

Telecom Regulatory Authority of India

Notification

New Delhi, the 29th October 2003

No. 409-5/2003-FN

In exercise of the powers conferred upon it under section 36 read with clauses (ii), (iii) and (iv) of sub-section (b) of Section 11 (1) of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, to fix the terms and conditions of interconnectivity between Service Providers, to ensure effective interconnection between different service providers and to regulate arrangements amongst service providers of sharing their revenue derived from providing telecommunication services, the Telecom Regulatory Authority of India hereby makes the following Regulation.

THE TELECOMMUNICATION INTERCONNECTION USAGE CHARGES REGULATION, 2003

(4 of 2003)

Section I

Title, Extent and Commencement

1. Short title, extent and commencement:

(i) This Regulation shall be called “The Telecommunication Interconnection Usage Charges Regulation 2003” (the Regulation) and supersedes the earlier Regulation dated 24th January 2003 (1 of 2003) and its amendments dated 27th March 2003 (1st amendment) and 16th June, 2003 (2nd amendment).

(ii) The Regulation shall cover arrangements among service providers for payment of Interconnection Usage Charges, for Telecommunication Services, covering Basic Service that includes WLL (M) services, Cellular Mobile Services, and Long-Distance Services (STD/ ISD) throughout the territory of India.

(iii) The Regulation shall be deemed to have come into force from the date of its notification in the official Gazette.

Section II

Definitions

2. In this Regulation, unless the context otherwise requires:

(i) “Act” means the Telecom Regulatory Authority of India, 1997 as amended by TRAI (Amendment) Act, 2000.

(ii) “ADC” means Access Deficit Charge.

(iii) “Authority” means the Telecom Regulatory Authority of India.

¹[(iv) “BSO, CMSP, ILDO, NLDO and UASP” respectively mean the Basic Service Operator, Cellular Mobile Service Provider, International Long Distance Operator, National Long Distance Operator and Unified Access Service Provider.]

(v) “Ceiling(s)” mean(s) the upper limit(s) of a charge specified by the Authority from time to time over which such charges may not be offered.

(vi) “Floor” means the lower limit of a charge specified by the Authority from time to time below which such charges may not be offered.

(vii) “Forbearance” means that the Authority has not, for the time being, notified any charge for a particular telecommunication service and the service provider is free to fix any charge for such service. The Authority, however, has a right to intervene at any stage after the introduction of the charge.

(viii) "Interconnection" means the commercial and technical arrangements under which service providers connect their equipment, networks and services to enable their customers to have access to the customers, services and networks of other service providers.

(ix) "Interconnection Charge" means the charge for interconnection levied by an interconnection provider on an interconnection seeker.

(x) “Interconnection Usage Charge (IUC)” means the charge payable by one service provider to one or more service providers for usage of the network elements for origination, transit or termination of the calls.

(xi) "Interconnection Provider" means the service provider to whose network an interconnection is sought for providing telecommunication services.

(xii) "Interconnection Seeker" means the service provider who seeks interconnection to the network of the interconnection provider.

(xiii) “International Subscriber Dialing” (ISD) means the facility by which a subscriber can have direct connection between him (in India) with another end user in another country by means of direct dialing through licensed networks. This includes the coverage of the international sector by ILDO and the related national sector by NLDO and/or access provider.

(xiv) “LDCA/ LDCC” respectively mean Long Distance Charging Area/Long Distance Charging Centre.

(xv) "Order" means the Telecommunication Tariff Order, 1999 as amended from time to time.

(xvi) “Originating Network” means the network to which an originator of a telecommunication message (voice and non-voice) is proximately connected to.

(xvii) “Originating/Transit/Terminating Service Provider” means the service provider whose network is used for originating/transit/terminating a telecommunication message (voice and non-voice) respectively.

(xviii) "Regulation" means the Telecommunication Interconnection Usage Charges (IUC) Regulation 2003 (2 of 2003).

¹ Subs. by the Third Amendment Regulations, 2003, reg. 2.1 (w.e.f. 31.12.2003), for the following:

“(iv) “BSO, CMSP, ILDO and NLDO” respectively mean the Basic Service Operator, Cellular Mobile Service Provider, International Long Distance Operator and National Long Distance Operator.”

