DEN Discovery Digital Networks Private Limited
CIN: U74900MH2013PTC240517
Regd Office: Office No. 103, Mayur Plaza, 1st Floor,
Wadala Naka, Nashik-422 002
Tel: 0253-2501483 email: shankar.devarajan@denonline.in

September 6th, 2024

To,

Shri Deepak Sharma,

Advisor (B&CS)

Telecom Regulatory Authority of India

Subject: Comments / Observation on the Behalf of DEN Discovery Digital Networks Private Limited on the Consultation Paper on Audit related provisions of Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 and The Telecommunication (Broadcasting and Cable) Services Digital Addressable Systems Audit Manual dated 09.08.2024.

Dear Sir,

We would like to express our gratitude for providing us with the opportunity to share our observations on the Consultation Paper.

At the outset, it is noted that the comments in this paper are premised on our understanding of the broadcasting and cable TV industry practices, its gradual growth over the decade and the current legislative structure.

The Cable TV industry is nearing extinction and is struggling to survive. It faces several regulatory hurdles, including problems with unregulated Free Dish services and Over-The-Top (OTT) applications. Addressing these issues promptly is crucial to create a fair and transparent regulatory environment. The purpose of audit manual is to achieve it by ensuring precise and reliable reporting, robust oversight, and compliance with set standards for addressable systems in the broadcasting and cable services sector. The procedures outlined in the manual have shown to be both pertinent and effective in addressing industry demands and adhering to regulatory standards.

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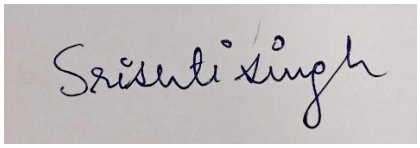
We humbly acknowledge and appreciate the efforts that the Authority has put forth in initiating a CP on such a significant issue that is in relation to the Audit related provisions of Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 and The Telecommunication (Broadcasting and Cable) Services Digital Addressable Systems Audit Manual.

Keeping in mind this context and aiming to enhance transparency and efficiency in reporting within the Cable and Broadcasting sector, here is our detailed responses to each question below.

Thanking You

Yours Faithfully



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Issues for consultation

Q1. Should provision of Regulation 15(1) be retained or should it be removed in the Interconnection Regulation 2017?

i) In case you are of the opinion that provisions of Regulation 15(1) should be retained then

a. **Should it continue in its present form or do they need any modifications?**
b. **In case you are of the opinion that modifications are required in Regulation 15(1) of the Interconnection Regulation 2017, then please suggest amended regulations along with detailed justification for the same.**

ii) In case it is decided that provisions of Regulation 15(1) should be removed then what mechanism should be adopted to ensure that the monthly subscription reports made available by the distributors to the broadcasters are complete, true and correct?

Response/ Comment.

Regulation 15(1) ensures that every distributor of television channels shall, once in a calendar year, cause audit of its subscriber management system, conditional access system and other related systems by an auditor to verify that the monthly subscription reports made available by the distributor to the broadcasters are complete, true and correct, and distributor shall issue an audit report to this effect to each broadcaster with whom it has entered into an interconnection agreement.

In our opinion, the provision of 15(1) is working fine and should not be removed under any circumstance. Retention of 15(1) offers several significant advantages, including:

(a) **Detection of Non-operational MSOs**. : It is helping MIB and TRAI in identifying the non-operational MSOs.
(b) **Regulatory Compliance:** Ensuring that the company adheres to industry regulations and standards. This is crucial in a heavily regulated sector

where non-compliance can result in fines, legal issues, or loss of operating licenses.

However to ensure strict adherence to Regulation 15(1), we recommend the following essential actions be taken by the Authority:

a. The Authority should periodically review and publish, every six months, a list of DPOs who have not complied with Regulation 15(1) on the TRAI website for public access.

b. If a DPO fails to comply with Regulation 15(1) after receiving notice from the Authority, the Authority should propose "license cancellation" to the Ministry of Information and Broadcasting (MIB).

c. Since broadcasters provide signals to all DPOs and are aware of their operational status and network, they should be strictly prohibited from supplying TV signals to non-compliant DPOs and must adhere to this prohibition.

d. Broadcasters should face financial penalties of up to Rs. 10 lakhs if they are found supplying signals to non-compliant DPOs, as this would be seen as endorsing non-compliance with TRAI regulations.

e. Additionally, non-compliant DPOs should be prohibited from participating in "Infrastructure Sharing."

Q2. Should small DPOs be exempted from causing audit of their systems every calendar year, under Regulation 15(1) of Interconnection Regulation?

