

# Telecom Regulatory Authority of India

(IS/ISO 9001:2008 Certified Organisation)

## Annual Report 2012-13

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## Letter of Transmittal

**To the Central Government through Hon'ble Minister of Communications and Information Technology**

It is my privilege to forward the 16<sup>th</sup> Annual Report for the year 2012-13 of Telecom Regulatory Authority of India to be laid before each House of Parliament. Included in this report is the information required to be forwarded to the Central Government under the provisions of the Telecom Regulatory Authority of India Act, 1997, as amended by TRAI (Amendment) Act, 2000.

The report contains an overview of the Telecom Sector and a summary of the key initiatives of TRAI on the regulatory issues with specific reference to the functions mandated to it under the Act. The Audited Annual Statement of Accounts of TRAI has also been included in the report.



**(DR. RAHUL KHULLAR)**  
**CHAIRPERSON**

Dated: 18<sup>th</sup> November 2013



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# OVERVIEW OF TELECOM & BROADCASTING SECTORS





# OVERVIEW

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1. The year 2012-13 has been an eventful year for the telecommunications and broadcasting sectors. In the telecom sector, activities centred around the National Telecom Policy 2012, Spectrum Management, Spectrum Auction and Unified Licensing. In the broadcasting sector, based on the Authority's recommendations, a landmark decision has been taken by the Government to migrate to Digital Addressable Cable TV Services. The Authority has laid down an appropriate regulatory framework for the migration to take place. Besides, the Authority has taken a number of measures in the consumers' interest; these include steps in the areas of quality of service, tariffs, transparency in service provision, mobile number portability, protection of telecom consumers from the menace of unsolicited commercial communications and consumer complaint redressal.

2. The significant events relating to Telecom and Broadcasting sectors during the year 2012-13 were as follows:

## I. Telecom Sector

(i) The Telecom Sector witnessed a marginal decline in the number of subscribers during the year 2012-13. At the end of the financial year, the subscriber base was 898.02 million, out of which 867.80 million were wireless subscribers. During the year, wireless subscriber base recorded a decline of 51.37 million, while the overall teledensity declined marginally to 73.32 from 78.66. The year also saw increase in rural teledensity to 41.02 from 39.22 while the urban teledensity decreased to 146.96 from 169.55. During the year, 47.82 million subscribers submitted their porting requests to different service providers for availing Mobile Number Portability (MNP) facility.

(ii) At the end of the financial year, the number of Internet subscribers (Narrow and Broadband) was 21.61 million. While the number of Broadband connections increased from 13.81 million to 15.05 million, also, there were



143.20 million subscribers who accessed internet through wireless phones.

- (iii) An important aspect of TRAI's functions as mandated under the TRAI Act is to make recommendations to the Government on diverse subjects including market structures and entry of new operators in the sector, the licensing framework, management of scarce resources such as spectrum, consumer safety and security. Under this mandate, several significant policy regulatory recommendations were made during the year which include recommendations on 'Guidelines for Unified Licence/Class Licence and Migration of Existing Licences' dated 16<sup>th</sup> April 2012. TRAI recommended three levels of Unified Licences; National level, Service Area level and District level. The one-time non-refundable Entry Fee for Unified Licence shall be (a) Rs. 15 crore for a National level Unified Licence; (b) Rs. 1 crore for each Service area level Unified Licence except for Jammu & Kashmir and North East Service areas, where Entry fee will be Rs. 50 lakh each, and (c) Rs.10 lakh for each District level Unified Licence. DoT had referred some of these recommendations back to TRAI for clarification /reconsideration. TRAI after considering DoT's comments, released its response / revised recommendations on 12<sup>th</sup> May 2012.
- (iv) Consequent to the request of DoT and in view of judgment of the Hon'ble

Supreme Court cancelling UAS licenses granted on or after 10.01.2008 by DoT, TRAI issued recommendations on "Exit-Policy for various telecom licences" dated 18<sup>th</sup> April 2012. TRAI recommended that at present there is no need for a separate Exit Policy for all types of licences.

- (v) Pursuant to the Judgment dated 2<sup>nd</sup> February, 2012 of Hon'ble Supreme Court of India, the Authority gave its recommendations on 'Auction of Spectrum' on 23<sup>rd</sup> April 2012. The issues covered in the recommendations were auction format, eligibility, spectrum block size, spectrum cap, reserve price, spectrum mortgage, roll-out obligations, spectrum usage charges, validity period, spectrum trading, availability of spectrum in the 700/800/900/1800/2100/2300 MHz bands, liberalisation of spectrum, re-farming of spectrum etc. DoT referred some of these recommendations back to TRAI alongwith its comments for certain clarifications / reconsideration. After due deliberations on the points raised by DoT, the Authority sent its clarifications / revised recommendations to DoT on 12<sup>th</sup> May 2012.
- (vi) In order to facilitate use of digital Cordless Telecommunication Systems (CTS) for improved indoor coverage requirement of residences and enterprises and also to ensure efficient use of spectrum, the Authority gave its recommendations on 'Allocation of Spectrum Resources for Residential and



Enterprise Intra-Telecommunication Requirements/ Cordless Telecommunications Systems (CTS)' on 12<sup>th</sup> October 2012. TRAI recommended that the 1880-1900 MHz band should be de-licensed for low power operations of CTS for private and indoor (not for commercial) use.

- (vii) The Department of Telecommunications through its letter No. 20-291/2010-AS-I dated 21<sup>st</sup> December 2012 referred the 'Terms & Conditions for Unified License (Access Services)' to TRAI. In the letter, DoT stated that there is a requirement to issue fresh licenses to the successful new entrants in the auction of spectrum held in November, 2012. After examination of Unified License (Access Services), the Authority gave its recommendations on 2<sup>nd</sup> January 2013.
- (viii) In the recommendations on 'IMT – Advanced Mobile Wireless Broadband Services' dated 19<sup>th</sup> March 2013, TRAI has recommended that APT700 band plan should be adopted for the 700 MHz spectrum band (698-806 MHz) with FDD based 2x45 MHz frequency arrangement.
- (ix) During the year, TRAI initiated consultation process on (a) Telecom network failures during Emergencies/ Disasters – Priority routing of calls of persons engaged in 'response and recovery' (b) Universal Single Number Based Integrated Emergency Communication and Response System" (c) Full Mobile Number Portability.
- (x) In order to ensure strict compliance to the MNP regulations by Access Providers, the Authority amended the MNP regulations for incorporating provisions for levy of financial disincentives where contravention is established in rejection of porting requests and also in the timelines specified in the regulations.
- (xi) In order to address issues relating to corporate mobile numbers, TRAI issued a draft regulation for consultation with respect to separate process for porting of corporate mobile numbers.
- (xii) Pursuant to the decision of the Hon'ble Supreme Court regarding quashing of certain licenses, in order to protect the interest of telecom consumers, TRAI issued various directions to Telecom Access Providers and MNPSs on Mobile Number Portability.
- (xiii) DoT sought recommendations of the Authority regarding continuation of support to Bharat Sanchar Nigam Limited (BSNL) from the USO Fund for its rural wireline connections installed prior to 1.4.2002. After careful consideration of inputs received from BSNL and consultation with stakeholders, the Authority recommended support to BSNL from the USO Fund for sustenance of rural wire-line connections installed before 01.04.2002, could continue for a further period of two years from July 2011, at the rate of Rs.1500 crore for the first year and Rs.1250 crore for the second year.





(xiv) DoT sought TRAI's recommendations for amendment to the ISP Licence Agreement to incorporate the terms and conditions mentioned in the NIA for use of Broadband Wireless Access (BWA) spectrum. TRAI sent its recommendations to DoT on 22<sup>nd</sup> November 2012 to ensure uniform and equitable application of terms and conditions of the Notice Inviting Applications (NIA) to all licensees viz. UAS, CMTS and ISP, who have obtained BWA spectrum in the auction.

(xv) Looking after consumer interests is one of the principal mandates of TRAI. The Authority has taken many important measures for setting the regulatory framework in several areas that impinge on the welfare and interests of telecom consumers. To ensure good consumer experience and quality of service, TRAI prescribes quality of service standards for service providers.

(xvi) The Mobile Banking (Quality of Service) Regulations, 2012 dated 17<sup>th</sup> April, 2012 provide for faster and reliable communication to support banking through mobile phones. The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Amendment) Regulations, 2012 dated 7<sup>th</sup> May, 2012 prescribed network-centric Quality of Service parameters and benchmarks for Voice Services provided through 3G networks. These parameters help in assessment of performance of 3G operators in critical areas such as call

drop, voice quality, network congestion and network availability. The Standards of Quality of Service for Wireless Data Services Regulations, 2012 dated 4<sup>th</sup> December, 2012 has laid down Quality of Service benchmarks for data services covering data transmission download/upload attempts, minimum download speed and average throughput for packet data covering all tariff plans and latency for data services. Benchmarks have also been prescribed for provision or activation of data services, PDP context activation success rate, and data drop rate. Service providers have been mandated to publish on their website, details of all data services offered, along with tariff, clearly indicating the cities and towns where such data services and tariff plans are applicable.

(xvii) It has been the endeavour of TRAI to ensure that consumer complaints are speedily and effectively redressed. Major steps taken in 2012-13 to strengthen the complaint redressal mechanisms and procedures adopted by service providers include launching of portal - Telecom Consumers Complaint Monitoring System (TCCMS): [www.tccms.gov.in](http://www.tccms.gov.in) by TRAI to help telecom consumers to lodge their complaints online with their service providers and also to monitor the status of redressal of their complaints. The portal provides bilingual support. TRAI has also put in place a procedure for registration of consumer bodies and organizations. These organisations are

expected to co-ordinate and articulate consumer responses to TRAI and also assist TRAI in consumer education. Through the regulation Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 dated 21<sup>st</sup> February 2013, TRAI seeks to protect the interests of mobile consumers while keeping in mind the major concerns of TSPs in the matter of deactivation of SIMs. The Regulations, inter-alia, mandate regulatory guidelines to be complied by the TSPs before deactivation of Cellular Mobile Telephone Connections on the ground of non-usage.

- (xviii) To facilitate consumer choice, the Authority mandated all TSPs to offer in each service area at least one tariff plan each for both postpaid and prepaid subscribers with a uniform pulse rate of one second.
- (xix) Top-up vouchers are used by mobile prepaid subscribers for addition of monetary value to their account. By an amendment to the Telecommunications Tariff Order (TTO), on 1<sup>st</sup> October, 2012, the Authority streamlined the levy of Processing Fees on talk time top-up vouchers and mandated that the Processing Fee levied on top-up vouchers shall not exceed 10% of Maximum Retail Price or three rupees, whichever is less. In order to ensure that small value vouchers do not disappear from the market, the Authority also mandated that service providers have to ensure availability of top-up vouchers

of Rs. 10/- denomination at their points of sale.

- (xx) Ensuring transparency in service provision is an important dimension of consumer protection. Through amendment to Telecom Consumer Protection Regulation, 2012, Combo vouchers have been permitted as a fourth category of tariff voucher, to facilitate innovative tariff offers to consumers. These vouchers will provide flexibility to service providers to offer innovative bundling of products based on market segmentation and the subscribers to enjoy the convenience of purchasing additional monetary value as well as getting the benefit of special tariffs through a single transaction.
- (xxi) TRAI is actively involved in the protection of telecom consumers from the menace of unsolicited commercial communications (UCC). TRAI has instituted a techno-commercial framework for the prevention of such calls and messages. Steps were taken continuously to preserve and strengthen the operation of this framework.
- (xxii) To prevent unregistered telemarketers from misusing SMS packs or tariff plans for sending bulk promotional SMSs, a price restraint was placed on sending of more than one hundred SMS per day per SIM at a concessional rate. The subscriber is free to send SMSs beyond this number, however, all such SMSs beyond one hundred SMS per day per



SIM shall be charged at a rate not lower than 50 paise.

- (xxiii) Regulatory enforcement is an integral aspect of the functioning of TRAI. To ensure better enforcement, various regulations and orders were issued prescribing financial disincentives for infringements such as wrong rejection of porting requests; failure to comply with tariff reporting requirements or levy of excess charges on consumers in violation of the provisions of the Telecommunications Tariff Order (TTO); delay in submission of or for submission of false information in Accounting Separation Reports; non-compliance with the benchmarks for Network Service Quality Parameters and Customer Service Quality Parameters; failure to meet the prescribed Quality of Service benchmarks for broadband services etc.

## II. Broadcasting Sector

- (i) The broadcasting sector consists of Television and Radio Services. India has the world's third largest TV market after China and USA. As per industry estimates, of the 262<sup>1</sup> million households, around 161<sup>1</sup> million have Television as on March 2013 which are being served by cable TV systems, DTH services, IPTV services and the terrestrial TV network of Doordarshan. The pay TV universe consists of around 97<sup>1</sup> million Cable TV subscribers, 56.48<sup>2</sup>

million registered DTH subscribers and around half a million IPTV subscribers. The terrestrial TV network of Doordarshan covers about 92 per cent of population of the country through a network of 1415 terrestrial transmitters.

- (ii) The broadcasting services TV sector consists of 30<sup>2</sup> pay broadcasters/aggregators, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs), six pay DTH operators, apart from a public service broadcaster-Doordarshan, having free-to-air DTH service- DD direct plus. There were 828 TV channels registered with the Ministry of Information and Broadcasting at the end of financial year 2012-13 out of which 184<sup>2</sup> were SD pay channels.
- (iii) India's TV industry grew from Rs.32,900 cr.<sup>3</sup> in the year 2011 to Rs.37,010 cr.<sup>3</sup> in the year 2012, thereby registering a growth of around 12.5%. The subscription revenue accounts for the major share of the overall revenue of the TV industry. The subscription revenue grew from Rs.21,400 cr.<sup>3</sup> in the year 2011 to Rs.24,500 cr.<sup>3</sup> in the year 2012 whereas the average revenue per user (ARPU) remained almost flat at around Rs. 160 per month. The advertisement revenue in the TV sector in India grew up from Rs.11,600 cr.<sup>3</sup> in the year 2011 to Rs.12,500 cr.<sup>3</sup> in the year 2012. In 2011, TV advertisement

<sup>1</sup> Based on MPA Reports 2012

<sup>2</sup> As per TRAI Records as on Mar 2013

<sup>3</sup> Based on FICCI-KPMG Report 2013



revenue recorded a growth of 7.75 percent.

- (iv) The FM radio sector has also shown an impressive growth. There were 242 private FM radio stations operational by March 2013, besides the public service broadcaster- All India Radio (AIR) having a network of 277 stations and 432 broadcast transmitters [148 are MW (Medium Wave), 236 FM (Frequency Modulation) and 48 SW (Short Wave)]<sup>4</sup>. The coverage of AIR is 91.85% of the geographical area of the country, serving 99.18% of the population. Further, as on March 2013, out of the 189 licenses issued for the setup of community radio stations, 148 community radio stations were operational. The radio industry, which is entirely dependent on advertisement revenues, registered a growth of around 11 percent during the year 2012. The industry showed advertisement revenue of Rs.1,270 cr.<sup>3</sup> in the year 2012 compared to Rs.1,150 cr.<sup>3</sup> in year 2011. Local advertising continued to remain strong contributor to industry revenues, accounting for around 50<sup>3</sup> percent of advertisement revenues for the industry whereas for tier-II and tier-III cities, the share of local advertising is close to 75%<sup>3</sup>.
- (v) The last decade has significantly changed the dynamics of the Cable &

Satellite (C&S) TV market. The DTH subscribers are growing at a rate of around 1 million per month. India has emerged as the country with the largest DTH subscriber base. This clearly indicates the growing popularity and acceptability of digital addressable platforms which have a lot more to offer to all the stakeholders. Recognizing the fact, TRAI had recommended complete digitization with addressability of the cable TV services sector in a phased manner in its recommendations dated 5<sup>th</sup> August 2010 to the Government. These were accepted by the Government, and suitable amendments were incorporated in the Cable Act by the Parliament. A notification was issued by the Central Government, prescribing a roadmap for implementation of digital addressable cable TV systems across the country in a phased manner, in four phases. The cut-off date for 1<sup>st</sup> phase covering the four metros was 31<sup>st</sup> October, 2012 and the second phase, covering 38 cities of population more than one million, was 31<sup>st</sup> March, 2013. The cut-off date for third phase is September, 2014 and final phase is December, 2014. Implementation of digitization with addressability will be a game changer and would drive the growth of the broadcasting and cable TV services in the country in a structured manner.



<sup>4</sup> Source: AIR Website-<http://allindiaradio.gov.in/default.aspx>



**PART-I**

**POLICIES AND PROGRAMMES**





## (A) REVIEW OF GENERAL ENVIRONMENT IN THE TELECOM SECTOR

- 1.1 The Telecom Sector witnessed a decline in the number of subscribers during the year 2012-13. At the end of the financial year 2012-13 the overall telecom subscriber base was 898.02 million as compared to 951.34 million at the end of the financial year 2011-12, a decline of 53.32 million. The overall subscriber base and teledensity are depicted in **Table-1**.

**Table-1 : Overall Subscriber base and Teledensity**

Particulars	Wireless	Wireline	Total
<b>Total Subscribers</b> (Millions)	<b>867.80</b>	<b>30.21</b>	<b>898.02</b>
Total Net Monthly Addition (Millions)	6.14	-0.15	6.00
Monthly Growth (%)	0.71%	-0.49%	0.67%
<b>Urban Subscribers</b> (Millions)	<b>525.30</b>	<b>23.50</b>	<b>548.80</b>
Urban Subscribers Net Monthly Addition (Millions)	4.02	-0.08	3.94
Monthly Growth (%)	0.77%	-0.32%	0.72%
<b>Rural Subscribers</b> (Millions)	<b>342.50</b>	<b>6.71</b>	<b>349.22</b>
Rural Subscribers Net Monthly Addition (Millions)	2.13	-0.07	2.06
Monthly Growth (%)	0.63%	-1.07%	0.59%
<b>Overall Teledensity<sup>1</sup></b>	<b>70.85</b>	<b>2.47</b>	<b>73.32</b>
Urban Teledensity	140.67	6.29	146.96
Rural Teledensity	40.23	0.79	41.02
Share of Urban Subscribers	60.53%	77.78%	61.11%
Share of Rural Subscribers	39.47%	22.22%	38.89%

<sup>1</sup> Teledensity figures are based on the population projections from Census data published by the Office of Registrar General & Census Commissioner of India.