(xix) "Reporting Requirement" means the obligation of a service provider to report to the Authority at least 45 working days before implementing any new Interconnection Usage Charge for telecommunication services under 'this Regulation' and any changes thereafter.

(xx) "SDCA/SDCC" respectively mean Short Distance Charging Area/Short Distance Charging Centre.

(xxi) "Set Up Costs of Interconnection" means the initial cost of any system upgradation needed to provide the specific interconnection facilities requested.

(xxii) "Settlement Period" is the period at the end of which the inter-carrier billing IUC/ADC payments among service providers are to be settled, based on the record reconciliation process as may be finalized through mutual arrangements among the service providers.

(xxiii) "Significant Market Power (SMP)" means "A Service Provider holding a share of at least 30% of total activity in a licensed telecommunication service area. These Services are categorized as Basic Service, Cellular Mobile Service, National Long Distance Service and International Long Distance Service." where "Activity" would mean and include any one or more of the following:

- (a) Subscriber Base
- (b) Turnover
- (c) Switching Capacity
- (d) Volume of Traffic

(xxiv) "Subscriber Trunk Dialing" (STD) means the facility by which a subscriber can have direct connection between him and another end user in another SDCA within India by means of direct dialing through the public long-distance networks.

(xxv) "Terminating Network" means the network to which a receiver of a telecommunication message (voice and non-voice) is proximately connected to.

(xxvi) "Transit Network" means the network through which telecommunication messages (voice or non-voice) from originating networks or other transit networks are transmitted and delivered to terminating or other transit networks.

(xxvii) "Usage Charge" means the charge levied by a service provider for carriage of telecommunication traffic on its network, i.e. for use of its network elements.

(xxviii) "WLL (M)" means limited mobility telephony service using wireless in local loop technology within a Short Distance Charging Area.

¹[* * * *]

²[(xxix)] Words and expressions used in this Regulation and not defined herein but defined in the Act shall have the same meanings assigned to them in the Act.

1 Ins. the following clause by the Fifth Amendment Regulations, 2005, reg. 2 (w.e.f. 11.04.2005), which has been set aside by the Hon'ble TDSAT, *vide* its order dated 21.09.2005 passed in TA No. 7 of 2005 titled as "COAI & Ors. v. TRAI & Anr.":

"(xxix) Roaming means the ability for a cellular subscriber to automatically make and receive voice calls, data and to access other services while travelling outside the geographical coverage area of the home network, by using the visited network. It is national roaming when visited network and the home network of the subscriber are in the same country and it is international roaming when visited network and home network of the subscriber are in different countries."

2 Clause (xxix) re-numbered as clause (xxx) by the Fifth Amendment Regulations, 2005, reg. 2 (w.e.f. 11.04.2005), which has been set aside by the Hon'ble TDSAT, *vide* its order dated 21.09.2005 passed in TA No. 7 of 2005 titled as "COAI & Ors. v. TRAI & Anr."

¹[(xxx) “Cellular” means fully mobile service provided by CMSPs and UASPs through GSM, CDMA or any other technology.]

Section III

3. Interconnection Charges

Interconnection Charges shall continue to be governed by “The Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001(5 of 2001)” and The Telecommunication Interconnection (Port Charges) Regulation 2001 (6 of 2001), except to the extent modified by this Regulation.

Section IV

4. Interconnection Usage Charges (IUC)

The Interconnection Usage Charges are specified in Schedules hereto.

Schedule I – Termination Charges

Schedule II – Carriage Charges

Schedule III – Access Deficit Charge (ADC)

²[**Schedule IV – Interconnect Usage Charge (IUC) for Short Message Service (SMS)**]

(i) Unless specifically provided in the Schedules to this Regulation, the Authority forbears with respect to other Interconnection Usage Charges.

³[⁴[⁵[(ii) The date of effect for actual implementation of IUC shall be 1st February, 2004.]]]

(iii) The existing Interconnection Usage Charges arrangement between the Interconnecting networks in respect of the items as specified in this Regulation shall hold good till the date on which this Regulation comes in force.