A. If yes, then,

1. Should 'subscriber base' of DPO be adopted as a criterion for defining small DPOs for this purpose?

i. If yes,

a) **what limit of the subscriber base should be adopted to define small DPOs for the purpose of exempting them from causing audit of their systems under Regulation 15(1)?**
b) **on which date of the year should the DPOs' subscriber base be taken into consideration for categorising whether or not the DPO falls in exempted category?**

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c) **In case any distributor is offering services through more than one distribution platforms e.g. distribution network of MSO, IPTV, etc. then should Page 13 of 173 the combined subscriber base of such distributor be taken into consideration for categorising whether or not the distributor falls in exempted category?**

ii. If 'subscriber base' criterion is not to be adopted, then what criteria should be selected for defining small DPOs?

Response/ Comment.

Law doesn't differentiate on the basis of caste, creed, economic condition and influence of the offender. Gravity of offence shouldn't differentiate between the Big & Small DPOs and law should be uniform for all. As Under Companies Act, 2013, Small companies are not exempted from Statutory Audit, Audit requirement by TRAI and MIB for Small DPOs shall be seen in the same light. Exemption of small DPOs from Audit will cause unauthorised distribution and loss to exchequer.

Further, each DPO with a subscriber base of 20,000 would have invested between 60 lakhs and 1 crore in Head End, CAS, and SMS systems. With 20,000 subscribers generating annual revenue of 3 to 5 crores, the cost of a single audit per year, which is approximately 75,000 to 1 lakh, will not significantly affect the DPOs (attached quotations from TRAI empanelled auditors.). Additionally, to take advantage of the exemption, there is a risk that the industry might exploit this provision by reflecting the false data of their businesses to fall below the exemption threshold.

Therefore, we respectfully request that the Hon'ble Authority to ensure that the regulations apply uniformly to all DPOs.

2. In case it is decided that small DPOs may be exempted from causing audit of their systems under Regulation 15(1), then should broadcasters be explicitly permitted to cause subscription audit and/or compliance audit of

systems of such DPOs, to verify that the monthly subscription reports made available by the distributor to them are complete, true and correct?

i. If yes, what should be the mechanism to reduce burden on small DPOs that may result due to multiple audits by various broadcasters?

ii. If no, what should be the mechanism to verify that the monthly subscription reports made available by the small DPOs to the broadcasters are complete, true and correct?

we would like to reiterate once again that should be Uniform regulation for everyone and everyone should be same in the eyes of law.

B. If you are of the view that the small DPOs should not be exempted from the mandatory audit, then

i. how should the compliance burden of small DPOs be reduced?

There is no significant compliance burden on smaller DPOs, as they are only required to undergo a single audit each year. This audit process, which takes about a week to complete, does not impose a substantial burden on the DPOs.

Additionally, the Authority can issue a standard rate card for audit fees, which would be determined by factors such as the number of CAS, SMS, subscribers, and the anticipated time required to complete the audit. This approach would also help to lessen the financial burden on smaller MSOs

ii. should the frequency of causing mandatory audit by such small DPOs be decreased from once in every calendar year to say once in every three calendar years?

No, Audit regulation should be similar for every DPO. It shouln't be based and biased on the basis Subscriber count.

iii. alternatively, should small DPOs be permitted to do self-audit under Regulation 15(1), instead of audit by BECIL or any TRAI empanelled auditor?

Principal audit is based on scrutiny of data and its purpose is to keep check on the malfunctioning of DPOs. The purpose of Audit will get defeated if it will be done by DPOs themselves. Hence, Self-audit shouldn't be permissible.

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Q3. As per the existing Interconnection Regulation, all the distributors of television channels have been mandated to cause audit of their system once in a calendar year. Should the existing provision of "calendar year" be continued or "financial year" may be specified in place of calendar year? Please justify your answer with proper reasoning.

In our opinion, "financial year" should be specified in place of calendar year for technical audit by distributors. The current requirement for a calendar year should be changed to a financial year, as accounting practices and audits in India are aligned with the financial year. Additionally, the calendar year does not align with the annual financial contracts and agreements with broadcasters. Hence, the calendar year should be substituted with the financial year.