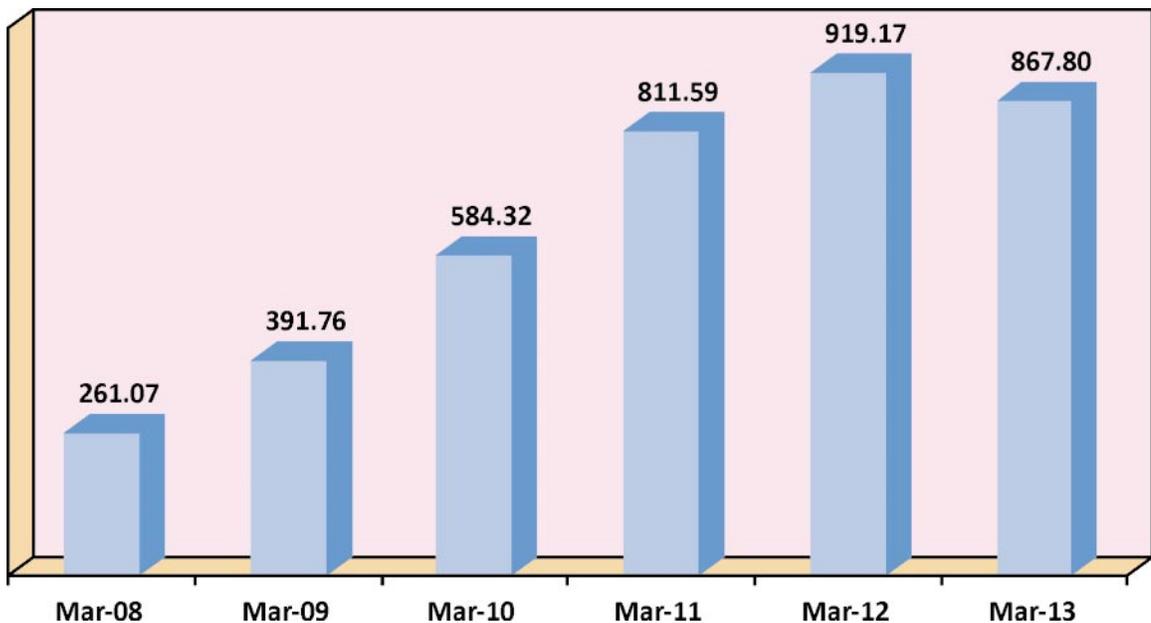
The details of subscriber base in Wireless, Wireline segments; requests for Mobile Number Portability; Teledensity; Internet subscribers; trends in telecom tariffs; Quarterly Telecom Services Performance Indicators; and Financial performance of Telecom Sector are given in subsequent paragraphs.

in comparison to the subscriber base of 919.17 million as on 31<sup>st</sup> March 2012 registering a decline of 51.37 Million during the financial year 2012-13. The decline in Wireless connections is mainly due to deactivation of inactive connections. The status of wireless subscriber base during the last 6 years is depicted in **Figure-1**.

**(a) Wireless**

1.1.1 The wireless subscriber base was 867.80 million as on 31<sup>st</sup> March 2013

**Figure-1 : Wireless Subscriber (in million)**



**(b) Mobile Number Portability**

1.1.2 During the year, 47.82 million subscribers have submitted their porting requests to different service providers for availing MNP facility. With this the Mobile Number

Portability requests increased from 41.88 Million subscribers at the end of March 2012 to 89.70 Million at the end of March 2013. The service area wise porting request during the year 2012-13 is depicted in **Table-2**.



**Table-2 : Service Area wise porting requests during the year 2012-13**

Licence Service Area	Porting request received during the period 2012-13 (figures in lakhs)
Andhra Pradesh	41.37
Assam	2.33
Bihar	10.27
Karnataka	61.96
Kerala	16.28
Kolkata	11.30
Madhya Pradesh	28.13
North East	1.17
Orissa	11.01
Tamil Nadu	27.86
West Bengal	20.16
Delhi	12.16
Gujarat	38.30
Himachal Pradesh	1.54
Haryana	14.03
Jammu & Kashmir	0.086
Maharashtra	40.35
Mumbai	18.71
Punjab	13.19
Rajasthan	48.40
Uttar Pradesh – East	30.65
Uttar Pradesh –West	28.95
<b>Total</b>	<b>478.21</b>



**(c) Wireline**

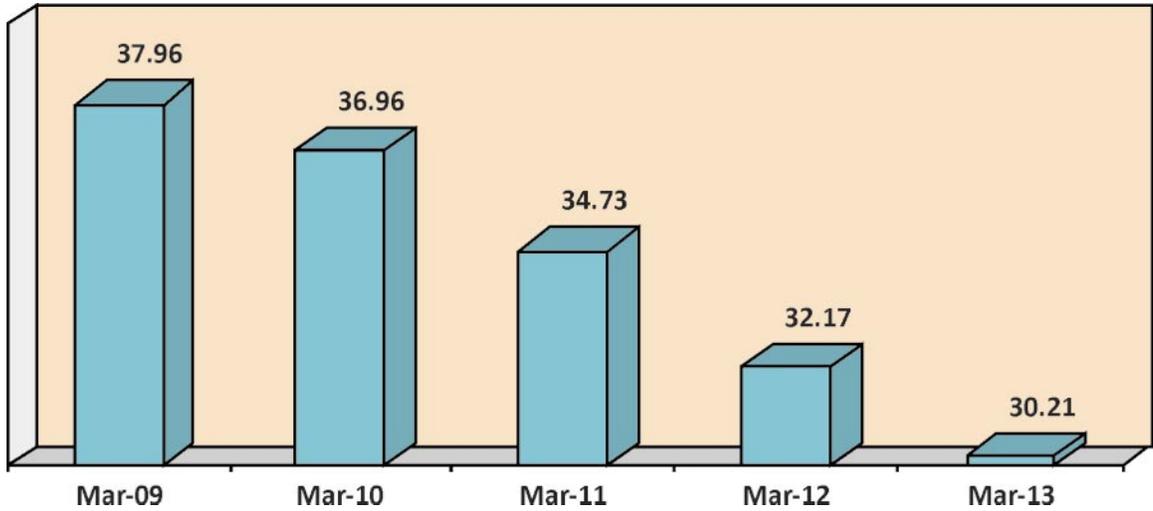
1.1.3 The subscriber base of wireline subscribers as on 31<sup>st</sup> March 2013 was 30.21 million as compared to 32.17 million subscribers on 31<sup>st</sup>

March, 2012 registering a decrease of 1.96 million subscribers during the year 2012-13. Out of the 30.21 million wireline subscribers, 23.50 million are Urban wire line Subscribers and the remaining 6.71

million are Rural Subscribers. The status of the wire line subscribers

during the last five years are depicted in **Figure-2**.

**Figure-2 : Wireline Subscriber (in million)**

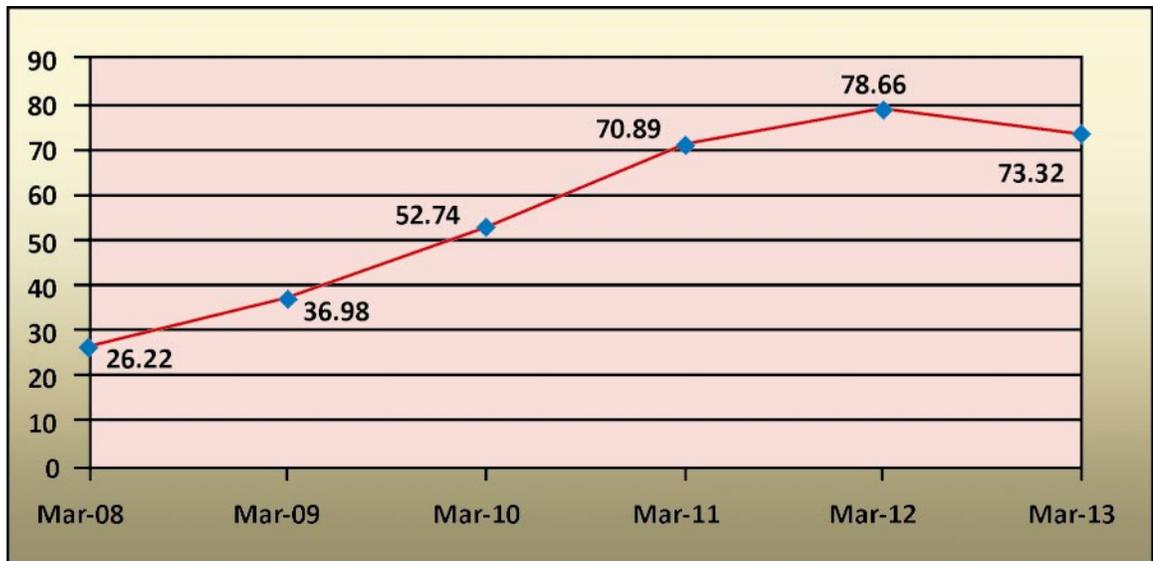


**(d) Teledensity**

1.1.4 The tele-density at the end of March, 2013 reached the mark of 73.32 as compared to 78.66 at the end of

previous year recording a decrease of 5.34. The trend of teledensity since March 2008 is depicted in **Figure-3**.

**Figure-3 : Growth of Teledensity**

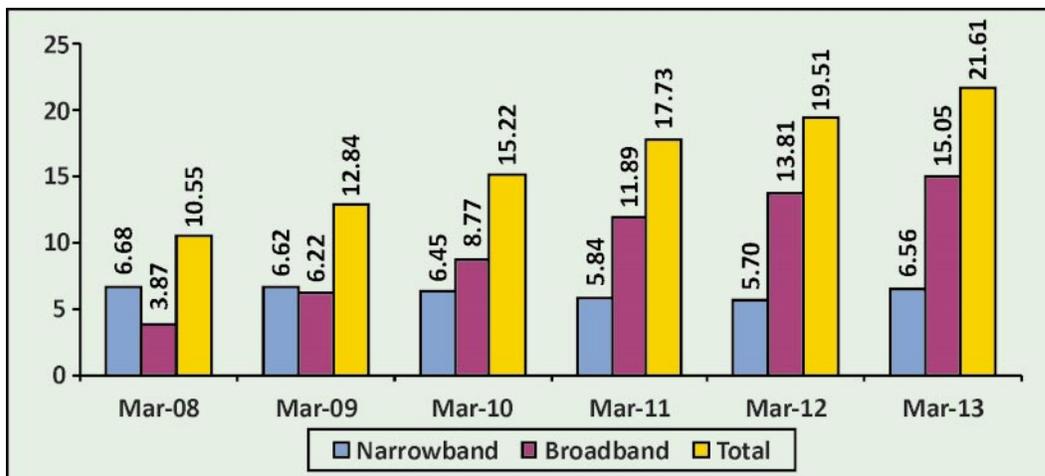


## (e) Internet Subscribers

1.1.5 The Internet subscriber base (excluding internet access by wireless phone subscribers) in the country as on 31<sup>st</sup> March 2013 stood at 21.61 million (216,06,681) as compared to 19.51 million (195,05,916) as on 31<sup>st</sup> March 2012, registering an annual growth rate of about 10.77%. The total broadband subscriber base has reached 15.05

million (150,50,023) as on 31<sup>st</sup> March 2013 as compared to 13.81 million (138,10,362) as on 31<sup>st</sup> March 2012 thereby registering a net addition of 1.24 million broadband subscribers during the financial year 2012-13 with growth of 8.98%. The internet subscriber base consisting of narrowband (<256 Kbps speed) and broadband (> 256 Kbps speed) for last six years is depicted in the **Figure-4**.

**Figure 4 : Internet Subscriber (in million)**



Note : In the Annual Report of 2011-12, CDMA subscribers accessing internet through mobile phones were also included. Now these CDMA mobile subscribers have been reported alongwith subscribers who accessed 'Internet through mobile phone'.

As per the information received from service providers (UAS/CMTS), there were 143.20 million (143,200,797) internet subscribers (internet access by wireless phone subscribers) which excludes BSNL, MTNL, Quadrant and Videocon due to non reporting. There were 164.81 million (164,807,478) internet subscribers who are accessing internet through wireline and wireless technology in March-2013.

## (f) Trends in Telecom Tariffs

1.1.6 Telecom Regulatory Authority of India, through appropriate regulatory policies and measures, has succeeded in promoting competition and thereby achieving affordable tariffs with sustained growth. This has succeeded in providing the financial sustainability of the operators, fostering efficiency



in the sector and meeting the social objectives. The results are evident from the phenomenal growth in subscriber base and the decline in tariffs, which has benefited the consumers. The Authority has followed a light touch approach towards regulating telecommunication tariff.

Tariffs for telecommunication services are currently under forbearance except for Rural Fixed Line Services, National Roaming Services and Leased Circuits. Over the years, telecom tariffs have exhibited a declining trend. However, in the recent past increases in tariffs were implemented by several major players, and further imminent increases were widely anticipated. In this context, TRAI sought views of stakeholders on the need to review the existing regime of tariff forbearance. Views were also

sought on a suitable tariff framework for data services. Taking into account the feedback received from stakeholders, the Authority has decided to continue with the existing tariff regime for the time being.

## (g) The Indian Telecom Services Performance Indicators

1.1.7 TRAI publishes a quarterly report on “The Indian Telecom Services performance Indicators”. This Report presents the key parameters and growth trends for Telecom & Broadcasting Services and QoS related parameters. This report provides a broad perspective on the Telecom Services to serve as a reference document for various stakeholders, research agencies and analysts. For the Year 2012-13, TRAI has come out with 4 Quarter’s reports. Snapshot covering the key parameters for the 4 quarters is at **Table-3**.

**Table-3 : Performance Indicator**

	Quarter ending June 2012	Quarter ending Sept. 2012	Quarter ending Dec. 2012	Quarter ending Mar. 2013
<b>Telecom Subscribers (Wireless + Wireline) in Millions</b>				
Total Telephone Subscribers	965.52	937.70	895.51	898.02
Urban Subscribers	621.76	595.69	556.96	548.80
Rural Subscribers	343.76	342.01	338.54	349.22
Wireless Subscribers	934.09	906.62	864.72	867.80
Wireline Subscribers	31.43	31.08	30.79	30.21



	Quarter ending June 2012	Quarter ending Sept. 2012	Quarter ending Dec. 2012	Quarter ending Mar. 2013
<b>Teledensity</b>				
Total Teledensity	79.58	77.04	73.34	73.32
Urban Teledensity	169.03	161.13	149.90	146.96
Rural Teledensity	40.66	40.36	39.85	41.02
<b>Internet &amp; Broadband Subscribers (in Million)</b>				
Total Internet Subscribers (excluding internet access by wireless phone subscribers)	19.66	21.25	21.57	21.61*
Broadband Subscribers	14.57	14.68	14.98	15.05
Narrowband Subscribers	5.09	6.56	6.59	6.56
* Subscribers who accessed internet through wireless phones				143.20
<b>Telecom Financial Data (Rs. Crores)</b>				
Gross Revenue during the quarter	52512	52937	52858	54284
Adjusted Gross Revenue (AGR)	35499	35473	34527	35280

## (h) Financial Performance of the Telecom Sector

1.1.8 The financial information pertains to 48 telecom service companies<sup>2</sup> as against 38 companies included in the previous year's annual report. In order to facilitate better comparison of the financial information, the figures of 10 additional companies have been included in previous year's figures also<sup>3</sup>.

## Revenue

1.1.8.1 The Total Revenue<sup>4</sup> of Telecom Service Sector went up from Rs. 1,95,442 crore in 2011-12 to Rs. 2,12,592 crore in 2012-13 indicating a growth of 8.77%. The corresponding figure of revenue after adjustment of intra operator interconnection charges, comes to Rs. 1,85,930 crore in 2011-12 and Rs. 2,02,074 crore in 2012-13, showing a growth of 8.68% over the previous

<sup>2</sup> The financial information of 39 companies is audited.

<sup>3</sup> The figures of annual report of 2011-12, therefore, do not match with the previous year's figures mentioned in this report.

<sup>4</sup> Total Revenue includes revenue from Access and Long distance service providers excluding small standalone ISPs, VSAT etc. as per quarterly reports submitted by service providers to TRAI.



year. This is indicated in **Table-4** and the Revenue of Major Access

Telecom Service Providers is indicated in **Figure-5**.

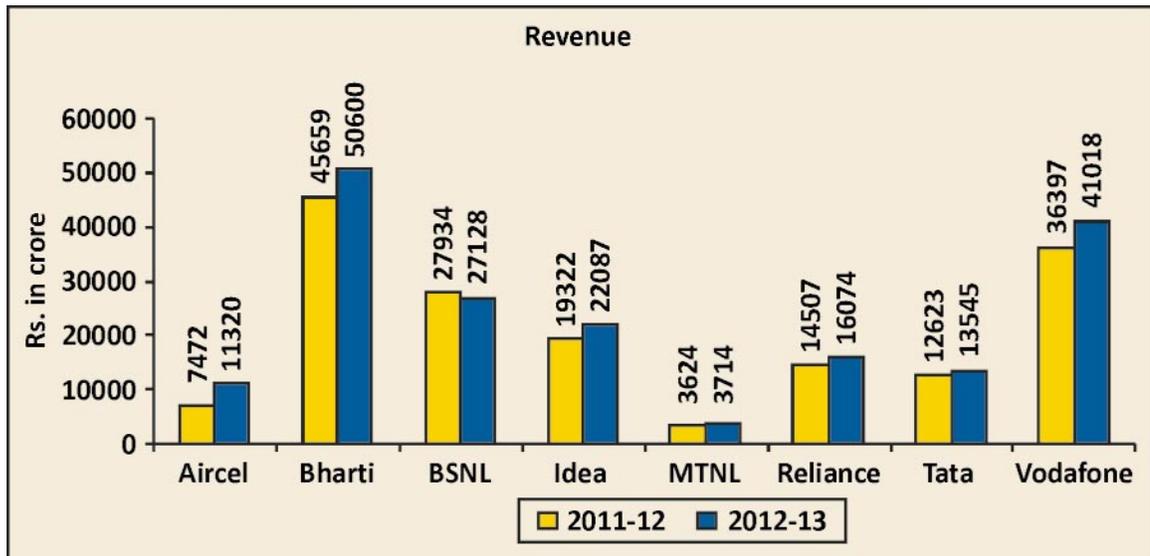
**Table-4 : Revenue Contributions of Public and Private Sector 2011-12 and 2012-13.**

(Rs. in Crore)

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
Revenue from Telecom Service	29677	161468	191145	29904	146693	176597
Total Revenue	31509	170565	202074	32163	153767	185930

[Based on audited / unaudited financial information submitted by the service providers to TRAI in respect of 48 companies (38 companies in previous year). Further, the financial information / ratios are based on revised Schedule-VI of the Companies Act and re-grouping of figures have been made wherever considered necessary for comparison.]

