Deloitte.

Workshop on Audit of Digital Addressable Systems

Audit Process & Practical Considerations
(Aligned with the Digital Addressable Systems Audit Manual – 2026)

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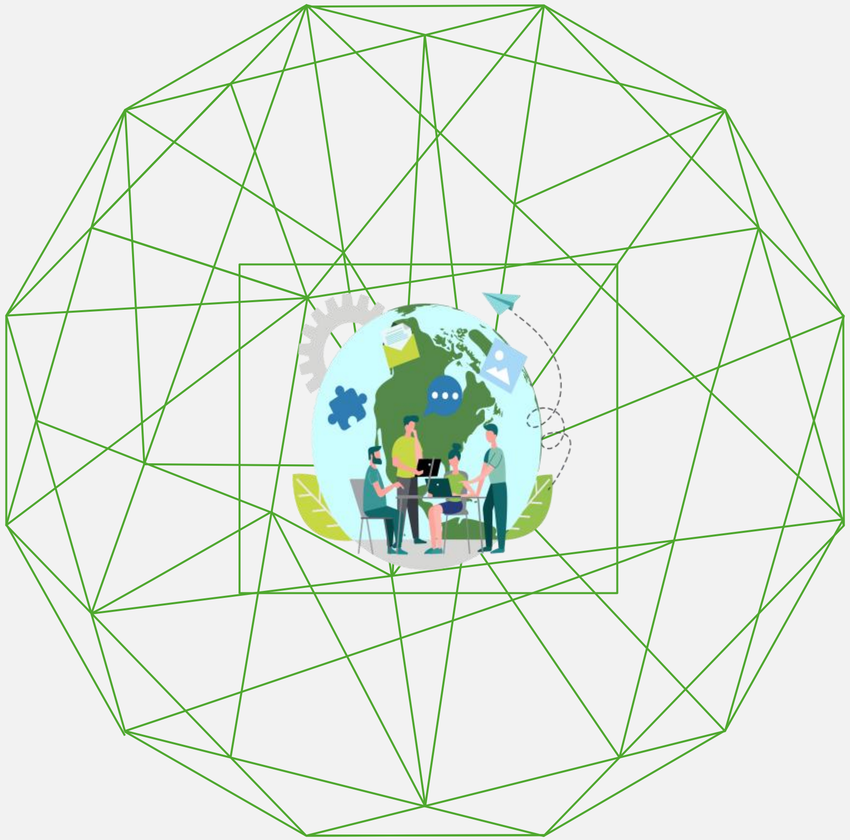

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Understanding the audit process and its practical considerations is essential for ensuring a structured, efficient, and risk-focused audit execution

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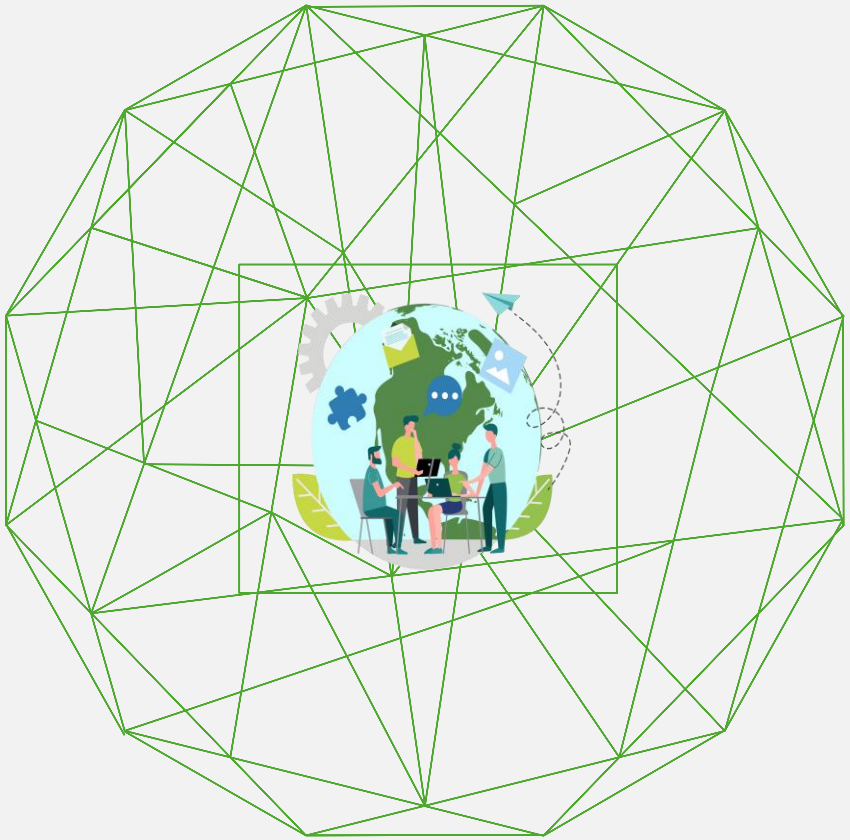

