Quote by Charu Malhotra, Co-founder & Managing Director, Primus Partners

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Broadcaster fee hikes spark DTH disputes, consumers caught in the middle

Authored by Lta Jha

Channel blackouts are mixed, on one hand, they could hit low-income or rural consumers the hardest since they come with limited digital support and access. (File Photo: PTI)

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Article Content:

New Delhi: A simmering conflict between broadcasters and direct-to-home (DTH)operators is flaring up again, triggering channel blackouts, legal disputes, and growing consumer frustration.

In May, Tata Play removed several Sony channels from its subscription packs following a tariff dispute with Sony Pictures Networks India. Though the channels remain available àla carte and in Sony bouquets, the episode is part of a pattern that has left many consumers scrambling to restore services or reconsider traditional television (TV)altogether.

The fallout highlights a deeper structural breakdown in India's pay-TV ecosystem, where rising content costs, stagnant revenue for distributors, and regulatory gaps are pushing platforms and broadcasters into repeated stand-offs. Consumers, particularly in rural or low-income segments, are often left navigating unclear pricing, missing channels, and poor support systems.

Legal disputes add to industry strain.The Tata Play–Sony dispute, currently sub judice before the Telecom Disputes Settlement and Appellate Tribunal (TDSAT), also reached the Bombay High Court last month. The court declined to grant interim relief to Culver Max Entertainment Ltd (formerly Sony Pictures Networks India) in its plea challenging a TDSAT directive that barred it from making public statements about the channel removals.

Tata Play CEO Harit Nagpal said the company ensured subscribers weren’t penalized. “We are not punishing subscribers because of commercial differences with partners. We know how to manage relationships with them," he said.

Nagpal said consumers were provided with all means to recharge the channels removed. Plus, not all users saw channels removed in the first place, and among those who did, only 13% reactivated them through these means. Sony did not respond to Mint’squeries.

Even as the Sony channels have returned to Tata Play's catalogue in limited formats operators have grappled with similar flashpoints elsewhere. Airtel Digital TV, for instance, has debated removing Zee channels from its base packs due to pricing disagreements, but has held off so far, said a person familiar with developments at Airtel, declining to be named.

Partho Dasgupta, managing partner at Thoth Advisors and former CEO of BARC India, said most consumers don’t display strong channel loyalty. “There are so many options, people could switch to OTT for the same shows. Plus, channels have regularly been taken down from platforms like DD Free Dish so it’s only a case of who blinks first," he said.

The heart of the problem lies in rising broadcaster tariffs, up 10-18% in some cases, putting pressure on DPOs whose average revenue per user (Arpu) has remained flat at ₹120-₹ 130 per month for years. These hikes, operators say, eat into already thin marginsand force tough decisions about carrying expensive channels.

“The pricing is complex and unclear, making it hard for users to know what they’re really paying for," said Vinita Pachisia, executive vice-president at Amplifi, the media investment arm of Dentsu Aegis Network. “Rising costs, missing channels, and confusing interfaces are pushing many users to leave pay-TV for OTT platforms. Frustration is especially high due to poor communication and manual channel re-addition. Low-income and rural users are hit hardest, with limited digital access and support."

Charu Malhotra, managing director and co-founder at Primus Partners, said the sector faces “a structural misalignment between content cost escalation and stagnant monetization models." According to her, broadcasters such as Sony and Zee are demanding higher carriage and placement fees to offset investments in content, sports rights, and talent, while DTH players operate in a hyper-competitive market that offers little room for price hikes.

“This creates multiple problems, consumers pay for a pack and suddenly lose channels they assumed were guaranteed," she said. “Most DPOs do not clearly explain why the channels are gone or what consumers must do to get them back. Users are redirected to à la carte purchases or higher-value packs, increasing their monthly spend without clarity."

While disputes drag on in courts and tribunals, stakeholders say a lack of regulatory clarity is adding to the confusion. The Telecom Regulatory Authority of India’s (TRAI’s)framework was intended to bring transparency and consumer choice, but its implementation remains inconsistent.

TV loses ground as streaming grows The continued deadlock may be accelerating an already noticeable trend: cord-cutting.

According to the FICCI-EY Media and Entertainment Report 2025, linear television revenues fell for the second consecutive year in 2024, even as viewership remained largely flat. Advertising revenue declined 6%, reflecting both lower ad volumes and amore than 10% drop in the number of advertisers on the medium. Subscription revenues also slipped 3%, as Pay TV households shrank by six million with growth in both Free TV and Connected TV homes.

At the same time, online video consumption continued to grow. The number of digital video viewers rose by 15 million, or 3%, to 551 million, roughly 98% of active smartphones. Video subscription revenues increased 11% to ₹ 92 billion, further underscoring the shift to OTT platforms.

The ongoing standoffs and disputes show deeper problems, said Pachisia, such as rising costs, lower revenues, regulatory gaps, and shifting consumer behaviour. Until stakeholders and regulators commit to pre-emptive safeguards or binding frameworks, consumers will continue to bear the brunt—facing sudden channel loss, arbitrary costs, and growing mistrust in traditional TV, she added.