**Figure-5 : Revenue of major Access Telecom Service Providers 2011-12 and 2012-13.**



## EBITDA

1.1.8.2 EBITDA represents the Earnings Before Interest, Tax and Depreciation & Amortization. The EBITDA of Telecom Service Sector for the year 2012-13 is Rs. 31,132 crore as against Rs. 25,562 crore for the year 2011-12 showing an increase of 21.79% over the previous year. The decline in EBITDA for public sector

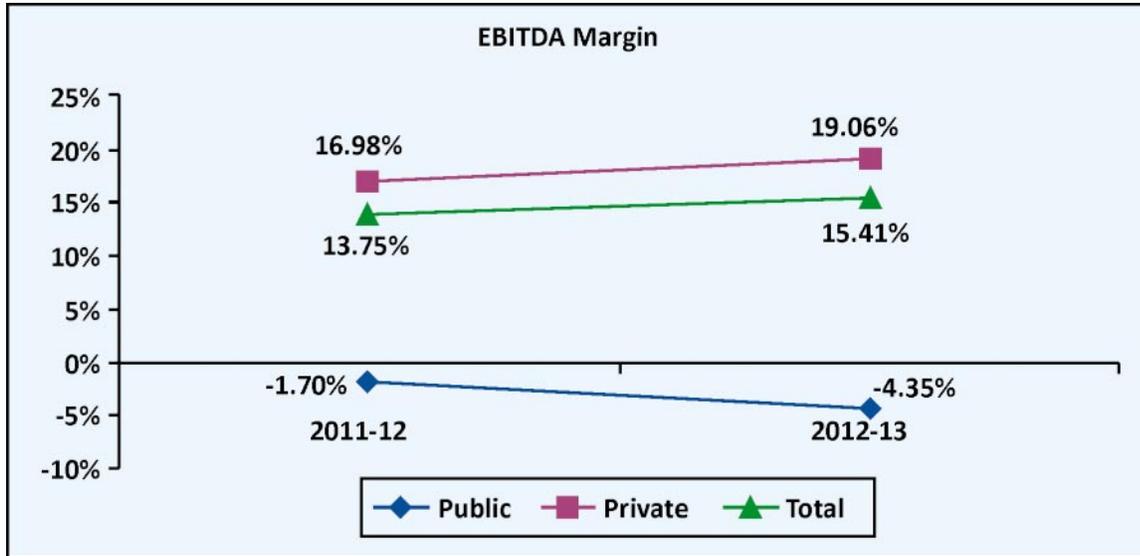
in 2012-13 is by 149.83% as against growth of 24.48% for private telecom service providers. EBITDA margin of telecom service sector for 2012-13 stood at 15.41% as against 13.75% in previous year. EBITDA of Public & Private Sector is indicated in **Table-5** and EBITDA Margin of Telecom Service Sector is indicated in **Figure-6**.

Table-5 : EBITDA of public and private sector in 2011-12 and 2012-13.

(Rs. in Crore)

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
EBITDA	-1370	32502	31132	-548	26110	25562

Figure-6 : EBITDA Margin of Telecom Service Sector



### Operating Expenditure Ratio of telecom service sector

1.1.8.3 The Operating Expenditure Ratio is Operating Expenditure divided by

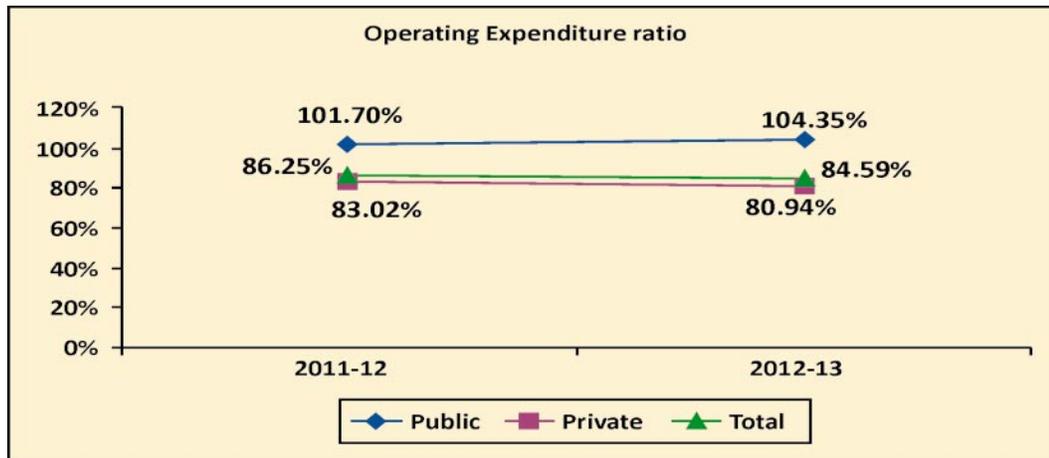
the Total Revenue. Overall Operating expenditure ratio of telecom service sector has decreased by 1.66%. This is indicated in **Table-6** and **Figure-7**.

Table-6 : Sector-wise Operating Expenditure and its Ratio

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
Operating Expenditure (Rs. in crore)	32879	138063	170942	32712	127657	160369
Operating Expenditure Ratio (in %)	104.35	80.94	84.59	101.70	83.02	86.25



Figure-7 : Operating Expenditure Ratio 2011-12 and 2012-13



### Capital Employed (CE)

1.1.8.4 The Capital Employed represents the funds necessary for a business to function or the funds deployed to operate the business. The capital

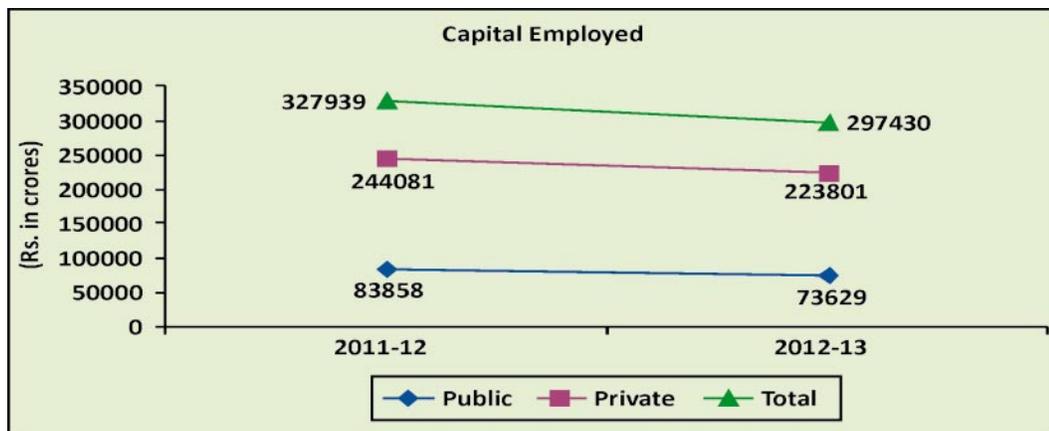
employed of Telecom Service Sector has shown a decline of 9.30% over the previous year. The public sector has shown a decline of 12.20% and private sector 8.31%. This is indicated in Table-7 and Figure-8.

Table-7: Capital Employed in Public and Private Sectors 2011-12 and 2012-13.

(Rs. in Crore)

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
Capital Employed	73629	223801	297430	83858	244081	327939

Figure-8 : Capital Employed of telecom service sector



## Capital Investment (Gross Block)

1.1.8.5 Total growth in Gross Block in telecom service sector is 5.89%. Public sector has shown growth of

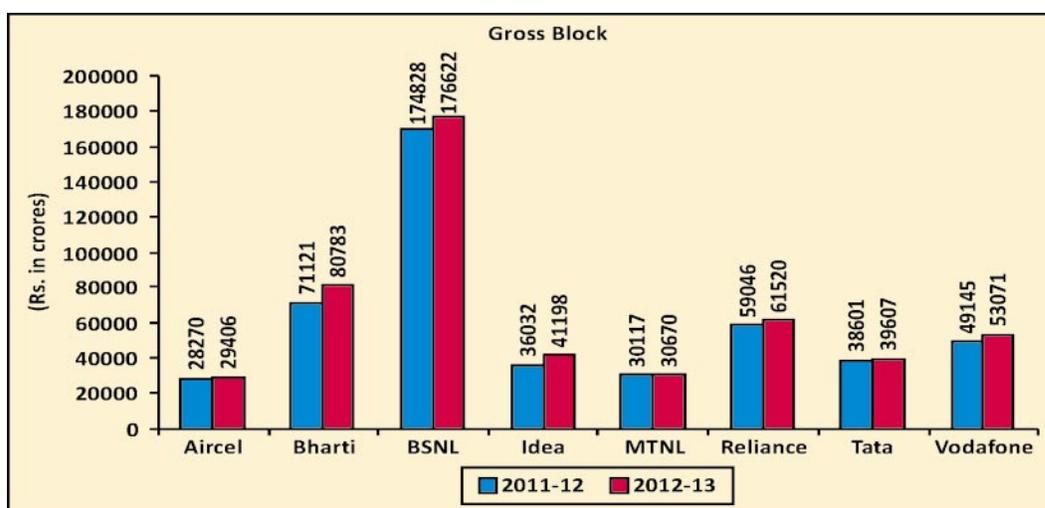
1.22% and private sector has shown growth of 8.92%. This is indicated in **Table-8** and **Figure-9**. The Capital Employed turnover ratio is indicated in **Table-9** and **Figure-10**.

**Table-8: Investment in Gross Block (Fixed Assets) Public and Private Sector 2011-12 and 2012-13.**

(Rs. in Crore)

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
Gross Block	209482	347019	556501	206951	318613	525564

**Figure-9 : Gross Block (Fixed Assets) of major access telecom service providers 2011-12 and 2012-13.**



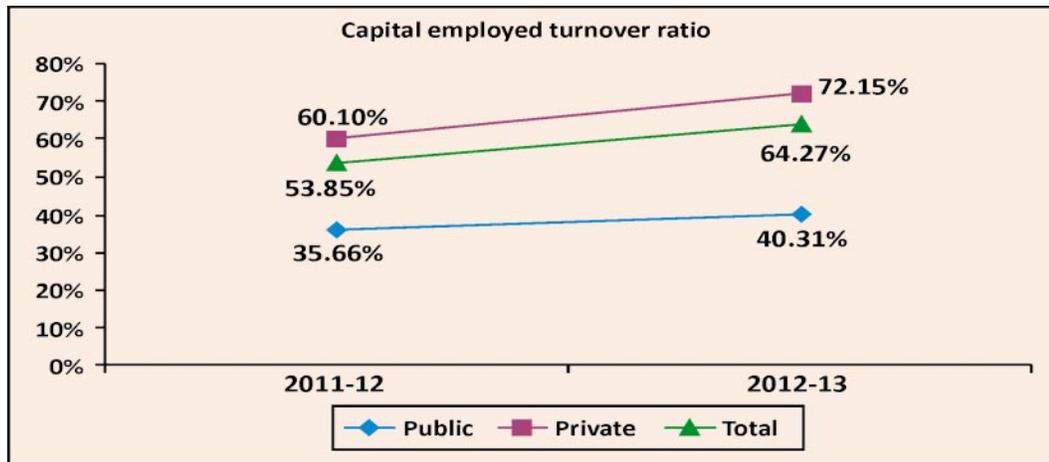
**Table-9 : Capital Employed Turnover Ratio**

(in %)

Particulars	2012-13			2011-12		
	Public	Private	Total	Public	Private	Total
Capital employed turnover ratio* (in %)	40.31	72.15	64.27	35.66	60.10	53.85

(\*) Income from Telecom Services divided by Capital Employed

Figure-10 : Capital Employed Turnover Ratio 2011-12 and 2012-13



### Net Fixed Asset (Net Block) Turnover Ratio

Revenue from telecom services / Net Block. This is indicated in **Table-10** and **Figure-11**.

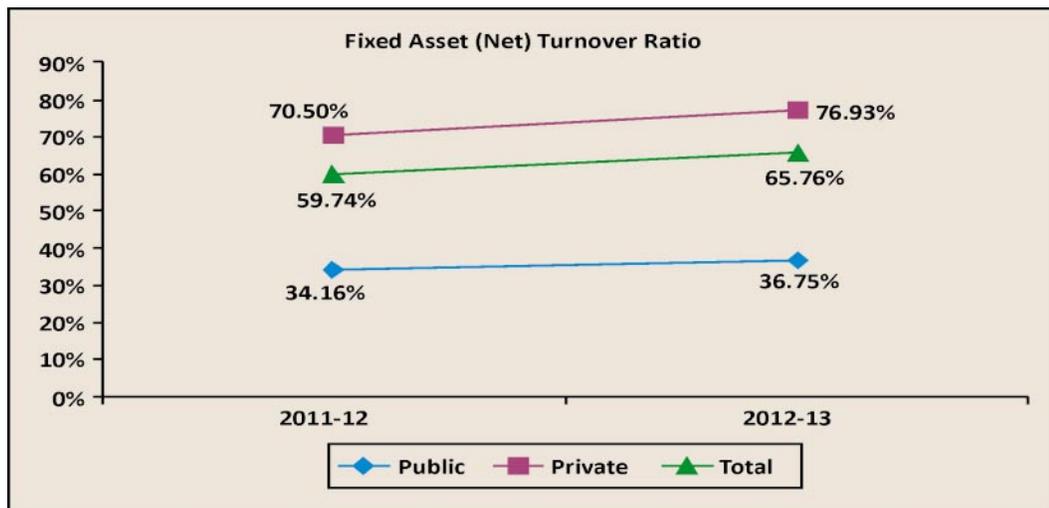
1.1.8.6 Fixed Asset (Net) Turnover Ratio:

Table-10 : Fixed Asset (Net) Turnover Ratio

(in %)

Particulars	2012-13			2011-12		
	Public	Private	Overall	Public	Private	Overall
Fixed Asset (Net) Turnover ratio (in %)	36.75	76.93	65.76	34.16	70.50	59.74

Figure-11 : Fixed Assets (Net) Turnover Ratio 2011-12 and 2012-13



## Debt Equity Ratio

1.1.8.7 In 2012-13 the Debt Equity ratio of telecom service sector has

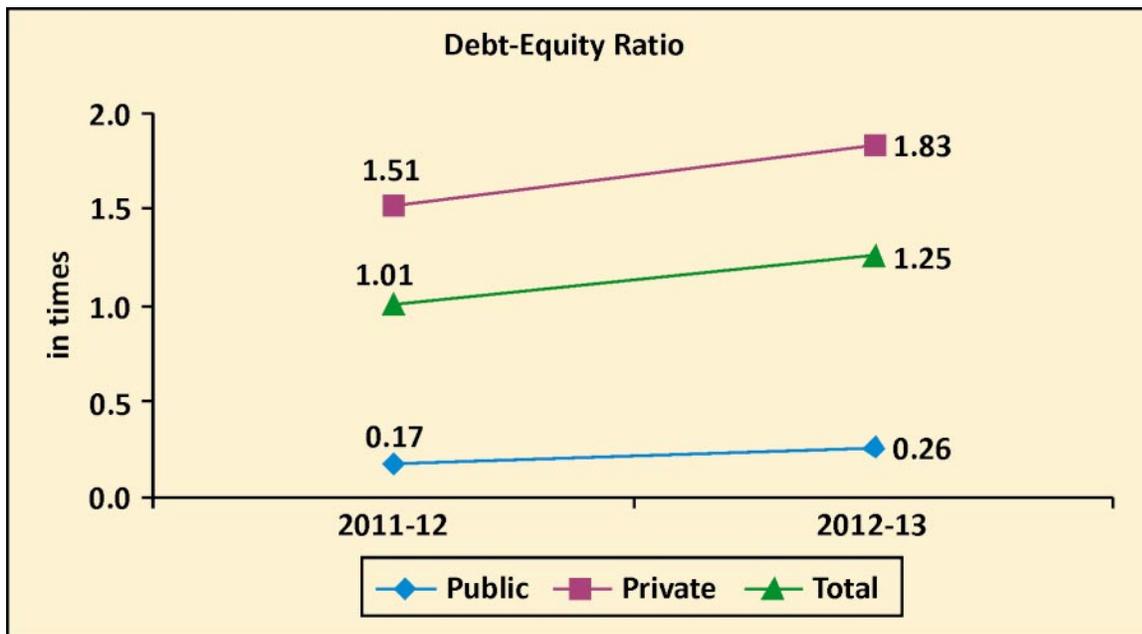
increased. Debt Equity ratio of private sector is higher in comparison to public sector. This is indicated in **Table-11** and **Figure-12**.

**Table-11 : Sector-wise Debt Equity Ratio**

Particulars	2012-13			2011-12		
	Public	Private	Overall	Public	Private	Overall
Debt Equity ratio* (in times)	0.26	1.83	1.25	0.17	1.51	1.01

(\*) Total Debt divided by Capital Employed (share capital plus Reserves & Surpluses)

**Figure-12 : Debt Equity Ratio 2011-12 and 2012-13**



## (B) REVIEW OF POLICIES AND PROGRAMMES

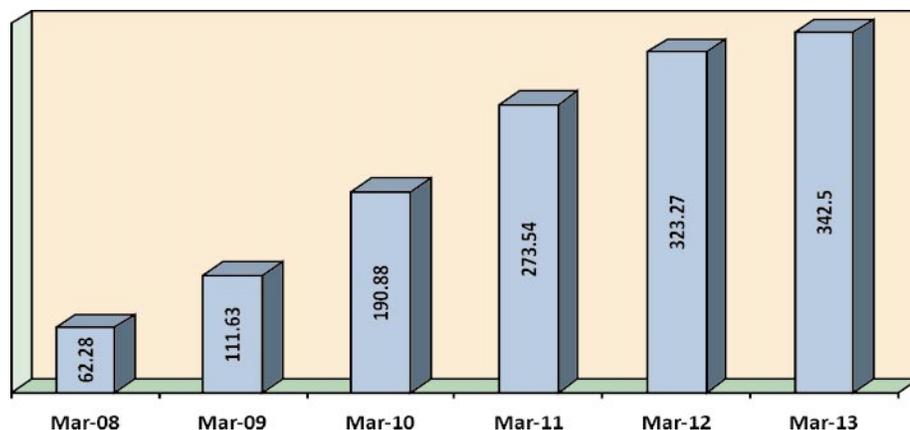
1.2 The policies and programmes of Telecom Regulatory Authority of India in respect of telecom sector (a) Rural Telephone Network; (b) Expansion of Telephone Network; (c) Entry of private sector in both basic and value added service; (d) Technical compatability and effective interconnection between service providers; (e) Telecommunication technology; (f) Implementation of National Telecom Policy; (g) Quality of Service; and (h) Universal Service Obligation are elaborated below.

