

## RESPONSE BY SITI NEWTWORKS LIMITED

With reference to

### Consultation paper on Entry Level Net Worth requirement of Multi-system Operators in Cable TV services

At the outset we welcome the initiative of the Authority for taking up the issues of cable TV sector and ensure level playing field for all the stakeholders and growth of this sector in the country.

Our response to the present consultation is as below;

*Response: The present rules and provisions as regards eligibility and net worth for MSOs are inadequate and in order to ensure that only serious players are given permission to operate as MSO, it is essential that some kind of net worth requirements are fixed. As indicated by the Authority itself that more than 20% registered entities are non-functional, it becomes more important to describe such limits to ascertain the potential of the applicant in running the business.*

*The entry level net worth requirement should be uniform for all the applicants as there is no limitation of areas to operate. License holder can expand in any area and can upgrade the headend capacity as per the requirement. There is no provision for permission on headend capacity upgradation. Hence any such criteria based on operational area or headend capacity would be fruitful.*

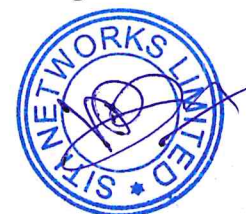


*There should not be any discrimination on the basis of operational area as mentioned i.e. North East or J&K as there is no restriction on any MSO at present to operate in any particular area. Imposing any such restriction on the MSO to operate in a particular state (s) will be discriminatory and any concession in this respect will also not help as the net worth requirement is to ensure that all permission issued should be operationalize.*

*In case the government is looking into the option of providing relaxation based on geography, the same should be allowed to all the players operating in such territory.*

*The option of net worth requirement based on proposed number of subscribers an entrant MSO would be catering to is also not a good proposition as restricting any MSO to a particular subscriber base or not allow any player to operate beyond a certain limit is not a healthy option to consider. It is difficult to ascertain the size of MSO at the time of entry and once any player is entered in the business there is no sense of restricted the player to a particular geography or a fixed subscriber base. It is easily scalable business and we strictly oppose any such provision.*

*One more issue of infrastructure sharing is pending for consideration with Ministry of Information and Broadcasting. Before taking a final decision on net worth requirement of MSO, the ministry must take a decision on this subject as in case the infrastructure sharing is permitted between service providers, the net worth requirement will be reduced to a great extent.*



*Looking into the mandatory requirement applicable to all MSOs irrespective of the size and geography and to ensure healthy growth of the sector Net Worth requirement can be fixed at Rs. 2 crore*



Siti Networks Limited