

**Information note to the Press (Press Release No. 108/ 2008)**

**For Immediate release**

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**TRAI announces revised tariff ceilings for cable TV services in CAS and non-CAS areas and reduction in rates for set top boxes in CAS areas**

**New Delhi, 26<sup>th</sup> December, 2008** - The Telecom Regulatory Authority of India (TRAI) has today issued the Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Ninth Amendment) Order, 2008, and the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff (Third Amendment) Order, 2008 aimed at providing inflation linked adjustments in the tariff ceilings for cable TV services in CAS and non-CAS areas. These tariff amendment orders also reflect the market development in Set top box prices and accordingly provide reduction in the rentals of standard tariff package for set top boxes for cable TV services in CAS areas.

2. Earlier, the non-CAS Tariff order as amended on 4<sup>th</sup> October 2007, made the cable charges being paid at different levels of the distribution chain as on 01.12.2007 as a ceiling, while making provisions for increases on account of new pay channels. In addition, the existing tariff order also provides for specific ceilings at the subscriber level based on the number of channels and the city in which a subscriber is getting the cable TV services. Since one year has already passed, it is felt necessary to revisit the ceilings for the

optimal growth of the cable TV sector. It was felt necessary to provide for inflation-linked increase in the ceiling for different players of delivery chain of cable TV services, and accordingly 7% increase has been provided based on whole sale price index movement for cable services in non-CAS areas. Similarly, the ceilings at subscribers end based on the number of pay channels in different parts of the country have also been revised to reflect this permitted increase.

3. For maintaining a harmonious growth of the cable TV sector in the country, similar increase has been permitted for cable TV services in CAS areas also. The CAS Tariff Order dated 31<sup>st</sup> August, 2006 provides ceilings of Rs.5 (excluding taxes) per pay channel per month and Rs.77 (excluding taxes) per month for basic service tier consisting of minimum 30 free to air channels, at subscriber level in CAS notified areas. After permitting 7% increase, the ceiling for pay channel has been increased to Rs. 5.35/- per pay channel per month at subscriber end (excluding taxes), and basic service tier may cost upto Rs. 82/- per month to the consumer (excluding taxes).

4. The tariff amendment order for CAS areas also provides for reduction in the security deposit and monthly rental for set top box. This reduction has become necessary to fall in the current prices of the set top boxes. Earlier, the tariff order for cable TV services in CAS areas provided two mandatory schemes to the consumers in which the security deposits and monthly rentals were specified based on the then prevailing prices of the set top boxes. Since prices of set top boxes have come down during last two years of the implementation of CAS tariff order, it has been felt necessary to revisit the same and to reflect it in the tariff order in order to pass on the benefits to the consumers. This would also help in popularizing digital delivery of TV signals over cable networks. The security deposit and rentals of set top boxes

have accordingly been revised, and now service providers are required to offer two schemes, one with Security deposit of Rs. 200/- instead of Rs. 250/- with a monthly rental of Rs. 34/- instead of Rs. 45/-, and another with Security deposit of Rs. 750/- instead of Rs. 999/- with a monthly rental of just Rs. 22/- instead of Rs. 30/-.

5. These tariff amendment orders have been made applicable from 1st January, 2009. The full text of these amendment orders are available on TRAI's website at [www.traigov.in](http://www.traigov.in).

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