(iv) All existing interconnect agreements/arrangements as on date shall stand amended on the date of actual implementation of this Regulation so as to conform to the present framework of the IUC regime and these shall be submitted to TRAI for registration within 15 days of implementation of this Regulation, and for subsequent changes as per reporting requirement.

(v) IUC values specified in ‘the Regulation’ shall also be applicable for all Reference Interconnect Offers by Significant Market Powers (SMPs).

1 Ins. by the Third Amendment Regulations, 2003, reg. 2.2 (w.e.f. 31.12.2003)

2 Ins. by the Tenth Amendment Regulations, 2009, reg. 2(a) (w.e.f. 01.04.2009)

3 Subs. by the First Amendment Regulations, 2003, reg. 2.1 (w.e.f. 25.11.2003), for the following:

“(ii) The date of effect for actual implementation of IUC shall be 1st December 2003.”

4 Subs. by the Second Amendment Regulations, 2003, reg. 2.1 (w.e.f. 12.12.2003), for the following:

“(ii) The date of effect for actual implementation of IUC shall be 15th December, 2003.”

5 Subs. by the Third Amendment Regulations, 2003, reg. 2.3 (w.e.f. 31.12.2003), for the following:

“(ii) The date of effect for actual implementation of IUC shall be 1st January, 2004.”

¹[(vi) Every BSO, CMSP, UASP and Unified License (UL) licensee shall offer a termination charge, for international calls terminating on its network, in a non-discriminatory manner and within the range specified in Schedule I.]

Section V

5. Reporting Requirement

(i) All service providers shall comply with the Reporting Requirement as defined in Section II in respect of Interconnection Usage Charges specified for the first time under 'the Regulation', as also all subsequent changes, subject to the provisions of Section IV above.

(ii) No service provider shall alter any Interconnection Usage Charge or any part thereof, without complying with the Reporting Requirement.

(iii) In respect of matters covered by the provisions of 'the Regulation', they shall have an overriding effect over any Regulation, Direction, Determination and Order of the Authority, Reference Interconnect Offer and existing Interconnect agreement/arrangement between Service Providers.

²[iv. Each service provider shall report to the Authority on quarterly basis, the ADC retained by it, wherever applicable, and also ADC paid by it to BSNL. In addition, BSNL shall report, on quarterly basis, ADC payments received by it from each operator. This shall include both the components of ADC, namely ADC paid in the form of percentage of Adjusted Gross Revenue and ADC on per minute basis for international incoming ³[* * * *] calls. This quarterly report shall reach the Authority within 30 days of the end of the previous quarter.]

⁴[Provided that the provisions of this clause shall, on and after the 1st day of April, 2008, have effect as if the words "ADC paid in the form of percentage of Adjusted Gross Revenue" had been omitted and the provisions in this clause relating to reporting requirement after the said date shall be construed accordingly:

Provided further that nothing contained in this clause shall apply on and after the 1st day of April 2008.]

⁵[(v) **Reporting Requirement for carriage charges for long distance calls within India specified under paragraph (a) of Schedule II.** Every National Long Distance Operator shall, on quarterly basis, report to the Authority the per minute rate of carriage charge and the total amount of such carriage charge for long distance calls within India received by it from every BSO/CMSP/UASL/ILDO, separately, and every BSO/CMSP/UASL/ILDO shall, on quarterly basis, report to the Authority, the per minute carriage charges for long distance calls within India and the total amount of such carriage charge for long distance calls within India paid by them to every National Long Distance Operator, separately, and such quarterly report shall be submitted to the Authority within thirty days of the end of the previous quarter.

(vi) **Reporting Requirement of Interconnection Usage Charge for Short Message Service (SMS) specified under paragraph (1) of Schedule IV.** Every BSO/CMSP/UASL/NLDO/ILDO shall, on quarterly basis, report to the Authority, the rate of Interconnect Usage Charge for SMS and the total amount of such Interconnect Usage Charge for SMS received by it from other BSO/CMSP/UASL/

1 Ins. by the Sixteenth Amendment Regulations, 2020, reg. 2 (w.e.f. 01.05.2020)

2 Ins. by the Sixth Amendment Regulations, 2006, reg. 4 (w.e.f. 01.03.2006)

3 Del. the words "and outgoing" by the Eighth Amendment Regulations, 2007, reg. 2 (w.e.f. 01.04.2007)

4 Ins. by the Ninth Amendment Regulations, 2008, reg. 2 (w.e.f. 01.04.2008)

5 Ins. by the Tenth Amendment Regulations, 2009, reg. 2(b) (w.e.f. 01.04.2009)

NLDO/ILDO and paid by it to other BSO/CMSP/UASL/NLDO/ILDO, separately, and such quarterly report shall be submitted to the Authority within thirty days of the end of the previous quarter.]

