

**REFERENCE INTERCONNECT OFFER OF AZALIA BROADCAST PRIVATE LTD. FOR DIGITAL ADDRESSABLE CABLE SYSTEMS**

**FOR \_\_\_\_\_ OFFICE USE ONLY**

Agreement No: SA \_\_\_\_\_

SALES PERSON \_\_\_\_\_

CUSTOMER REFERENCE NO. \_\_\_\_\_

Affix passport-size photograph of the authorized signatory & sign on the same such that half the signature is on the page and other half is on the photograph.

This Subscription Agreement ("**Agreement**") is executed by and between:

**Azalia Broadcast Private Ltd.** a company incorporated under the Companies Act, 1956, having its registered office at 401,4<sup>TH</sup> floor, INFINITI mall, Link Road, Oshiwara, Andheri (west) 400 053 (*hereinafter referred to as "**Broadcaster**", which expression, unless repugnant to the meaning or context thereof, shall be deemed to mean and include its successors and permitted assigns*), ; and

Operator \_\_\_\_\_ (M/s):  
☐ ☐ ☐ ☐ ☐ ☐

Operator's Status: Company Partnership Firm Proprietorship Firm Individual HUF Other

Cable TV/P&T Regd. No:

CAS License No (if applicable):

Valid From: \_\_\_\_\_ Valid Up to:

DAS License No:

Valid From: \_\_\_\_\_ Valid Up to:

PAN No.:

Service Tax Registration No.:

TAN No.:

Entertainment Tax Registration No.:

Correspondence Address:

Tel. No.: \_\_\_\_\_ Fax No.:

Contact Person Name, Mobile No. & E-mail ID:

For \_\_\_\_\_

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For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

Tel.	No.:					Fax	No.:
Contact	Person	Name,	Mobile	No.	&	E-mail	ID:
Name	of	Authorized				Signatory	(Mr./Ms.):

*[hereinafter referred to as “Operator”, which expression, unless repugnant to the meaning and context thereof, shall mean and include the heirs, executors and administrators in the case of a sole proprietorship firm; the partner or partners for the time being and the heirs, executors and administrators of the last surviving partner in the case of a partnership firm; the successors and permitted assigns in the case of a company; and karta and coparceners in the case of a Hindu Undivided Family (“HUF”).]*

Broadcaster and the Operator are hereinafter individually and collectively referred to as “Party” and “Parties”, respectively.

**WHEREAS:**

- A. Broadcaster is the owner/Licensee of the Channels and is authorized to retransmit signals of the Channels in the Authorized DAS Areas.
- B. The Operator is a Cable Operator authorized to retransmit signals of satellite television channels through the Operator’s Digital Addressable System in the DAS Areas.
- C. The Operator is desirous to subscribe the Subscribed Channels for further retransmission through the Operator’s Digital Addressable System to the Subscribers in the Area and the Broadcaster is willing to provide signals of the Subscribed Channels to the Operator for further retransmission through the Operator’s Digital Addressable System to the Subscribers in the Area, subject to the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of the foregoing and the mutual covenants contained herein, constituting good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows: -

**1. DEFINITION:**

In this Agreement, unless the context otherwise requires, the defined terms below shall have such respective meaning as have been assigned to them hereunder. Additionally, there are other defined terms in the body of the Agreement which shall have such respective meaning as have been assigned to them in the body of the Agreement.

- (i) “**Applicable Laws**” means laws, regulations, directions, notifications, rules or orders, including amendments thereto, enacted or issued by any constitutional, legislative, judicial, quasi-judicial or administrative authority including the TRAI and the MIB.

For \_\_\_\_\_

For Operator

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- (ii) **“Area”** means the \_\_\_\_\_ city/cities of \_\_\_\_\_, which forms part of the DAS Areas.
- (iii) **“Bouquet” or “Bouquets”** means package(s) of channels, from amongst the Channels, offered by the Broadcaster, as are listed in **Annexure A** of this Agreement.
- (iv) **“Broadcaster”** means the respective owner(s)/ licensee of any channel from amongst the Channels.
- (v) **“Conditional Access System” or “CAS”** means conditional access system installed at the Operator’s Cable Television Network headend that enables Subscribers to access and to view the Subscribed Channels and also prevents unauthorized viewers from accessing the Channels.
- (vi) **“Cable Operator”** means any person who provides Cable Services through a Cable Television Network or otherwise controls or is responsible for the management and operation of a Cable Television Network and fulfills the prescribed eligibility criteria and conditions.
- (vii) **“Cable Services”** means the transmission by cable of programs including retransmission by cable of any satellite television signals.
- (viii) **“Cable Television Network”** means system consisting of set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide Cable Service for reception by multiple subscribers.
- (ix) **“Channels”** means the linear feed of satellite television channels listed in **Annexure A** of this Agreement.
- (x) **“Commercial Subscribers”** means (i) hotels with ratings of three star and above, (ii) heritage hotels (as specified in the guidelines for classification of hotels issued by Department of Tourism, Government of India), (iii) any other hotel, motel, inn and other commercial establishments providing boarding and lodging having fifty or more rooms; and (iv) in respect of programs of a broadcaster telecast on the occasion of special events for common viewing, any place registered under the Entertainment Tax Law and to which access is allowed on payment basis for a minimum of fifty persons.
- (xi) **“Confidential Information”** means any confidential information disclosed by the Broadcaster to the Operator while the Operator is participating in the affairs/business of the Broadcaster and any such other confidential and proprietary information, including the terms and conditions of this Agreement disclosed by the Broadcaster during the Term.
- (xii) **“DAS Areas”** means the areas within the Territory where in terms of notifications issued by the Central Government under sub-section (1) of section 4(A) of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995), as amended from time to time, it is obligatory for every cable operator to transmit or re-transmit programs of any channel in an encrypted form through a Digital Addressable System.
- (xiii) **“Digital Addressable System”** means an electronic device (which includes hardware and its associated software) or more than one electronic device put in an integrated system through which signals of the Cable Television Network can be sent in an encrypted form, which can be decoded by the device or devices, having an activated Conditional Access System, at the premises

of the Subscriber within limits of the authorization made, through the Conditional Access System, and the Subscriber Management System, on the explicit choice and request of such Subscriber, by the Cable Operator to the Subscriber.

- (xiv) **"Effective Date"** means the date mentioned in **Annexure A** of this Agreement.
- (xv) **"Equipment"** means equipment comprising of digital satellite receivers/professional integrated receiver decoder (PIRDs) with SDI output together with associated viewing cards and remotes (where applicable) for each of the Subscribed Channels, details of which are set forth in **Annexure B** hereto at the sole cost of the Operator, which enables the Operator decrypt the encrypted signals of the Subscriber Channels.
- (xvi) **"Intellectual Property"** means all right, title and interest in the programming and all copyright, creative, artistic and literary contents, trademarks, trade names, services marks, logs, materials, formats and concepts relating to the Channels/Subscribed Channels, or any mark of the right holders of any programming exhibited on the Channels/Subscribed Channels.
- (xvii) **"MIB"** means the Ministry of Information & Broadcasting in India.
- (xviii) **"Monthly License Fees"** means the monthly license fee payable by the Operator to the Broadcaster in terms of Clause 5 of this Agreement.
- (xix) **"Tier"** or **"Packages"** means various packages offered by the Operator to the Subscribers comprising of channels of various broadcasters.
- (xx) **"STB"** means the Operator provided and/or the Operator authorized set top box (embedded with the Operator designated vendor designed CAS microchip) installed in the premises of the Subscriber as connected to the television of the Subscriber that allows the Subscriber to receive the Subscribed Channels in unencrypted and descrambled from through the Operator's Digital Addressable System.
- (xxi) **"Subscriber"** means each STB within the Area which receives or is entitled to receive signals of Subscribed Channels from the Operator's Digital Addressable System directly or indirectly (through local cable operators). For clarity, Parties record that once the Operator receives subscription fee for Subscribed Channel(s) and makes available the Subscribed Channel(s) on a particular STB (whether or not such STB is actually receiving such Subscribed Channel(s)) irrespective of the period of such activation in any Calendar Month, then such STB shall be included in the number of Subscribers to be reported for the purposes of payment of Monthly Subscription Fee. To illustrate, if the Operator offers a Subscribed Channel in a Package and collects subscription fee for such Subscribed Channel as price of the Package, then payment of subscription fee to the Broadcaster, for such Subscribed Channel, shall be calculated on the basis of subscriber base of the Package in which such Subscribed Channel has been placed. Notwithstanding anything to the contrary, Subscriber specifically excludes Commercial Subscriber.
- (xxii) **"Subscribed Channels"** means the channels from amongst the Channels and/or Bouquets subscribed/carried by the Operator, as are specifically identified by the Operator by assigning tick marks (✓) against such channels from amongst the Channels and/or Bouquets listed in **Annexure A** to this Agreement.
- (xxiii) **"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 utilized 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 and discounts allowed to the Subscriber for each billing period.

(xxiv) **"Subscriber Reports"** means the monthly Subscriber reports to be provided by the Operator to the Broadcaster in terms of Clause 12 of this Agreement.

(xxv) **"Broadcaster Marks"** shall mean all Intellectual Property owned or used by the Broadcaster or its affiliates or the Broadcasters from time to time in connection with the Channel/Subscribed Channels, including, without limitation, the trade names and trademarks specified by the Broadcaster itself, or on behalf of its subsidiaries or the Broadcasters from time to time.

(xxvi) **"TDSAT"** means Telecom Dispute Settlement and Appellate Tribunal, New Delhi.

(xxvii) **"Technical Specifications"** means the technical specifications set forth in **Schedule 1** to the Agreement and to which, the STBs, CAS and SMS must comply with.

(xxviii) **"Term"** means the period commencing from the Effective Date and expiring on \_\_\_\_\_, unless terminated earlier in accordance with the provisions of the Agreement.

(xxix) **"Territory"** means whole of India.

(xxx) **"TRAI"** means the Telecom Regulatory Authority of India.

## 2. INTERPRETATION:

In the interpretation of the Agreement, unless the context requires otherwise:

- (i) The headings herein are used for convenience only and shall not affect the construction of this Agreement.
- (ii) The references to Annexure and Schedule are references respectively to the annexure to this Agreement.
- (iii) The reference to the singular includes reference to plural and vice versa.
- (iv) The reference to any gender includes a reference to all other genders.
- (v) The term "including" shall mean "including without limitation".

## 3. NON-EXCLUSIVE RIGHT:

On the basis of the representations, warranties and undertakings given by the Operator, and subject to the Operator paying the Monthly License Fees, Broadcaster hereby grants non-exclusive right to the Operator to receive the signals of the Subscribed Channels through the Equipment directly from designated satellites and retransmit the signals in an uninterrupted form on a 24x7x365(6) basis of such Subscribed Channels through the Operator's Digital Addressable System to the Subscribers (either directly or through the local cable operators) in a securely encrypted manner during the Term (both to be done at the Operator's sole cost and expense), subject to the Operator complying with all the terms and conditions as set out in this Agreement. The Operator hereby specifically understands and acknowledges that the Operator shall not have the right to upgrade the standard definition feed of the Subscribed Channels/Bouquets to high definition feed (by using any technology now available or which may become available in future) at the time of re-transmitting the Subscribed Channels/Bouquets through the Operator's Digital Addressable Systems. The Operator further understands and agrees that

mere possession of the Equipment and/or access to the signals of the Channels/Subscribed Channels does not entitle the Operator to receive and/or retransmit the signals of the Channels/Subscribed Channels and/or use the Equipment in any other manner whatsoever. All distribution rights not specifically and expressly granted to the Operator under this Agreement, including without limitation, PPV, NVOD, SVOD, VOD, personal computer, mobile telephony, or any technology now available or which may become available in future are reserved by the Broadcaster.

The grant of the aforementioned rights is subject to Operator submitting to the Broadcaster a certified copy of a valid digital addressable cable TV system certificate of registration under the Cable Television Network (Regulation) Act of 1995, read with the Cable Television Network Rules, 1994, as amended from time to time; and a copy of other statutory licenses/ permissions, that may be required under the applicable laws, in connection with the ownership and operation by Operator of the Platform.

#### 4. OBLIGATION OF THE OPERATOR:

- (i) The Operator shall, at its own costs and expenses, receive the Subscribed Channels from designated satellites and retransmit the Subscribed Channels to the Subscribers through the Operator's Digital Addressable System, either directly or through local cable operators.
- (ii) The Operator shall raise monthly invoices on the Subscribers towards subscription of the channels (from amongst the Subscribed Channels) and the Operator shall collect such invoiced monthly fees from the Subscribers.
- (iii) Irrespective of the Operator's collection of the invoiced monthly amounts from the Subscribers, the Operator shall pay the Monthly License Fees to the Broadcaster, in a timely manner.
- (iv) The Operator shall ensure retransmission of high quality encrypted signal of the Subscribed Channels to the Subscribers.
- (v) The Operator shall take all necessary action to prevent unauthorized access of the Subscribed Channels through the Operator's Digital Addressable System and shall regularly provide to the Broadcaster with updated piracy reports.
- (vi) The Operator shall ensure that no Subscribed Channel shall be disadvantaged or otherwise treated less favorably by Operator with respect to competing channels on a genre basis.