### 1.2.1 Rural Telephone Network

#### 1.2.1.1 Wireless

As on 31<sup>st</sup> March 2013, the Wireless rural [Mobile and WLL(F)] market has reached the 342.50 million mark as against 323.27 million as on 31<sup>st</sup> March 2012. As per the Performance Indicator Report, 39.47% of total wireless subscribers are now in rural areas. The rural subscriber base since March 2008 is indicated in **Figure-13**. The service provider wise rural wireless subscriber base & their market shares are shown in **Table-12** and **Figure-14**.

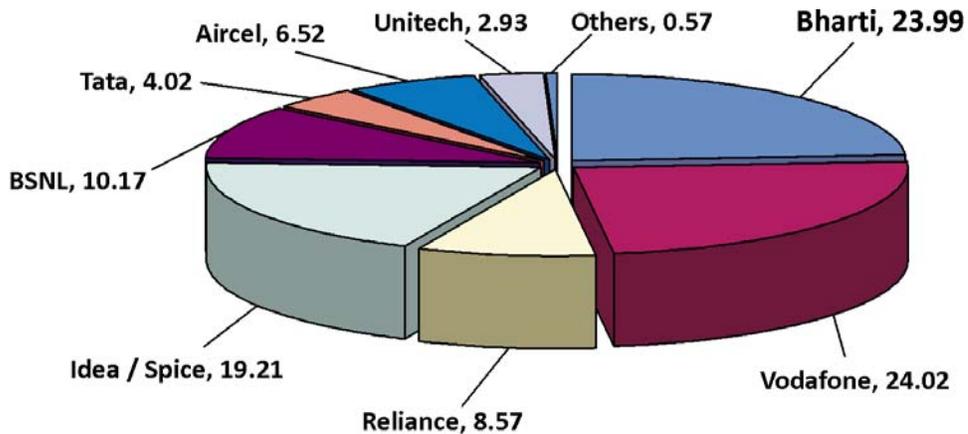
**Figure-13 : Rural Wireless Subscriber (in million)**



**Table-12 : Service Provider-wise Rural Wireless Subscribers and Market Share**

Sl. No.	Wireless Group	Subscribers as on March-13 (in millions)	Subscribers as on March-12 (in millions)	Rural Subscribers as on Mar-13 (in millions)	Rural Subscribers as on Mar-12 (in millions)	Market Share of Rural Subscribers (as on Mar-13)	Market Share of Rural Subscribers (as on Mar-12)
1	Bharti	188.20	181.28	82.16	75.83	23.99	23.46
2	Vodafone	152.35	150.47	82.29	62.84	24.02	19.44
3	Reliance	122.97	153.05	29.34	34.02	8.57	10.52
4	Idea/Spice	121.61	112.72	65.78	60.51	19.21	18.72
5	BSNL	101.21	98.51	34.84	34.53	10.17	10.68
6	Tata	66.42	81.75	13.78	16.70	4.02	5.17
7	Aircel	60.07	62.57	22.33	22.54	6.52	6.97
8	Unitech	31.68	42.43	10.04	12.11	2.93	3.75
9	Sistema	11.91	15.80	1.93	2.61	0.56	0.81
10	MTNL	5.00	5.83	0.00	0.00	0.00	0.00
11	Loop	3.01	3.27	0.00	0.00	0.00	0.00
12	Videocon	2.01	5.95	0.00	0.00	0.00	0.00
13	Quadrant	1.37	1.33	0.04	0.000	0.01	0.00
14	S Tel	0.00	3.43	0.00	1.58	0.00	0.49
15	Etisalat	0.00	0.782	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>867.80</b>	<b>919.17</b>	<b>342.50</b>	<b>323.27</b>	<b>100.00</b>	<b>100.00</b>

**Figure-14 : Market Share of service providers of Rural Wireless Subscriber base**



Note: Others include Sistema and Quadrant



### 1.2.1.2 Wireline

The rural wireline subscriber base is decreasing. As on 31<sup>st</sup> March, 2013, the rural wireline subscriber base stood at 6.71 million as compared to 7.55 million at the end of 31<sup>st</sup> March,

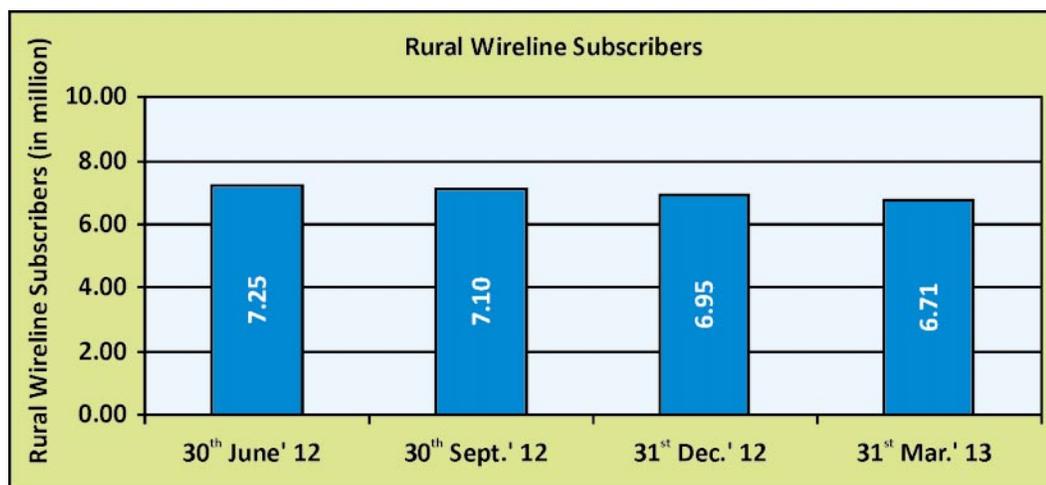
2012. The service provider-wise wireline rural subscriber base & their market share is shown in **Table-13**.

Rural Wireline subscribers at the end of last four quarters is shown in the **Figure-15**.

**Table-13 : Service Provider-wise Rural Wireline Subscriber Base and Market Share**

Sl. No.	Wireline Group	Total Wireline Subscribers (in million)		Rural Wireline Subscribers (in million)		Market Share of Service Providers in Wireline Rural Subscribers (in %)	
		March'12	March'13	March'12	March'13	March'12	March'13
1	BSNL	22.47	20.45	7.49	6.65	99.28%	99.13%
2	MTNL	3.46	3.46	0.00	0.00	0.00%	0.00%
3	Bharti	3.27	3.28	0.00	0.00	0.00%	0.00%
4	Reliance	1.27	1.24	0.002	0.002	0.02%	0.03%
5	Tata	1.44	1.51	0.046	0.05	0.61%	0.71%
6	Quadrant (HFCL)	0.20	0.19	0.00	0.00	0.00%	0.00%
7	Sistema Shyam	0.05	0.05	0.007	0.01	0.09%	0.13%
8	Vodafone	0.02	0.04	0.00	0.00	0.00%	0.00%
	<b>Total</b>	<b>32.17</b>	<b>30.21</b>	<b>7.55</b>	<b>6.71</b>	<b>100.00%</b>	<b>100.00%</b>

**Figure-15 : Rural Wireline Subscribers**



Rural Wireline subscribers at the end of last five financial years is indicated in the **Figure-16**.

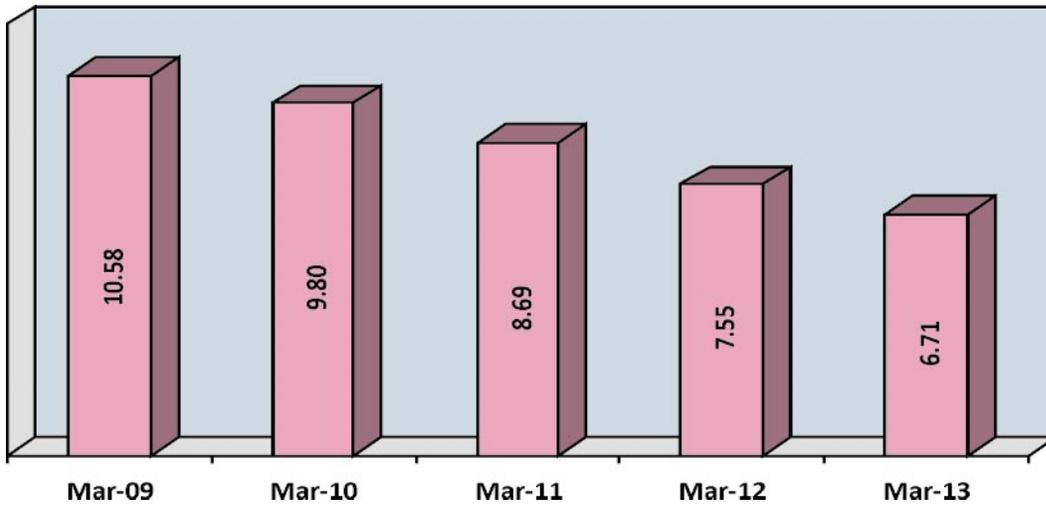
## 1.2.2 Expansion of Telephone Network

### 1.2.2.1 Wireless Services

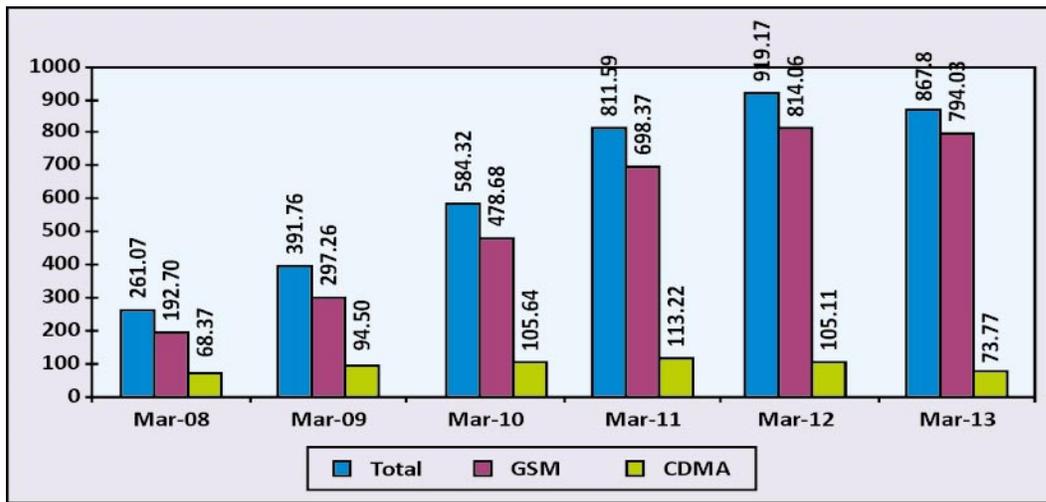
The Wireless Subscriber base was 867.80 million as on 31<sup>st</sup> March 2013 in comparison to the subscriber base of 919.17 million as on 31<sup>st</sup> March 2012. The subscriber base has reduced by 51.37 million subscribers

in the financial year 2012-13. The total subscriber base of wireless services has grown from 261.07 million in March 2008 to 867.80 million in March 2013. Out of 867.80 million subscribers at the end of financial year 2012-13, 794.03 million (91.50%) were GSM Subscribers and 73.77 million (8.50%) were CDMA Subscribers. The trend of subscriber base from March 2008 to March 2013 is depicted in **Figure-17**.

**Figure-16 : Rural Wireline Subscribers (in million)**



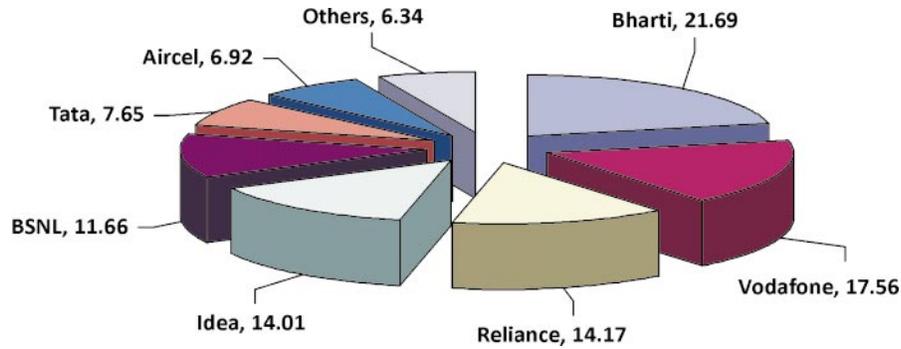
**Figure-17 : Subscriber base of wireless Operators (in million) as on 31<sup>st</sup> March 2013**



The subscriber base of individual wireless service providers (both GSM & CDMA) from 2007-08 to 2012-13 along with their percentage growth over the financial year 2012-13 is given in **Annexure-I** at the end

of this part of the report. The market share of different mobile operators as on 31<sup>st</sup> March 2013 is displayed in **Figure-18**. The list of licensed service providers in various service areas is given in **Annexure-II** at the end of this part of the report.

**Figure-18 : Market Share of Wireless Service Providers (as on 31<sup>st</sup> March 2013)**

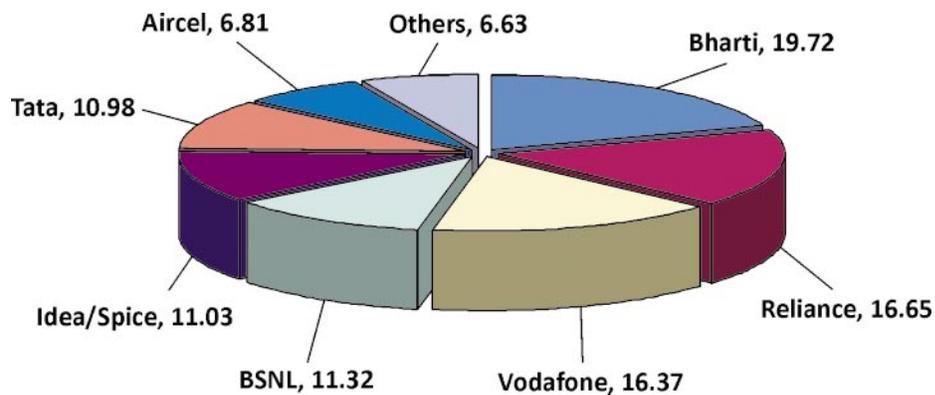


In the wireless segment subscriber base of GSM was 794.03 million subscribers at the end of March 2013, as compared to 814.06 million as at the end of March 2012. GSM subscriber base reduced by around 20.03 million subscribers during the year.

M/s Bharti with 188.20 million subscriber base remains the largest GSM Service provider followed by M/s Vodafone, M/s Idea/Spice, and M/s BSNL with subscriber base of 152.35 million, 121.612 million and 98.50 million respectively. The Market Share of various GSM operators as on 31<sup>st</sup> March 2013 is displayed in **Figure-19**.

In terms of subscriber base and market share of GSM services,

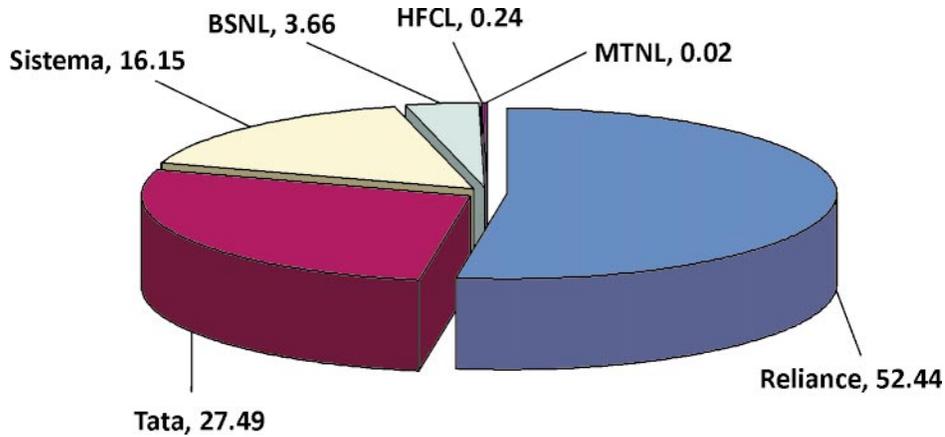
**Figure-19 : Market Share (%) of GSM Operators (as on 31<sup>st</sup> March 2013)**



In Cellular CDMA Services, in terms of subscriber base and market share, M/s Reliance with 38.68 million subscriber base remains the largest CDMA operator followed by M/s

Tata and M/s Sistema with subscriber base of 20.28 million, and 11.91 million respectively. The market share of different CDMA operators as on 31<sup>st</sup> March 2013 is shown in **Figure-20**.

