



By E-Mail

14th October 2025

To,
The Secretary
Telecom Regulatory Authority of India (TRAI)
World Trade Centre,
4th, 5th, 6th & 7th Floor,
Tower F,
Nauroji Nagar,
New Delhi - 110029

Subject: Comments on behalf of Zee Entertainment Enterprises Limited ("ZEEL") to the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025 dated 22.09.2025

Dear Sir,

We appreciate the Authority's continued efforts to strengthen the broadcasting and cable interconnection framework and to promote transparency, fairness, and technological advancement in the sector. However, upon reviewing the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025 ("Draft Regulations"), we wish to submit the following comments and concerns for the Authority's due consideration in addition to the IBDF's comments on the said Draft Regulations:

1. It is observed that several detailed and reasoned submissions made by the Indian Broadcasting and Digital Foundation (IBDF) and individual broadcasters in response to the Consultation Paper have not been adequately reflected in the Draft Regulations. Meaningful consultation requires due consideration of stakeholder inputs, and the absence of such reflection raises concerns about the transparency and participative nature of the regulatory process.

It is reiterated that the restrictions embedded in Clause 15(1) of the existing Regulations should be removed as it severely curtails broadcaster's rights and undermines the fundamental purpose of an audit. Broadcasters have consistently expressed concerns that DPOs routinely engage in under-reporting of subscriber numbers or insist upon strict proof of discrepancies found in the DPOs' audit report and delay the broadcaster caused audit, which directly erodes broadcaster revenues. This conduct not only compromises transparency but also deprives broadcasters of their legitimate entitlement



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to verify the accuracy of Monthly Subscriber Reports and ensure compliance with Schedule III requirements.

We urge the Authority to revisit and appropriately incorporate the representations made by IBDF to ensure a balanced and practical regulatory outcome.

2. Broadcasters must retain the first and unfettered right to audit the systems of distributors. Restricting or sequencing this right would impair broadcasters' ability to verify subscriber data and safeguard legitimate commercial and copyright interests.

The right to audit should remain independent, exercisable at the broadcaster's discretion, and subject only to reasonable procedural safeguards.

3. The TRAI Act distinguishes the Authority's regulatory powers from the adjudicatory powers of the TDSAT. TRAI should therefore refrain from assuming quasi-judicial functions such as interpretation of audit disputes or individual compliance cases. Any overlap between regulatory and adjudicatory roles undermines the principle of separation of powers and may lead to jurisdictional conflicts.
4. The Draft Regulations propose significant operational changes involving audit procedures, infrastructure sharing mechanisms, and data management obligations. The proposed transition period is inadequate to implement these changes. A minimum period of one (1) year from the date of notification of the revised amendment (as per our and IBDF's comments) should be provided to enable all stakeholders to align their systems, processes, and contractual frameworks accordingly.
5. Further, the Draft Regulations appear to accord preferential status to BECIL for audit-related activities. Such exclusivity is inconsistent with the principles of neutrality, transparency, and competitive equality. TRAI, as a regulator, must ensure neutrality and equal treatment of all empanelled auditors. It is pertinent to note that highlighting one specific entity- BECIL in the Draft Regulations, when others are similarly placed, violates this principle of non-discrimination and undermines confidence in the empanelment system.

Empanelment and selection of auditors should be open and merit-based without prescribing or implying preference for any specific auditor.

6. It is also pertinent to mention that requiring broadcasters to submit detailed evidence along with their audit observations is impractical and unduly onerous. Broadcasters may not possess complete underlying system data at that stage. Without prejudice to our submissions regarding the broadcasters' unfettered right to cause audit of a DPO's systems Clause 15(2)(a) should be amended to permit preliminary observations within the stipulated time.

