

**“Reference Interconnect Offer (RIO) for Digital Addressable System (DAS)”**

**Submitted by Kal Cables Private Limited (“KAL”) to Broadcasters/Aggregators of TV channels for providing access to its Cable Network.**

Furnished in compliance to Regulation 4(7) of “The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 and its amendments made time to time.

The terms and conditions stated herein in this Reference Interconnect Offer (herein after referred as “RIO”) are broad indicative terms applicable to the Broadcasters/Aggregators (herein after referred as “Broadcaster”) who are interested in having access to the network of KAL which operates Digital Cable Network in the DAS notified areas for carriage of the TV channels in the network of KAL.

1.	Definitions	In this RIO, unless the context otherwise requires, the words used in this RIO shall mean and include as defined in ANNEXURE-I enclosed herewith.
2.	Scope	(a) The Broadcaster in a view to maximize the reach and viewership of its channels has approached KAL with a request to provide access thereby to carry its TV channels particularly specified herein, in its cable network.  (b) In pursuant to the said request, KAL has agreed to provide access to its network in the Territory mentioned herein under the terms and conditions of this RIO.
3.	Channel(s)	As specified in ANNEXURE-II
4.	Territory	----- (to be filled at the time of execution)
5.	Term	(a) On mutual agreement between the parties herein, the term of the agreement shall be for a period of one year, unless terminated earlier in accordance to the provisions of this agreement.

		(b) The period of this agreement shall commence from _____ and valid upto _____
		(c) The agreement may be renewed on mutually agreed terms and the parties shall open up the discussions at least 60 days prior to the date of expiry of this agreement for such renewal.
6.	Obligations of the Broadcaster	<p>(a) The Broadcaster shall not convert its genre or language as mentioned in ANNEXURE-II without prior intimation to KAL in writing by giving an advance notice of 60 days.</p> <p>(b) The Broadcaster shall be responsible for all the contents transmitted in its channels specified herein and covenants that the contents are transmitted only with proper license without contravening the provisions of “The Copy Right Act-1957”.</p> <p>(c) The Broadcaster shall be responsible for obtaining all statutory approvals and permissions from the concerned authorities and hold good such approvals and permissions at all times during the tenure of this agreement.</p> <p>(d) The Broadcaster shall supply good quality of signals so as to ensure the compliance to the relevant provisions of “The Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 and its amendments thereto from time to time</p> <p>(e) The Broadcaster shall ensure the compliance with all laws which are applicable for television channels including but not limited to the provisions of “The Cable Television Networks Act-1995 (7 of 1995)”, “The Emblems and Name (prevention of improper use) Act, 1950” (12 of 1950), “The Cinematography Act, 1952” (37 of 1952), “The Tamil Nadu Cinema Regulation Act, 1955” , “The Prize Competition Act, 1955” (42 of 1955), “The Copy Rights Act, 1957” (14 of 1957), “The Trade and Merchandise marks Act, 1958” (43 of 1958), “The Consumer Protection Act, 1986” (68 of 1986), “The Telecom Regulatory Authority of India Act, 1997” (24 of 1997), “The Indecent Representation of Women (Prohibition) Act, 1986” (60 of 1986), “The Competition</p>

		<p>Act, 2002” (12 of 2003) and rules framed there under, all regulations made applicable to broadcasters under law. If for any reason if the Broadcaster contravenes the provisions of any law, KAL shall be at liberty to immediately deactivate the respective channel from its network and shall re-activate only on such defaults are rectified to the fullest satisfaction of the authorities concerned.</p> <p>(f) The Broadcaster shall provide high quality professional grade IRD box(es) and other requisite equipments to KAL for receiving its channels.</p> <p>(g) The Broadcaster shall provide its programming schedule at least 15 days in advance so as to facilitate the Electronic Programme Guide (EPG).</p> <p>(h) The Broadcaster shall not insist KAL to place its Channel in a particular channel number or in the genres other than that specified by it and KAL is at liberty to place the channels on its own discretion.</p> <p>(i) The Broadcaster shall pay such amounts payable by it to KAL on demand by KAL as provided in this agreement.</p>
7.	Fees	<p>(a) In consideration of providing access to the cable network of KAL within the territory mentioned herein, for carriage of TV Channel(s) specified in ANNEXURE-I during the term, the Broadcaster shall pay a carriage fee of Rs.1.90 (Rupees One and Ninty paise) per subscriber set top box per month per channel on the average subscriber base of the month which shall be payable in advance in four equal installments on quarterly basis.</p> <p>(b) The said fee is exclusive of Taxes, charges and other Governmental levies and the Broadcaster is liable to pay the applicable taxes, cesses and etc. in addition to the above said fees.</p> <p>(c) The fees once paid shall not be refunded under any circumstances.</p> <p>(d) The rationale of carriage fee is provided in ANNEXURE-III.</p>