Q4. As per the existing Interconnection Regulation, the annual audit caused by DPO under regulation 15 (1), shall be scheduled in such a manner that there is a gap of at-least six months between the audits of two consecutive calendar years and there should not be a gap of more than 18 months between audits of two consecutive calendar years . Instead of above, should the following schedule be prescribed for annual audit?

i) **The DPOs may be mandated to complete annual audit of their systems by 30th September every year.**
ii) **In cases, where a broadcaster is not satisfied with the audit report received under Regulation 15(1), broadcaster may cause audit of the DPO under Regulation 15(2) and such audit shall be completed latest by 31st December.**
iii) **In case DPO does not complete the mandatory annual audit of their systems by 30th September in a year, broadcaster may cause audit of the DPO under Regulation 15(2) from 1st October to 31st December year. This shall not absolve DPO from causing mandatory audit of that year by 30th September and render the non-complaint DPO liable for action by TRAI as per the provisions of Interconnection Regulation 2017? Justify your answer with proper reasoning.**

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Comment/Answer

Yes, the requirement for the DPO to complete its mandatory annual audit by September 30th is indeed very relevant, and the timelines must be strictly adhered to. Here's a detailed justification for this:

1. **Regulatory Deadlines and Compliance**: The deadline of September 30th for completing the mandatory annual audit is a critical regulatory requirement. This timeline ensures that all DPOs are evaluated within a consistent timeframe, which is essential for maintaining uniformity and fairness across the industry. Adhering to this deadline helps ensure that all entities are held to the same standards and practices.
2. **Enforcement and Accountability:** Regulation 15(2) allows for a secondary audit by the broadcaster if the DPO fails to meet the September 30th deadline. This provision acts as a mechanism to enforce compliance and ensure that audits are conducted even if the DPO does not fulfil its obligation on time. It ensures that there is oversight and accountability, even in cases of non-compliance.
3. It will also save the unnecessary litigations too.

Strict adherence to these timelines is essential for maintaining regulatory compliance, operational integrity, and industry standards.

Q5 In case you do not agree with schedule mentioned in Q4, then you are requested to provide your views on the following issues for consultation:

i. **As per the existing Interconnection Regulation, the annual audit caused by DPO under regulation 15(1), shall be scheduled in such a manner that there is a gap of at-least six months between the audits of two consecutive calendar years and there should not be a gap of more than 18 months between audits of two consecutive calendar years. Does the above specified scheduling of audit need any modification? If yes, please specify the modifications proposed in scheduling of audit. Please justify your answer with proper reasoning.**

Comment/ Response :

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We agree with the schedule mentioned in Question No. 4 and believe it needs no modifications.

The existing scheduling requirement of a six-month minimum gap and an 18-month maximum gap between audits is appropriate and effective. It ensures regular and timely audits while providing the necessary flexibility for organizations to manage their audit schedules effectively. Therefore, no modifications to the current timeline are needed.

ii. **For the audit report received by the broadcaster from the DPO (under regulation 15(1)), should the broadcasters be permitted to cause audit under regulation 15(2) within a fixed time period (say 3 months) from the date of receipt of that report for that calendar year, including spilling over of such period to the next year?**
• If yes, what should be the fixed time period within which a broadcaster can cause such audit. Please support your answer with proper justification and reasoning.
• If no, then also please support your answer with proper justification and reasoning ?

Comment/ Answer :

Yes, broadcasters should be permitted to conduct an audit under regulation 15(2) within a fixed time period from the date of receipt of the audit report from the DPO under regulation 15(1). A fixed time period provides clarity, ensures compliance, and helps in maintaining accountability.

iii. **In case a DPO does not cause audit of its systems in a calendar year as specified in Regulation 15(1) then should broadcasters be permitted to cause both subscription audit and/or compliance audit for that calendar year within a fixed period (say 3 months) after the end of that calendar year?**
• If yes, what should be the fixed time period (after the end of a calendar year) within which a broadcaster should be allowed to get the subscription audit and/or compliance audit conducted for that

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calendar year? Please support your answer with proper justification and reasoning.

- **If no, then also please support your answer with proper justification and reasoning?**

Comment/ Answer :

Yes, broadcasters should be permitted to conduct both subscription and compliance audits if the DPO does not perform the required audit under Regulation 15(1) for a calendar year. Allowing broadcasters to conduct these audits within a fixed period ensures that compliance and accountability are maintained even if the DPO fails to carry out the audit.

Q6. What measures may be adopted to ensure time bound completion of audits by the DPOs? Justify your answer with proper reasoning.

Comments/ Response :

1. For completion of time bound audit, following suggestion should be taken in consideration.

(a) Transport Stream and all their queries should be provided by the broadcaster to the DPO/Auditor within 15 days of the intimation by the DPO of the date of commencement of audit.

(b) 4-5 weeks' time shall be given for subscription audit.

(c) 4-5 days shall be given per headend audit and analysis.

(d) 1-2 weeks' time shall be given for analysis of data and finalization of the audit report.