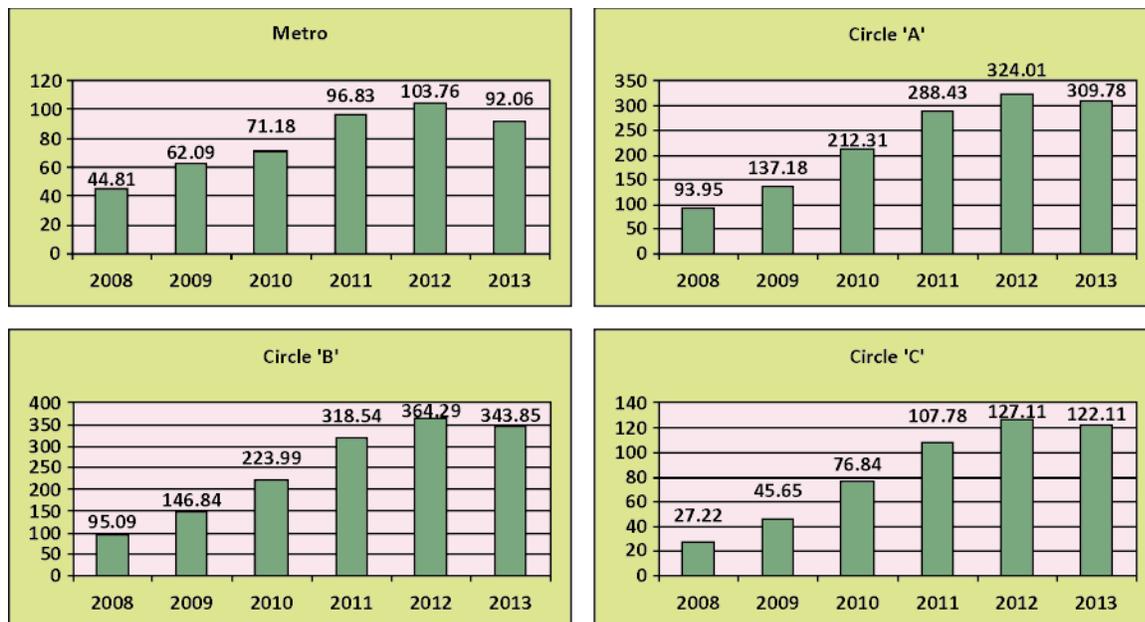
**Figure-20 : Market Share (%) of CDMA Operators (as on 31<sup>st</sup> March 2013)**



The subscriber base for Cellular Wireless services in different categories of service areas for the

period March, 2008 to March, 2013 is indicated graphically in **Figure-21**.

**Figure-21 : Subscriber Base for Wireless Services in Metros and Circles from March, 2008 to March, 2013 (Figures in Millions)**



The addition of Wireless subscribers and annual growth rates for different circles during the financial years, 2010-11, 2011-12 and 2012-13 is indicated in the **Annexure-III** at the end of this part of the report. The total subscriber base for wireless services has reduced by (-) 5.89 %. The maximum growth of 17.93% was observed in category 'C' Circle during 2012-13.

30.21 million. The Service Provider wise status of wireline subscribers is shown in **Table-14**. The incumbents BSNL and MTNL have 67.67% and 11.45% market share respectively in the subscriber base, while all the six private operators together have 20.88% share. The share of private operators has increased from 19.41% as on 31<sup>st</sup> March, 2012 to 20.88% as on 31<sup>st</sup> March, 2013.

### 1.2.2.2 Wireline Services

As on 31<sup>st</sup> March, 2013, the total wireline subscriber base stood at

The market share of service provider wise in total wireline subscribers is shown in the **Figure-22**.

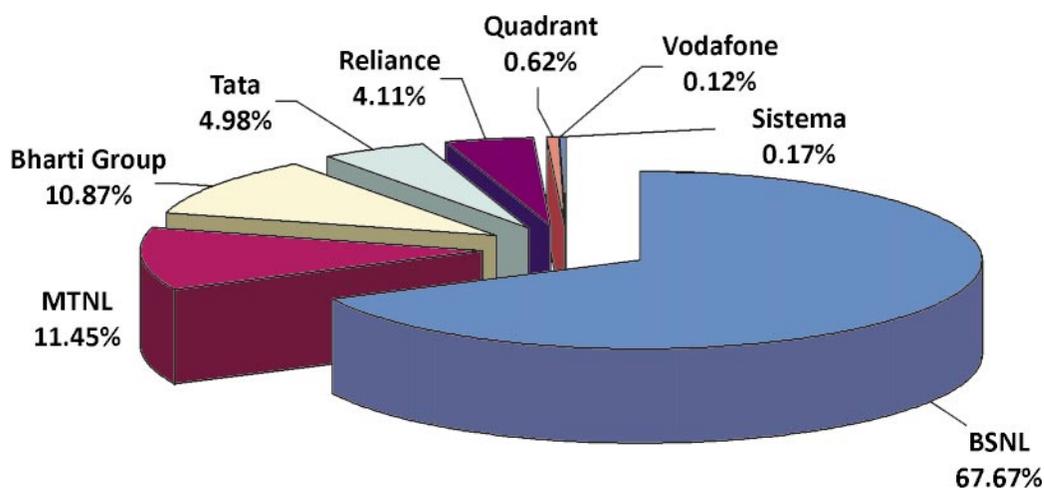
**Table-14 : Service Provider wise details of Wireline Subscriber base as on 31<sup>st</sup> March, 2013**

Sl. No.	Name of the Service Provider	Area of Operation	Subscriber base (Wireline)
1	Bharat Sanchar Nigam Ltd. (BSNL)	All India except Delhi & Mumbai	2,04,46,062
2	Mahanagar Telephone Nigam Ltd. (MTNL)	Delhi & Mumbai	34,60,049
3	Bharti Airtel Ltd & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (including Chennai), UP-East and UP-West.	32,83,070
4	Quadrant Televentures Ltd. (formerly HFCL)	Punjab	1,87,642
5	Sistema Shyam Teleservices Ltd.	Rajasthan	52,474
6	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Maharashtra, Mumbai, Madhya Pradesh, North East, Orissa, Punjab, Rajasthan, Tamil Nadu (including Chennai), UP(East), UP(West) and West Bengal	15,05,999

Sl. No.	Name of the Service Provider	Area of Operation	Subscriber base (Wireline)
7	Reliance Communications Ltd.	Andhra Pradesh, Bihar, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP(East), UP(West) and West Bengal	12,42,626
8	Vodafone Group	Andhra Pradesh, Assam, Bihar, Chennai, Delhi, Gujarat, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP(East) and UP(West)	35,820

Source: As per report furnished by the Service Providers.

Figure-22 : Market Share of Wireline Service Providers as on 31<sup>st</sup> March 2013

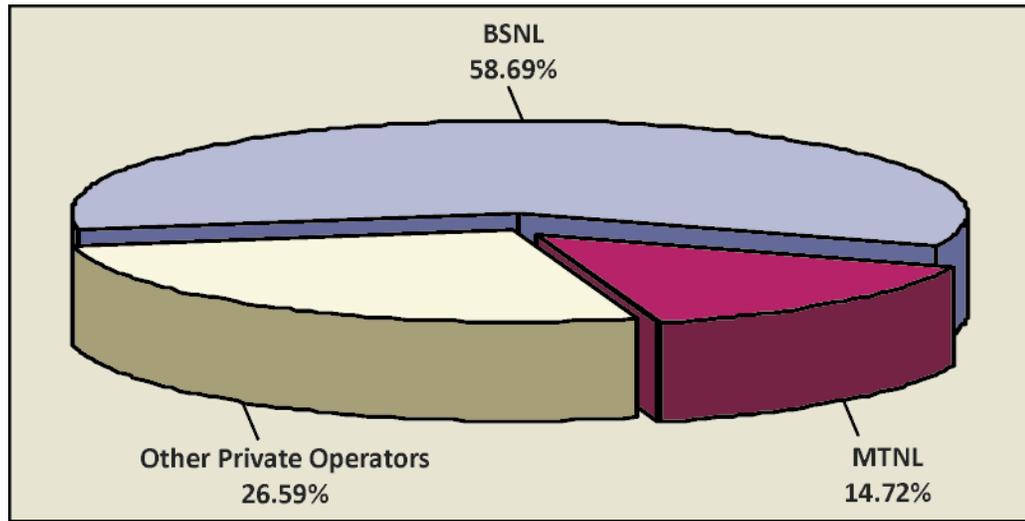


As on 31<sup>st</sup> March, 2013 the total Urban wireline subscribers were 23.50 million. The market share of wireline service providers in urban areas is depicted in the **Figure-23** .

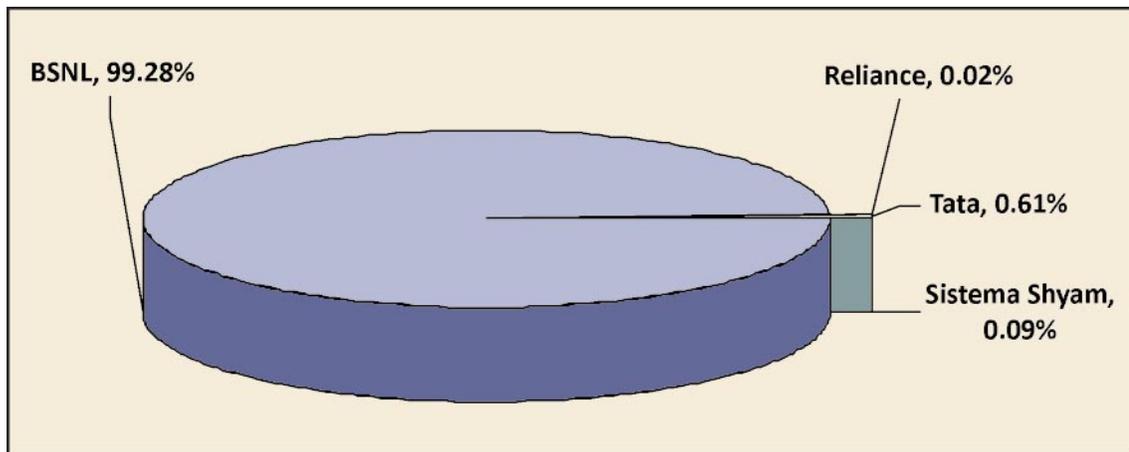
As on 31<sup>st</sup> March, 2013 the total Rural wireline subscribers were 6.71 million. The market share of wireline service providers in Rural areas is depicted in the **Figure-24** .



**Figure-23 : Market Share of Service providers in Urban Wireline Subscriber base as on 31<sup>st</sup> March, 2013**



**Figure-24 : Market Share of Service providers in Rural Wireline Subscriber base as on 31<sup>st</sup> March, 2013**



#### 1.2.2.3 Public Call Offices (PCOs)

As on 31<sup>st</sup> March, 2013 the total number of Public Call Offices (PCOs) were 1.26 million, as compared to 2.01 million as on 31<sup>st</sup> March, 2012. The number of PCOs provided by BSNL, MTNL and Private Operators is indicated in **Table-15**.

#### 1.2.2.4 Village Public Telephones (VPTs)

As on 31<sup>st</sup> March, 2013, the total number of Village Public Telephones (VPTs) provided by the service providers were 5.89 lakh as against 5.83 lakh as on 31<sup>st</sup> March, 2012. **Table-16** provides the number of VPTs provided by service providers.

**Table-15 : Public Call Offices in the Country**

S.No.	Name of the Service Provider	As on 31 <sup>st</sup> March, 2012	As on 31 <sup>st</sup> March, 2013
1	BSNL	10,80,316	7,96,171
2	MTNL	1,58,970	1,50,295
3	Private Operators	7,66,442	3,15,480
<b>Total</b>		<b>20,05,728</b>	<b>12,61,946</b>

**Table-16 : Village Public Telephones in India**

S.No.	Name of the Service Provider	As on 31 <sup>st</sup> March, 2012	As on 31 <sup>st</sup> March, 2013
1	BSNL	5,77,031	5,82,969
2	MTNL	0	0
3	Private Operators	6,687	6,662
<b>Total</b>		<b>5,83,718</b>	<b>5,89,631</b>

**1.2.2.5 Equipped Switching Capacity**

As on 31<sup>st</sup> March, 2013, the service provider wise total equipped switching capacity and working connections are shown in **Table-17**.

**1.2.2.6 Internet and Broadband Services**

As per the data available on Department of Telecom (DoT) website there were 392 licenses for

Internet services as on 30.6.2013.

There are 185 service providers (SPs) providing internet (excluding internet access by wireless phone subscribers) as on 31<sup>st</sup> March, 2013.

The distribution of Internet subscribers among PSU ISPs & Private ISPs as on 31<sup>st</sup> March 2013 is shown in **Table-18**.

**Table-17 : Service Provider wise Equipped switching capacity**

Sl. No.	Name of the Service Provider	Service Area	As on 31 <sup>st</sup> March, 2013	
			Equipped Switching Capacity	Working Connections
1	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	3,98,58,095	2,04,46,062
2	Mahanagar Telephone Nigam Ltd.	Delhi and Mumbai	56,51,409	34,60,049





Sl. No.	Name of the Service Provider	Service Area	As on 31 <sup>st</sup> March, 2013	
			Equipped Switching Capacity	Working Connections
3	Bharti Airtel Ltd. & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu including Chennai, UP(East) and UP(West) including Uttaranchal.	1,08,74,000	32,83,070
4	Quadrant Televentures Ltd.	Punjab	5,48,835	1,87,642
5	Reliance Communications Ltd.	Andhra Pradesh, Bihar, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP(East), UP(West) and West Bengal.	26,68,000	12,42,626
6	Sistema Shyam Teleservices Ltd.	Rajasthan	2,00,000	52,474
7	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamilnadu including Chennai, UP(East), UP(West) including Uttaranchal and West Bengal.	28,96,207	15,05,999
8	Vodafone	Andhra Pradesh, Chennai, Delhi, Gujarat, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab and Rajasthan	1,80,000	35,820

**Source:** As per report furnished by the Service Providers.

**Table-18 : Share of PSU/Private ISPs  
as on 31<sup>st</sup> March 2013**

Public Sector ISPs	150,85,830
Private Sector ISPs	65,20,851
<b>Total</b>	<b>216,06,681</b>

The market share of top five Internet Service Providers (ISPs) (excluding internet access by wireless phone subscribers) in terms of subscriber base as on 31<sup>st</sup> March 2013 is indicated in **Table-19**.

#### 1.2.2.7 Internet Telephony

As per the new guidelines for grant of licence for operating internet

services issued by DoT in August 2007, all ISPs were permitted to provide internet telephony and separate category of Internet Telephony Service Providers (ITSPs) has been done away with. As per the reports submitted to TRAI, 32 ISPs are providing Internet Telephony. The list of ISPs providing internet telephony is given in the **Table-20**. Total minutes of usage of Internet Telephony during the financial year (2012-13) were 249.57 million minutes.

**Table-19 : Market Share of Top Five Internet Service Providers (ISPs) in terms of subscriber base as on 31<sup>st</sup> March 2013.**

S. No.	Name of ISP	Total Internet Subscribers (in million)	Market Share
1	Bharat Sanchar Nigam Ltd.	13.12	60.74%
2	Reliance Communications Infrastructure Limited	2.49	11.53%
3	Mahanagar Telephone Nigam Ltd.	1.96	9.06%
4	Bharti Airtel Ltd.	1.40	6.47%
5	Hathway Cable & Datacom Pvt. Ltd.	0.37	1.69%



**Table-20 : List of Internet Service Providers providing Internet Telephony Services**

S. No.	Name of the Service Provider
1	Alliance Broadband Services Pvt. Ltd.
2	Apna Telelink Ltd.
3	Asianet Satellite Communications Ltd.
4	Bharat Sanchar Nigam Ltd.
5	Blazenet Ltd.
6	City Online Services Ltd
7	Citycom Networks Pvt. Ltd.
8	Cordia LT Communications Pvt Ltd
9	Data Infosys Ltd.
10	deDSL Internet Pvt Ltd
11	Digital2Virtual ISP Pvt. Ltd.
12	Dishnet Wireless Ltd
13	Indusind Media & Communications Limited (In2cable (I) Ltd.)
14	Karuturi Telecom Private Limited (Estel Communications Pvt. Ltd).
15	Manipal Ecommerce Ltd.
16	My Own Infotech Pvt. Ltd.

S. No.	Name of the Service Provider
17	Nettlinx Ltd.
18	Novanet Ltd.
19	Opto Network Pvt. Ltd.
20	Ortel Communication Ltd.
21	Pipetel Communications Pvt. Ltd.
22	Pulse Telesystems Pvt. Ltd.
23	QBC Infotech Pvt. Ltd.
24	Sify Technologies Ltd.
25	Swiftmail Communications Ltd.
26	Tata Communications Limited
27	Tata Teleservices(Maharashtra) Ltd.
28	Trikon Electronics Pvt. Ltd.
29	Tulip Telecom Limited (Tulip IT Services Ltd.)
30	VIVA Communications Pvt Ltd (Mylai Karpagambal Information Systems (P) Ltd)
31	World Phone Internet Services Pvt Ltd
32	You Broadband & Cable India Private Limited



# REVIEW OF GENERAL ENVIRONMENT IN THE BROADCASTING AND CABLE TV SECTOR

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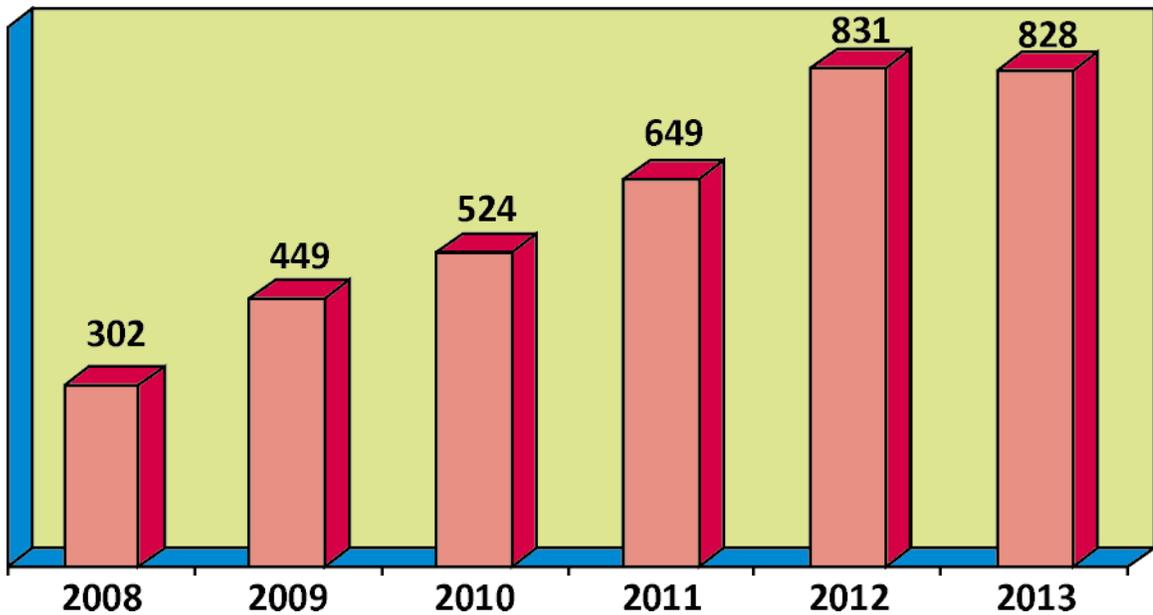
- 1.3 The broadcasting and cable TV services sector has shown a consistent growth over the years spanning last two decades. The sector comprises of analogue and digital cable TV services, DTH services, terrestrial TV services, IPTV services, and Radio services. The major component of the sector i.e. pay television services sector, which emerged in the early 1990s, has experienced a rapid growth, with the number of subscribers increasing from just 410,000 in 1992 to around 153 million (Cable + DTH+ Other Platforms) by March 2013, an average growth rate of more than 34% every year for the last 20 years. The FM radio services and the terrestrial TV services have also been growing consistently. Commensurate to the growth in the subscriber base, the service providers have also grown. The status of development of various services in the broadcasting sector is outlined below.