8.	Payments	<p>(a) KAL shall raise quarterly Invoice in advance before commencement of each quarter for payment of carriage fee based on the number of STB's installed at the time raising the Invoice and the same has to be paid within a period of seven days from the date of Invoice. Thereafter, every month supplementary Invoice shall be raised for the additional STB's installed during each month. The payment for the supplementary Invoice shall be made within 7 days from the date of its receipt</p> <p>(b) The Broadcaster shall provide the statutory certificate for making any deductions as allowed by law, within the period specified under the prevalent laws.</p> <p>(c) The Broadcaster is liable to pay interest at the rate of 18% per annum for any delayed or defaulted payments.</p> <p>(d) Any delay or nonpayment of dues would be a non-performance of this agreement which shall lead to determination in which event KAL is at liberty to de-activate or suspend the carriage of signals or to terminate this agreement in total, after following the due process of law.</p>
9.	Rights of KAL	<p>The Broadcaster hereby grants to KAL, the non-exclusive rights during the term of this agreement for the Channels mentioned herein:</p>
		<p>(a) To receive the signals of its Channel(s).</p> <p>(b) To decrypt or encrypt, as the case may be, without interfering in its contents.</p> <p>(c) To carry the channel(s) directly to the subscribers or through its affiliated cable operators in its network.</p> <p>(d) To provide the channel(s) on <i>a-la-carte</i> basis and/or as a part of any one or more package(s) of TV Channels.</p> <p>(e) To formulate different packages for different location based on the demographic factors of a particular area.</p> <p>(f) To carry the channel(s) as per the declaration of the Broadcaster based on genre and shall have right and liberty to formulate and change at any time, the channel listings.</p>

		<p>(g) KAL shall have the right to suspend the carriage of channel(s) on its network immediately, if the Broadcaster is in breach of any covenants of this agreement and the applicable laws, until such time the breach is rectified.</p> <p>(h) To have a non-exclusive grant of license to use, the trade marks/logo during the terms of this agreement.</p>
10.	Representations and Warranties	<p>The Broadcaster hereby represents, warrants, declares, undertakes, covenants and agrees that:</p> <p>(a) The Broadcaster is the absolute owner of the TV channel(s) mentioned herein and declares that the contents transmitted therein are done after due authorization from its rightful owners.</p> <p>(b) The Broadcaster shall not hold KAL as its agent under this agreement. No subscriber or cable operators shall be deemed to have any privity of contract or direct contractual relationship with the Broadcaster by virtue of this Agreement. The relationship between the Broadcaster and KAL is on “Principal to Principal” basis.</p> <p>(c) The Broadcaster shall not have any right, without the prior written consent of KAL, to assign or transfer the agreement or any rights or obligations acquired by this agreement.</p> <p>(d) Nothing contained in this agreement shall constitute or be construed to be or create a partnership or joint venture between the Broadcaster and KAL, and the Broadcaster shall not enter into any contract or obligation that purports to bind KAL.</p> <p>(e) The Broadcaster has valid and continuing rights including copyrights contained in the content that the Broadcaster shall broadcast and exhibit through KAL’s network.</p> <p>(f) The Broadcaster shall submit to KAL a copy of its permission for Up linking/Down linking obtained from the Ministry of Information and Broadcasting and confirms that the said permission shall be kept in full force and shall inform KAL in the event of any changes or termination in its said permissions within 3 days of such change.</p>