#### 5. MONTHLY LICENSE FEES:

- (i) For each month or part thereof during the Term of the Agreement, the Operator shall pay to the Broadcaster the Monthly License Fee which shall be the Rate multiplied by the Monthly Average Subscriber Level.
- (ii) The a-la-carte and bouquet "Rate" per Subscriber is set out in **Annexure A** to this Agreement. The rates mentioned in the Annexure to this Agreement, as referred to above, are exclusive of all taxes and levies.
- (iii) The "**Monthly Average Subscriber Level**" is equal to the sum of the number of subscribers on the first and last day of the month in question divided by two.
- (iv) For the purpose of calculation of the Monthly License Fee payable to the Broadcaster, "**Subscriber**" means, for any calendar month, irrespective of the period of activation in such calendar Month, each Set Top Box, which is availing the Subscribed Channels through the Operator.

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For Operator

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- (v) All payments collected by the Broadcaster from the Operator shall be on First In First Out (FIFO) basis.

**6. CALCULATION OF MONTHLY LICENSE FEE:**

- (i) In case the Operator avails one or more Bouquet(s) of the Broadcaster:
- (a) If the Operator is providing the Bouquet(s) as a whole to its Subscribers, the Monthly License Fee for such Bouquet(s) shall be equal to the Bouquet rate as set out in the **Annexure A** multiplied by the number of monthly average number of subscribers availing the Bouquet(s).
  - (b) if the Operator does not offer such opted bouquet(s) as a whole to its subscriber but offers only certain channels comprised in such bouquet or packages the channels comprised in such opted bouquet in a manner resulting in different subscriber base for different channels comprised in such opted bouquet, then the payment to the Broadcaster for such entire opted bouquet by the Operator, shall be calculated on the basis of subscriber base for the channel which has highest subscriber base amongst the channels comprised in the bouquet.
- (ii) In case the Operator avails one or more or all channels of the Broadcaster on a-la-carte rate basis:
- (a) If the Operator is providing the channels on a-la-carte basis to its subscribers, the Monthly License Fee for such a-la-carte channels shall be equal to the a-la-carte rate as set out in the **Annexure A** multiplied by the number of monthly average number of subscribers availing the channels on a-la-carte basis.
  - (b) If the Operator does not offer such opted a-la-carte channel(s) as a-la-carte to its subscriber but offers the a-la-carte channel (s) in packages, then the payment to the Broadcaster for each of the a-la-carte channels shall be calculated on the basis of subscriber base of the package in which such opted a-la-carte channel has been placed.
- (iii) In case the Operator avails one or more channels on a-la-carte rate basis and also opts for different Bouquet(s) not comprising of channels opted on a-la-carte basis by the Broadcaster:
- (a) For bouquet(s), the monthly license fee shall be calculated on the basis of Clause 6(i) above.
  - (b) For a-la-carte channels, the monthly license fee shall be calculated on the basis of Clause 6(ii) above.
- (iv) The a-la-carte rate and Bouquet rates of the Channels shall be subject to amendments by the Broadcaster during the Term in accordance with any applicable notification/orders issued by any applicable authority or any order of the TDSAT or an order of any other court having appropriate jurisdiction, as the case may be.
- (v) Any discounts or similar offerings made by the Operator to the Subscribers in respect of the Subscribed Channel(s) shall be at the sole cost and expense of the Operator.
- (vi) Payment of the Monthly License Fee shall be subject to deduction of any withholding tax/ TDS in accordance with the provisions of the Indian Income Tax Act, 1961, as amended from time to time.

## 7. PAYMENT TERMS:

- (i) The Monthly License Fee shall be paid monthly in arrears within seven (7) days of receipt of invoice raised on the basis of report of the Operator by the Broadcaster, without any deduction except deduction of withholding tax/TDS as provided in this Agreement.
- (ii) All payments collected by the Broadcaster from the Affiliate shall be on First In First Out (FIFO) basis. The Operator shall have no right to withhold or claim adjustment/set off Monthly License Fee under this Agreement for any reason whatsoever (including but not limited to by virtue of any alleged loss of subscriber, counterclaim against the Broadcaster, etc.).
- (iii) Within seven days (7) of end of each month, the Operator shall provide opening, closing and average number of subscribers for that month, based on which the Broadcaster, shall raise an invoice on the Operator. In case the Operator fails to send the report within the said period of seven days, the Broadcaster, shall have the right to raise a provisional invoice and the Operator shall be under obligation to pay the license fee on the basis of such provisional invoice in accordance with the terms of this clause. However the provisional invoice shall be for an amount not more than the monthly license fee payable by the Operator for the immediately preceding month. On receipt of the report from the Operator, the parties would conduct reconciliation between the provisional invoice raised by the Broadcaster, and the report sent by the Operator.
- (iv) The Operator shall be required to make payments by the due dates in accordance with the terms hereof, and any failure to do so on the part of the Operator shall constitute a material breach hereunder. Late payments shall also attract interest calculated from the date payment was due until the date payment is made in full at a pro rata monthly rate of 18% per annum. The imposition and collection of interest on late payments does not constitute a waiver of the Operator's obligation to pay the License Fee by the Due Date, and the Broadcaster shall retain all of its other rights and remedies under the Agreement.
- (v) All License Fee payments hereunder are exclusive of all applicable indirect taxes including all and any service taxes, VAT, works contract taxes, customs duties, excise duties, entertainment taxes and other such taxes. All such taxes shall be at the Operator's cost and will be charged at the prevailing rates by the Broadcaster to the Operator.
- (vi) If under Indian tax laws, any payments from Operator are subject to Indian withholding taxes, Operator shall (i) withhold the legally required amount from its payment in the name of the Broadcaster, (ii) remit such amount applicable to the Indian tax authority in the name of the Broadcaster within the prescribed due dates, and (iii) within the statutory period deliver all documents including the tax withholding certificates to the Broadcaster evidencing such statutory deductions in the name of the Broadcaster.

## 8. DELIVERY AND SECURITY:

- (i) The Subscribed Channels must be delivered by the Operator to subscribers in a securely encrypted manner and without any alteration. The Operator undertakes to carry the Subscribed Channels in its entirety, in the order and at the time transmitted by the Broadcaster without any editing, delays, alterations, interruptions, picture squeezing or re-sizing, insertion of graphic or animated overlays, pull-through or scroll/scrawls/crawls, deletions or additions, except as authorized in advance in writing by the Broadcaster, including for any electronic program guide as referenced in Clause 10 below. The Operator shall not retransmit any portion of the Subscribed Channels except as specifically authorized by the Broadcaster. Subject to Applicable Laws, the Broadcaster have the right to alter any or all of the Subscribed Channels, including the names, logos of the Subscribed

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Channels, the programming exhibited on the Subscribed Channels and the mode of offering of the Subscribed Channels.

(ii) Operator's transmitting facilities shall be fully capable of individually addressing Subscribers on a channel-by-channel and decoder-by-decoder basis.

(iii) Operator acknowledges that the Broadcaster may in certain circumstances not control the appropriate rights to exhibit certain programs on the Channel(s) in the Territory (hereinafter referred to as the "Withheld Program(s)"). Accordingly, Operator acknowledges and agrees not to exhibit, and shall block or black out the transmission of any Withheld Program(s) upon notification from the Broadcaster.

Operator also agrees and undertakes that it shall not superimpose or otherwise insert any advertisements, promotions, programmes, data and content whatsoever either its own or that of any other channel before/during/after or along with the content of the Subscribed Channels.

(iv) For the avoidance of doubt, Operator shall not reconfigure, combine, alter, edit, manipulate, dub, sub title or repackage the Subscribed Channel for any purpose or copy and store the content of the Subscribed Channel on any storage device in any medium. Neither will Operator enable Subscribers to do the same unless permitted under applicable regulations of Telecom Regulatory Authority of India ("TRAI") i.e. the Operator can provide Personal Video Recorder/ Digital Video Recorder ("PVR" / "DVR") facility at Subscriber end, in accordance with applicable TRAI regulations, provided use of such PVR/DVR is regulated by agreement between Operator and its Subscriber and is only for non-commercial and private viewing by the Subscriber. Further, the PVR/DVR provided by Operator should necessarily have the following features:

- (a) Content should get recorded along with finger printing and watermark logo of the Platform and such finger printing and watermark logo should also be displayed during payout.
- (b) Recorded content should be encrypted and should not play on any other devices other than the concerned PVR/DVR.
- (c) Content should get recorded only if the current concerned Subscriber's subscription of that channel is active. Upon expiry of the said subscription, concerned Subscriber should not be able to view the recorded content.
- (d) User should not have access to install third party application/ software on the set top box.

(v) Without prejudice to the foregoing, Operator is allowed to only add/ insert its own trademark, logo, name or other insertion of similar nature in the form of translucent watermark, (collectively referred to as the "Insertion") while transmitting / re-transmitting the signals. The Insertion shall also be subject to the following conditions:

- (a) The Insertion shall also be inserted on other channels on the Platform.
- (b) At any point in time, there will only be a single Insertion and, it shall not appear more than once on the screen.
- (c) The Insertion shall not be more prominent than the respective Channel's logo. Further, the placement and size of Insertion, particularly Operator's logo, (on any of the Subscribed Channels) shall not be different from the placement and size of Insertion on any similar channels (i.e. channel(s) having placement of their respective logos similar to the placement of logo(s) of Subscribed Channels)

(vi) The Insertion shall not obscure or overlay the Subscribed Channels' logo or any programme that appears on the Subscribed Channels.

(vii) The transmission specifications and infrastructure allocated by the Operator in respect of the broadcast signal of the Channels by the Operator to its Subscribers shall be no worse than that of

the cable signal of any other channel within the same genre on the Operator's digital addressable cable TV system platform.

(viii) It is expressly agreed that the Operator shall only offer all/any Subscribed Channels at all times during the Term to the Subscribers as a linear television service only on a 24 hour per day, 7 day per week, 365(6) days a year basis, with effect from such Subscribed Channels being activated at the Subscriber's end on account of it being offered in a Package or such Subscribed Channels being availed on a-la-carte basis by the Subscriber, till the time such Subscriber is switched off by the Operator for being a defaulter or such Subscriber having expressly indicated its intention to discontinue its subscription to such Subscribed Channel(s) or Packages containing such Subscribed Channel(s) in accordance with Applicable Laws/extant regulations. Provided that the Operator shall keep such Subscribed Channel(s) or Packages containing such Subscribed Channel(s) active at the Subscriber's end for a minimum period of six (6) months from the date such Subscriber has subscribed to such Subscribed Channel(s) or Packages containing such Subscribed Channel(s), however, subject to availability of the Subscribed Channel(s) on the digital addressable cable TV system platform of the Operator. It is agreed that no independent advertising shall be inserted by the Operator and the Operator shall not superimpose or otherwise alter any copyright, trademarks, trade names, logos, names on any Channel.

(ix) The Operator shall provide access to the Subscribed Channel(s) on a non-discriminatory basis.

(x) It is clarified that the Operator shall offer the Subscribed Channel(s) to Subscribers on as-is basis and shall not offer any of the Subscribed Channel(s) on the basis of any specific programming event, feature, characteristic or attribute. The Operator shall cause continuous distribution of the Subscribed Channel(s) to all Subscribers during telecast without blacking it out or interfering with it in any manner whatsoever.

(xi) The Insertion shall not be used by the Operator to issue a notice for dis-connection etc.

#### **9. PACKAGES:**

(i) The Operator undertakes to the Broadcaster that the Subscribed Channels shall not be disadvantaged or otherwise treated less favorably by the Operator with respect to other channels of similar genre while including the channels in any of its Package.

(ii) The Operator shall package the Subscribed Channel(s) as per Applicable Law. Once a Subscribed Channel has been included in a Package, the said Subscribed Channel shall not be selectively switched off or taken off air by the Operator unless all other channels comprised in the package have been switched off or taken off air. Provided that this provision shall not apply on suspension of signals or on termination or expiry of this instant Agreement whereby the said Subscribed Channel(s) is taken off air or switched off.

(iii) The Operator shall serve the Broadcaster with prior intimation of its intention to package/repackage/launch a new package (promotional or otherwise).

#### **10. ELECTRONIC PROGRAMMING GUIDE:**

(i) If Operator has or creates an EPG, or a printed programming guide for distribution to its Subscribers (a copy of which shall be sent to the Broadcaster simultaneously with mailings to Subscribers), then the programming schedule of each of the Subscribed Channels shall be prominently featured in them in the order of the EPGN for each of the Subscribed Channels. The Operator agrees not to

disadvantage any of the Subscribed Channels or otherwise treat any of the Subscribed Channels less favourably with respect to competing channels on a genre basis in arranging the EPGNs.