Audit process and practical considerations – DAS Audit Process

A structured overview of the revised audit process and practical considerations for effective, evidence-based audit execution.

APPOINTMENT OF EMPANELLED AUDITOR & AUDIT INITIATION

- Appointment of TRAI-empaneled Auditor / BECIL Auditor (Clause 1.18) based on applicable **Auditor Category (A/B/C) as per TRAI EOI (26 August 2025)**
- Completion of **necessary risk, fees and other agreement** formalities with the auditor
- DPO must inform all **broadcasters 30 days in advance** about the appointment of auditor and audit period (Clause 6.2)

PRE AUDIT PLANNING WITH VENDOR AND SYSTEM READINESS

- Auditor to share the system requirements and **software details with DPO (Section 19 – Minimum Laptop Configuration) (In case DPO does not want to share the data)**
- DPO to **coordinate with vendors for support to CAS/DRM, SMS and STBs access** as a pre-audit field work activity
- **DPO to conform data dump extraction provisions** with auditor before starting audit filed work (Clause 16.4 – 16.6)

Audit process and practical considerations – DAS Audit Process

A structured overview of the revised audit process and practical considerations for effective, evidence-based audit execution.

KICK OFF MEETING AND INITIAL DATA REQUEST

- Initiate pre-audit formalities **(Audit date, Audit period, Number of broadcasters for whom reports to be prepared , Initial Data request, etc.)**
- Collect all the mandatory documents **before kicking off the audit field work activities** (**Section 5 – Documents required for Compliance Audit & Section 11 – Documents for Subscribers Audit)**

HEADEND WALKTHROUGH AND EQUIPMENT VALIDATION

Validate presence & functioning of key infrastructures during headend visit:

- CAS/DRM, SMS, PSI/SI, Encoders/Transcoders/Media Servers, CDNs, broadcasters' IRDs
- MUX/Scramblers/TS Stream with LCNs (Clause 4.5-4.6)
- Perform IP validation & screenshot logging (Clause 4.3)
- Conduct TS recordings at Headend and field locations (Clause 4.6)
- Validate Access criteria (AC)/Content URLs
- **Infrastructure Sharing Verification:** Validate shared elements between infrastructure providers and seekers (Clause 4.17)

Audit process and practical considerations – DAS Audit Process

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CAS/DRM-SMS INTEGRATION TESTING

- **Customer onboarding & STB provisioning** process walkthrough (Clause 4.12)
- **Validate pairing:** STB/VC, product elements, defilement (Schedule III – C9)
- STB activation/de-activation testing (Schedule III – C5, C10)
- Test commands as per **Schedule III C D, E and Schedule X Tables 1,2,3,4**

HISTORICAL DATA AND AS ON DATE DATA EXTRACTION

- Validate **table structure, query logic, and system-generated logs** (clause 16.7-16.11)
- Access & download data from CAS/DRM and **SMS systems under auditor supervision** (Clause 16.2&3)
- All data from CAS and SMS to be extracted **ensuring no active STB/VC is left out** (Clause 16.9)
- **Vendor Support/Shutdown Cases:** DPO to provide EOL certificate or declaration, use available backups (Clause 5.7)

Audit process and practical considerations – DAS Audit Process

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DATA VERIFICATION FOR COMPLETENESS AND ACCURACY

- Verify **20% random samples weeks of the audit period for MSR** validation. (clause 10.4)
- Verify channel **to package mapping along with service ID (creation, modification, disconnection dates – Clause 10.4 vi)**
- Validate transaction logs to **ensure no manipulation in CAS/DRM and SMS logs** (Clause 10.7)

GROUND VERIFICATION &TS RECORDING VALIDATION

- Field visit for **ground samples validation (wherever applicable, Clause 17.4)**
- Physical verification **of minimum 5 VC samples and 1 TS recording not found in DPO's system** (Clause 17.4)
- Report channels found **running in unencrypted or analogue mode on** the day of Audit (Clause 4.15)

Audit process and practical considerations – DAS Audit Process

A structured overview of the revised audit process and practical considerations for effective, evidence-based audit execution.