## 1.3.1 Satellite TV Channels

The number of satellite channels permitted by Ministry of Information and Broadcasting have shown a substantial growth in the decade. **Figure-25** depicts the year wise increase in the number of television channels in the Country. In addition to standard definition TV channels a substantial number of High Definition (HD) channel have also been launched by the broadcasters in last 3 years. The **Figure-26** shows the growth of number of HD channels from 2010 to 2012 as per their launching dates. There are total 31 operational HD channels in India. The list of channels is placed at **Annexure IV** at the end of this part of the report.

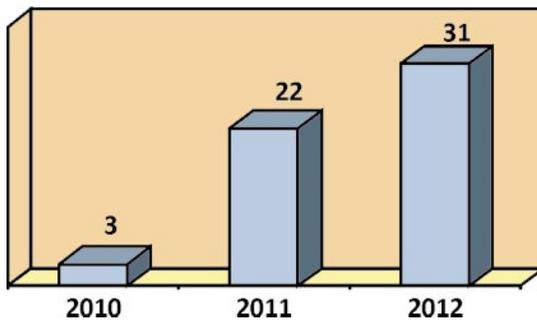


Figure-25 : Year Wise Growth in number of television channels in India



Source: Ministry of Information & Broadcasting

Figure-26 : Number of HD channels in India



Apart from HD channels, Advertisement free channels are also being launched in the Indian market.

### 1.3.2 DTH Services

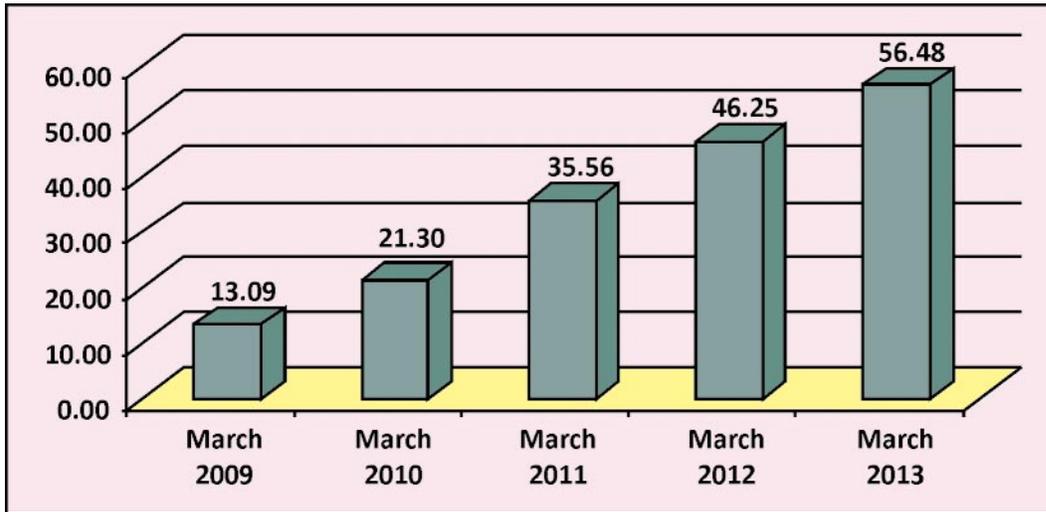
Since its inception in the year 2003 in India, DTH services have had phenomenal growth, adding new

subscribers at a rate of around 1 million per month, attaining a registered subscriber base of around 56.48 million subscribers of pay DTH services catered to by 6 pay DTH operators by March 2013. This is besides the viewership serviced by the free DTH services of Doordarshan. The growth of the sector in terms of its subscriber base has been depicted in **Figure-27**.

Over the period, apart from the increase in the conventional TV channels, the operators of DTH services have been adding several innovative offerings such as value added services (VAS), interactive services including movie on demand, gaming, shopping etc.

**Figure-27 : DTH Registered Subscriber base**

(numbers in millions)



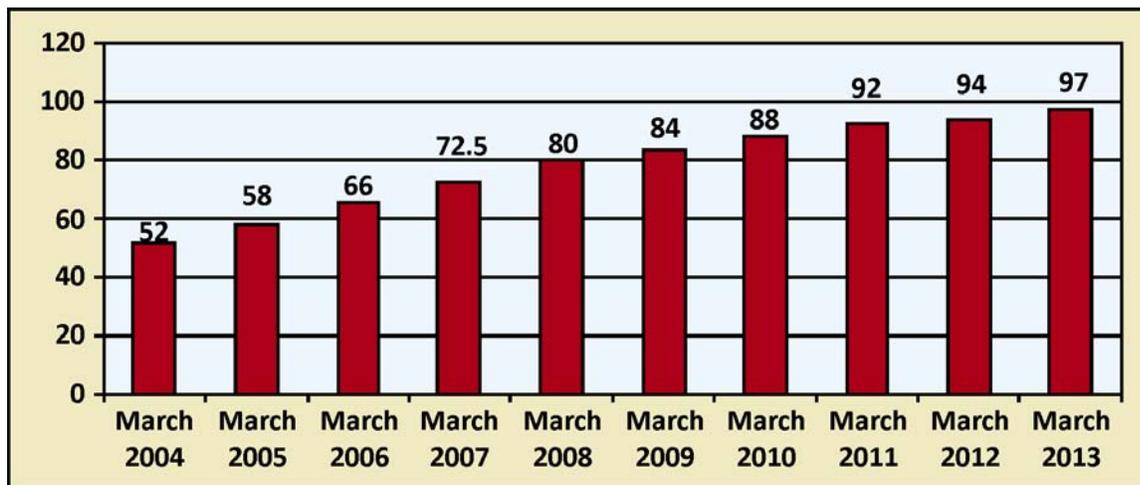
### 1.3.3 Cable TV services

The cable TV services sector is the largest pay television service sector with an estimated subscriber base of around 97 million subscribers. **Figure-28** depicts the growth of the cable TV sector in terms of number of subscribers, over the last decade.

### 1.3.4 Digital Addressable Cable TV Systems (DAS)

In the last few years, the exponential growth in the number of TV channels combined with the inherent limitations of the analogue cable TV systems, has posed several challenges in the cable TV sector,

**Figure-28 : Growth of Cable TV subscribers (in millions)**



Source : As per MPA Report 2012



mainly due to capacity constraints and non-addressable nature of the network. The evolution of technology also paved way for bringing about digitization with addressability in the cable TV sector. Accordingly, after studying the subject at length and undertaking a public consultation process, the Authority, on 5<sup>th</sup> August 2010, gave its recommendations on implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same.

The Government, on 25<sup>th</sup> October, 2011, issued an Ordinance amending the Cable Television Networks (Regulation) Act, 1995, paving way for the implementation of digital addressable cable TV systems in India. Thereafter, the Government also issued a notification dated 11<sup>th</sup> November, 2011, which laid down the roadmap for implementation, in a four phased manner, from October<sup>5</sup> 2012 to December, 2014. The Ordinance dated 25<sup>th</sup> October, 2011, subsequently, in December, 2011, became an Act.

Considering the amended provisions of the Cable Television Networks (Regulation) Act, 1995, and the notification dated 11.11.2011 mentioned above, the Authority initiated a consultation process on

the issues relating to implementation of digital addressable cable TV systems. Subsequently, TRAI notified the tariff order & interconnection regulations on 30<sup>th</sup> April, 2012 and QoS regulations & Consumer Complaint Redressal regulations on 14<sup>th</sup> May, 2012 for Digital Addressable Cable TV Systems.

The implementation of DAS is in progress in phased manner in the country. The cut-off date for 1<sup>st</sup> phase covering metros was 31<sup>st</sup> Oct, 2012 and the second phase, covering 38 cities of population more than one million, was 31<sup>st</sup> March, 2013. The cut-off date for third phase is Sept, 2014 and final phase is December, 2014. As per data provided by various MSOs, there were around 85 Lakhs STBs deployed in 1<sup>st</sup> phase areas of DAS implementation covering four metros namely Delhi, Mumbai, Kolkata and Chennai. In 2<sup>nd</sup> phase of DAS implementation, covering 38 cities, approximately 120 Lakhs STBs were deployed as on March, 2013.

As per the data provided by Ministry of Information and Broadcasting, out of four metropolitan cities covered under 1<sup>st</sup> phase of DAS implementation, in 3 Metropolitan cities, namely Delhi, Kolkata and Mumbai, 100 % digitisation of Cable



<sup>5</sup> Date revised to 31<sup>st</sup> October 2012 from 30<sup>th</sup> June 2012, by the Central Govt. vide notification dated 21<sup>st</sup> June 2012.

TV Systems have been achieved. In Chennai approximately 86% TV homes are digital.

Out of 38 cities covered under phase-II of DAS implementation, in 35 cities, 100% digitisation has been achieved. In remaining 3 cities, viz., Coimbatore, Srinagar and Vishakhapatnam the digitisation is between 41% to 80%.

The sunset date for Analogue Cable TV Transmission is December 2014. It is estimated that approximately 75% of total Cable TV homes in India would be covered under Phase-III and Phase-IV of implementation of DAS.

### 1.3.5 Radio

Radio is one of the most popular and affordable means for mass communication, largely owing to its wide coverage, terminal portability, low set up costs and affordability. In India, Radio coverage is available in Short-wave (SW), Medium-wave (MW) and Frequency Modulation (FM) mode. Frequency Modulation (FM) Radio broadcasting due to its versatility is considered as the main medium to provide entertainment, information and education within radio sector. There were 242 private FM radio stations operational by March 2013, besides the public service broadcaster- All India Radio (AIR) having a network of 277 stations and 432 broadcast transmitters [148 are MW (Medium

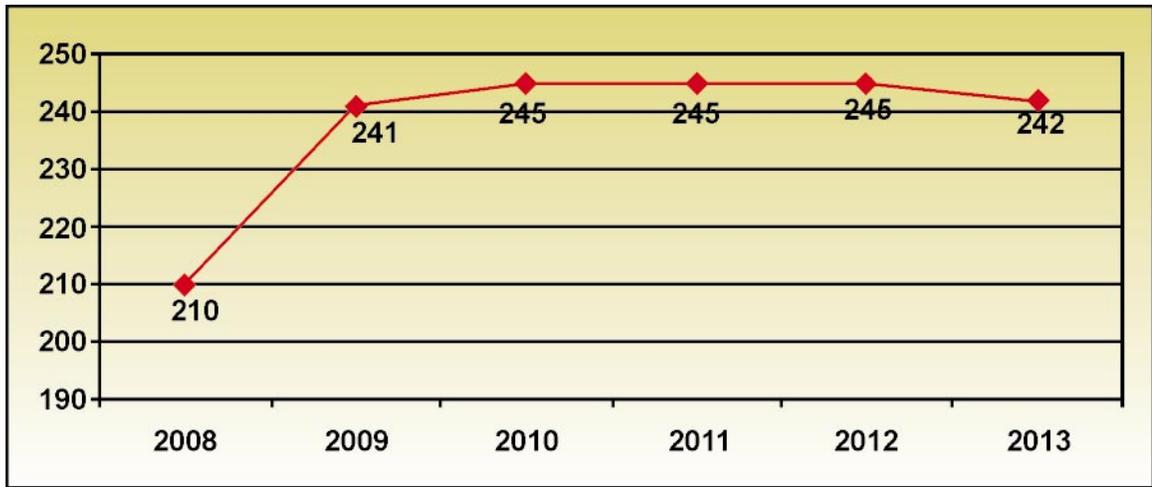
Wave), 236 FM (Frequency Modulation) and 48 SW (Short Wave)].

With a view to further expand the spread of FM services to other cities particularly in J&K, North Eastern States and island territories and to address certain other issues, the Government, on 25<sup>th</sup> July 2011, issued consolidated policy guidelines on phase III of expansion of FM radio broadcasting through private agencies. The Phase-III is intended to extend FM radio's reach to 294 cities with additional 839 FM radio stations thereby boosting the regional growth of FM radio stations. It is expected that post Phase III, the FM radio will cover around 85% of the territory of the country. The scheme to rope in private broadcasters for FM radio has significantly contributed to enhance the coverage and provide good quality of reception to radio listeners. This has also encouraged local talent and generated employment opportunities in various cities. The year-wise growth of private FM radio stations are depicted in **Figure-29** and quarterly growth in Advertisement Revenue of private FM Radio stations (As per TRAI records of 237 stations) depicted in **Figure-30**.

The radio sector in the country witnessed another expansion with the opening up of Community Radio Stations. There is a huge potential



**Figure-29 : Growth in number of Private FM Radio Stations**

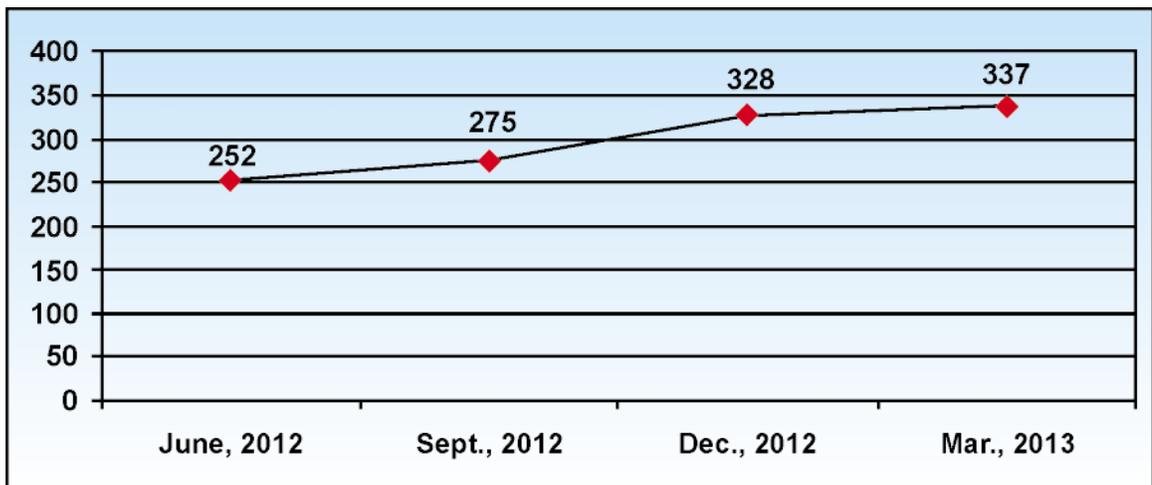


Source : Ministry of I&B

in India for establishment of Community Radio stations given the vast landscape of this country, numerous languages, various cultures and diverse social stratification. Community Radio broadcasting serves the purpose of networking small communities with a view to focusing on the common man's day-to-day concerns and helps them realize local aspirations. Given

the vast landscape of the country with a multitude of languages, cultures and social stratification, Community Radio Services have an effective presence. CRS is set up with the involvement of various educational institutions and civil society organizations. As on March 2013, out of the 189 licenses issued for the setup of community radio stations, 148 community radio

**Figure-30 : FM Sector Advertisement Revenue (in crores) (Quarter-wise)**



stations have become operational. The year wise growth of community radio stations are depicted in **Figure-31**.

### 1.3.6 Teleports

Globally, teleports have evolved as provider of complex solutions ranging from TV programme production and postproduction to content hosting and distribution & systems integration to network management. With the liberal up-linking guidelines in India, there has been a major shift of channels getting up-linked from abroad to India in view of lower operating costs and availability of skilled manpower. If India is developed as a “Teleport hub” then even those channels which are not for down-linking in India will be shifted to India. This will

lead to generation of employment and earning of revenue as well as foreign exchange. In view of its technical capabilities and geographical location, India can provide up-linking facilities for TV channels to be viewed in other parts of the world. Recognizing this opportunity, TRAI, in its recommendations dated 22<sup>nd</sup> July 2010 on “issues related to Uplinking / Downlinking of Television Channels in India”, had suggested to the Government to develop India into a teleport hub.

The growth in the number of permitted teleports in India, over the last four years, is depicted in **Figure-32** and the list of teleports, permitted by Ministry of Information and Broadcasting, is placed at **Annexure V** at the end of this part of the report.