- (ii) The EPGNs for the Subscribed Channels ideally shall not be changed over the Term. The Operator shall give the Broadcaster at least three (3) months prior written notice of any changes to the EPGNs for other channels. All changes shall be made in good faith without targeting the Subscribed Channels for discriminatory treatment vis-à-vis other channels falling within the same genres.
- (iii) The Operator shall offer all contributory language feeds for a given Channel to every Subscriber entitled to access that Channel.

#### 11. ANTI-PIRACY:

- (i) In order to prevent theft, piracy, unauthorized retransmissions, redistribution or exhibition, copying or duplication of any Channel, in whole or in part, (hereinafter collectively referred to as “**Piracy**”), the Operator shall, prior to the commencement of the Term of the agreement and at all times during such Term, employ, maintain, and enforce fully effective conditional access delivery and content protection and security systems, and related physical security and operational procedures (hereinafter collectively referred to as the “Security Systems”) & security specifications as are set forth in **Schedule 2** and/ or may be specified, in a non-discriminatory manner in writing, from time to time, by the Broadcaster.
- (ii) To ensure the Operator’s ongoing compliance with the security requirements set out in the Agreement, the Broadcaster may require technical audits (“Technical Audit(s)”) conducted by an independent security technology auditor (“Technical Auditor”), approved by the Broadcaster in writing no more than twice during the Term, at Broadcaster's cost and expense. If the results of any Technical Audit are not found to be satisfactory by either the Operator or the Broadcaster, then the Broadcaster shall work with the Operator in resolving this issue in the next fourteen (14) business days. If a solution is not reached at by then, the Broadcaster may, in its sole discretion, suspend the Operator’s right to distribute the Channels or take other actions as provided under the Agreement, until such systems, procedures and security measures have been corrected to the Broadcaster’s satisfaction the Operator shall bear the cost and expense of any subsequent Technical Audit to verify that the systems, procedures and security measures have been corrected by the Operator to Broadcaster’s satisfaction.
- (iii) The Operator shall deploy finger printing mechanisms to detect any piracy, violation of copyright and unauthorized viewing of the Channels, distributed / transmitted through its Platform at least every 10 minutes on 24 x 7 x 365(6) basis.
- (iv) The Operator shall not authorize, cause or suffer any portion of any of the Channels to be recorded, duplicated, cablecast, exhibited or otherwise used for any purpose other than for distribution by the Operator at the time the Channels are made available. If the Operator becomes aware that any unauthorized third party is recording, duplicating, cablecasting, exhibiting or otherwise using any or all of the Channels for any other purpose, the Operator shall within ten minutes of so becoming aware of such recording, duplicating, cable casting, exhibiting or otherwise using any or all of the Channels for any other purpose, notify Broadcaster and the Operator shall also switch off the concerned Set Top Box to prevent such unauthorized use. However, use of a Set Top Box with Personal Video Recorder/ Digital Video Recorder facility which has been supplied by the Operator shall not be treated as unauthorized use, as long as such Set Top Box is used in accordance with the terms and conditions of the subscription agreement between the Operator and the subscriber.

- (v) If so instructed by Information (as defined below) by Broadcaster, the Operator shall shut off or de-authorize the transmission to any unauthorized subscriber/ subscriber indulging in piracy, within ten minutes from the time it receives such instruction from the Broadcaster. Any communication under this clause shall be considered as valid Information only if (i) the information is sent through email in a format as mutually agreed by the parties and (ii) the information is sent by a person(s) who is designated to send such information. However the "information" may even be provided by the Broadcaster through other means of communications such as telephonic message, fax etc. and the said "information" shall later be confirmed by the Broadcaster through e mail and the Operator shall be under obligation to act upon such information.
- (vi) Broadcaster plans to actively combat piracy of the Channels in the Territory and the Operator undertakes to work closely and provide all such assistance to Broadcaster as may be reasonably required by Broadcaster in that regard. The Operator shall, at its own expense, take all necessary steps to comply with obligations set forth in **Schedule 2**.

## 12. SUBSCRIBER REPORTS:

- (i) The Operator will maintain at its own expense a subscriber management system ("SMS") which should be fully integrated with the CAS (Conditional Access System). The Operator shall provide to the Broadcaster complete and accurate opening and closing subscriber monthly reports for the Subscribed Channels and the tier and/or package containing the Subscribed Channels within seven (7) days from the end of each month in such format as is set forth in **Annexure C** attached hereto or in such format provided by Broadcaster. If any Subscriber has opted for more than one connection from the Operator, all such additional connections must feature in the Subscriber Report.
- (ii) Each Subscriber Report shall be system generated only through SMS and CAS and the same should be in a pre-defined read only format such as a suitable PDF format which cannot be manually edited and shall specify all information required to calculate the Monthly Average Subscriber Level (including but not limited to the number of Subscribers for each Broadcaster's Channel and each package in which Broadcaster's Channel is included) and the License Fees payable to the Broadcaster and shall be signed and attested by an officer of the Operator of a rank not less than Head of Department/Chief Financial Officer who shall certify that all information in the Report is true and correct. Any difference between the SMS and CAS reports shall have to be reconciled to the satisfaction of the Broadcaster. Such provisioning of Subscriber Report shall constitute material obligation on the part of the Operator.
- (iii) The Operator shall also include in its Subscriber Report, comprehensive details of all incidents of piracy and signal theft involving in its network, the names of perpetrators involved in such incidents. The Operator shall provide such information promptly and co-operate with the Broadcaster to take such action as per Applicable Law. . The obligation of Operator to provide to the Broadcaster the Subscriber Reports shall survive termination of the Agreement until Broadcaster receives the Subscriber Reports for each relevant month for which any Monthly License Fee is payable.
- (iv) The Operator shall maintain throughout the Term and for twelve (12) months thereafter (or such longer period as required by law) sufficient records to enable the Broadcaster to verify and ascertain (a) veracity of the Subscriber Reports supplied by Operator pursuant to this Clause, (b) the payments due to the Broadcaster hereunder, and (c) Operator's compliance with its anti-piracy obligations as set out in this Agreement.

## 13. AUDIT:

For \_\_\_\_\_

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For Operator

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- (i) Broadcaster shall have the right, to review and / or audit the subscriber management system, conditional access system, other related systems and records of Subscriber Management System of the Operator relating to the Channel(s) provided by the broadcaster for the purpose of verifying the amounts properly payable to the Broadcaster under the Agreement, the information contained in Subscriber Reports and full compliance with the terms and conditions of the Agreement. If such review and or audit reveals that additional fees are payable to the Broadcaster, the Operator shall immediately pay such fees. The scope of such Audit shall be as set out in **Annexure F**.
- (ii) The Operator shall provide full cooperation to the representatives of the Broadcaster in order to carry out the audit including but not limited to granting unfettered, unqualified and unrestricted access to the Operator's facilities and systems including but not limited to SMS, CAS, IT systems and providing documents as may be required by the Broadcaster's representatives. The Operator shall have no objection to Broadcaster's representatives carrying/using their own equipment's, systems including but not limited to laptop, software & hardware for conducting such audit and shall be provided with free ingress and egress from the premises where in such audit is conducted. This shall also apply to Technical Audits. Any breach by or on the part of the Operator with regard to the above covenants shall be construed as material breach of this Agreement
- (iii) If any fees due for any period exceed the fees reported by the Operator to be due for such period by two (2) percent or more, the Operator shall pay all of Broadcaster's costs incurred in connection with such review and / or audit, and take any necessary actions to avoid such errors in the future.
- (iv) The Operator shall remain the sole owner and holder of all customer databases compiled by the Operator under the Agreement.
- (v) The Operator will maintain at its own expense a subscriber management system ("SMS") capable of, at a minimum:
  - (a) maintaining a computerized customer database capable of recording adequate details of each Subscriber, including name, address, chosen method of payment and billing;
  - (b) administering subscriptions of Subscribers by producing and distributing contracts for new Subscribers and setting up and maintaining an infrastructure whereby Subscriber contracts are collected and recorded in the SMS database for ongoing administration;
  - (c) handling all ongoing administrative functions in relation to Subscribers, including, without limitation, billing and collection of subscription payments, credit control, sales enquiries and handling of complaints;
  - (d) administering payments of any commission fees from time to time payable to the Operator's authorized agents for the sale to Subscribers of programming packages;
  - (e) obtaining and distributing receivers and smartcards, if applicable, to Subscribers, and issue replacement smartcards from time to time in its discretion; and
  - (f) Enable new Subscribers via the SMS over-the-air addressing system and disable defaulting Subscribers from time to time in its discretion.

#### **14. TERM:**

- (i) This Agreement shall remain valid only for the Term.
- (ii) The Term of the Agreement may be extended on terms and conditions to be mutually agreed and recorded in writing between the parties.

#### **15. TERMINATION:**

For \_\_\_\_\_

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For Operator

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- (i) Either Party has a right to terminate this Agreement by a written notice, subject to applicable Law, to the other in the event of:
  - (a) material breach of this Agreement by the other Party which has not been cured within three weeks of being required in writing to do so;
  - (b) the bankruptcy, insolvency or appointment of receiver over the assets of the other Party;
- (ii) Broadcaster shall have the right to forthwith terminate this Agreement in the event (a) the digital addressable cable TV system license or any other material license necessary for the Operator to operate the Operator's digital addressable cable TV system service is revoked at any time (b) the Operator breaches any of the Anti-Piracy Requirements and fails to cure such breach within ten (10) days of being required in writing to do so; and/or (c) Broadcaster discontinues the Subscribed Channels with respect to all distributors and provides the Operator with a written notice as per Applicable Law.
- (iii) The Operator shall have the right to terminate this Agreement on written notice to the Broadcaster if the Operator discontinues the Operator's digital addressable cable TV system business and provides a written notice as per Applicable Laws.
- (iv) Broadcaster shall have the right to forthwith terminate this Agreement and disconnect/deactivate signals of the Subscribed Channels to the Operator and/or take any other action as may be appropriate, upon occurrence of any of the following:
  - (a) In case of dissolution of the partnership or winding up proceedings against the Operator;
  - (b) In the event of assignment of the Agreement by the Operator without prior written approval of the Broadcaster;
  - (c) If the Operator voluntarily or by operation of law loses control of the means to distribute the Subscribed Channels (including but not limited to entering into an agreement/arrangement with another Broadcaster for operational and/or administrative and/or funding purposes, etc.);
  - (d) In the event Broadcaster is/are subjected to legal, governmental or other adverse action under applicable treaties, tariffs or Applicable Laws that restrict the right of Broadcaster's right to provide the Subscribed Channels or any part thereof to the Operator or limit the Operator's right or authorization to distribute the Subscribed Channels or in the event of any court order which cannot be reviewed or appealed against, which prevents/restricts Broadcaster to provide the Subscribed Channels to the Operator under the terms of this Agreement;
  - (e) If the Equipment are removed from the Installation Address without prior written consent of the Broadcaster or is being used or intended to be used, at a place other than the Installation Address;
  - (f) If the Operator's representations, warranties contained in this Agreement are found to be untrue; and
  - (g) If the Operator does not comply with any rules, regulations, orders of TRAI or any other government or statutory body/court or tribunal.
  - (h) If the Broadcaster ceases to distribute or operate any of the Channels in the Territory for any reason or no reason.
- (v) The Parties agree that if any of the agreements between the Broadcaster relating to Broadcaster's right to distribute any of the Subscribed Channels in the Territory is terminated, then the part of the Agreement pertaining to the said Subscribed Channel shall stand terminated. In such an event,

For \_\_\_\_\_

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For Operator

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Annexure shall be amended and executed between the Parties at mutually agreed terms, subject to applicable law.

- (vi) Broadcaster's rights to terminate the Agreement shall be without prejudice to Broadcaster's legal and equitable rights to any claims under the Agreement, injunctive relief(s), damages, and other remedies available under Applicable Laws.

#### 16. CONSEQUENCES OF EXPIRY/TERMINATION:

- (i) Upon expiry/termination of the Agreement:
  - (a) Broadcaster shall disconnect/deactivate signals of the Subscribed Channels, and any agreement between the Parties for carriage of the Subscribed Channels on the Cable Television Network of the Operator or marketing agreement ("**Allied Agreements**") shall automatically terminate.
  - (b) The Operator shall forthwith pay the outstanding amounts under the Agreement to the Broadcaster, failing which, without prejudice to Broadcaster's rights to take appropriate legal action against the Operator, Broadcaster reserves the right to adjust such outstanding amounts from the amounts payable by Broadcaster to the Operator under the Allied Agreements.
  - (c) The Operator shall immediately return the Equipment of the Subscribed Channels to the Broadcaster in good working condition failing which the Operator shall be liable to compensation/damages, equivalent to the Monthly License Fees last paid by the Operator, for each month of delay, on a pro-rata basis,
  - (d) Each Party shall return to the other Party all documents, Confidential Information, and other material belonging to the other Party then in its possession; and
  - (e) The Operator shall within seven (7) days of the expiry/termination pay to the Broadcaster all outstanding payments and/or other sums (including but not limited to cost/charges/fees/damages/claims for rendition of accounts, if any accrued hereunder or prior to the expiration/termination of this Agreement) that may be payable to the Broadcaster under the Agreement as on the date of termination failing which, such outstanding amounts shall be payable together with interest at the rate of 18% (eighteen per cent) per annum computed from the period of such outstanding becoming due and payable until the date of payment of such outstanding, along with applicable interest, in full.
  - (f) Those provisions of this Agreement that are explicitly, or by their nature, are intended to survive termination or expiry of this Agreement shall survive termination or expiry of this Agreement.