(c) 1 week time shall be given to DPO to respond on the issues flagged by auditor.

(d) 1 week extra time to be given if broadcaster has shared the sample.

(e) Time bound completion must be done by auditor, by the end of 31st December last.

2. Post submission of Audit Report to Broadcaster, Broadcaster has to raise his concern to MSO within 30 days. After expiry of 30 days will not entertain concern raised by Broadcaster.
3. Sub-regulation (2) of Regulation 15 of the Interconnection Regulations 2017 further specifies that in cases where a broadcaster is not satisfied with the audit report received under Sub-regulation(1) of Regulation 15 , Broadcaster must take the order from DOT post satisfying its all the objection on Audit report, for conducting the Audit on its own.

Q 7. Stakeholders are requested to offer their feedback on the amendments proposed in the Audit manual in this consultation paper (CP) in the format as given in Table 2.

Table 2: Format for stakeholders' response on issues related to audit manual raised in this consultation paper

S.N.	**Page number of the existing Audit Manual**	**Clause number of the existing Audit Manual**	**Do you agree with the amendment proposed in this CP (Yes/No)**	**If you do not agree with the amendment proposed in this CP, then provide amended Clause proposed by you**	**Reasons with full justification of your response**
1	Page 8	4.4	Yes		
2	page 9	5.7	Yes		
3	Page 9	5.8	Yes		
4	New Add	5.9	Yes		

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5	New Add	7A	No	It may be noted that all simulations tests on STBs should be carried out on those STB models that have been deployed and activated by the DPO post 2017 (i.e., post coming into effect of the Interconnection Regulations 2017). For this purpose, DPO must ensure that at least 2 STBs of each STB model, that have been deployed and activated by the DPO post 2017, are available in the stock for the simulation tests (Except STB Black-Listing test cases, which can be 1 STB Sample of Top 5 Models deployed	Black-Listing is performed only to validate the feature of Killing a STB permanently due to any illegitimate use like Piracy or Redistribution, which can be performed on select Most Popular Models on limited qunatity. Like: 1 STB of Top 5 Most Popular Model Once STB is Black-Listed, same can not be recovered so this is requested to limit this test case to overcome electronic wastage and Logistical Challenges

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				since 2017)	
6	Page 11	7.A.1	Yes		
7	Page 16	7.A.12 & 7.A.13	Yes		
8	Page 17	7. A.14	Yes		
9	Page 20-21	7.B.1	Yes		
10	Page 21	7.B.2	Yes		
11	Page 23	7.B.11	Yes		
12	Page 24	7.B.14	No	To be removed	Contradicts with Infra-Sharing Guidelines challenges (being covered separately in Chapter 4,

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					Answer 9)
13	Page 26	7.C.8	Yes		
14	Page 26	7.C.9	Yes		
15	Page 27	8.1	Yes		
16	Page 27	8.3	Yes		
17	Page 27	8.5	Yes		
18	Page 27	8.7	Yes		
19	New Add	8.8	Yes		
20	Page 29-30	10.3	Yes		
21	Page 31	11.6	Yes		
22	New Add	11.7	Yes		
23	Page 33	14(a)	Yes		
24	Page 34	15(a)	Yes		
25	Page 34	15(b)	Yes		
26	Page 34	15 (c)	Yes		
27	New Add	15 (d)	Yes		
28	Page 37-38	18.A.2	No		For compliance of this Clause, Audit should always happen by Oct end every year
29	New Add	18.A.17	Yes		

30	Page 42	18.C.14	Yes		
31	New Add	18.C.35	Yes		
32	Page 77	Annex 7	Yes		
33	Page 82	Annex 7	Yes		
34	Page 83	Annex 7	Yes		

Q8. Please provide your comments/any other suggested amendment with reasons thereof in the Audit Manual that the stakeholder considers necessary (other than those proposed in this consultation paper). The stakeholders must provide their comments in the format specified in Table 3 explicitly indicating the existing clause number, suggested amendment and the reason/full justification for the amendment in Audit Manual.