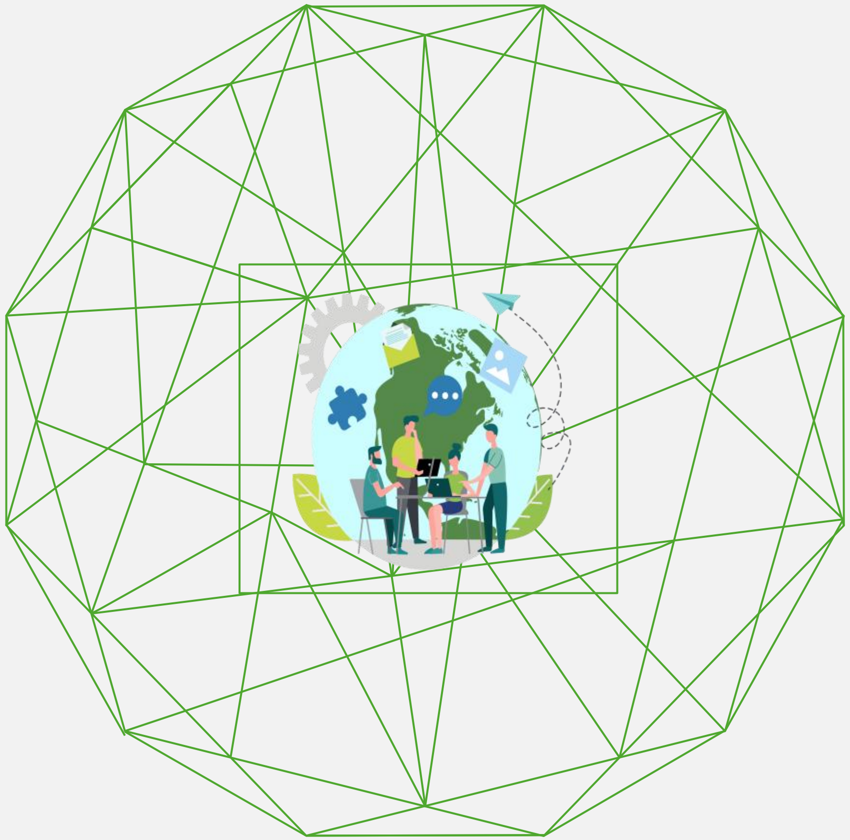
DATA RECONCILIATION AND REPORT DRAFTING

- Prepare base data (combined active base and combined package to channel mapping) by applying different transformation and cleaning logics on the extracted data
- Validate **declared MSRs with cleaned extracted data** (Clause 10.4 ii)
- **Infrastructure Sharing Reconciliation:** Entity-wise reconciliation between CAS/DRM and SMS for each distributor (clause 4.17)
- Ensure **completeness of screenshots** (Schedule III & X, logs) for drafting of the report

AUDIT OBSERVATION VALIDATION & FINAL REPORT SUBMISSION

- Audit report to be submitted by the **DPOs by 30th September 2026 every year** (As per the Amendment Regulations, 2026)
- In case the broadcaster has any issues/doubt/clarifications with the audit report shared by the DPO the same needs to be communicated by **broadcaster within forty-five days after the receipt of audit report.** (Clause 8.3)
- Data extraction **queries' scripts and explanation of terminology used must be preserved** (Clause 16.10)

Key Operational/Business challenges and their mitigation strategy



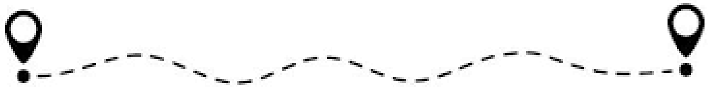
Let's Discuss: Key Operational/Business Challenges and their mitigation strategy (1/2)

Based on audit experience, the following policy-level challenges are faced by auditors on regular basis, and some improvements may be considered to enhance audit effectiveness, encourage wider compliance, and strengthen the Digital Addressable System (DAS) audit ecosystem.