#### 17. EQUIPMENT:

- (i) Broadcaster shall supply or cause to be supplied the Equipment to the Operator, directly or through suppliers nominated by Broadcaster within seven (7) days after execution of this Agreement. The Equipment shall at all times remain the sole and exclusive property of respective Broadcasters.
- (ii) Where Equipment is procured by the Operator directly on its own from the market, Operator shall ensure that the same meets the technical and other parameters as may be communicated by the Broadcaster and it shall also be responsible for its proper functioning, repairs, replacement or maintenance. Broadcaster shall not under any circumstances be responsible or liable for any malfunctions, repairs, replacement or maintenance of such Equipment.
- (iii) The mere possession of Equipment and making all payments relating to it, does not guarantee access to the subscribed Channels.
- (iv) If the Operator merges or amalgamate with another Cable Operator or ceases to operate the Operator's Digital Addressable Systems, the Equipment supplied by the Broadcaster to the Operator shall be returned forthwith to the Broadcaster. If the Equipment is damaged due to

negligence of the Operator, Broadcaster, shall be authorized to recover the actual repair cost from the Operator and if the Equipment is beyond repair, the Operator shall be liable to pay to the Broadcaster the cost of such Equipment as on the date it was supplied to the Operator.

(v) In order to take back possession of the Equipment from the Operator, the Operator shall ensure that the personnel/representative of the Broadcaster is allowed free and unobstructed access to the premises of the Operator where the Equipment are installed, and the Operator shall not interfere with such procedure.

(vi) Operator undertakes to ensure that each IRD and VC provided by the Broadcaster to the Operator:

a) shall not be moved from the installation address, which shall be a secure location. Operator grants Broadcaster the right at any time to enter the installation address to verify the presence of, and to inspect and test, each IRD and VC at the installation address. In the event an IRD/VC is missing, Broadcaster will be entitled to take any action in law, including under existing criminal laws, to recover the IRD/VC. Further, in the event an IRD/VC is lost, misplaced, stolen, or is in any manner alienated from Operator's possession, Operator shall immediately inform the Broadcaster of the same, with a copy of the relevant report lodged with the law enforcement authorities. Operator shall also immediately initiate all steps that may be possible for the recovery of the IRD/VC, including but not limited to legal action in a court of law. It is, however, made abundantly clear that all costs incurred or to be incurred for the recovery of the IRD/VC shall be borne solely by Operator. In case the IRD/VC is not recovered the Security Deposit, as made by the Operator, shall be paid to the Broadcaster and the Broadcaster shall be free to recover the balance costs of the IRD / VC from the Operator.

b) is not opened, tampered with or reproduced in any manner whatsoever. In the event that the hologram seal affixed to the IRD is broken while the IRD is in the possession and control of Operator, Broadcaster may suspend the signals of the Subscribed Channels (after complying with the relevant regulations) without liability and such signals will be restored only at Broadcaster's discretion and subject to Operator paying a non-refundable reactivation fee of Rs. 5000/- or higher as per the existing policies of the Broadcaster on each such suspension. Operator acknowledges that the reactivation fee is not a penalty. Upon such IRD seal being broken, Broadcaster may take back possession of the IRD and Operator's Security Deposit, as made by the Operator, shall stand forfeited and paid to the Broadcaster. Further, Broadcaster shall be free to recover the balance cost of such IRD from the Operator. Operator agrees to use the IRD/VC only in accordance with the technical specifications established by the manufacturer of the IRD/VC for the installation and use of the IRDs.

c) is not sold, assigned, pledged or otherwise transferred to any party and is not used for any purpose other than receiving the signals of Subscribed Channels in terms of this Agreement.

#### 18. ADDITIONAL CHARGES FOR THE EQUIPMENT:

(i) At the time of supplying the Equipment to the Operator, Broadcaster may, at its discretion, require the Operator to make the following payments against delivery of the Equipment:

(a) **Processing Fee:** Broadcaster may require the Operator to pay one-time non-refundable processing fee towards the Equipment for each Subscribed Channel as per the Broadcaster's policy.

For \_\_\_\_\_

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For Operator

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- (b) **Courier/Taxes:** The Operator shall pay the courier charges, octroi, taxes and other applicable levies and transportation charges for the Equipment.
- (c) **Refundable Security Deposit:** Broadcaster may require the Operator to pay an amount of Rs. 2,500/-, or such amount as may be determined by the Broadcaster from time to time, for each digital satellite receivers/integrated receiver decoder provided by Broadcaster to the Operator under this Agreement. Such refundable security deposit amount shall be refunded by Broadcaster to the Operator upon expiry or earlier termination of the Agreement, subject to the Operator returning the digital satellite receivers/integrated receiver decoder in perfect working condition (reasonable wear and tear acceptable) and also subject to Broadcaster setting off the refundable security deposit amount, or part thereof, with any amount receivable by the Broadcaster from the Operator on such date of expiry or termination of the Agreement.
- (ii) The abovementioned charges shall be levied on a one time basis during the Term for each of the Subscribed Channels or for any new channel introduced by Broadcaster and subscribed for by the Operator. It is expressly agreed between the Parties that if within one (1) month of the request made, the Operator does not intimate Broadcaster of the receipt or non-receipt of the Equipment then it will be deemed that the Operator has received the Equipment.

#### 19. REVISION OF RATES/MONTHLY LICENSE FEES:

- (i) The Monthly License Fees payable by the Operator to the Broadcaster shall automatically be revised if during the Term a revision of the a-la-carte rates and/or bouquet rates mentioned in **Annexure A**, respectively, of the Agreement ("**Tariffs**"), of any Subscribed Channels is brought about pursuant to any new regulations/orders stipulated by the TRAI/MIB or any other quasi-judicial or judicial authority and such revised Tariffs shall apply from the date such revision is notified by such authority; and/or
- (ii) Broadcaster reserves the right to revise the Monthly License Fees, if during the Term Broadcaster revises the Tariffs of the HD Channels, if any.

#### 20. REPLACEMENT/CONVERSION OF CHANNEL:

- (i) Broadcaster reserves the right at any time during the Term to remove and/or delete any television channel from the Subscribed Channels ("**Removed Channel**") and the applicability of this Agreement with respect to the Removed Channel shall stand terminated. Broadcaster shall have the right to replace any Removed Channel with a replacement channel or to add any channel to the list of Channels and to grant the distribution rights to the Operator in respect of the replacement or new channel. If any channel is removed, replaced or added to the list of Channels, the Monthly License Fee payable shall be computed as per Applicable Laws. For avoidance of doubt it is hereby clarified that Broadcaster shall use its best commercial endeavors to provide reasonable notice to the Operator with respect to removal or replacement of the Subscribed Channels, provided however that failure to provide any such notice to the Operator shall not be deemed a breach of Broadcaster's obligations hereunder. Additionally, the Operator hereby undertakes not to involve Broadcaster and indemnify Broadcaster from any claim/damage/legal proceedings that may be brought against the Operator by any of the Subscriber on account of such Removed Channels (with or without prior notification) and/or increase, if any, in the subscription rates that the Operator may choose to levy on the Subscriber.
- (ii) It is hereby clarified for the avoidance of doubt that amongst the Channels/Subscribed Channels, if any Free-to-Air ("**FTA**") channel is converted as a pay channel or if any pay channel is converted

into a FTA channel, as applicable, the Monthly License Fee payable shall be computed as per Applicable Laws.

## 21. REPRESENTATIONS AND WARRANTIES OF BROADCASTER:

- (i) Broadcaster represents to the Operator that it has the requisite powers and authority to enter into the Agreement and to fully perform its obligations hereunder.
- (ii) Broadcaster makes no representations and/or warranties relating to the continuity, reception and quality and nature of the contents on the Subscribed Channels and Authorized Agent shall not be liable for any disruption, discontinuance or interruption in the delivery of the Subscribed Channels to the Operator.
- (iii) Broadcaster shall not, under any circumstances, be liable for the performance of the Equipment for the Subscribed Channels.

## 22. REPRESENTATIONS, WARRANTIES & UNDERTAKINGS OF THE OPERATOR

- (i) The Operator represents, warrants and undertakes the following to Broadcaster:
  - (a) The Operator has requisite power and authority to enter into the Agreement and to fully perform its obligations hereunder.
  - (b) By executing this Agreement, the Operator is not in breach of any of the provisions contained in any other agreement executed by the Operator with any third party.
  - (c) it shall provide the following upon execution of the Agreement:-
    - complete network diagram;
    - CAS declaration from the Conditional access vendor (CA declaration form enclosed as **Annexure D**; and
    - SMS declaration from the SMS vendor (SMS declaration form enclosed as **Annexure E**).
  - (d) The Operator has a valid and subsisting license from the applicable statutory authority which permits operation of the Operator's Digital Addressable System and the Operator undertakes to keep such license valid and subsisting during the Term and provide a copy of the same to the Broadcaster as and when called upon to do so by the Broadcaster.
  - (e) The Operator shall abide, implement and ensure compliance to the TRAI Regulations relating to Digital Addressable Cable Systems, in particular the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012, Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 and the Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012 (as amended from time to time).
  - (f) The Operator undertakes that the Subscribed Channels shall not be disadvantaged or otherwise treated less favorably by the Operator in the packages offered to the Subscriber.
  - (g) The Operator has the capacity to carry the minimum requisite number of channels on the Operator's Digital Addressable System, in terms of Applicable Laws.
  - (h) The Operator undertakes to carry all language feeds of the Subscribed Channels.
  - (i) The Operator undertakes to obtain requisite licenses from concerned authorities in India, if required, and shall be liable to pay any license fee and royalty in relation to such licenses.
  - (j) All the Execution Requirements, as listed in **Annexure G** of this Agreement, provided by the Operator to the Broadcaster are correct.
  - (k) The STBs, CAS and SMS shall comply with the Technical Specifications and the Operator agrees that the STBs, and their installed CAS microchip, used by the Subscribers shall prohibit use of digital outputs.

- (l) The Operator shall provide the applicable Subscriber Reports and pay the applicable Monthly License Fees, together with applicable taxes, in a timely manner, failing which; the Operator shall be liable to pay applicable interest along with the due payment.
- (m) The Operator shall not retransmit the Subscribed Channels via any medium other than the Operator's Digital Addressable System.
- (n) the Operator shall not offer any pay channel(s) from amongst the Subscribed Channels as a free to air channel to the Subscribed.
- (o) the Operator shall make available to the Broadcaster, every month, logs containing channel wise history of all the activations and de-activations of all the STBs/viewing cards/smart cards for each month from the CAS and SMS logs/databases. These logs/reports, in electronic form, must be verified and authenticated by the CAS provider personnel of a rank not less than that of Chief Technical Officer/Chief Operating Officer/Head of Department.
- (p) the Operator shall ensure that no activations or deactivations shall be performed or initiated directly in the CA system. All such actions must be routed through SMS only.
- (q) the Operator shall provide Broadcaster with 10 STBs for which Broadcaster shall pay applicable charges authorized for every Subscribed Channel/Package distributed by the Operator, for anti-piracy monitoring.
- (r) The Operator shall not distribute the Subscribed Channels to any Commercial Subscribers for which one or more separate agreement(s) shall be executed between the Parties at rates applicable for Commercial Subscribers.
- (s) The Operator shall maintain for the Subscribed Channels first-class signal transmission quality in accordance with the highest international industry standards, subject to Broadcaster through Broadcaster delivering the signals of Subscribed Channels to the Operator of a quality sufficient to permit the Operator to reasonably comply with such standards. The Operator shall maintain a service availability (a service free from viewer discernible problems including, without limitation, video with no audio, audio with no video or significant signal distortion) that meets or exceeds 99.95% reliability per month (which represents service outages incurred by Subscribers not exceeding approximately 22 minutes per month) without any interruption or deviation from the daily transmission schedule, and shall immediately notify Broadcaster of any degradation to any of the Subscribed Channels' signals.
- (t) The Operator shall ensure that EPG functionality, user interface and on screen display appears at the Subscriber's option provided such interface appears at the bottom part of the screen and doesn't cover more than 10% of the television screen from bottom.
- (u) The Operator undertakes that while retransmitting signals of the Subscribed Channels through the Operator's Digital Addressable System in the manner contemplated under this Agreement, the Operator shall mandatorily use its on-screen visible watermark/logo.
- (v) The Operator shall not superimpose or otherwise add any third party promotions, programs, data, content, copyright, trademarks, trade name, logos, names and/or licenses on the Subscribed Channels at the time of retransmission, except the Operator's service logo only in watermark form which shall be at least 50% transparent and appear on the right side corner at the bottom of the screen and shall be of a size which does not cover more than 5% of the space on screen from the right and 5% from the bottom or shall hamper the visual of the channels in any manner.
- (w) The Operator undertakes to retransmit the signals of the Subscribed Channels in its entirety without (i) any cutting, editing, dubbing, scrolling or ticker tape, voice-over, sub titles, substituting or any other modification, alteration, addition, deletion or variation; and, (ii) replacing, modifying, deleting, imposing or superimposing of advertisements or otherwise tampering with the content of the Subscribed Channels.
- (x) The Operator undertakes not to, either itself or through others, copy, tape or otherwise reproduce any part of the Subscribed Channels. The Operator further undertakes that it

shall not copy or tape programs for resale or deal in any copied programs and shall immediately notify Broadcaster of any unauthorized copying, taping or use of any part of the Subscribed Channels and shall fully cooperate with all requests by Broadcaster to take such steps as are reasonable and appropriate to cause such activities to cease. It is understood that this shall not apply to the Subscribers using STBs with PVR/DVR facilities. However, cloud based PVR/DVR facilities is prohibited. Further, the Operator undertakes & ensures that content stored in the DVR and/or external storage device should always be encrypted as a 'Copy Protect' feature and shall be encrypted & not play on any other device(s).