Table 3: Format for stakeholders' response on issues related to audit manual on issues other than those proposed in this consultation paper

SNo	**Existing/New clause**	**In case of new clause, please indicate clause number inserted**	**In case of Existing clause**			**Suggested Amendment**	**Reasons/ full justification for the proposed amendment**
			Page number of the existing Audit Manual	**Clause number of the existing Audit Manual**	**Existing Clause**		
1	Existing		Page 9	Clause	Take screenshot of	Requires	Allowing screenshots

				4.6	all TS streams from MUX and compare with results of field TS recorded randomly at minimum two locations by auditor	deletion	of ECM and encryption-related parameters could compromise the security of the transmissio n. Instead, auditors should verify and authenticat e encryption details visually from CAS and MUX during the audit process.
2			Page 9	Clause 4.9	Check PSI/SI server that it has EPG push capability.		DPOs should have the option to use either a single server for PSI/SI with push EPG functionalit y or two separate servers, one for PSI/SI and the other for EPG. This approach helps prevent overloading the PSI/SI server,

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							which handles essential DVB parameters.
3.	Existing		Page 9	4.10	Confirm insertion of watermarking network logo for all channels from encoder end. Only the encoders deployed after coming into effect of the Amendment Regulations shall support watermarking network logo for all pay channels at the encoder end.		If a DPO has a combination of encoders installed both before and after the regulation amendment, there will be two logos: one produced by the STB software, which appears on all channels, and another generated by the new encoders installed after the amendment's effective date. Therefore, it is recommend ed that the

							DPO logo be generated solely by the STB
4.	Existing		Page 10	5.2	BIS certificates for all makes & models of STB deployed by DPO after DAS implementation		The BIS certificate obtained by the STB supplier during the import of the STBs should be deemed valid if the supplier fails to renew and provide an updated BIS certificate annually to the DPO.
5.	Existing		Page 29	Schedule III – E 9	Alternatively, the Auditor may also verify the validity of the BIS Certificates online (by inputting the Registration Number of the first BIS Certification		If the BIS online certificate is not available and the DPO is unable to provide a screenshot to confirm this, then,

					of the respective STB Models). Screenshots of the online verification of such BIS validity should be provided in the Audit Report.		as mentioned in section 5.2 above, the BIS certificate obtained during the import of any STB make and model should be considered valid.

Q9. In light of the infrastructure sharing guidelines issued by MIB, should clause D-14 (CAS & SMS) of Schedule-III of Interconnection Regulation 2017), be amended as follows:

"*The watermarking network logo for all pay channels shall be inserted at encoder end only.*

Provided that only the encoders deployed after coming into effect of Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Amendment) Regulations, 2019 (7 of 2019) shall support watermarking network logo for all pay channels at the encoder end.

***In case of infrastructure sharing, the infrastructure sharing provider shall insert its watermarking network logo for all pay channels at encoder end while each DPO taking services from infrastructure provider distributor shall insert its own watermarking network logo for all pay channels at STB end.*"**

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Please support your answer with proper justification and reasoning. If you do not agree then suggest an alternative amendment, with proper justification?

Comment/Answer

Under Infrastructure Sharing arrangements, Logo insertion from Encoder shall lead to various complications of Logo overlap and User Experience problems so we recommend that Watermark Logo insertion from Encoder should not be mandated, we have to focus on the requirement of Watermark Logo like Anti-Piracy control as a feature along with STB inserted Watermark Logo.

In order to address this requirement of Anti-Piracy, DPO triggered Fingerprint can still serve the purpose in the following way in case someone is able to alter/ mask the watermark logo:

A- Broadcaster shall be able to identify the Infrastructure Provider using Broadcaster triggered Fingerprint.

B- On identifying the Infrastructure Provider source, Broadcaster shall make the Infrastructure Provider accountable to trigger the DPO triggered Fingerprint for identifying the real DPO (Infrastructure Seeker/ Infra Provider) STB ID.

C- Since Infra Provider does not have the capability currently available for triggering the Fingerprint on Infrastructure Seeker STB, there are 2 possible solutions- (i) Develop a utility using Fingerprint API of all Infra Seekers so that it triggers FP immediately -OR- (ii) Establish a common Anti-Piracy Team of all Partner DPOs to trigger the Fingerprint within stimulated timeframe.

Hence, we strongly recommend that Encoder Level Logo Insertion should not be mandated and only STB Level Logo insertion can serve the purpose of Infrastructure sharing needs and Anti-Piracy requirements

Q10. In case of infrastructure sharing, if it is decided that the infrastructure sharing provider shall insert its watermarking network logo for all pay

channels at encoder end while each DPO taking services from infrastructure provider distributor shall insert its own watermarking network logo for all pay channels at STB end,

i) does the specification of the logos (transparency level, size, etc), of both Infrastructure provider and infrastructure seeker distributors, need to be regulated? If yes, please provide detailed specification (transparency level, size, etc) of the logos of both Infrastructure provider and infrastructure seeker distributor.

ii) Since appearance of the logos of more than one DPO on the TV screen may compromise the quality of the video signal at the subscriber's end, what measures such as overlapping logos of the DPOs or any other solution, should be adopted to ensure that while logo of the DPO (infrastructure seeker) is prominently visible on the subscriber's TV screen, the objective of tracing piracy is also met through watermarking the network logo of the infrastructure provider DPO suitably? Please provide details of measure proposed. Please support your answer with proper justification and reasoning.