		<p>(g) The Broadcaster acknowledges that it shall be deemed to have notice of any regulations and guidelines issued by competent Authority, as and when the same are issued.</p> <p>(h) The Broadcaster indemnifies KAL in case of any breach of this agreement, for any loss, harm, injury, damage that may be caused to KAL due to any act of omission or commission by the Broadcaster.</p> <p>(i) The Broadcaster agrees to pay the cost of disconnection notices if any, preferred by KAL in an event of non-payment of dues. The said cost shall be paid along with the total outstanding if paid during the notice period or shall be added to arrears in case of disconnection of carriage and the said cost would constitute a part of outstanding and be included in the recovery proceedings, if any.</p> <p>(j) The Broadcaster shall independently put its best of efforts to market and promote the channel(s) in the territory through various means including public relations, trade related activities, road shows, advertisements and etc.</p>
11.	Termination	<p>(a) In the event of the Broadcaster failing to pay its current dues or make any default in payment, KAL shall disconnect the carriage in accordance to the regulations of TRAI and shall have right to terminate this agreement.</p> <p>(b) In the event the Broadcaster decides to stop its broadcasting of channel(s) and notifies KAL of its decision by giving two months of advance notice.</p> <p>(c) In the event KAL decides not to carry on its present business activity pertaining to re-transmission of TV channels as Multi System Operator (MSO).</p> <p>(d) By either party in the event on one party fails to comply with any of the terms and conditions of this agreement and such failure, if capable of remedy, is not rectified within 30 days of receipt of written notice of such failure from the other party including an event of force majeure.</p>

12.	Effects of Termination	<p>(a) In case of default by the Broadcaster, KAL may instead of termination the agreement, suspend the carriage of TV channel(s) in accordance to law, without any liability, responsibility or obligation to any of the viewers, advertisers and vendors of the Broadcaster for such period until the Broadcaster remedies the default.</p> <p>(b) All rights granted to and obligations undertaken by, the parties herein shall terminate immediately except obligations of the Broadcaster to forthwith pay the carriage fee, including the interest if any there from, which is due and payable to KAL till the date of such termination.</p> <p>(c) Upon termination of this agreement before its expiry, the parties may, by mutual consent, revive this agreement. KAL may re-activate the carriage of the channel(s) upon such revival subject to such terms and conditions as are mutually agreed.</p>
13.	Governing Law and Jurisdiction	<p>(a) The rights and obligations of the parties under the agreement shall be governed by laws of India.</p> <p>(b) In case of any dispute between the parties, the parties shall try to resolve such dispute by mutual negotiations between the parties in best possible manner. Disputes if any shall be referred to Telecom Regulatory Authority of India (TRAI) or Telecom Disputes Settlement and Appellate Tribunal (TDSAT) as the case may be. For the matters falling outside the jurisdiction of TDSAT, the courts of Chennai shall have jurisdiction.</p>
14.	Force Majeure	<p>Failure on the part of either parties to perform any of its obligations and non provision of the access of its network by KAL for carriage of Channel(s) of the Broadcaster, shall not entitle the other party to raise any claim against either party or constitute a breach of this agreement to the extent that such failure arises form an event of Force Majeure. Force Majeure shall include any war, civil commotion, governmental action not</p>

		<p>limited to cancellation of statutory permission/registration /license of either party except due to a fault of such party, accident, epidemic or any other event of any nature or kind whatsoever beyond the control of either party. It is mutually agreed that lack of funds shall not constitute an event of Force Majeure. If the condition of Force Majeure shall continue for a period exceeding 30 days, then the parties shall meet to decide upon the future performance of the agreement. If the parties are unable to agree upon a plan for future performance of the agreement, then the agreement shall be terminated upon notice of either party to the other, after the expiry of three weeks from the date of notice.</p>
15.	Notices	<p>Any notice to be served upon any party by the other shall be deemed to have been validity sent if by Registered post with AD or Speed post at the address mentioned in the beginning or at such other changed address as the party may inform and the date of receipt of such notice by other party will be the date of the delivery or shall be 7 days from the date of dispatch of the notice.</p>
16.	Modifications	<p>The agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including addendum agreements, annexures, Schedules or any other document, called by whatsoever name, but executed relating to this agreement, shall be mutually agreed in writing and executed by or on behalf of the parties.</p>