Section VI

6. Review

¹[(i) The Authority may, from time to time, review and modify interconnection Usage Charge and Access Deficit Charge.

(ii) The Authority may also at any time, suo-motu, or on the basis of reported information in terms of clause (iv) of Regulation (5) above or on reference from any affected party, and for good and sufficient reasons, review and modify any Interconnection Usage Charge and Access Deficit Charge.]

Section VII

7. Explanatory Memorandum

This Regulation contains at Annex A, an explanatory memorandum to provide clarity and transparency to matters covered under 'the Regulation'.

Section VIII

8. Interpretation

²[In case of any doubt regarding any provision of this Regulation, the clarification given by the Authority shall be final.]

By Order
(DR. HARSHA VARDHANA SINGH)
Secretary-cum-Principal Advisor

1 Subs. by the Sixth Amendment Regulations, 2006, reg. 5 (w.e.f. 01.03.2006), for the following:

“(i) The Authority may, from time to time, review and modify interconnection Usage Charge.

(ii) The Authority may also at any time, suo-motu, or on reference from any affected party, and for good and sufficient reasons, review and modify any Interconnection Usage Charge.”

2 Subs. by the Fourth Amendment Regulations, 2005, reg. 2 (w.e.f. 01.02.2005), for the following:

“In case of dispute regarding interpretation of any of the provisions of this Regulation, the decision of the Authority shall be final and binding.”

Schedule I

¹[²**1. Termination Charges**

The following termination charge shall be applicable for Local, National Long Distance and International Long Distance calls:-

Type of Call	Type of traffic	Termination charge
(1) Local and National Long Distance Call	Wireless to wireless	³ [⁴ (a) Re. 0.06 (paise six only) per minute with effect from the 1 st October, 2017 to the 31 st December, 2020; and (b) 0 (Zero) with effect from the 1 st January, 2021]]
	Wireless to wireline	0 (Zero)
	Wireline to wireline	0 (Zero)
	Wireline to wireless	0 (Zero)
(2) International call	International incoming call to wireless and wireline	⁵ [⁶ [Not less than Re. 0.35 (paise thirty five only) per minute and not more than Re. 0.65 (paise sixty five only) per minute]]

Note-Wireless means full mobility, limited mobility and fixed wireless access services.]]

2. Origination Charges

Forbearance.

The Originating Service Provider shall retain origination charges from the residual after payment of the charges for carriage, termination and access deficit.

3. Carriage Charges

Carriage charges have been specified in Schedule II.

4. Access Deficit Charges

Access Deficit Charge (ADC) has been specified in Schedule III.

1 Subs. by the Tenth Amendment Regulations, 2009, reg. 3 (w.e.f. 01.04.2009), for the following:

“1. Termination Charges

Termination charge for calls to Basic (Fixed, WLL (Fixed), and WLL with limited mobility) and Cellular networks would be **uniform @ Rs. 0.30 per minute**. The same termination charge would be applicable for all types of calls viz. Local, National Long Distance and International Long Distance.”

2 Subs. by the Eleventh Amendment Regulations, 2015, reg. 2 (w.e.f. 01.03.2015), for the following:

“1. Termination Charges

Termination charge for Local and National Long Distance voice calls to Fixed Wireline, Wireless in Local Loop (Fixed), Wireless in Local Loop (Mobile), Cellular Mobile Telephone Service (both 2G and 3G) shall be uniform at the rate of Re. 0.20 (twenty paise only) per minute and the termination charge for incoming International Long Distance voice calls to such Fixed Wireline, Wireless in Local Loop (Fixed), Wireless in Local Loop (Mobile), Cellular Mobile Telephone Service (both 2G and 3G) shall be uniform at the rate of Re. 0.40 (forty paise only) per minute.”