Comment/ Response

i) Currently Transparency Level is kept at around 80% for DPO triggered logo

ii) Overlapping of Logo is avoidable using STB inserted Logo as mentioned under Answer no. 9. Having 2 Logos on screen along with Broadcaster Logo would bring bad user experience and confusion and making transparency level higher than 50% would also cause loss of information on TV screen especially for Business and News Channels.

iii) Consequently, displaying both DPO logos on the screen would be challenging, so it is advisable to prioritize the infrastructure seeker's logo.

Q11. In light of the infrastructure sharing guidelines issued by MIB, should clause C-14 (CAS & SMS) of Schedule-III of Interconnection Regulation 2017), be amended as follows:

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"The CAS shall be independently capable of generating, recording, and maintaining logs, for a period of at least immediate preceding two consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS.

In case Infrastructure is shared between one or more distributors, the CAS shall be capable of generating, recording, and maintaining logs for each distributor separately for the period of at least immediate preceding two consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS."

Please support your answer with proper justification and reasoning. If you do not agree then suggest an alternative amendment, with proper justification?

Comment/Response :

1. We are okay with the above amendments in the clause C-14 (CAS & SMS) of Schedule-III of Interconnection Regulation 2017, however, we also want to highlight that here "logs" should mean & defined as, "***transactional logs and all commands exchanged between CAS & SMS excluding CAS Internal Logs in the backend components within CAS Solution/ System are also considered as logs***"

2. The reasoning behind our above definition of logs is that there are 2 types of Logs-
   i) Transactional Logs that get triggered through SMS and related to business use cases. These are managed and stored for longer duration of 6 months, to be referred during Audits.
   ii) CAS Internal logs are very heavy in nature and thus are not kept for longer storage as these are primarily meant for system troubleshooting and having no relevance from business perspective.

3. Therefore, while making an amendment, the type of logs shall be clearly captured in the amendment and therefore the revised clause C-14 shall be as:

"*The CAS shall be independently capable of generating, recording, and maintaining* ***transactional*** *logs, for a period of at least immediate preceding two consecutive years, corresponding to each command executed in the CAS*

including but not limited to activation and deactivation commands issued by the SMS.

In case Infrastructure is shared between one or more distributors, the CAS shall be capable of generating, recording, and maintaining ***transactional*** *logs for each distributor separately for the period of at least immediately preceding two consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS."*

Q12. For those cases of infrastructure sharing where the CAS and SMS are not shared by the infrastructure provider with the infrastructure seeker,

i. do you agree that in such cases, the audit of the infrastructure seeker so far as the shared infrastructure is concerned, should extend to only those elements of the infrastructure of the provider which are being shared between the DPOs?

ii. should a broadcaster be permitted to cause the complete technical audit of all the DPOs, including the audit of the shared infrastructure, as a precondition for the broadcaster to provide the signals of television channels, if the broadcaster so decides?

Please support your answers with proper justification and reasoning.

Comment/Response.

i) There should be no prerequisite for the broadcaster's audit if CAS and SMS are not shared, as these will be addressed during the annual audits of all DPOs, HITS, DTH, and MSOs.

ii) This should not be made a precondition due to time constraints and the involvement of numerous broadcasters, as well as the lengthy process required to complete an audit.

DEN Discovery Digital Networks Private Limited
CIN: U74900MH2013PTC240517
Regd Office: Office No. 103, Mayur Plaza, 1st Floor,
Wadala Naka, Nashik-422 002
Tel: 0253-2501483 email: shankar.devarajan@denonline.in

Q13. In case CAS and SMS are shared amongst service providers,

(i) what provisions for conducting audit should be introduced to ensure that the monthly subscription reports made available by the distributors (sharing the infrastructure) to the broadcasters are complete, true, and correct, and there are no manipulations due to sharing of CAS/DRM/SMS?

(ii) should a broadcaster be allowed to simultaneously audit (broadcaster-caused audit) all the DPOs sharing the CAS/DRM/SMS, to ensure that monthly subscription reports are complete, true, and correct in respect of all such DPOs, and there are no manipulations due to sharing of CAS/DRM/SMS? Support your answer with proper justification and reasoning.