## ANNUEXURE – I

### DEFINITIONS :

- (a) **“A-la-carte rate”** means the rate at which a standalone individual channel is offered to the distributor of TV channels or to the subscriber, as the case may be;
- (b) **“Territory”** means such areas within DAS notified areas in respect of which a request has been made by the Broadcaster for carriage of its channels through the Cable Television Network of KAL;
- (c) **“Channel(s)”** means the standard definition (SD) channel of the Broadcaster duly registered and permitted by the Ministry of Information and Broadcasting under the Up linking and Down linking guidelines and in respect of which a request has been made by the Broadcaster for carriage of the same through the Cable Television Network of KAL;
- (d) **“Broadcaster”** means a person or a group of persons, or body corporate, or any organisation or body providing programming services and includes his or its authorised distribution agencies;
- (e) **“DAS notified Areas”** means the areas where in terms of notifications issued by the Central Government under sub-section (1) of section 4A of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) as amended, it is obligatory for every cable operator to transmit or retransmit programs of any channel in an encrypted form through a digital Addressable System;
- (f) **“Network”** means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (g) **“RIO” or “Agreement” or “This Agreement”** means this Reference Interconnection Offer together with its Annexures as may be amended from time to time.
- (h) **“Set Top Box” (STB)** means a device, which is connected to, or is part of a television and which allows a subscriber to receive in unencrypted and descrambled form subscribed channels through an addressable system.

- (i) **“Subscriber”** means any person or entity including Hotels, restaurants, clubs, institutions etc. which has officially subscribed to the Cable TV Service in accordance the Subscription form duly filled by it and is contractually bound by the Subscriber Terms and Conditions (“T&C”) and does not include any third party using/seeking to use the Service for further distribution, re-sale or commercial purpose.

For the purpose of calculation of carriage fee, subscriber means each STB in the Areas that receives signals of various channels from KAL’s Cable Television Network as per its Subscriber Management System (SMS) ;

- (j) **“Package”** means an assortment of distinct channels, offered together as a group or as a bundle;
- (k) **“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 utilised 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 bouquets of channels, a log of all actions performed on a subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;
- (l) The words and expression used herein and not defined, but defined in “The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television systems) Regulations, 2012” shall have the meaning assigned respectively to them in the said regulations.



## **ANNEXURE-III**

### **Rationale in determining Carriage fee.**

The fundamental element in determining the carriage fee lies in the enormous cost involved in building and maintaining the network. The task of complying the regulations of TRAI not limited but to the size of 500 channels head end, QOS regulations and Consumer complaint redressal regulations, involves a pretty much infrastructure which would be transformed into huge investments. The costs involved may be divided into:

#### **Fixed Cost:**

- Setting up class of art digital head ends with the capacity to carry up to 500 channels which includes alternate power redundancy, air conditioning systems, larger space, encoders, Multiplexers, fire prevention systems and etc.
- Setting up Conditional Access Which includes license fee, monitoring solutions and middleware additional cost, third party servers.
- Setting up the Subscriber Management System which includes application server, database and other servers.
- Billing system which would include the software license fee.
- Establishment of a professional Call Centre.
- Mass printing and storage of stationeries including forms, manuals and etc.
- Subsidy on Set Top Boxes.
- Additional Fibre Optic back bone network.

#### **Variable Cost:**

- Man power requirement for 24X7 maintenance.
- Skilled call agents in Call centre.
- Activation and deactivation support, hardware and software for STBs.
- Import duties based on foreign exchange fluctuations.
- Invoicing, distribution of invoices and collection expenses.
- Interest costs on borrowings from financial institutions.
- Other over heads.

The broadcaster accepts that by the reason of the above investments and costs, the Set Top Boxes at the rate proposed by KAL to the subscriber would yield negative returns to KAL.

The Broadcaster agrees that in order to KAL meet out the aforesaid fixed and variable costs and in order to maintain a vast consumer base to ensure the availability of Set Top Boxes in competitive rates the Broadcaster has agreed to offer the carriage fee mentioned herein in the agreement to access the cable network of KAL.

X X X X X