3 Subs. by the Thirteenth Amendment Regulations, 2017, reg. 2 (w.e.f. 01.10.2017), for the following:

“Re. 0.14 (paise fourteen only) per minute”

4 Subs. by the Fifteenth Amendment Regulations, 2019, reg. 2 (w.e.f. 17.12.2019), for the following:

“(a) Re. 0.06 (paise six only) per minute with effect from the 1st October, 2017 to the 31st December, 2019; and
(b) 0 (Zero) with effect from the 1st January, 2020”

5 Subs. by the Fourteenth Amendment Regulations, 2018, reg. 2 (w.e.f. 01.02.2018), for the following:

“Rs. 0.53 (paise fifty three only) per minute”

6 Subs. by the Sixteenth Amendment Regulations, 2020, reg. 3 (w.e.f. 01.05.2020), for the following:

“Rs. 0.30 (paise thirty only) per minute”

**Schedule II
Carriage Charges**

¹**(a) Carriage charges for Long Distance calls within India**

**Table - I
(Amount in Rupees per minute)**

Carriage charges per minute for Long Distance Calls within India	As per mutual agreement between the service providers subject to a ceiling of ² [Rupee 0.35 (thirty five paise) per minute] irrespective of the distance.]
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b) Transit Charges for intra-SDCA calls:

Forbearance, subject to the following condition:

Direct interconnection between Access Providers is mandatory. For exceptional cases of Intra-SDCA transit, operators may decide the charges through mutual negotiation. However this ³[shall be less than Re. 0.15 (Fifteen paise only) per minute].

c) Carriage charges for International Long Distance calls including International termination charge (i.e. International settlement):

Forbearance, subject to the following condition:

The service providers may mutually agree to the sharing of any surplus, subject to the approval of the Authority.

⁴ [(d) **Trunk Automatic Exchange (TAX) transit charges.** Trunk Automatic Exchange transit charge in all cases, other than transit charge for accessing the Cellular Mobile Telephone Service of Bharat Sanchar Nigam Limited by Cellular Operators which is governed by the Telecom Regulatory Authority of India (Transit Charges for Bharat Sanchar Nigam Limited’s Cell One Terminating Traffic) Regulation, 2005 (10 of 2005), shall be less than Re. 0.15 (Fifteen paise only) per minute and, subject to the said limit, may be decided by the concerned service providers through mutual commercial arrangement.

(e) Transit Carriage Charge from Level II Trunk Automatic Exchange (TAX) to SDCA. Transit carriage charge for carriage of intra-circle traffic handed over from Cellular Mobile networks to Fixed network, from Level II Trunk Automatic Exchange (TAX) of LDCA in which the call is to be terminated, to SDCA, shall be Re. 0.15 (Fifteen paise only) per minute, irrespective of distance.]

¹ Subs. by the Sixth Amendment Regulations, 2006, reg. 2(i) (w.e.f. 01.03.2006), for the following:

“a) **Carriage charges for Long Distance calls within India**

**Table I
(Amount in Rupees per minute)**

Carriage charges per minute for Long Distance calls within India	istance slab			
	Below 50 Kms	50 – 200 Kms	200 –500 Kms	Above 500 Kms
	0.20	0.65	0.90	1.10

The service providers are allowed to negotiate a spot value within +/- 10% of the long distance calls carriage charge beyond 50 Kms. Forbearance for carriage charge for long distance calls will be introduced once carrier selection by customers is implemented.”

² Subs. by the Twelfth Amendment Regulations, 2015, reg. 2 (w.e.f. 01.03.2015), for the following: “Rupees 0.65 per minute”

³ Subs. by the Tenth Amendment Regulations, 2009, reg. 4(a) (w.e.f. 01.04.2009), for the following: “should be lower than Rs. 0.20 per minute”

⁴ Ins. by the Tenth Amendment Regulations, 2009, reg. 4(b), (w.e.f. 01.04.2009)

Notes to Schedule II:

- a) The Originating Service Provider shall retain origination charges from the residual after payment of the charges for carriage, termination and access deficit.
- b) ¹[The Carrier, as shown in Table II, would collect the applicable amounts for carriage and termination charge from the Originating Service Provider for various type of calls. The Carrier would pass on the termination charge for terminating the traffic to the Terminating Service Provider as per Schedule-I.]
- c) The call from/ to fixed line to/ from WLL(M) would be treated as a local call, if the call destination is within the SDCA where the call originated. Calls from/ to fixed line to/ from WLL(M) would be treated as long distance calls if the call terminates outside the SDCA from where the call originated.