- (y) The Operator shall not push content onto the STBs, there shall not be automatic advertisement skipping function and/or the Operator shall not create a virtual video-on-demand or other on demand service in respect of the Subscribed Channels.
- (z) The Operator undertakes not to place the Subscribed Channels next to any pornographic or gambling channel or included in any package or tier that contains any channel with pornographic content or any gambling Service.
- (aa) Operator shall always encourage the Subscribers/consumers to subscribe/avail and view all the Subscribed Channel(s). Operator further undertakes that it shall not act in a manner that would discourage the Subscribers/consumers from subscribing/availing and viewing the Subscriber Channel(s), nor shall indulge in any negative publicity nor provide incentives, marketing, advertisements, etc., which would be detrimental to the interest of Broadcaster and/or the Subscribed Channel(s).
- (bb) The Operator undertakes not to pledge, charge, encumber or in any way part with the possession of the Equipment without prior written permission of Broadcaster. Further, the Operator undertakes not to remove or shift or allow removing or shifting, the Equipment from the Installation Address detailed in the first page of this Agreement or allows anybody else to do the same, without prior written permission of Broadcaster and shall indemnify Broadcaster against any damage, destruction, theft or loss of the Equipment.
- (cc) The Operator undertakes not to modify, misuse or tamper with the Equipment including the seal (paper seal to prevent opening of the Equipment) or any signals emanating there from, in a manner that prevents the identification of the Equipment number or interferes with the signals emanating there from.
- (dd) The Operator undertakes to keep the Equipment in good and serviceable order and condition to the satisfaction of Broadcaster and bear all expenses for general repairs and maintenance of the same and it shall immediately notify Broadcaster in the event of any mechanical/technical fault in the Equipment.
- (ee) The Operator undertakes to pay all duties, taxes, fees and other outgoings payable in respect of the Equipment as and when the same becomes due and payable and shall indemnify Broadcaster against any default or non-payments in this regard.
- (ff) Upon expiry/termination of the Agreement, the Operator undertakes to return to Broadcaster the Equipment in good working condition and pay to Broadcaster all outstanding payments that may be payable to Broadcaster under the Agreement on the date of termination.
- (gg) Upon change in the designated satellite of the Subscribed Channels, the Operator undertakes to make all necessary arrangements to ensure continued access to the Subscribed Channels at its own expense.
- (hh) The Operator undertakes to promptly intimate Broadcaster of any change in ownership or sale of the business/assets of the Operator.
- (ii) The Operator undertakes to keep accurate and complete records and accounts of billings of the Subscribers and make such records available to Broadcaster and/or its representatives for inspection/audit upon reasonable notice.
- (jj) The Operator undertakes to provide all assistance to Broadcaster for conducting survey to determinate the actual subscriber base of the Operator. The Operator undertakes to

- furnish and submit to Broadcaster all information and/or documents as may be required by Broadcaster from the Operator from time to time.
- (kk) Whenever any of the Channels are launched in high definition format, the Operator shall arrange for distribution of the high definition format signals of the applicable channels through the Operator's Digital Addressable System, however, subject to separate commercial arrangement between the Parties.
  - (ll) The Operator undertakes to comply with the Applicable Laws.
  - (mm) Operator at its option, authorizes and consents to the use of his/her personal or sensitive personal information ('Data') by the Broadcaster/ Broadcaster including its affiliates, agents, representatives, advisors or subcontractors ('Authorized Entities'), for such lawful purposes as may be deemed necessary pursuant to this Agreement. Operator understands and acknowledges that (i) the Data is its personal or sensitive personal information as understood within the meaning of the applicable laws; (ii) the Operator has voluntarily and at his/her option, agreed to provide the Data to the Authorized Entities for such lawful purposes as may be deemed necessary pursuant to this Agreement ; and (iii) the Data will or may be transferred by Broadcaster/ Broadcaster to another party including its affiliates, agents, representatives, advisors or subcontractors, for such lawful purposes as may be deemed necessary pursuant to this Agreement. The use of the Data by Broadcaster/ Broadcaster shall be governed by the provisions of the global privacy policy including its addendum as applicable to Indian residents, available at [www.disney.in](http://www.disney.in). Operator agrees and accepts to be bound by the terms thereof.
  - (nn) The Operator shall conduct all of its activities relating to this Agreement, in accordance with any and all applicable Laws.
  - (oo) For the purpose of this clause "Laws" means applicable laws, rules and regulations, including without limitation, local and national laws, rules and regulations, treaties, voluntary industry standards (if any), and other legal obligations pertaining to the this Agreement and/or to any of Operator's activities under this Agreement, including without limitation, those applicable to any tax, consumer and/or product safety, data privacy and the privacy and protection of personally identifiable information, the protection of minors, employees, and the environment, the United States Foreign Corrupt Practices Act of 1977 and any amendments thereto (and any local or foreign equivalent), the UK Bribery Act 2010, and re-distribution of the Subscribed Channels.

## 23. ADVERTISING AND PROMOTIONS:

- (i) Broadcaster through Broadcaster grants to the Operator the non-exclusive right during the Term to use the Broadcaster Marks solely in connection with the marketing and promotion of the Subscribed Channels and in a manner that has been pre-approved by Broadcaster.
- (ii) The Operator undertakes to give:
  - (a) an equivalent amount of marketing support for the Channels as it provides to other channels of the same genre;
  - (b) similar treatment to all Channels in all advertising material whereby Channel logos and/or names appear with the logos and names of other channels in terms of size and prominence and page taking into consideration context; and
  - (c) equal opportunity to the Channels for participation in events and promotions that the Operator undertakes subject to commercial agreement for each event.

## 24. INTELLECTUAL PROPERTY RIGHTS:

For \_\_\_\_\_

21

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

- (i) It is expressly agreed and understood that the Operator shall not acquire any ownership or other rights with respect to the Subscribed Channels, other than those expressly provided in this Agreement.
- (ii) All Intellectual Property related to the Subscribed Channels shall belong exclusively to the Broadcaster of each Subscribed Channel or its respective affiliated companies or licensor. The Operator shall not acquire any proprietary or other rights in the Intellectual Property to which Broadcaster or its associates or subsidiaries or Broadcaster assert proprietary or other rights, which Broadcaster may notify the Operator from time to time in writing, and agrees not to use the Intellectual Property in any corporate or trade name. The Operator may use the Intellectual Property solely for the purpose of advertising and promoting the Subscribed Channels only with the prior written consent of Broadcaster. Marketing materials generated by the Operator may refer to the Intellectual Property only if it is clear that such Intellectual Property represent trademarks or service marks for the Subscribed Channels, which are distributed by the Operator. Such marketing materials shall require the prior written approval of Broadcaster. The Operator shall not acquire any proprietary or other rights over the Broadcaster Marks, and agrees not to use Broadcaster Marks without prior written consent of Broadcaster. Unless notified to the contrary by Broadcaster, in all trade references, advertising, promotion and for all other purposes, the Subscribed Channels shall be referred to exclusively as designated herein or as otherwise designated by Broadcaster. To the extent any of such rights are deemed to accrue to the Operator, the Operator agrees that such rights are the exclusive property of Broadcaster, as applicable. Broadcaster reserves the right to inspect any such material at any time without prior notice. The Operator shall not use any Intellectual Property as part of a corporate name or of a trade name, register or use any name or mark which is the same as, or which contains or which, in the opinion of Broadcaster, resembles any of the Intellectual Property. The Operator shall include appropriate copyright and other legal notices as Broadcaster may require, and shall promptly call to the attention of Broadcaster the use of any Intellectual Property or of any names or marks that resemble any Intellectual Property by any third party in the Territory. The Operator shall within 10 days after termination of this Agreement return to Broadcaster request, destroy all material containing, and all material used for the purpose of printing or reproducing, any Intellectual Property or any other names or marks that in the opinion of Broadcaster are similar to any Intellectual Property, and shall transfer or cause to be transferred at no cost to Broadcaster (or its designee) all interest in and to any graphic representation created by or for the Operator of any Intellectual Property. To the extent permissible by law, the Operator hereby appoints Broadcaster its lawful attorney-in-fact irrevocably to carry out any legal action required to cancel any registration or application for registration obtained or made by the Operator for the Intellectual Property pertaining to Broadcaster /Service Provider and the Subscribed Channels as mentioned in this clause or to cause all of the Operator's interest in such registrations or application to be transferred to Broadcaster (or its designee), it being acknowledged that such power is a power coupled with an interest.

**25. SUSPENSION OF CHANNEL:**

Subject to Applicable Laws, Broadcaster shall have the right to suspend any of the Channel(s) (or part thereof) by temporary deactivation of the IRDs, in the event of:

- i. any material breach of the Agreement and/or carriage agreement with the Operator, if any; or
- ii. failure in commercial negotiations for renewal of the Agreement within a period of thirty (30) days from the date of expiry of this Agreement.

**26. LIMITATION OF LIABILITY:**

For \_\_\_\_\_

22

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

- (i) Notwithstanding anything to the contrary in this Agreement, to the maximum extent allowed under the applicable law, except where a Party is indemnified against third party claims, in no event shall any Party be liable for any incidental or consequential damages, whether foreseeable or not (including those arising from negligence), occasioned by any failure to perform or the breach of any obligation under this Agreement for any cause whatsoever.
- (ii) Any and all express and implied warranties, including, but not limited to, warranties of merchantability or fitness for any purpose or use, are expressly excluded and disclaimed by the Parties, except as specifically set forth herein.

**27. CONFIDENTIALITY:**

The Operator shall keep in strict confidence any Confidential Information received by it from Broadcaster and shall not disclose the same to any person, not being a party to this Agreement. The Operator shall also bind its employees, officers, advisors, associates, contractors, agents and other similar persons, to whom the Confidential Information may be disclosed, to the obligations of such confidentiality. However, any disclosure of Confidential Information by the Operator to any of its employees, officers, advisors, associates, contractors, agents and other similar persons shall be strictly on a need to know basis. Confidential Information shall, at all times, remain the exclusive property of Broadcaster and the Operator shall not acquire any rights in the Confidential Information.

**28. FORCE MAJEURE:**

Neither Party shall be liable for any delay in performing or for failing to perform any or all of its obligations under this Agreement resulting from force majeure conditions including satellite failure, satellite jamming, occurrence of an event over which the affected Party has no control, etc., which may affect the retransmission of signals of any of the Subscribed Channels to the Operator/Subscribers. In the event of a suspension of any obligation under this clause, which extends beyond a period of one (1) month, the Party not affected, may at its option, elect to cancel those aspects of this Agreement.

**29. NO AGENCY:**

Neither Party shall be or hold itself as the agent of the other under the Agreement. No Subscribers shall be deemed to have any privity of contract or direct contractual or other relationship with Broadcaster by virtue of this Agreement or by Broadcaster's delivery of the Subscribed Channels to the Operator. This Agreement between Broadcaster and the Operator is on principal to principal basis and is terminable in nature.

**30. NO WAIVER:**

The failure of either Party to resist, in any one or more instance, upon performance of any of the provisions of this Agreement or to enforce any such provisions or the relinquishment of any such rights, shall not make such provisions/rights obsolete and such provisions/rights shall continue and remain in full force and effect. No single or partial exercise by either Party of any right or remedy shall preclude other future exercise thereof or the exercise of any other right or remedy. Waiver by any Party of any breach of any provisions of this Agreement (or the consequences of any such breach as provided for in this Agreement) must be in writing and signed by the Parties hereto and such waiver shall not constitute or be construed as a continuing waiver or as a waiver of any other breach of any other provisions of this Agreement.