Comment/Response :

i) For CAS/SMS/DRM sharing, it is essential to mandate a broadcaster audit of the Infrastructure Seeker in accordance with the existing Audit Manual specifications, due to its sensitive nature from all stakeholders' perspectives.

ii) While allowing simultaneous audits by broadcasters is feasible, a strict timeline of 4 weeks should be established to complete the audit upon receiving notice from all DPOs involved in sharing CAS/SMS/DRM.

iii) A new provision should be added to Schedule III, section C (5): a. It should be stipulated that each CAS instance can be integrated with only one SMS

Q14. Do you agree that in case of infrastructure sharing between DPOs, suitable amendments are required in the Schedule III of the Interconnection Regulation and the audit manual for assessment of multiplexer's logs during audit procedure? If yes, please suggest the proposed amendment(s), keeping in mind that no broadcaster should be able to see the data of another broadcaster. Please support your answer with proper justification and reasoning. If you do not agree, then also please support your answer with proper justification and reasoning?

Comment/Response :

While there is no inherent risk of information leakage with MUX infrastructure sharing, to effectively limit the audit scope for each specific DPO, it is advisable to provide a breakdown of transport streams for each DPO sharing a common MUX.

Existing clause as per Section 4.5 of Audit manual:

"Check MUX configuration to validate number of Transport Streams ("TS") configured with SID, scrambling status of each SID and ECM and EMM configuration (MUX-TS Stream-No. of ECM & EMM configured)"

For infra sharing, Proposed Amendment as below:

"Check MUX configuration to validate number of Transport Streams ("TS") configured with SID, scrambling status of each SID and ECM and EMM configuration (MUX-TS Stream-No. of ECM & EMM configured) as per the Infra sharing declaration done for the respective DPO like MUX ID, TS ID, Service ID listing of the overall Service Lineup of DPO under Audit."

Q15. In light of infrastructure sharing, does clause 4.5 of the existing Audit Manual require any amendment? If yes, please suggest the amended clause. Please provide proper justification for your response. If no, then also please support your answer with proper justification and reasoning?

Yes, clause 4.5 requires the amendment. The same is proposed as below :

"Check MUX configuration to validate number of Transport Streams ("TS") configured with SID, scrambling status of each SID and ECM and EMM configuration (MUX-TS Stream-No. of ECM & EMM configured) as per the Infra sharing declaration done for the respective DPO like MUX ID, TS ID, Service ID listing of the overall Service Line up of DPO under Audit."

Q16. In light of the infrastructure sharing guidelines issued by MIB, should clause 5.3 and clause 5.4 of Audit Manual be amended to read as follows:

"5.3 Certificate from all the CAS vendors (Format as in Annexure 1).

5.4 Certificate from SMS vendors (Format as in Annexure 2).

DEN Discovery Digital Networks Private Limited
CIN: U74900MH2013PTC240517
Regd Office: Office No. 103, Mayur Plaza, 1st Floor,
Wadala Naka, Nashik-422 002
Tel: 0253-2501483 email: shankar.devarajan@denonline.in

Note: In case of Infrastructure sharing, all the certificates/ documents related to CAS and SMS, should be given by the infrastructure provider distributor on the basis of certificate issued to it by CAS and SMS vendor."

Comment/Response :

We agree to the above mentioned amendment.

Q17. In light of the infrastructure sharing guidelines issued by MIB for sharing of infrastructure amongst MSOs, amongst DTH operators and between MSO and HITS operator, do you think that there is a need to amend any other existing provisions of Interconnection Regulations 2017 or introduce any additional regulation(s) to facilitate infrastructure sharing amongst MSOs, amongst DTH operators and between MSOs and HITS operators? If yes, please provide your comments with reasons thereof on amendments (including any addition(s)) required in the Interconnection Regulation 2017, that the stakeholder considers necessary in view of Infrastructure guidelines issued by MIB. The stakeholders must provide their comments in the format specified in Table 4 explicitly indicating the existing Regulation number/New Regulation number, suggested amendment and the reason/ full justification for the amendment in the Interconnection Regulation 2017.