Table II

Applicability of Carriage Charge

(F = Fixed or WLL(Fixed); W = WLL(M); C = Cellular Mobile)

Type of Traffic	Carriage Charge	Carrier (Handover at)	
Within SDCA			
F/W ↔ F/W	Nil for direct connectivity/Applicable tandem usage as in Schedule II (b)	BSO1/BSO2 (Tandem)	
F/W ↔ C	Nil (Tandem: Metro)/TAX usage carriage Charge (Level II TAX)	BSO (Tandem: Metro)/ BSO (Level II TAX)	
F/W/C ↔ ILD	As above since ILDO hand-over is at LDCC TAX	BSO (TAX)	
Intra Circle i.e. Inter (SDCA)			
F ↔ F	Carriage as per details in BSO1/ BSO2 Schedule II	BSO1/BSO2	Depending on Near end or Far end Handover
F ↔ W	Carriage as per details in BSO1/ BSO2 Schedule II	BSO1/BSO2	
F/W ↔ C	Same as Intra SDCA except TAX charge is “applicable” Charge since more than one TAX may be involved.	BSO (Level II/ I TAX)	
C ↔ ILD	No carriage/ tandem in case traffic is picked up or delivered at MSC	MSC (Direct connectivity cases)	
F / W ↔ ILD	Carriage as per Schedule II	BSO (TAX)	
Inter Circle			
F/ W ↔ F/ W	Carriage as per Schedule II	NLDO (TAX)	
F ↔ C	Carriage as per Schedule II	NLDO (TAX)	
W ↔ C	Carriage as per Schedule II	NLDO (TAX)	
F/W/C ↔ ILD	Carriage as per Schedule II	NLDO (TAX)	

1 Subs. by the Sixth Amendment Regulations, 2006, reg. 2 (w.e.f. 1.3.2006), for the following:

“The Carrier, as shown in **Table II**, would collect the applicable amounts for carriage and termination charge from the Originating Service Provider for various type of calls. The Carrier would pass on the termination charge for terminating the traffic to the Terminating Service Provider as per **Schedule I**. In cases where the access deficit charge amount is to be collected by the terminating network or by BSNL (as per the **Table III** in **Schedule III**) the access deficit charge amount shall be passed on by the Carrier to the relevant service provider who has to be provided the access deficit amounts, as mentioned in **Schedule III**.”

Schedule – III
Access Deficit Charge (ADC)

¹[3.1 The Access Deficit Charges ²[for International Incoming Calls received during the period beginning on the 1st day of April, 2008 and ending as at the 30th day of September, 2008] shall be as per Table III.

³[**Table III**

Access Deficit Charge ⁴[for International Incoming Calls received during the period beginning on the 1st day of April, 2008 and ending as at the 30th day of September, 2008]

Type of Call (1)	Access Deficit Charge per minute (2)	Access Deficit Charge to be paid to BSNL (3)
All Incoming ILD calls	⁵ [Re 0.50 (paise fifty only)]	By ILDOs or NLDOs referred to in clause (iv) of regulation 2]

⁶[Explanation. —The Access Deficit Charge for International Long Distance Calls shall not be applicable on and after the 1st day October, 2008]

3.2 ADC as a percentage of Revenue.

3.2.1 In addition to the payment of ADC on international ⁷[* * *] incoming calls in terms of Clause 3.1, all licensees of Unified Access Service, Cellular Mobile Telephone Service, National Long Distance Service and International Long Distance Service and Basic Service Operators shall ⁸[pay 0.75%] of their Adjusted Gross Revenue as ADC to the BSNL. BSNL shall retain ADC chargeable as percentage of its Adjusted Gross Revenue.