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7. Exempting smaller DPOs from mandatory audits could create significant compliance gaps and revenue risks. All addressable systems—irrespective of subscriber base—must be subject to the same audit standards to maintain uniformity and transparency across the ecosystem. While the exemption under Regulation 15(1) is welcome, it must be clarified that broadcasters shall retain the right to conduct an audit under Regulation 15(2) at their discretion, once in a calendar year, in respect of such DPO's. This ensures that subscriber reporting from small operators is not left completely unaudited and that transparency is maintained. The optional audit provision should therefore be deleted.
8. Allowing modification or improvisation of finalized audit reports compromises audit integrity. Once issued, an audit report must be treated as conclusive unless fresh authorization is sought from the concerned broadcaster. This safeguard is essential to maintain the objectivity and reliability of audit outcomes.
9. Permitting the DPO to choose the auditor introduces potential bias and conflict of interest. The selection of auditors should be at the discretion of the broadcaster.
10. Giving only 30 days to the broadcasters for sharing the audit observations with the DPO/Auditors is not practically possible as all the reports would be received around the due date only i.e. 30th September and it will not be feasible for the broadcaster to review and analyse all the reports and share the observations. Atleast 90 days time should be given to the broadcasters to share the observations with the Auditors/DPO.
11. Further, under the extant regulation, it has been observed that some of the DPOs are sharing the audit report in physical hard copy which is hardly possible to read and analyse. It should be mandated to share the report in readable PDF format along with all the annexures for analysis and working.
12. It is submitted that in the Draft Regulation, broadcaster's representation has been limited to one person as against earlier provision of two persons. Keeping in mind the technical and commercial nature of the audit, at least two representatives of the broadcasters should be allowed to discuss and observe the audit.

Comments on Infrastructure Sharing

We further submit the following comments regarding infrastructure sharing provisions under the Draft Regulations:

A. SMS and DRM Capability & Data Segregation:

1. Shared SMS and DRM systems must be capable of meeting all prescribed requirements for each DPO independently. Separate instances must be created for every DPO, and



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the systems must ensure complete segregation of data to enable entity-wise reconciliation between SMS and DRM.

2. The audit should be commenced simultaneously for all DPOs including infrastructure provider and seekers.
3. The systems (SMS & CAS) of the DPO providing infrastructure should be capable of generating individual reports for each DPO seeking infrastructure. Additionally, broadcasters shall disconnect individual DPOs sharing infrastructure for non-compliance with provisions of the regulations including and not limited to default in payments towards subscription fees, or indulging in piracy. Broadcasters should be allowed to conduct joint and simultaneous audits covering all elements of all the DPOs sharing the infrastructure.
4. The CAS shall be capable of whitelisting and tagging all STB/VCs of respective distributors and generating, recording and maintaining logs with date and time stamp for a period of at least immediately preceding 3 consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS.
5. CAS instances for the infrastructure provider and seeker should be separated into logical instance with separate database. The hardware and associated infrastructure (space and power) requirements may only be shared.
6. Each CAS instance will communicate to only one SMS. A CAS instance to be addressed by multiple SMS cannot be allowed, since in such a situation the one-to-one correspondence is lost.
7. Broadcaster should have right to do the Technical audit before allowing infrastructure sharing to the DPO. It will help to ensure that the DPO system is in compliance with the TRAI regulations.

B. Watermarking and Network Logos:

The requirement for network logo insertion at the encoder end should apply to the infrastructure provider, while the infrastructure seeker should insert its logo through STB/middleware. Preferably, only two logos—of the broadcaster and the last-mile distributor—should appear on-screen for clarity and uniformity.

C. Outstanding Dues and Piracy Cases:

The framework should expressly prohibit DPOs facing signal disconnection due to outstanding dues or piracy from bypassing broadcaster action through ~~infra-sharing~~



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arrangements. Allowing such DPOs to access broadcaster signals via another distributor would defeat enforcement actions and promote non-compliance.

D. Prior Approval and NOC from Broadcasters:

DPOs must obtain prior written approval or No Objection Certificate (NOC) from the concerned broadcaster before entering into any infrastructure sharing arrangement. Broadcasters should also be allowed to conduct an audit of the infra provider's systems before such sharing is operationalized.

E. Clarity on System Instances:

The Draft Regulations do not explain how separate instances of SMS and DRM/CAS systems will be technically implemented for multiple DPOs sharing infrastructure. TRAI should issue detailed technical guidelines clarifying system segregation, data access, and auditability to prevent ambiguity and misuse.

Conclusion

In view of the above, we respectfully urge the Authority to:

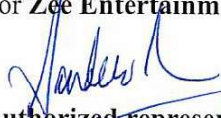
- Reconsider and incorporate the submissions as made herein above;
- Provide unfettered independent audit rights to broadcaster;
- Remove clauses leading to institutional bias or compliance ambiguity; and
- Provide a reasonable transition period for implementation;
- Establish a transparent, technically sound, and equitable framework for audit and infrastructure sharing.

Needless to stated that we remain available to provide further clarifications or participate in any stakeholder meeting the Authority may convene in this regard.

Thanking You

Yours faithfully,

For **Zee Entertainment Enterprises Limited**


Authorized representative



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