**Figure 31 : Growth in number of Community Radio Stations in the Country**

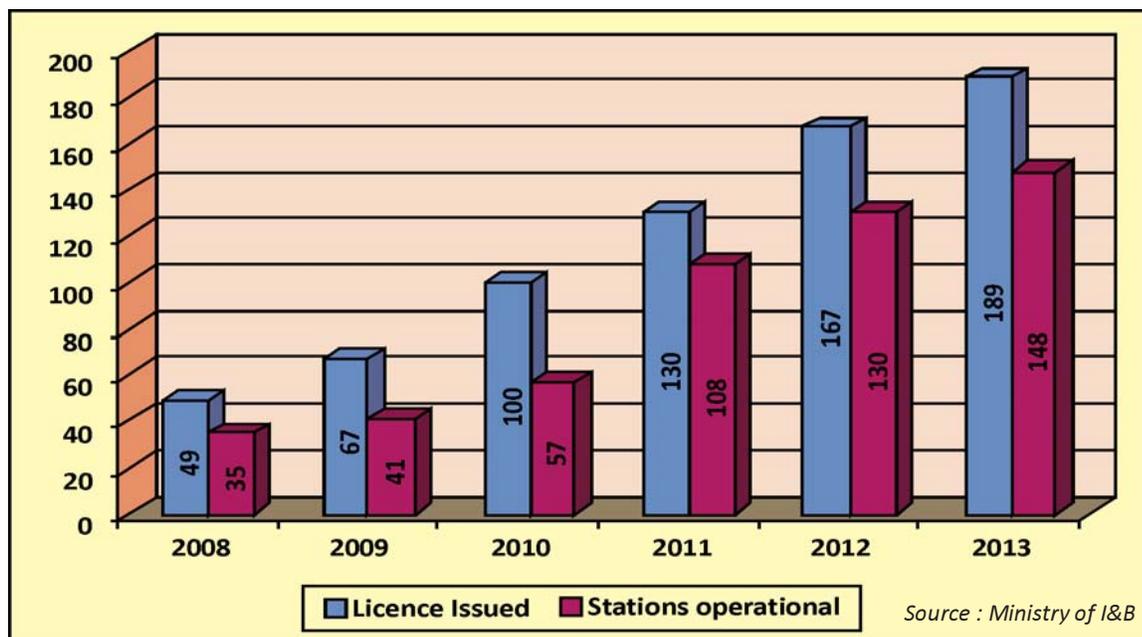
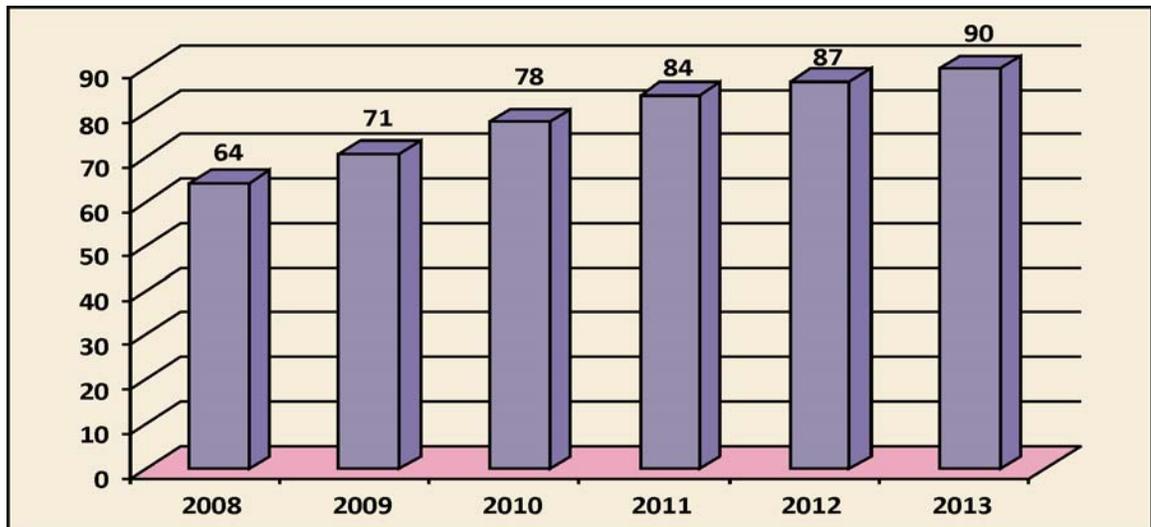


Figure 32 : Number of permitted teleports in the country



Source : Ministry of I&B

### 1.3.7 TRENDS IN THE TARIFF IN THE BROADCASTING SECTOR

In order to provide cost effective Broadcasting services to the consumer, TRAI has laid down the regulatory framework from time to time in form of tariff orders. The tariffs in Non-CAS areas, notified CAS areas and that for the addressable Platforms such as DTH, HITS, IPTV etc. are governed by the respective tariff orders issued by TRAI. The ARPU in the broadcasting sector have remained flat at around Rs. 160 per month over last few years. However, DTH operators are increasingly offering value added services (VAS), interactive services including movie on demand, gaming, shopping etc. With the implementation of addressable digital cable TV systems such trend is bound to be replicated in the cable TV sector also.

TRAI's tariff order dated 21<sup>st</sup> July 2010 for the addressable platforms

mandates offering of the pay channels in a-la-carte form at the wholesale as well as at the retail levels. Further the whole sale pricing has been prescribed with a certain cap. With these provisions at the wholesale and retail levels a trend is likely to emerge where the subscription pattern would be consumer driven rather than being defined by the service providers.

### 1.3.8 STAKEHOLDERS IN CABLE AND SATELLITE TV SERVICE SECTOR

As of March 2013, the total number of TV channels registered with the Ministry of Information and Broadcasting was 828 which include 184 SD pay channels. These channels are owned by around 350 broadcasters (content owners) and marketed by 30 distributors / aggregators. List of pay channels; distributors/aggregators; and list of pay DTH operators are placed at **Annexure VI, Annexure VII** and

Annexure VIII respectively at the end of this part of the report.

### 1.3.9 BROADCASTING & CABLE SERVICES PERFORMANCE INDICATORS

The overall status of the broadcasting and Cable TV services

sector is given in the **Table-21**. The performance indicator of the Broadcasting sector over the last four quarters is tabulated at **Table-22**.

**Table-21 : Overall status of Broadcasting and Cable TV Services**

Number of households in the country (estimated)	262 Million
Number of TV households (estimated)	161 Million
Number of Cable TV subscribers (estimated)	97 Million
Number of pay DTH Subscribers registered with private service providers as on 31 <sup>st</sup> March 2013	56.48 Million
Number of Cable operators (estimated)	60,000
Number of Multi System Operators (estimated)	6000
Number of pay DTH Operators	6
Number of Channels as on 31 <sup>st</sup> March 2013	828
Number of Pay Channels as on 31 <sup>st</sup> March 2013	184
Number of FM Radio Stations (excluding All India Radio) as on 31 <sup>st</sup> March 2013	242
Number of Licensed Community Radio Stations as on 31 <sup>st</sup> March 2013	189
Number of Operational Community Radio Stations as on 31 <sup>st</sup> March 2013	148
Number of permitted Teleports in the country as on 31 <sup>st</sup> March 2013	90

**Table-22 : Performance Indicator of Broadcasting Sector**

Broadcasting & Cable Services	Quarter ending			
	June 2012	Sept. 2012	Dec. 2012	Mar. 2013
Total Number of Registered Channels with I&B Ministry	762	825	831	828
Number of SD Pay Channels (Operational)	184	184	184	184
Number of HD Pay Channels (Operational)	24	24	31	31
DTH Subscribers registered with private Service Providers (in millions)	48.45	50.91	54.52	56.48
Number of Private FM Radio Stations	245	245	242	242





# ANNEXURES TO PART-I





## Subscriber Base of Wireless [GSM and CDMA] Services from 2007-08 to 2012-13

(Subscriber base in millions)

Service Providers	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	%age growth/ reduction over FY 2012
Bharti	61.98	93.92	127.62	162.20	181.28	188.20	3.82%
Vodafone	44.13	68.77	100.86	134.57	150.47	152.35	1.25%
Reliance	45.79	72.67	102.42	135.72	153.05	122.97	-19.65%
Idea	24.001	38.89	63.82	89.50	112.72	121.61	7.89%
Spice	4.21	4.13					
BSNL	40.79	52.15	69.45	91.83	98.51	101.21	2.74%
Tata	24.33	35.12	65.94	89.14	81.75	66.42	-18.75%
Aircel	10.61	18.48	36.86	54.84	62.57	60.07	-4.00%
Unitech		0	4.26	22.79	42.43	31.68	-25.34%
Sistema	0.11	0.6	3.78	10.06	15.68	11.91	-24.04%
MTNL	3.53	4.48	5.09	5.47	5.83	5.00	-14.24%
Loop	1.29	2.16	2.84	3.09	3.27	3.01	-7.95%
Videocon		0	0.03	7.11	5.95	2.01	-66.22%
Quadrant	0.3	0.39	0.33	1.47	1.33	1.37	3.01%
S Tel		0	1.01	2.82	3.43	0	-100.00%
Etisalat		0	0.0004	0.97	0.78	0	-100.00%
Total	261.07	391.76	584.32	811.59	919.17	867.8	-5.59%

Source: Service Provider



List of Wireless Service Providers Service Area wise as on 31<sup>st</sup> March 2013

Sl. No.	Category	Service Area	Access Service Provider
1	<b>Metros</b>	Delhi	Bharti
			Vodafone
			MTNL
			Idea Cellular Ltd
			Aircel Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices
2		Mumbai	Loop Telecom Private Ltd
			Vodafone
			MTNL
			Bharti
			Aircel Ltd
			Idea Cellular Ltd
			Reliance Communications
			Tata Teleservices
3		Chennai#	Aircel Cellular Ltd
			Vodafone
4		Kolkata	Bharti
			Vodafone
			BSNL
			Reliance Telecom
			Dishnet Wireless Ltd
			Idea Cellular Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices

Sl. No.	Category	Service Area	Access Service Provider
5	A Circle	Maharashtra	Vodafone
			Idea Cellular Ltd
			BSNL
			Bharti
			Aircel Ltd
			Unitech Wireless (West) Pvt. Ltd
			Reliance Communications
			Tata Teleservices
6		Gujarat	Vodafone
			Idea Cellular Ltd
			BSNL
			Bharti
			Aircel Ltd
			Unitech Wireless (West) Pvt. Ltd
			Videocon Telecommunications Ltd
			Sistema Shyam Teleservices Ltd
7		Andhra Pradesh	Idea Cellular Ltd
			Bharti
			BSNL
			Vodafone
			Aircel Ltd
			Unitech Wireless (South) Ltd
			Reliance Communications
			Tata Teleservices
8		Karnataka	Bharti
			Spice
			BSNL
			Aircel Ltd





Sl. No.	Category	Service Area	Access Service Provider
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices
9		Tamil Nadu#	Vodafone
			Aircel Ltd
		Tamil Nadu incl. Chennai	BSNL
			Reliance Communications
			Tata Teleservices
			Bharti
			Idea Cellular Ltd
			Sistema Shyam Teleservices Ltd
10	<b>B Circle</b>	Kerala	Idea Cellular Ltd
			Vodafone
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices
11		Punjab	Spice
			Bharti
			BSNL
			Vodafone
			Dishnet Wireless Ltd
			Reliance Communications
			Quadrant
			Tata Teleservices
12		Haryana	Idea Cellular Ltd
			Vodafone
			BSNL
			Bharti

Sl. No.	Category	Service Area	Access Service Provider
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Reliance Communications
			Tata Teleservices
13		Uttar Pradesh (West)	Idea Cellular Ltd
			Bharti
			BSNL
			Vodafone
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (North) Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices
14		Uttar Pradesh (East)	Vodafone
			BSNL
			Bharti
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (East) Pvt. Ltd
			Reliance Communications
			Tata Teleservices
15		Rajasthan	Vodafone
			Hexacom(Bharti)
			BSNL
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Reliance Communications
			Sistema Shyam Teleservices Ltd
			Tata Teleservices





Sl. No.	Category	Service Area	Access Service Provider
16		Madhya Pradesh	Idea Cellular Ltd
			Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Reliance Communications
			Tata Teleservices
17		West Bengal and A&N Islands	Reliance Telecom
			BSNL
			Bharti
			Vodafone
			Dishnet Wireless Ltd
			Idea Cellular Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Communications
			Tata Teleservices
18	<b>C circle</b>	Himachal Pradesh	Bharti
			Reliance Telecom
			BSNL
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Reliance Communications
			Tata Teleservices
19		Bihar	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Aditya Birla Telecom Ltd (Idea)

Sl. No.	Category	Service Area	Access Service Provider
			Videocon Telecommunications Ltd
			Unitech Wireless (East) Pvt. Ltd
			Reliance Communications
			Tata Teleservices
20		Orissa	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Idea Cellular Ltd
			Reliance Communications
			Tata Teleservices
21		Assam	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Idea Cellular Ltd
22		North East	Reliance Telecom
			Bharti
			BSNL
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Idea Cellular Ltd
23		Jammu & Kashmir	BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Idea Cellular Ltd
			Reliance Communications

# Single License for Tamil Nadu & Chennai

Source DOT/Service Providers



**Wireless Subscribers added and annual growth rate in different circles during financial years 2010-11 2011-12 and 2012-13**

Circles	No. of Subscribers added during Apr., 10 to Mar., 11 (in million)	% Growth during year 2010-11	No. of Subscribers added during Apr., 11 to Mar., 12 (in million)	% Growth during year 2011-12	No. of Subscribers added/reduced during Apr., 12 to Mar., 13 (in million)	% Growth/reduction during year 2012-13
<b>Metro</b>	25.65	36.03%	6.93	7.16%	(-)11.70	(-)11.28%
<b>Circle 'A'</b>	35.87	35.87%	35.58	12.34%	(-)14.23	(-)4.39%
<b>Circle 'B'</b>	94.55	42.21%	45.75	14.36%	(-)20.44	(-)5.61%
<b>Circle 'C'</b>	30.94	40.26%	19.33	17.93%	(-)5.00	(-)3.93%
<b>All India</b>	<b>222.27</b>	<b>38.89%</b>	<b>107.58</b>	<b>13.26%</b>	<b>(-)51.37</b>	<b>(-)5.59%</b>

Source: Quarterly Reports of Service Providers



## List of HD Channels in India

S.No	Name of Broadcaster	Name of Channel
1.	Star India Pvt Ltd	Star Plus HD
2.	Star India Pvt Ltd	Star World HD
3.	Sun TV Network Ltd	SUN TV HD
4.	Sun TV Network Ltd	Gemini TV HD
5.	Fox Channels India Pvt Ltd	Fox Traveller HD
6.	Viacom 18	Colors HD
7.	ZEEL	Zee TV HD
8.	Star India Pvt Ltd	Star Gold HD
9.	Star India Pvt Ltd	Star Movies HD
10.	Zoom Entertainment Pvt Ltd	Movies Now HD
11.	Sun TV Network Ltd	KTV HD
12.	ZEEL	Zee Cinema HD
13.	ZEEL	Zee Studio HD
14.	Fox Channels India Pvt Ltd	National Geographic channel HD (NGC HD)
15.	Discovery Communication (I) Pvt Ltd	Discovery HD World
16.	AETN 18 Network Pvt Ltd	History TV 18 HD
17.	ESPN Software Pvt Ltd	ESPN HD
18.	ESPN Software Pvt Ltd	Star Cricket HD
19.	Taj Television India Pvt Ltd	TEN HD
20.	Celebrities Management Pvt Ltd	Travel XP HD
21.	TV 18 Broadcast Ltd	CNBC TV 18 Prime HD
22.	Sun TV Network Ltd	Sun Music HD
23.	Multi Screen Media Pvt Ltd	Six HD
24.	Multi Screen Media Pvt Ltd	SET HD
25.	Star India Pvt Ltd	Life Ok HD
26.	NGC Network India Pvt Ltd	Nat Geo Adventure HD
27.	NGC Network India Pvt Ltd	Nat Geo Wild HD
28.	NGC Network India Pvt Ltd	Baby TV HD
29.	NGC Network India Pvt Ltd	Nat Geo Music HD.
30.	Turner International Pvt Ltd	HBO Hits HD
31.	Turner International Pvt Ltd	HBO Defined HD



## List of Permitted Teleport

Sl.No.	PARTICULARS
1	TV Today Network Ltd., New Delhi
2	Sun TV Ltd. Chennai
3	Entertainment TV Network Ltd. Mumbai
4	Ushodaya Enterprises Ltd. Hyderabad
5	Essel Syam Communication Ltd. Noida
6	Asianet Infrastructure Pvt. Ltd. Thiruvananthapuram
7	Essel Syam Communication Ltd. Noida
8	Sahara Sanchar Limited, Noida
9	Television Eighteen India Ltd. New Delhi
10	New Delhi Television Ltd. New Delhi
11	Indiavision Satellite Communications Ltd. Kochi(Kerala)
12	Noida Software Technology Park Ltd. Greater Noida
13	Dish Tv India Ltd. ( Formerly Ascenterprises Ltd.) Noida
14	Positiv Television Pvt. Ltd Guwahati
15	Channel Guide India Ltd. Mumbai
16	Indiasign Pvt. Ltd. Gurgaon
17	Associated Broadcasting Company Pvt. Ltd. Hyderabad
18	Av Entertainment Pvt. Ltd. Bhopal
19	Television Eighteen India Ltd. Mumbai
20	Amrita Enterprises Pvt. Ltd. Thiruvananthapuram
21	Mavis Satcom Limited Chennai
22	Vsnl, New Delhi
23	Vsnl, Mumbai
24	Vsnl, Chennai
25	Vsnl, Kolkata
26	Vsnl, Cochin
27	Lamhas Satellite Services Ltd. Mumbai
28	Malayalam Communications Ltd. Thiruvananthapuram
29	Sanskar Info Tv Pvt. Ltd. Mumbai

SI.No.	PARTICULARS
30	Bennet Colman & Co. Ltd. Mumbai
31	Senior Media Ltd.
32	Lok Prakashan Ltd. Ahmedabad
33	Calcutta Relevision Network Pvt. Ltd. Kolkata
34	Kohinoor Broadcast Corporation Ltd. Rajpura (Punjab)
35	Television Eighteen India Ltd. Noida
36	Kamyab Tv Pvt. Ltd. (Formerly Known As Md Tv Pvt. Ltd.) Bhubaneswar
37	Kasturi Media Pvt. Ltd. Bangalore
38	Sst Media Pvt. Ltd. Kolkata
39	Essel Syam Communication Ltd. Mumbai
40	Mm Tv Ltd. Alapuzza
41	In Cablenet (Andhra) Ltd. Hyderabad
42	Indira Television Ltd. Hyderabad
43	Sun Tv Ltd. Chennai
44	Tata Sky New Delhi
45	Media Cintent & Communications Services (India ) Pvt. Ltd.Noida
46	Satish Sugars Ltd. Bangalore
47	Shital Fibre Ltd. Jalandhar
48	Mh One Tv Network Ltd. Delhi
49	Stv Enterprises Ltd. Delhi
50	Airr X Media Ltd. Surat
51	Broadcast Equipment (India) Pvt. Ltd. New Delhi
52	Winning Edge Communications Ltd. Hyderabad
53	Indiasign Pvt. Ltd. Chennai
54	Indiasign Pvt. Ltd. Kolkata
55	Rachna Television Pvt. Ltd. Hyderabad
56	Ortel Communications Ltd. Bhubanehwer
57	Essel Syam Communication Ltd. Hyderabad
58	Sowbhagaya Exports Ltd, Aroor(Kerala)
59	Pragaya Vision Pvt. Ltd. Noida
60	Brahmaputra Tele-Productions Pvt. Ltd. Guawahati
61	G. Next Media Pvt. Ltd. New Delhi