Provided that if a service provider has Unified Access Service License/Basic Service Licence, it shall retain ADC as percentage of Adjusted Gross Revenue of Fixed wireline subscribers and the balance shall be paid to the BSNL. MTNL shall also retain ADC as percentage of Adjusted Gross Revenue for its Fixed Wireline subscribers and shall pay the balance to BSNL.

1 Subs. by the Fourth Amendment Regulations, 2005, reg. 3 (w.e.f. 01.02.2005) and the Sixth Amendment Regulation, 2006, reg. 3 (w.e.f. 01.03.2006), the entries relating to paragraphs 3.1. and 3.2

2 Subs. by the Ninth Amendment Regulations, 2008, reg. 3, for “for International ⁹[* * *] Incoming Calls” (w.e.f. 1.4.2008).

3 Subs. by the Eighth Amendment Regulations, 2007, reg. 3(a)(ii) (w.e.f. 01.04.2007), for the following:

“Table III
Access Deficit Charge for International Long Distance Calls

Sl. No.	Type of Call	ADC per minute (in rupees)	ADC to be paid to/retained by
1.	All Outgoing ILD calls originated from Fixed wireline subscribers.	Rs. 0.80	To be retained by originating Fixed wireline Service Provider.
2.	All Outgoing ILD calls originated from Cellular Mobile/Wireless including WLL(F) subscribers	Rs. 0.80	To be paid to BSNL by originating access provider through ILDO
3.	All Incoming ILD calls	Rs. 1.60	To be paid to BSNL by ILDO or NLDO”

4 Subs. by the Ninth Amendment Regulations, 2008, reg. 3(a)(ii)(A) (w.e.f. 01.04.2008), for the following: “for International Incoming Calls”

5 Subs. by the Ninth Amendment Regulations, 2008, reg. 3(a)(ii)(B) (w.e.f. 01.04.2008), for the following: “Rs. 1.00 (Rupee One only)”

6 Ins. by the Ninth Amendment Regulations, 2008, reg. 3(a)(iii) (w.e.f. 01.04.2008)

7 Del. the words “outgoing and” by the Eighth Amendment Regulations, 2007, reg. 3(b)(i)(A) (w.e.f. 01.04.2007)

8 Subs. by the Eight Amendment Regulations, 2007, reg.3(b)(i)(B) (w.e.f. 01.04.2007), for the following: “pay 1.5%”

9 Del. the words “outgoing and” by the Eighth Amendment Regulations, 2007, reg. 3(a)(i) (w.e.f. 01.04.2007)

¹[3.2.2 For calculating ADC, Adjusted Gross Revenue shall have the same meaning as given in the respective licences;

PROVIDED that in calculating the ADC as a percentage of Adjusted Gross Revenue (AGR) of a Universal Access Service Licensee/Basic Service Operator, the revenue from Rural Fixed Wireline subscribers shall be excluded.]

3.2.3 Adjusted Gross Revenue of Fixed Wireline subscribers for purpose of retention of ADC shall be calculated as given in Table IV.

Table IV

Calculation of AGR for Fixed Wireline Subscribers for retention of ADC

S. No	Particulars	Amount in rupees
	Revenue from Fixed Wireline subscribers: (i) Rentals (ii) Call revenue within service area (iii) National LONG DISTANCE CALL revenue (iv) International LONG DISTANCE CALL revenue (v) Pass thru revenue for usage of other networks (vi) Service tax (vii) Service charges (viii) Charges on account of any other value added services, Supplementary Services etc. (ix) Any other income/miscellaneous receipt from Fixed Wireline subscribers. (x) Revenue from other OPERATORS on account of pass through call charges on fixed wireline subscribers (xi) Any other revenue for provisioning of Fixed Wireline subscribers	
A	GROSS REVENUE from Fixed Wireline Subscribers	
	DEDUCT: 1. Charges actually paid to other SERVICE PROVIDER for Fixed Wireline subscribers 2. Service Tax paid to the Government on Fixed wireline subscribers 3. Sales Tax paid to the Government on Fixed Wireline subscribers 4. Revenue from Rural subscribers.	
B	TOTAL DEDUCTIBLE REVENUE	
C	ADJUSTED GROSS REVENUE for Fixed Wireline Service on which ADC retention is admissible (A-B)	