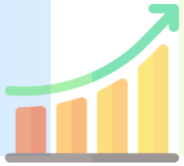
Challenges	Mitigation Strategy
No categorization (in terms of Subbase, national presence) of DPOs in the overall auditing ecosystem	**Introduce DPO categorization (Small, Medium & Large) based on subscriber base, with proportionate audit fee and timelines.**
Absence of standardized Fees structure to carry out the Audit of DPOs	**Standardize audit fee guidelines based on DPO size, infrastructure complexity and number of Headends/CAS/SMS to ensure uniformity across the industry.**
Threshold of subscribers for auditing DPOs to increase the auditable universe count	**Review the mandatory subscriber base threshold for auditing DPOs (currently applicable above 30,000 to 10,000 subscribers) to encourage wider coverage.**
Delay in payment of audit fees by the DPO, leading to delay in report submission	**Define standard timelines for settlement of audit fees after completion of fieldwork and report submission.**

Let's Discuss: Key Operational/Business Challenges and their mitigation strategy (2/2)

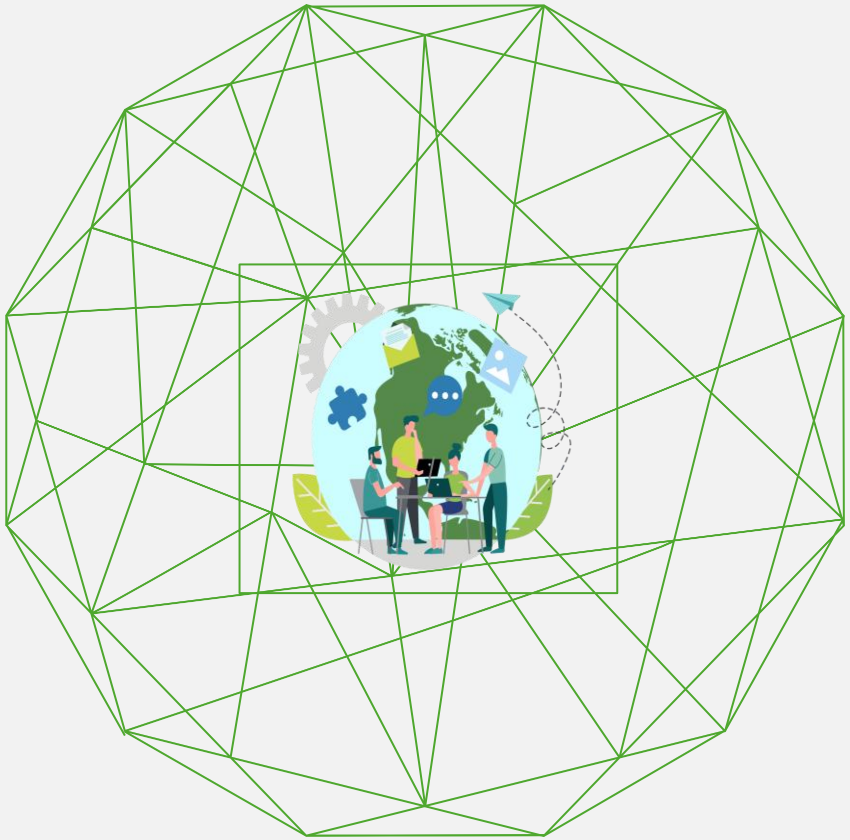
Based on audit experience, the following policy-level challenges are faced by auditors on regular basis, and some improvements may be considered to enhance audit effectiveness, encourage wider compliance, and strengthen the Digital Addressable System (DAS) audit ecosystem.



Challenges	Mitigation Strategy
Delay in management responses on the draft report submitted	Stricter timelines or penalties to be devised to control unnecessary delay of reports submission.
What is the last date to receive audit request from the DPO to ensure maximum compliance	Last date of audit receival by the auditors should be reviewed to ensure compliance to 30th Sept deadline
No backup of CAS/SMS data	DPOs are advised to maintain regular data backups. Lack of backups are noted during audit
No or poor vendor support during audit	Audits get delayed or postponed only after due documentation of non-support from vendor. This needs to be escalated to broadcasters wherever needed by the DPO



Q&A Open House



Thank You Note