



ASIANET KERALA CABLE OPERATORS FOUNDATION

Reg. No. PKD/CA/237/2012

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Ref:

Date.....
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We may introduce ourselves as an organization named AKCOF (Asianet Kerala Cable Operators Foundation) who were working as cable TV operators in Kerala and joined for better prospects with Asianet Satellite Communications Pvt Ltd. (MSO) during 2000 as Franchisees, Licensees and Link operators. At present we are having more than 600 members.

During 1990 in Kerala, cable TV operators commenced operation with 4 channels and subscription of Rs.100/-. Now the aforesaid MSO is having several channels with separate subscription rate of Rs.140/-,180/- 250/-, 280/-, 310/- 360/-with HD 400 to 425 for Franchisees, Licensees and Rs.210/-(Whole channels) for Link Operators. We are remitting 2/3 + Tax of the collection to the MSO and spending a major portion of the remaining amount as labour charge for collection and maintained office expense, customer service etc. We, once the whole owners of the cable TV net work, are getting a meager amount as our remuneration. In the case of link operators, they have to pay Rs.30/- + tax to MSO and spend a considerable sum as labour charges for collection as well for network maintenance, office expense, mobile, petrol etc.(most of the Link operators have 500 Connections only)

As such if the subscription is fixed as Rs.130/- for 100 channels and our share is decided as Rs.45/- -55/-, it will not be possible to run the business as before. It will create panic among our members and their family whose only day to day income is the profit from this sector.

Traie's basic free to air 100 channel package rent amount of Rs 130 +taxes is not practical in Kerala. Our MSO (asianet satellite communications ltd) offer multi channel bouquet for the past 6 years where an average customer pays Rs 250 +taxes (Tariff starts from Rs 210 to Rs 400 incl taxes) basically our Lco's are small operators having 500 to 600 connections servicing in 4 to 5 kms area. Pay channel viewers in a-la-carte mode (which is already provided by Mso) is very small less than 10%. If we introduce 100 basic free to air package (all channels in a-la-carte mode) 80 % customers will opt for basic package only. with Rs130 per customer operators cannot meet their regular expenses.

Expenses of an Lco with 500 connections

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|---|---------|
| 1. Payment to Mso current rates Rs 30 per Stb 500 x 67.25 | = 33625 |
| 2. Employee salary Min 2 staff 12000 x 2 | = 24000 |
| 3. Room rent | = 5000 |

4.Electricity Bill	= 5000
5.Electricity pole rent for cable laying Rs 365 per post per year 100 post for 4 km	= 3040
6.Mobile expense	= 2000
7.Network Maintenance expense	= 12000
8.Petrol + convenience Expense	= 3000
9. Miscellaneous Expenses	= 6000
Total	93665

Apart from this regular expense Lco's must pay huge loan repayments incurred due to subsidized STB installation ,network up gradation etc.

With the current rental proposal amount of Rs 130. if he collect 90% bills monthly he get only 58500.

At least Rs 250 per customer must be introduced in Kerala just to survive in this industry.

You may be well aware of the high wage rate of Kerala where a good number of labours from other states are working in the construction sector, shopes and hotels. Even though we are at present paying Rs. 12000/- salary per month + Incentive+ Bonus+ Conveyance with fuel to a native employee for collection of subscription we are not getting satisfactory result. It will not be possible to deploy labours from other states for this work due to practical reasons.

It is also learned that there is plan to unify the subscription rate of DTH and cable TV rate. If it so it will be disastrous to Cable TV net work sector since the nature of operation and maintenance are different. More over there will be no demand for paid channels in Villages and minor towns since they opt mostly local channels and hence the income from the share of paid channel will be minimal.

As such we request you to please review the tariff rate and free channel proposals in the draft and release a new draft considering the ground realities explained.

Thanking you,

Yours faithfully,.

Mani.K.C
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