3.2.4 Since this Regulation shall come into force with effect from 1st March, 2006, therefore, after payment of ADC in terms of percentage of AGR ²[up to 31-3-2006, the subsequent payments before the 1st April, 2007] shall be on quarterly basis so that it matches with the payments of annual licence fee. The ADC to be paid on the basis of revenue share between 1st March, 2006 and 31st March, 2006 shall be determined on the pro-rata basis of Adjusted Gross Revenue for the last quarter of year 2005-2006.]

1 Subs. by the Seventh Amendment Regulations, 2006, reg. 2 (w.e.f. 10.03.2006), for the following:

3.2.2 For calculating ADC, Adjusted Gross Revenue shall have the same meaning as given in the respective licences; PROVIDED that in calculating the ADC as a percentage of Adjusted Gross Revenue (AGR) of a Universal Access Service Licensee/Basic Service Operator, the revenue from rural subscribers shall be excluded.”

2 Subs. by the Eighth Amendment Regulations, 2007, reg. 3(b)(ii) (w.e.f. 01.04.2007), for the following:
 “up to 31-3-2006, the subsequent payments”

¹[3.2.5. For the financial year beginning on the 1st April, 2007 and effective till 31st March, 2008, on or after the 1st day of April, 2007 during the said financial year, the Access Deficit Charge referred to in sub-paragraph 3.2.1, shall be payable at the rate of 0.75% of the Adjusted Gross Revenue for every quarter in that financial year and shall be paid in accordance within the time schedule for payment of licence fee mentioned in the licence of the concerned licensees.]

²[Provided that nothing contained sub-paragraphs 3.2.1, to 3.2.5 (including payment of the Access Deficit Charge, by way of percentage of Adjusted Gross Revenue), shall apply on and after the 1st day of April, 2008 and the Access Deficit Charge payable on the basis of percentage of Adjusted Gross Revenue after the said date shall therefore cease to have effect.]

3.3 Reconciliation and Settlement of ADC

ADC, carriage and termination payments would be based on aggregated usage in seconds (on bulk basis). The settlement would be for the aggregate total seconds expressed in terms of minutes, with the figure being rounded off in terms of the nearest minute, over the settlement period as applicable in the Interconnect Agreement. Failing agreement amongst Service Providers on the settlement period, the settlement shall be done on monthly basis on bulk basis.

³[* * * *]

1 Ins. by the Eighth Amendment Regulations, 2007, reg. 3(b)(iii) (w.e.f. 01.04.2007)

2 Ins. by the Ninth Amendment Regulations, 2008, reg. 3(b) (w.e.f. 01.04.2008)

3 Ins. the following paragraphs by the Fifth Amendment Regulations, 2005, reg. 3 (w.e.f. 11.04.2005), which has been set aside by the Hon'ble TDSAT, *vide* its order dated 21.09.2005 passed in TA No. 7 of 2005 titled as "COAI & Ors. v. TRAI & Anr.":

"3.4 All calls from the National Roaming subscribers shall be treated as Long Distance calls and all calls from International Roaming subscribers shall be treated as incoming international call for ADC purposes. As such for all calls from National roaming subscribers while in a different Service Area, ADC charge as applicable for National Long Distance calls shall be applicable at the rate of Rs 0.30 per minute. For International Roaming Subscriber while making any call while in India, an ADC of Rs 3.25 per minute shall be applicable. 3.5 For all calls from Roaming subscriber, the access deficit amount is to be collected by the visited network operator and paid to BSNL."

¹[**Schedule IV**

INTERCONNECT USAGE CHARGE (IUC) FOR SHORT MESSAGE SERVICE (SMS)

Interconnect Usage Charge (IUC) for Short Message Service (SMS).- Interconnect Usage Charge (IUC) for Short Message Service (SMS) shall be under forbearance:

Provided that such charges shall be transparent, reciprocal and non-discriminatory.]

¹ Ins. by the Tenth Amendment Regulations, 2009, reg. 5 (w.e.f. 01.04.2009)