**31. ASSIGNMENT:**

For \_\_\_\_\_

23

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

- (i) Notwithstanding anything contained in the Agreement, the Operator shall not have the right, without the prior written consent of Broadcaster, to assign or transfer the Agreement or any of its rights or obligations hereunder to any third Party. Upon any breach, whether actual, potential or threatened, of this clause, the Operator shall be deemed to be unauthorized to retransmit the signals of the Subscribed Channels, as the case may be, and in material breach of this Agreement which shall entitle to terminate the Agreement and deactivate/disconnect the signals of the Subscribed Channels and take any other measures as may be lawfully appropriate.
- (ii) Broadcaster may, at any time, assign the Agreement including, without limitation, its rights and obligations hereunder, either in whole, or in part, to any person or third party and such person or third party shall, to the extent of such assignment, be deemed to have the same rights and obligations as Broadcaster *vis a vis* the Operator. Such assignment by Broadcaster shall be effective on and from the date as communicated in writing by Broadcaster to the Operator.

### **32. INDEMNITY AND THIRD PARTY CLAIMS:**

- (i) The Operator shall forever keep and hold Broadcaster and its affiliated companies, officers, directors, employees and agents fully indemnified and harmless against all liabilities, claims, costs, damages and expenses (including, without limitation, reasonable fees of a counsel of Broadcaster's choice) resulting due to any of the Operators's acts, omissions, misstatements, and representations, warranties, undertakings or otherwise set out hereunder or any of its obligations pursuant to the Agreement.
- (ii) Except as provided under the Agreement, neither Party shall have any rights against the other Party for claims by third persons or for non-operation of facilities or non-furnishing of the Subscribed Channels, if such non-operation or non-furnishing is due to failure of equipment, satellite action or natural calamity.
- (iii) Broadcaster makes no representations or warranty as to whether or not the Subscribed Channels or any of its content requires any governmental consent or approval or as to whether or not the Subscribed Channels complies with laws and regulations of any governmental and other authorities for its distribution. The Operator shall be responsible, at its sole cost and expense, for obtaining all necessary approvals, licenses and permissions, as may be imposed or required by the government and other authorities, for the distribution of the Subscribed Channels by the Operator and maintaining those approvals, licenses and permissions throughout the Term.
- (iv) This clause shall survive termination of the Agreement.

### **33. SEVERABILITY:**

If any provision of this Agreement becomes invalid, illegal or unenforceable, in whole or in part, the validity of the remainder provisions of this Agreement shall not be affected thereby, and the Parties shall agree to a valid substitute provision, which corresponds in its economic effect as closely as legally possible to the invalid or unenforceable provision which it replaces.

### **34. NOTICES:**

All notices given hereunder shall be given in writing, by personal delivery, Speed Post or Registered Post A.D., at the correspondence address of the Operator and Broadcaster set forth in the Agreement, unless either Party at any time or times designates another address for itself by notifying the other Party thereof by Speed Post or Registered Post A.D. only, in which case all notices to such Party shall



thereafter be given at its most recent address. Notice given by Registered Post A.D. shall be deemed delivered on the third day from the date of dispatch of such Registered Post A.D.

**35. GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION:**

The rights and obligations of the Parties under the Agreement shall be governed by and construed in accordance with the laws of India. The TDSAT, to the exclusion of all other courts, shall have exclusive jurisdiction in respect of any dispute between the Parties arising out of or in connection with or as a result of this Agreement.

**36. ENTIRE UNDERSTANDING/MODIFICATIONS:**

The Agreement along with its Schedules and Annexes contains the entire understanding between the Parties with respect to the subject matter covered herein. It supersedes all prior understandings between the Parties with respect to the subject matter hereof. Subject to any new regulations/orders stipulated by the TRAI/MIB or any order of the court/tribunal, any modification, variation, alteration and amendment of the provisions of the Agreement shall be mutually agreed in writing and executed by and on behalf of the Parties. In the event the Parties fail to mutually agree upon such amendment, Broadcaster shall have the right to terminate this Agreement without any further obligation towards the Operator.

**IN WITNESS WHEREOF**, the Parties hereunto have set their hands towards execution of the Agreement.

<b>For</b> _____	
Signature: _____	
Name: _____	
Designation: _____	
<b>For</b> _____	
_____ & Signature	_____ & Signature
_____ & Name	_____ & Name
_____ & Title	_____ & Title

## **Schedule 1**

### **Technical Specifications**

#### **Specifications for Set-Top-Boxes (STBs), Conditional Access System (CAS) & Subscribers Management System (SMS)**

##### **(A) STB Requirements:**

1. All the STBs should have embedded Conditional Access (CA).
2. The STB should be capable of decrypting the Conditional Access inserted by the Headend.
3. The STB should be capable of doing Finger printing. The STB should support both Entitlement Control Message (ECM) & Entitlement Management Message (EMM) based fingerprinting.
4. The STB should be individually addressable from the Headend.
5. The STB should be able to take the messaging from the Headend.
6. The messaging character length should be minimal 120 characters.
7. There should be provision for the global messaging, group messaging and the individual STB messaging.
8. The STB should have forced messaging capability.
9. The STB must be Bureau of Indian Standards (BIS) compliant.
10. There should be a system in place to secure content between decryption & decompression within the STB.
11. The STBs should be addressable over the air to facilitate Over the Air (OTA) software upgrade.
12. The STB should be compatible with covert Finger Printing.
13. The STB should carry Subscribed Channels' Finger Printing without masking or tampering, with respect to time location, duration and frequency.

##### **HD Set-Top-Box Requirements:**

1. The HD Boxes shall be tamper resistant.
2. Security codes must be securely stored in the HD Box.
3. There should not be any testing points or interfaces in the HD Box provided to the Subscribers.
4. Security system in a HD Box or otherwise must have the capability to detect clone devices.
5. HD Box must enforce reasonable usage rules carried by the license.
6. The decryption and decoding processes must be integrated into a single process in the HD Box.
7. The video path from decryption to video outputs must be secured.
8. PVR content is protected. Any set top box or HD Box utilizing built-in PVRs shall employ an encryption system for the storage of material that binds the material to that particular set top box or HD Box.
9. HD Box shall have the ability to add finger printing in the video outputs (preferred to track clone/compromised devices).
10. HD Boxes shall have:
  - (a) CGMS/A capability for analog outputs
  - (b) HDCP capability for DVI and/or HDMI outputs; and
  - (c) DTCP capability for 1394, USB, Ethernet and/or other applicable outputs if provided.

##### **(B) Fingerprinting Requirements:**

1. The finger printing should not be removable by pressing any key on the remote.
2. The Finger printing should be on the top most layer of the video.
3. The Finger printing should be such that it can identify the unique STB number or the unique Viewing Card (VC) number.

4. Finger printing should appear on all the screens of the STB, such as Menu, EPG etc.
5. The location of the Finger printing should be changeable from the Headend and should be random on the viewing device.
6. The Finger printing should be able to give the numbers of characters as to identify the unique STB and/ or the VC.
7. The Finger printing should be possible on global as well as on the individual STB basis.
8. The Overt finger printing and On screen display (OSD) messages of the respective broadcasters should be displayed without any alteration with regard to the time, location, duration and frequency.
9. No common interface Customer Premises Equipment (CPE) to be used.
10. The STB should have a provision that OSD is never disabled.
11. If any piracy is reported by Broadcaster, the Operator shall deactivate the STB and Viewing Card in 10 to 20 minutes of such reporting.

**(C) CAS & SMS Requirements:**

1. The current version of the Conditional Access System should not have any history of the hacking.
2. The fingerprinting should not get invalidated by use of any device or software.
3. The STB & VC should be paired from head-end to ensure security.
4. The SMS and CA should be integrated for activation and deactivation process from SMS to be simultaneously done through both the systems. Further, the CA system should be independently capable of generating log of all activations and deactivations.
5. The CA provisioning company should be known to have capability of upgrading the CA in case of a known incidence of the hacking.
6. The SMS & CAS should be capable of individually addressing subscribers, on a channel by channel and STB by STB basis.
7. The SMS should be computerized and capable to record the vital information and data concerning the subscribers such as:
  - (a) Unique Customer Id
  - (b) Subscription Contract no
  - (c) Name of the subscriber
  - (d) Billing Address
  - (e) Installation Address
  - (f) Landline no
  - (g) Mobile No
  - (h) Email-id
  - (i) Service /Package subscribed to
  - (j) Unique STB No
  - (k) Unique VC No
8. The SMS should be able to undertake the:
  - (a) Viewing and printing historical data in terms of the activations, deactivations, etc.
  - (b) Location of each and every STB/VC unit
  - (c) The SMS should be capable of giving the reporting at any desired time about:
    - (i) The total no subscribers authorized
    - (ii) The total no of subscribers on the network
    - (iii) The total no of subscribers subscribing to a particular service at any particular date
    - (iv) The details of channels opted by subscriber on a-la carte basis
    - (v) The package wise details of the channels in the package
    - (vi) The package wise subscriber numbers
    - (vii) The ageing of the subscriber on the particular channel or package
    - (viii) The history of all the above mentioned data for the period of the last 2 years
9. The SMS and CAS should be able to handle at least one million concurrent subscribers on the system.

10. Both CA & SMS systems should be of reputed organization and should have been currently in use by other pay television services that have an aggregate of at least one million subscribers in the global pay TV market.
11. The CAS system provider should be able to provide monthly log of the activations on a particular channel or on the particular package.
12. The SMS should be able to generate itemized billing such as content cost, rental of the equipment, taxes etc.
13. The CA & SMS system suppliers should have the technical capability in India to be able to maintain the system on 24x7 basis throughout the year.
14. CAS & SMS should have provision to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that the VC or the STB cannot be re-deployed.
15. The Operator shall provide a copy of its CAS & SMS certification from the Authorized vendor of such CAS & SMS service.
16. The Operator shall co-operate and co-ordinate with Broadcaster's anti-piracy team to curb the piracy of Channels in its network or piracy of channels being done using the signals of the Operator. If required, the operators shall also accompany the Broadcaster Anti-piracy team to jointly investigate and take appropriate action to curb piracy.

For \_\_\_\_\_

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

## Schedule 2

### THE OPERATOR'S ANTI-PIRACY OBLIGATIONS

#### **1. General**

- 1.1 The Operator shall take all necessary actions to prevent any unauthorized access to the Channels/Subscribed Channels through the Operator's Digital Addressable System.

#### **2. STBs, VCs, Systems and Procedures**

- 2.1 In order to ensure that each STB is capable of being used for Fingerprinting, the Operator shall ensure that the STBs supplied to Subscribers conform to the Bureau of Indian Standards established under the Bureau of Indian Standards Act, 1986.

- 2.2 The Operator represents, warrants and undertakes that there are adequate systems, processes and controls in place regarding the distribution of STBs and VCs so as to ensure that they are only sold by the Operator or by its authorized dealers and such sales are only made to bona fide Subscribers and installations are made at an applicable residential address. Adequate systems, processes and controls shall include, without limitation, the Operator:

- 2.2.1 collecting and maintaining complete up to date records of each and every Subscriber's details, and details of the location of every STB and VC including, without limitation, the particulars specified in paragraph 2.4;
- 2.2.2 requiring all Subscribers to submit a utility bill or bank statement as proof of address, including any Subscribers who have been previously de-authorized prior to re-authorization, or independently physically verify the address by a person other than the dealer/sales unit, prior to activation of any STB and VC;
- 2.2.3 investigating any multiple VC issued under one individual name or address, including visiting the premises of such individuals or addresses from time to time;
- 2.2.4 deploying verification officers on a regular basis to visit and audit the accuracy and veracity of the Subscriber databases on a regular basis;
- 2.2.5 ensuring compliance by dealers including unannounced visits to dealers' premises from time to time;
- 2.2.6 requiring that for every change of address on the system and therefore re-location of a STB, there is an independent physical verification of the new residential address; and
- 2.2.7 de-authorizing any STB or VC that is found outside the Area or in the possession of a person who is not a bona fide Subscriber.

- 2.3 The Operator represents, warrants and undertakes that all of its STBs and VCs: (i) are sold and installed together as a pack only and installed only at the premises of Subscribers whose address has been verified in accordance with paragraph 2.2.1; and (ii) employ card-pairing technology that ensures once a VC is activated and paired to a particular STB, the Channels/Subscribed Channels cannot be viewed if such STB is removed and used with any other STB or used with a set top box of any other operator.

- 2.4 The Operator represents, warrants and undertakes that all installations of STBs and VCs are done directly by the Operator or through its authorized dealers and that the installer for every installation physically checks and ensures before installation and activation of a STB and VC that the address where the installation is being done matches with the address as supplied by the Subscriber at the time of purchase/hire purchase/renting of the STB and which is the same as detailed in the SMS. In accordance with paragraph 2.2.1, the Operator's SMS shall contain all of the

following information items for each Subscriber prior to activation of a STB and VC for such Subscriber:

- 2.4.1 Name;
- 2.4.2 Installation address;
- 2.4.3 Billing address (if different);
- 2.4.4 Telephone number of the installation address, where applicable;
- 2.4.5 Subscriber's unique subscriber reference or subscription agreement number;
- 2.4.6 Channels/Bouquets that have been selected;
- 2.4.7 Name and unique reference number of the dealer who sold the STB to such Subscriber;
- 2.4.8 Name and unique reference number of the dealer who sold the subscription to such Subscriber (if different);
- 2.4.9 Name and unique reference number of the installer (if different from the dealer);
- 2.4.10 VC number; and
- 2.4.11 Unique STB number.