Table 4: Format for stakeholders' response on amendments required in Interconnection Regulation 2017 in view of Infrastructure guidelines issued by MIB

S no	Regulation number of the existing Interconnection Regulation 2017/New Regulation number proposed in the	Provisions of the existing Regulation (2)	Amendment/ new provision(s) suggested by the stakeholder	Reasons/ full justification for the proposed amendment (4)

DEN Discovery Digital Networks Private Limited
CIN: U74900MH2013PTC240517
Regd Office: Office No. 103, Mayur Plaza, 1st Floor,
Wadala Naka, Nashik-422 002
Tel: 0253-2501483 email: shankar.devarajan@denonline.in

	Interconnection Regulations 2017 (1)		**(3)**	

(Note: In case additional regulation is proposed column (2) may be left blank)

Comment/ Response :

No Opinion

Q18. In light of the infrastructure sharing guidelines issued by MIB for sharing of infrastructure amongst MSOs, amongst DTH operators and between MSO and HITS operator, do you think that there is a need to amend any other existing provisions of Audit Manual or introduce any additional clause(s) to facilitate infrastructure sharing amongst MSOs, amongst DTH operators and between MSOs and HITS operators? If yes, please provide your comments with reasons thereof on amendments (including any addition(s)) required in Audit Manual, that the stakeholder considers necessary in view of Infrastructure guidelines issued by MIB. The stakeholders must provide their comments in the format specified in Table 5 explicitly indicating the existing clause number/New Clause Number, suggested amendment and the reason/ full justification for the amendment in Audit Manual.

Table 5: Format for stakeholders' response on amendments required in Audit Manual in view of Infrastructure guidelines issued by MIB

DEN Discovery Digital Networks Private Limited
CIN: U74900MH2013PTC240517
Regd Office: Office No. 103, Mayur Plaza, 1st Floor,
Wadala Naka, Nashik-422 002
Tel: 0253-2501483 email: shankar.devarajan@denonline.in

S no	**Page number of the existing Audit Manual**	**Clause number of the existing/New clause Number Audit Manual**	**Existing Clause**	**Amendment/ new provision(s) suggested by the stakeholder**	**Reasons/ full justification for the proposed amendment**

(Note: In case additional clause is proposed column (1) and (3) may be left blank)

Comment/Response :

No Opinion

Q19. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Comment/Response:

Comments on Clause 15(2) of the Regulation:

1. **Misuse of Power by Broadcasters:** Many DPOs are encountering issues where broadcasters misuse the authority granted under clause 15(2) to harass MSOs, either financially or legally. Even after audits conducted by TRAI-empaneled auditors under clause 15(1), broadcasters often raise numerous objections to these audits. This situation either indicates a lack of trust in the TRAI-empaneled auditors or suggests that broadcasters are using audits as a means to exert undue pressure on MSOs.
2. **Current Clause 15(2):** The existing clause 15(2) states:
    - **"If a broadcaster is dissatisfied with the audit report received under sub-regulation (1), or if the broadcaster believes that the**

addressable system used by the distributor does not meet the requirements specified in Schedule III or Schedule X, it is permissible for the broadcaster, after providing written reasons to the distributor, to audit the subscriber management system, conditional access system, and other related systems of the distributor, no more than once in a calendar year."

3. **Issues with Open-Ended Conditions:** The conditions outlined in clause 15(2), namely "dissatisfaction with the audit report" and "in the opinion of the broadcaster," are vague and can be exploited by broadcasters to harass DPOs. It is concerning that an audit performed by TRAI-empaneled auditors can be deemed unsatisfactory by broadcasters. The term "opinion" is also unclear and lacks definition.

4. **Recommended Qualifying Conditions:** To address these issues, it is recommended that qualifying conditions be established for broadcasters to conduct audits under clause 15(2). If the TRAI-empaneled auditor addresses the following criteria in their report, broadcasters should not be permitted to raise further queries:

    - **Qualifications:** a. The number of subscribers reported by the DPO and verified by the TRAI-empaneled auditor does not exceed a variation of 0.5%. b. No undeclared CAS/SMS/Head End is discovered during the audit. c. No unencrypted signals are identified during the audit. d. Variations exceeding 5% are not found between ground STB samples provided by broadcasters and the actual availability in the system.

5. **Revised Clause 15(2):** We propose the following revised clause:

    - **"If the auditor referred to in clause 15(1) issues a qualified report regarding subscription reports submitted by the DPO to the broadcaster, or concerning non-compliance with the requirements specified in Schedule III or Schedule X, the broadcaster may audit the subscriber management system, conditional access system, and other related systems of the distributor, no more than once per calendar year, provided that the following qualifications are noted in the auditor's report:** a.

The number of subscribers reported by the DPO and verified by the TRAI-empaneled auditor shows a variation of no more than 0.5%. b. No undeclared CAS/SMS/Head End is identified during the audit. c. No unencrypted signals are detected during the audit. d. Variations greater than 5% are not observed between ground STB samples provided by broadcasters and the actual system availability."

6. **Benefits of the Proposed Changes:** Implementing these changes in clause 15(2) will help DPOs complete audits within the prescribed timelines and protect them from undue harassment by multiple broadcasters seeking to impose financial or legal pressures.