE) for DTH service are invited from the stakeholders by 26<sup>th</sup> April 2013. The comments may be sent, preferably in electronic form to Mr. Wasi Ahmad, Advisor (B&CS), Telecom Regulatory Authority of India, Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg, New Delhi – 110002, (Tel No.011-23237922, Fax No.011-23220442; Email: [traicable@yahoo.co.in](mailto:traicable@yahoo.co.in), [advbcs@traigov.in](mailto:advbcs@traigov.in) ). Comments will be posted on the TRAI's website [www.traigov.in](http://www.traigov.in).**

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