2.5 The Operator agrees and undertakes that it shall not activate, or otherwise reactivate, as the case may be, those VCs, wherein the Channels/Subscribed Channels can be accessed from addresses which are:

- 2.5.1 not bona fide or do not match the addresses as supplied by the relevant Subscribers as detailed in the SMS; or
- 2.5.2 outside the Area; or
- 2.5.3 that of a cable head end or any other distributor of such Channel.

2.6 In order to ensure that the VC is only activated for bona fide Subscribers, the Operator further represents, warrants and undertakes that there are adequate controls to ensure (a) a VC is not activated before installation with its paired STB; and (b) that such VC is activated at the address of the Subscriber which matches with the address as supplied by the Subscriber at the time of purchase/hire purchase/renting of the STB and which is the same as detailed in the SMS.

2.7 The Operator represents, warrants and undertakes that its SMS: (a) allows viewing and printing historical data, in terms of total activation, de-activation and re-activation of all Subscribers and all other records required under paragraph 2.4; and (b) enables the location of each and every STB and VC to be recorded.

### **3. Fingerprinting**

3.1 The Operator shall ensure that it has systems, processes and controls in place to run Fingerprinting at regular intervals as per the specifications provided by Broadcaster and as reasonably requested from time to time.

3.2 The Operator shall ensure that all STBs should support both visible and covert types Fingerprinting and should be compatible for running Fingerprinting whether operated by the Operator or by Broadcaster.

3.3 The Operator shall ensure that it shall be able to operate the Fingerprinting across all Subscribers based on pre-set parameters and such Fingerprinting should, apart from the foregoing, be possible and available on global, group and regional bases at all times. On screen display should support a minimum number of characters that preserve uniqueness to that VC and STB and any amendment of those characters will be on a pre-determined, consistent basis.

3.4 The Operator shall ensure that the following processes shall be deployed to keep a check on piracy and misuse of the signals of the Channels:

3.4.1 The Channels' Fingerprinting should pass through without masking or tampering with respect to time, location, duration and frequency;

3.4.2 Fingerprinting to be provided by the Operator on the Channels, as per the scheme provided by Broadcaster; Broadcaster shall have a right to give the time, location, duration of Fingerprinting at a reasonably short notice (i.e. at least 30 minutes prior notice or more).

#### **4. Conditional Access and other systems**

4.1 The Operator shall ensure that the Subscribed Channels are broadcast in an encrypted form and in a form capable of Fingerprinting.

4.2 The Operator represents and warrants that: (a) both the CAS and SMS shall be of a reputed organization and are currently being used by other pay television services that have, in aggregate, at least 1 million subscribers in the global pay television market; (b) none of the current versions of the CAS have been hacked; (c) to the best of its knowledge, there are no devices or software available anywhere in the world that is capable of hacking or invalidating the Fingerprinting technology; and (d) both its CAS and SMS shall be integrated and any activation/de-activation shall be processed simultaneously through both systems.

4.3 The Operator agrees that it shall, at its sole cost, be responsible for ensuring the Subscribed Channels are distributed via a digital, encrypted format signal receivable only by its bona fide Subscribers.

#### **5. Piracy, piracy reports and prevention**

5.1 Each Party shall immediately notify the other Party if it ascertains or becomes aware that:

5.1.1 Any VC or STB is being located, supplied or sold outside the Area,

5.1.2 Any of the Channels are being viewed via a VC or STB by a third party that is not a Subscriber,

5.1.3 A VC is being used for viewing the Channels anywhere other than the registered address of a Subscriber, or

5.1.4 A VC and/or STB are being used by a cable operator or other distributor to distribute any of the Channels (each, a "**Piracy Event**").

5.2 If Broadcaster or the Operator becomes aware of a Piracy Event then the Operator shall take all necessary steps to prevent or to stop such unauthorized or illegal use of the Channels or signals thereof.

5.2.1 In the event Broadcaster decides to take legal or other action against any infringing party committing or causing any Piracy Event, the Operator shall provide all reasonable assistance to Broadcaster to prevent or combat such Piracy Event.

5.3 The Operator agrees to change or upgrade its CAS and/or SMS in the event the CAS is shown to be hacked.

5.4 The Operator shall investigate and report to Broadcaster any detected incidents of copying, transmitting, exhibiting or other illegal use of the Channels/Subscribed Channels via a STB and/or

VC, or any illegal or unauthorized distribution or use of the Equipment that enable access to the Channels/Subscribed Channels.

For \_\_\_\_\_  
  
\_\_\_\_\_ & \_\_\_\_\_

For Operator  
  
\_\_\_\_\_



### Annexure A

Effective Date for the Subscribed Channels: \_\_\_\_ day of \_\_\_\_\_, 201\_\_

#### A-LA-CARTE RATES<sup>##</sup> PER SUBSCRIBER PER MONTH

Tick here (✓)	Channels	A-la-carte Rates (in Rs.)
	BIG Thrill	8.00

#### BOUQUET RATES PER SUBSCRIBER PER MONTH

Tick here (✓)	Channels	Bouquet Rate (in Rs.)
	BIG Thrill	

*Please note that in addition to the License Fees, the Operator shall be liable to pay applicable taxes including but not limited to service tax as applicable.*

**## Note:** *The a-la-carte rates and bouquet rates mentioned in Annexure A are in terms of the interim order dated April 18, 2011 of the Hon'ble Supreme Court of India and is under protest and without prejudice to the Broadcaster's right to increase the a-la-carte rates and bouquet rates prescribed for addressable platforms, subject to any regulations/orders of the TRAI and/or judgments/orders of courts/tribunals in India with respect to tariffs for addressable platforms or if any regulations/orders of the TRAI allows such an increase.*

For \_\_\_\_\_

33

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

## Annexure B

[illegible]

For \_\_\_\_\_

### For Operator

\_\_\_\_\_ & \_\_\_\_\_

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**Annexure C**

**Subscriber Report Format**

**CHANNELS OFFERED ON A-LA-CARTE BASIS**

Sl. No.	Channel Name	Opening Subscriber No.		Closing Subscriber No.		Average	
		As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS

**CHANNELS OFFERED AS PART OF PACKAGE**

Sl. No.	Package Name		Channel(s) contained therein		Opening Subscriber No.		Closing Subscriber No.		Average	
	As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS

**TOTAL OFFERING ON A-LA-CARTE / PACKAGE BASIS**

Sl. No.	Channel Name	Opening Subscriber No.		Closing Subscriber No.		Average	
		As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS

**DETAILS OF MONTHLY ACTIVATION / DE-ACTIVATION:**

**MONTH:**

**YEAR:**

Sl. No.	Channel Name	Code No. of STBs deactivated within that month		Code No. of STBs activated within that month		Incremental addition / deletion	
		As Per CAS	As Per SMS	As Per CAS	As Per SMS	As Per CAS	As Per SMS

**AGEING**

STBs activated for less than 3 months	STBs activated for more than 3 months but less than 6 months	STBs activated for more than 6 months
---------------------------------------	--	---------------------------------------

**DETAILS OF PACKAGES:**

**MONTH:**

**YEAR:**

Sl. No.	Name of the Packages available on the 1 <sup>st</sup> day of the month	Name of the Packages discontinued during the month	Name of the Packages created during the month
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For \_\_\_\_\_

35

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

	As Per CAS	Chann el Name	As Per SMS	Channel Name	As Per CAS	Channel Name	As Per SMS	Channel Name	As Per CAS	Channel Name	As Per SMS	Channel Name
Sl. No.	Name of the Packages available on the last day of the month											
	As Per CAS	Chann el Name	As Per SMS	Channel Name								

For \_\_\_\_\_

For Operator

\_\_\_\_\_ & \_\_\_\_\_

\_\_\_\_\_

**Annexure D**

**CA declaration form (On the letterhead of the CAS Company)**

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s \_\_\_\_\_, address: \_\_\_\_\_ having its headend at \_\_\_\_\_ has installed Conditional Access System (CAS) from our company for its digital addressable cable television platform.

Date of CAS Installation: \_\_\_\_\_ CAS Version: \_\_\_\_\_

CAS ID: \_\_\_\_\_, NETWORK ID: \_\_\_\_\_

With respect to the CAS installed at above mentioned headend, we confirm the following:

1. The current version of CAS does not have any history of hacking.
2. We have the capability of upgrading of CAS in case it gets hacking.
3. The CAS is currently in use by other pay TV services and it has an aggregate of at least 1 million subscribers in the global pay TV market.
4. The CAS has the capacity to handle at least 1 million subscribers in the system.
5. We, the CAS system provider are able to provide monthly log of activation and deactivation on a particular channel or on an particular package.
6. We have the technical capability in India to maintain this CAS system on 24x7 basis through the year.
7. This CAS is independently capable of generating log of all activations and deactivations.
8. This CAS has the provision to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that the VC or the STB cannot be redeployed.
9. The CAS is capable of individually addressing subscribers, on a channel by channel and STB by STB basis.
10. This CAS has the capability to store history logs of all activations and deactivations for the period of last 2 years for every channel and package.

Please find enclosed sample log of all activations & deactivations of a particular channel generated from this CAS system.

Thanking you,

For (CAS company name)

(Signature)

Name: \_\_\_\_\_

Designation: \_\_\_\_\_ (not below the level of COO or CEO or CTO)

Company seal:

For \_\_\_\_\_

For Operator

\_\_\_\_\_ & \_\_\_\_\_

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**Annexure E**

**SMS declaration form (On the letterhead of the SMS Company)**

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s \_\_\_\_\_, Registered Office address \_\_\_\_\_ having its headend at \_\_\_\_\_ has installed SMS from our Company for its digital addressable cable television platform platform.

Date of SMS Installation: \_\_\_\_\_

SMS Version: \_\_\_\_\_

With respect to the SMS installed at above mentioned headend, we confirm the following:

1. The SMS is currently in use by other pay TV services that have an aggregate of at least 1 million subscribers in the global pay TV market.
2. The SMS has the capacity to handle at least 1 million subscribers in the system.
3. We have the technical capability in India to be able to maintain their system on 24 x 7 basis through the year.
4. We, the SMS system provider are able to provide monthly log of activation and deactivation on a particular channel or on an particular package.
5. This SMS has the provision to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that the VC or the STB cannot be redeployed.
6. The SMS is capable of individually addressing subscribers, on a channel by channel and STB by STB basis.
7. This SMS is independently capable of generating log of all activations and deactivations.
8. This SMS has the capability to store history logs of all activations and deactivations for the period of last 2 years for every channel.

Please find enclosed sample log of all activations & deactivations of a particular channel generated from this SMS system.

Thanking you,

For (SMS company name)

(Signature)

Name: \_\_\_\_\_

Designation: \_\_\_\_\_ (not below the level of COO or CEO or CTO)

Company seal:

For \_\_\_\_\_

For Operator

\_\_\_\_\_ & \_\_\_\_\_

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## **Annexure F**

### **Scope of Audit**

#### **Head End Audit**

- Operator should provide Complete Accurate Schematic Diagram of their Head End, Earth Stations, Systems and Processes for Audit and Auditing Purpose.
- Operator to submit & confirm the no. of MUX's (Multiplexer Units) installed with active TS (Transport Stream) outputs. This should include physical audit of head end, earth station and analysis of TS stream from the Mux.
- All TS from MUX should be encrypted for the Territory.
- Operator to ensure that his network watermark logo is inserted on all pay channels at encoder end only.
- All pay channels IRDs to be provided to Operator's by Broadcaster should have SDI/Composite/ SDI output only. Broadcaster should not give IRDs with ASI/IP output or CAM Module.

**CAS Audit:** Operator to provide all below information correctly:

- Make & version of CAS installed at Head End.
- CA system certificate (with version Information) to be provided by Operator.
- CA system must install the previous version update, and road map to install the upcoming update.
- CAS version installed should not have any history of hacking, certificate from CAS vendor required.
- CAS system should support at least 1 million subscribers. CAS vendor should provide certificate.
- CAS should be able to generate log of all activities i.e. activation/deactivation/FP/OSD.
- CAS should be able to generate active/deactivate report channel wise/package wise.
- STB's SOC & smart cards must be uniquely paired from Operator before distributing box down the line.
- Operator to declare by undertaking the no of encryptions CAS/SMS he is using at the head end and in future if he is integrating any additional CAS/SMS same should be notified to Broadcaster by means of a fresh undertaking.
- Reconciliation of CAS database (active cards, service wise & package wise) with SMS database to be provided by Operator. CAS vendor required to certified reconciliation of data.
- No activation / deactivation from direct CAS system, it must be routed via SMS client only.
- Operator should provide CAS vendor certified copies of active/deactivate channel wise/product wise report & Package/product report during audit period.
- CA system should have the capability of providing history of all actions taken for last 2 years.

#### **III. SMS Audit:**

- All product authorization must be originated from SMS only. Only after origination from SMS, the CAS should be communicated in this regard.
- SMS and CAS should be fully integrated for all the logics (including but not limited to subscriber provisioning, product entitlements etc.).
- The SMS should be computerized and capable to record the vital information and data concerning the subscribers such as:
  - § Unique Customer Id
  - § Subscription Contract number
  - § Name of the subscriber
  - § Billing Address
  - § Installation Address
  - § Landline telephone number
  - § Mobile telephone number
  - § Email id
  - § Service/Package subscribed to

For \_\_\_\_\_

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For Operator

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- § Unique STB Number
- § Unique VC Number
- The SMS should be able to undertake the viewing and printing historical data in terms of the activations, deactivations etc. It must also be able to provide this data in digital format (e.g. excel) for further processing and intelligence.
- Location of each and every set top box VC unit
- The SMS should be capable of giving the reporting at any desired time about:
  - § The total no subscribers authorized
  - § The total no of subscribers on the network
  - § The total no of subscribers subscribing to a particular service at any particular date.
  - § The details of channels opted by subscriber on a-la Carte basis.
  - § The package wise details of the channels in the package.
  - § The package wise subscriber numbers.
  - § The ageing of the subscriber on the particular channel or package
  - § Number of STBs activated and deactivated for the same subscriber with date information.
  - § The history of all the above mentioned data for the period of the last 2 years

1. Following parameter should be validated during the audit

- (i) Review Complete Network Diagram
- (ii) Undertaking from Operators for all SMS and CAS installed at Head end – issue of Multiple CAS / SMS
- (iii) Certificate from CAS provider for details of CA ID, Service ID, N/w ID, version and no. of instances installed. Also confirmation with respect to history of hacking
- (iv) Check the number of MUX's installed with active TS outputs. Also whether all TS from MUX are encrypted.
- (v) Review whether Live diagram / fibre details of network are captured in SMS system
- (vi) To check if Operator specific coding / ID is available for Finger Printing
- (vii) Confirm whether watermarking network logo for all pay channels are inserted at encoder end only
- (viii) Review the controls deployed to ensure integrity and reliability of the reports such as logs, access controls, time stamp etc.
- (ix) Review the Subscriber parameters which are captured in the SMS and validate if following parameters are present for subscriber
  - Unique Subscriber ID
  - Subscriber Contract Details – No, Term, Date, Name, Address & contact details
  - Hardware details
- (x) Review the subscribers activation/ de-activation history in the SMS system
- (xi) Validate if the SMS is integrated with the Conditional Access (“CA”) system.
- (xii) Review if all the active and de-active STBs are synchronized in both SMS and CA system.
- (xiii) Validate if independent logs/report can be generation for active and de-active VCs with the product/channels active in both SMS & CA systems.
- (xiv) Review if the system support the Finger Printing and OSD features at Box level, Customer account level as well as Global level.
- (xv) Validate if all the STBs are individually addressable from the System and are paired with the viewing cards.
- (xvi) Review the Electronic Programming Guide to check LCN/CDN and genre of all Channels
- (xvii) Review the various packages programmed in the Systems with respect to the subscriber reports submitted to Broadcaster.
- (xviii) Extraction and Examination of System Generated reports, statistics, data bases, etc. pertaining to the various packages, schemes, channel availability, bouquet composition, rates,
- (xix) Review of the following reports are supported by SMS & CA System.
  - a. Total no of Subscribers – active & de-active separately
  - b. De-active subscribers with ageing
  - c. Channel wise Subscribers - total



- d. Channel wise Subscribers – split by package
- e. Revenue by Package / Channel
- f. Subscriber/Revenue Reports by State/City
- g. No of packages/services offered
- h. List of Channels / rates of each package
- i. Rate Card Options offered / Attached with active Subscribers
- j. Historical data reports
- k. Free / demo Subscribers details
- l. Exception cases – active only in SMS or CA system

**STB Audit:** All STB should be individually paired in advance with unique smart card at central warehouse of Operator before handing down the line distribution.

- Operator to provide details of manufacturers of STB's being used / to be used by him (OS/Software, memory capacity, zapping time). All STBs must be secure chipset with chipset pairing mandatory.
- Operator should provide one set of all type/model of boxes for testing and monitoring purpose.
- All STBs used by Operator's should be certified by their CAS vendor.
- Forensic watermarking to be implemented on the Operator headend & STBs.
- ECM/EMM base Forced messaging full screen and ticker mode should be available.
- All the STBs should have embedded Conditional Access.
- The STB should be capable of doing Finger printing. The STB should support both Entitlement Control Message (ECM) & Entitlement Management Message (EMM) based fingerprinting.
- The STB should be individually addressable from the Head end.
- The messaging character length should be minimum of 120 characters.
- There should be provision for the global messaging, group messaging and the individual STB messaging.
- The STB should have forced messaging capability.
- The STB must be BIS compliant.
- The STB must have secure chip set with mandatory pairing to smart card..
- There should be a system in place to secure content between decryption & decompression within the STB.
- The STBs should be addressable over the air to facilitate Over The Air (OTA) software upgrade.
- The STB outputs should have the following copy protections
  - (i) Macro vision 7 or better on Composite video output.
  - (ii) Macro vision 7 or better on the Component Video output.
  - (iii) HDCP copy protection on the HDMI & DVI output.
  - (iv) DTCP copy protection on the IP, USB, 1394 ports or any applicable output ports.
- Types of boxes launched / to be launched:
  - § Vanilla STB
  - § DVR STB
  - § Others (please specify)
- Please furnish STB details as following:
  - § Open Standards or Proprietary?
  - § Audio Video and Data I/O Configuration?
  - § Local Storage?
  - § Smarts Card?
  - § PVR Functionality?
  - § Tamper Resistance?
  - § I/O Copy Protection(CGMS-A, HDCP etc.)? Please provide the details.
  - § I/O Interface to Other Devices?
- Are the STB's interoperable?
- DVR / PVR STB should be compliance of following;

- § Content should get recorded along with FP/watermarking/OSD & also should display live FP during play out.
- § Recorded content should be encrypted & not play on any other devices.
- § Recorded content should get automatically deleted once the content license expires.
- § Content should get record along with entitlements and play out only if current entitlement of that channel is active.
- § User should not have access to install third party application/software.
- Does the Set Top Box support any type of interactive middleware? Please describe.

**Distribution Network Audit:** Operator should provide below information in detail:

- Fiber network and PIT information on Geo Map.
- Service area to be defined.

**Anti-Piracy Measure:** Use of any device or software should not invalidate the fingerprinting.

- The OVERT Finger Printing should not be removable by pressing any key from the remote.
- The OVERT Finger printing should be on the top most layer of the video.
- The Finger printing should be such that it can identify the unique STB number or the unique Viewing Card (VC) number.
- The Finger printing should appear on all the screens of the STB, such as Menu, EPG etc.
- The location of the Finger printing should be changeable from the Head end and should be random on the viewing device.
- The Finger printing should be possible on global as well as on the individual STB basis.
- The Overt finger printing and On screen display (OSD) messages of the respective broadcaster should be displayed by the Operator without any alteration with regard to the time, location, duration and frequency.
- Covert finger printing should be available.
- No common interface Customer Premises Equipment (CPE) to be used.
- The STB should have a provision that OSD is never disabled.

#### **Commercial Audit\***

1. Provide system generated channel-wise and package-wise reports of channels for the platform in a non-editable format.
2. Understand/ Verify the Customer Life Cycle Management process by performing a walkthrough of the following processes and their underlying systems
  - Customer acquisition
  - Provisioning of the subscriber in authentication, billing and SMS system
  - Scheme / package change request process
  - Customer Retention process, if any
  - Deactivation and churn process
3. Understand/ Verify the various schemes / packages being offered to customers
  - Obtain details of all approved schemes / packages and add on which are being offered to customers
  - Interactions with the Operator's marketing and sales team on how the various channels are being marketed
  - Any special marketing schemes or promotions
  - Details of the consumers subscribing to the various schemes/ packages, including 'demo'/ free/ complimentary/ testing/ promotional subscribers
4. Understand the declaration report generation process by performing a walkthrough of processes and underlying systems (to understand completeness and accuracy of subscriber report generation process):
  - Generation of reports for subscriber declaration for Channels/ bouquets
  - Any reconciliations / checks /adjustments carried out before sending the declarations
5. Analyze declaration reports on a sample basis:

- Reconciling the declaration figures with base data from various systems (SMS / Provisioning / Billing and Authentication systems)
  - Analyze the computation of average subscribers
  - Ascertain the average subscribers for a specific period on a sample basis by generating a sample report for a given period in the presence of the representative/auditors
6. Analysis of the following - :
- Input and change controls of customer data into SMS
  - SMS user access controls – authentication, authorization and logging
  - Analyze system logs to identify any significant changes or trail of changes made
  - Security controls over key databases and systems including not limiting to SMS, Provisioning, authentication and billing systems
  - Review the system logic for the reports which are inputs to Broadcaster declarations
  - Channel allocation/fixation to a particular LCN/CDN
  - Mapping of subscriber id across the CRM and SMS billing system if the same is different across the systems
  - Sample of activation and deactivation request logs
  - Opening and closing numbers of the active subscribers for sample months ( report to be taken in front of the auditors/ rep)
  - Confirmation of the numbers on the middle of the month on a random chosen dates ( report to be taken in front of the auditors/ representatives of both parties)
  - Live Demo of the queries being put in to the system to generate different reports.
  - List of CAS and SMS used by Operator in its area of operation. Incase more than one CAS and SMS system is used by Operator, then understand and analyze how multiple markets are segregated, controlled, reported and invoiced
  - Similarly, list of head-ends of the operator providing services in its areas of operation and for such head-ends, understand and analyze how the two markets are segregated, controlled, reported and invoiced.
  - In case of multiple CAS being used by Operator, to understand synchronization between multiple CAS and SMS.

## **Annexure G**

### **EXECUTION REQUIREMENTS**

#### **1. If the Operator is an individual or a sole proprietor:**

- (i) Photograph of the proprietor of the Applicant firm.
- (ii) Proof of residence – Passport / Voter's ID Card/ration card/Electricity bill /Income Tax Returns.
- (iii) Self-attested copy of Passport / Voters ID / PAN Card / Driving license for signature verification.
- (iv) Copy each of Postal Registration Number, CAS License together with undertaking provided under Rule 11F of the Cable Rules or DAS License (whichever is applicable), Service Tax Registration, TAN No., Entertainment Tax Registration Number.

#### **2. If the Operator is a partnership firm:**

- (i) Certified true copy of the registered Partnership Deed.
- (ii) Separate powers of attorney signed by all partners authorizing the signatory to sign this Agreement and any amendment thereto and all related documents on behalf of the Firm.
- (iii) Photograph of the signatory.
- (iv) Copy of Passport / Voters ID / PAN Card / Driving license for signature verification attested by the authorized signatory.
- (v) Copy of Postal Registration Number, CAS License together with undertaking provided under Rule 11F of the Cable Rules or DAS License (whichever is applicable), Service Tax Registration, TAN No., Entertainment Tax Registration Number.

#### **3. If the Operator is a company:**

- (i) The Certificate of Incorporation – certified by the Company Secretary /Director.
- (ii) Memorandum and Articles of Association of the company.
- (iii) Board resolution certified by the Company Secretary/Director authorizing the signatory to sign the Agreement and any amendment and all related documents on behalf of the Company.
- (iv) Copy of Passport / Voters ID / PAN Card / Driving license for signature verification attested by the authorized signatory.
- (v) Photograph of the signatory.
- (vi) Copy each of Postal Registration Number, CAS License together with undertaking provided under Rule 11F of the Cable Rules or DAS License (whichever is applicable), Service Tax Registration, TAN No., Entertainment Tax Registration Number.

#### **4. If the Operator is a Hindu Undivided Family "HUF"**

- (i) The photograph of the Karta.
- (ii) The Proof of Residence - Voters Identity Card or Passports of Karta or Electricity bill / Income Tax returns.
- (iii) The names of all coparceners and his/her relation with the Karta.
- (iv) Relevant documents, including any Partition Deed, Family Settlement Deed, etc.
- (v) Copy of Passport / Voters ID / PAN Card / Driving Licence for signature verification attested by the Karta.
- (vi) Copy each of Postal Registration Number, CAS License together with undertaking provided under Rule 11F of the Cable Rules or DAS License (whichever is applicable), Service Tax Registration, TAN No., Entertainment Tax Registration Number.

#### **5. If the Operator falls into the "Other" category**

For \_\_\_\_\_

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For Operator

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- (i) Copy each of Postal Registration Number, CAS License together with undertaking provided under Rule 11F of the Cable Rules or DAS License (whichever is applicable), Service Tax Registration, TAN No., Entertainment Tax Registration Number.
- (ii) Such documents as may be required by Broadcaster.

For \_\_\_\_\_

For Operator

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