SI.No.	PARTICULARS
62	Indiasign Pvt. Ltd. Hyderabad
63	Tata Communication Ltd. (Vsnl) Chennai
64	Positive Television Pvt. Ltd. Noida
65	Eastern Media Ltd., Bhubaneshwar
66	Rajasthan Patrika Pvt. Ltd., Jaipur
67	Pride East Entertainment Pvt. Ltd. ,Guwahati
68	Indiasign Pvt. Ltd., Noida
69	Vintage Studio Pvtt. Ltd. New Delhi
70	Skyline Media Teleservices Pvt. Ltd. ,Noida
71	Information Tv Pvt. Ltd., New Delhi
72	Unilazer Exports & Menegement Consultants Ltd. ,Mumbai
73	Cosmat System Pvt. Ltd. Hyderabad
74	Bharti Teleports Limited, Noida
75	Sri Venkareshwara Bhakti Tirupati
76	Tata Communication Ltd., Chennai
77	Roy's Institute Of Competitive Examination Pt. Ltd., Kolkata
78	Independent News Services Ltd., Noida
79	Raj Television Network Ltd., Chennai
80	Essel Syam Communication Ltd. Noida
81	Kansan News Pvt. Ltd. ,Chandigarh
82	Tata Communication Ltd., Chennai
83	Dish TV India Ltd. Noida
84	Aastha Broadcasting Network Limited, Noida
85	Mahuaa Media Private Limited, Noida
86	Rtr Broadcast Pvt. Ltd., Ghaziabad
87	Silver Star Communication Ltd., Chennai
88	Lamhas Satellite Services Ltd.
89	Skyline Tele Media Services Ltd.
90	Bharti Teleports Limited

## List of pay channels

Sl.No.	Name of the channel
1	Zee TV
2	Zee Cinema
3	Cartoon Network
4	Zee Marathi
5	Zee News
6	CNN
7	Zee Café
8	Zee Studios
9	Zee Bangla
10	Zee Punjabi
11	Zee Trendz
12	HBO
13	POGO
14	Zee Business
15	Zee Classic
16	Zee Action
17	Zee Premier
18	Zee Telugu
19	Zee Kannada
20	ETC Punjabi
21	ETC
22	Zing
23	Zee Jagran
24	Zee Smile
25	24 Ghante
26	24 Taas
27	Zee Talkies
28	WB
29	Zee 24 Ghantalu

Sl.No.	Name of the channel
30	Zee Salaam
31	9X
32	Star Plus
33	Star Gold
34	Star Movies
35	Star World
36	Vijay TV
37	NGC
38	Fox Traveller channel
39	Channel (V)
40	Life Ok
41	The MGM
42	Star Jalsha
43	ABP Ananda
44	FX
45	FOX CRIME
46	BABY TV
47	Nat Geo Wild
48	Nat Geo Adventure
49	Nat GEO Music
50	Asianet
51	Star Pravah
52	Fox Action Movies
53	Movies OK
54	NDTV 24X7
55	NDTV Profit
56	NDTV Good Times
57	Suvarna
58	Asianet Plus





Sl.No.	Name of the channel
59	NDTV India
60	SET
61	MAX
62	Discovery
63	Animal Planet
64	AXN
65	Animax
66	TLC
67	SAB TV
68	SET PIX
69	Aaj Tak
70	Headlines Today
71	Tez
72	Channel 8 (Sony AATH)
73	Discovery Science
74	Discovery Turbo
75	Neo Sports
76	NEO Prime
77	Discovery Channel – Tamil
78	MIX
79	Discovery Kids
80	SIX
81	SUN TV
82	Gemini TV
83	Udaya TV
84	K TV
85	Gemini Comedy
86	Udaya Movies
87	Sun Music
88	Gemini Music
89	Sun News
90	Gemini News

Sl.No.	Name of the channel
91	Udaya Varthegalu
92	Gemini Movies
93	Chintu TV
94	Udaya Comedy
95	Kushi TV
96	Chutti TV
97	Udaya II
98	Adithya TV
99	Surya TV
100	Kiran TV
101	The Disney Channel
102	Disney XD
103	Hangama TV
104	IBN 7
105	IBN Lokmat
106	Colors
107	MTV
108	NICK
109	VH 1
110	Sun News English
111	Comedy Central
112	SONIC
113	CNBC TV 18
114	CNN-IBN
115	CNBC Awaaz
116	Gemini Life
117	ETV
118	ETV 2
119	ETV Bangla
120	ETV Marathi
121	ETV Kannada
122	ETV Gujarathi

Sl.No.	Name of the channel
123	ETV Oriya
124	ETV UP
125	ETV Bihar
126	ETV Urdu
127	ETV Rajasthan
128	ETV MP
129	Bindass
130	UTV Action
131	World Movies
132	UTV Movies
133	UTV Action – Telugu
134	BBC World
135	BBC Entertainment
136	Cbeebies
137	ESPN
138	Star Sports
139	Star Cricket
140	ESPNEWS
141	Raj TV
142	Raj Digital Plus
143	Vissa TV
144	Raj Musix
145	Raj News(24X7)
146	9XM
147	9X Jhakaas
148	9XO
149	9X Jalwa
150	Sahara One
151	Filmy
152	B4U Movies
153	MAA TV

Sl.No.	Name of the channel
154	MAA Music
155	MAA Movies
156	MAA Junior
157	Dilli Aaj Tak
158	E-24
159	Boomerang
160	TCM Turner Classic Movies
161	Tarang
162	Tarang Music
163	Prarthana
164	ET NOW
165	Times Now
166	Zoom
167	Ten Sports
168	Ten Cricket
169	Ten Action
170	BIG CBS PRIME
171	BIG CBS LOVE
172	BIG CBS SPARK
173	BIG CBS Spark Punjabi
174	BIG MAGIC
175	Bloomberg UTV
176	9X Tashan
177	Sarthak TV
178	Jaya TV
179	Jaya Plus
180	Jaya Max
181	J Movies
182	Mega TV
183	Mega Musiq
184	Mega 24



## List of Broadcasters / Aggregator

S.No.	Name of the broadcaster/aggregator
1	M/s Media Pro Enterprise India Private Limited* (Aggregator)
2	M/s Indiacast UTV Media Distribution Private Limited (Aggregator)
3	M/s Sun Distribution Services Private Limited* (Aggregator)
4	M/s MSM Discovery Private Limited (Aggregator)
5	M/s ESPN Software India Private Limited (Broadcaster)
6	M/s Raj Television Network Limited (Broadcaster)
7	M/s Mavis Satcom Limited (Broadcaster)
8	M/s Odisha Television Limited (Broadcaster)
9	M/s ABS Media Services Pvt. Limited (Aggregator)
10	M/s MAA Television Network Limited (Broadcaster)
11	M/s Taj Television (India) Private Limited* (Aggregator)
12	M/s BIG CBS Networks Limited (Aggregator)
13	M/s Reliance Television Private Limited (Aggregator)
14	M/s Big Magic Limited (Aggregator)
15	M/s Business Broadcast News Private Limited (Broadcaster)
16	M/s Big RTL Broadcast Private Limited (Broadcaster)
17	M/s 9X Media Pvt. Ltd. (Broadcaster)
18	M/s B4U Television Network India Limited (Broadcaster)
19	M/s TV Today Network Limited (Broadcaster)
20	M/s Turner International India Private Limited (Broadcaster)
21	M/s BBC Global News India Private Limited (Broadcaster)
22	M/s Sarthak Entertainment Private Limited (Broadcaster)
23	M/s Paul Entertainment Pvt. Limited (Broadcaster)
24	M/s Allied Infotainment Distribution Private Limited (Broadcaster)
25	M/s Silver Star Communications Limited (Broadcaster)
26	M/s EEnadu Television Private Limited (Broadcaster) (distributed by themselves in the state of AP only)
27	M/s SUN TV Network Limited (Broadcaster)
28	M/s Celebrities Management Pvt. Limited (Broadcaster)
29	M/s NGC Network India Pvt. Ltd (Broadcaster)
30	M/s Turmeric Vision Pvt Ltd (Broadcaster)

### List of Pay DTH Operator

S.No.	DTH Operator
1.	M/s. Tata Sky Ltd.,
2.	M/s Dish TV India Ltd.
3.	M/s SUN Direct TV (P) Ltd.

S.No.	DTH Operator
4.	M/s Bharti Telemedia Ltd.
5.	M/s Reliance Big TV Pvt. Ltd.
6.	M/s Bharat Business Channel Ltd.





**PART-II**

**REVIEW OF WORKING AND OPERATION  
OF THE TELECOM REGULATORY  
AUTHORITY OF INDIA**





# REVIEW OF WORKING AND OPERATION OF THE TELECOM REGULATORY AUTHORITY OF INDIA

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- 2.1 Part I of the Report has given an overview of the general environment prevailing in the telecom sector including broadcasting and cable services and has highlighted the policies and programmes of the Government during 2012-13. In line with the mandate given under the TRAI Act, TRAI has played catalytic role in the development of the telecom, broadcasting and cable services. It has been its endeavour to provide an environment, which is fair and transparent, encourages competition, promotes a level-playing field for all service providers, protects the interest of consumers and enables technological benefits to one and all.
- 2.2 Under the TRAI Act, 1997, TRAI is mandated, inter-alia, to ensure compliance of the terms and conditions of license, lay down the standards of quality of service to be provided by the service providers and ensure the quality of service, specify tariff policy and recommend conditions for entry of new service providers as well as terms and conditions of license to a service provider. TRAI's scope of work also includes consideration and decisions on issues relating to monitoring of tariff policy, commercial and technical aspects of interconnection, principles of call routing and call handover, free choice and equal ease of access for the public to different service providers, resolution of conflicts that may arise due to market developments and diverse network structures for various telecom services, need for up-gradation of the existing network and systems, and development of forums for interaction amongst service providers and interaction of the Authority with consumer organizations. The Government issued an Order dated 9<sup>th</sup> January 2004, under Section 11(d) of the Telecom Regulatory



Authority of India Act, 1997, which entrusted certain additional functions to TRAI to make recommendations regarding terms and conditions on which “Addressable System” shall be provided to the customers and the parameters for regulating maximum time for advertisements in pay channels as well as other channels.

- 2.3 To formulate recommendations and suggest policy initiatives, TRAI interacts with various stakeholders such as the service providers, their organizations, Consumer Advocacy Groups / Consumer Organizations and other experts in this field. It has developed a process which allows all the stakeholders and the general public to participate in discussions about policy formulation by offering their views whenever sought for. This process involves floating of a consultation paper highlighting the issues involved and soliciting the views of the stakeholders on the issues, holding Open House Meetings arranged in different parts of the country, inviting written comments on e-mail and through letters, and having interactive sessions with stakeholders and experts to obtain different views and clarifications on policy issues. The Regulations / Orders issued by TRAI also contain an Explanatory Memorandum which explains the basis on which the decisions are taken. The participative and explanatory

process adopted by TRAI has received wide acclaim.

- 2.4 TRAI also interacts with the consumer organizations / Non Government Organizations (NGO) in the telecom and broadcasting sector to obtain their views. It has a system of registering consumer organizations / NGOs connected with telecom functions and of interacting with them at regular intervals. TRAI is constantly adopting measures for strengthening the consumer organizations. It also organizes Seminars and Workshops with the participation of International Experts on various technical issues and invites stakeholders, consumer organizations and other research institutes to attend these seminars.
- 2.5 Under Section 11 (1) (a) of the TRAI Act 1997, the Authority is required to make recommendations either suo moto or on a request from the licensor, i.e., Department of Telecommunications, Ministry of Telecommunications or Ministry of Information & Broadcasting in the case of Broadcasting and Cable Services. Recommendations given by TRAI to Government during 2012-13 are given below.

## TELECOM SECTOR

- ◆ Recommendations dated 16<sup>th</sup> April 2012 on Guidelines for “Unified Licence /Class Licence and Migration of Existing Licences”



- ❖ Recommendations dated 18<sup>th</sup> April 2012 on “Exit-Policy for various telecom licences”
- ❖ Recommendations dated 23<sup>rd</sup> April 2012 on “Auction of Spectrum”
- ❖ TRAI’s response dated 11<sup>th</sup> May 2012 to DoT’s letter dated 21-03-2012 regarding TRAI’s recommendations on “Efficient utilization of Numbering Resources” dated 20-08-2010
- ❖ Recommendations dated 12<sup>th</sup> May 2012 in response to DoT’s reference back on TRAI’s recommendations on “Auction of Spectrum”
- ❖ Recommendations dated 12<sup>th</sup> May 2012 after reconsideration to DoT’s reference on “Guidelines for Unified Licence / Class Licence and Migration of Existing Licences”
- ❖ Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002
- ❖ Recommendations dated 14<sup>th</sup> May 2012 on “Application services”
- ❖ Recommendation dated 12<sup>th</sup> July 2012 on “Auction of Spectrum: Analysis of effect on costs, tariffs and financial returns”
- ❖ Recommendation dated 12<sup>th</sup> October 2012 on “Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication

Requirements/cordless telecommunication system (CTS)”

- ❖ Recommendation dated 22<sup>nd</sup> November 2012 on Amendment in the ISP Licence Agreement for incorporating the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access
- ❖ Recommendations dated 2<sup>nd</sup> January 2013 on “Terms and Conditions of Unified License (Access Services)”
- ❖ Recommendations dated 19<sup>th</sup> March 2013 on “IMT – Advance Mobile Wireless Broadband Services”

### **Recommendations dated 16<sup>th</sup> April 2012 on Guidelines for Unified Licence/ Class Licence and Migration of Existing Licences**

2.5.1 In its recommendations on “Spectrum Management and Licensing Framework” dated 11.05.2010, TRAI had recommended that all future licenses should be unified licenses and that spectrum should be delinked from the licence. In October, 2011 DoT requested TRAI to recommend Unified Licence guidelines including, inter alia, guidelines regarding entry/eligibility, Performance and Financial Bank Guarantees etc., as also modalities & guidelines for enabling existing licensees in various categories to migrate to Unified Licences. Accordingly, TRAI issued recommendations on “Guidelines for



Unified Licence/Class Licence and Migration of Existing Licences” on 16<sup>th</sup> April 2012. DoT referred back the recommendations to TRAI in May 2012 with its comments. TRAI after consideration of DoT’s reference released its recommendations on 12<sup>th</sup> May 2012. Salient features of these are:

- In the new regime, spectrum has been delinked from the licence.
- There shall be three levels of Unified Licences : National level, Service Area level and District level.
- The one-time non-refundable Entry Fee for Unified Licence shall be (a) Rs. 15 crore for a National level Unified Licence; (b) Rs. 1 crore for each Service area level Unified Licence except for Jammu & Kashmir and North East Service areas where Entry fee will be Rs. 50 lakh each, and (c) Rs.10 lakh for each District level Unified Licence.

### Recommendations dated 18<sup>th</sup> April 2012 on “Exit-Policy for various telecom licences”

2.5.2 DoT had requested TRAI for recommendations on an exit policy for all types of telecom licences. TRAI initiated a consultation process. In the meanwhile, on 2<sup>nd</sup> February, 2012, the Hon’ble Supreme Court in its judgement *inter-alia* ordered for cancellation of UAS licenses given on and after 10<sup>th</sup> January, 2008 with effect from four months from date of the

order. In view of this development, comments received from stakeholders and its own analysis, TRAI recommended that there was no need for a separate Exit Policy for telecom licences and the present conditions in various licences for surrender of licence, whereby a licensee can surrender the licence by giving a notice of at least 60 calendar days (30 calendar days in case of ISP license) in advance, will continue to be applicable.

### Recommendations dated 23<sup>rd</sup> April 2012 on Auction of Spectrum

2.5.3 The Hon’ble Supreme Court of India in its Judgment dated 2<sup>nd</sup> February 2012, had directed TRAI to make fresh recommendations for grant of licence and allocation of spectrum in the 2G band in 22 service areas by auction. On 3<sup>rd</sup> February 2012, DOT sought the recommendations of TRAI. TRAI’s recommendations on ‘Auction of Spectrum’ were issued on 23<sup>rd</sup> April 2012. The issues covered included auction format, eligibility, spectrum block size, spectrum cap, reserve price, spectrum mortgage, rollout obligations, spectrum usage charges, validity period, spectrum trading, availability of spectrum in the 700/800/900/1800/2100/2300 MHz bands, liberalisation of spectrum, re-farming of spectrum etc. DoT referred back the recommendations to TRAI in May 2012 with its comments. TRAI after





Open House Discussion on 'Auction of Spectrum' held on 4<sup>th</sup> April, 2012

consideration of DoT's observations responded through its recommendations of 12<sup>th</sup> May 2012.

On 25<sup>th</sup> Oct 2012, DOT again sought certain clarifications regarding TRAI's earlier recommendations on prescribed limit for spectrum, retention of spectrum on renewal of licences and re-farming of spectrum. TRAI collectively considered all the recommendations made between 2010 and 2012 and provided a response to the issues posed by DoT on 30<sup>th</sup> Oct 2012.

### **TRAI's response dated 11<sup>th</sup> May 2012 to DoT's letter dated 21-03-2012 regarding TRAI's recommendations on "Efficient utilization of Numbering Resources" dated 20-08-2010**

2.5.4 The Authority sent its response on 11<sup>th</sup> May 2012 to the reference dated 21<sup>st</sup> March 2012 received from Department of Telecommunications (DoT) on TRAI's Recommendations dated 20<sup>th</sup> August 2010 on "Efficient

Utilisation of Numbering Resources". TRAI in its response reiterated its earlier recommendations including that country should migrate to integrated 10 digit numbering scheme in a time bound manner and till the integrated scheme is implemented, para 2.33 of original recommendations, reproduced below, may be implemented.

**"Para 2.33** - The Authority recommends that in the intervening period, till integrated numbering scheme is implemented, the following scheme should be adopted to create sufficient numbering space:

- a. No change in dialling plan of fixed to fixed, inter-circle fixed to mobile and mobile to mobile calls.
- b. Dial intra circle fixed to mobile calls with prefix '0'.
- c. Existing SDCA codes starting with 2, 3, 4 and 6 may be used for mobile services by suffixing with 0, 1, 8 and 9."



### Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002

2.5.5 TRAI released Recommendations on 14.05.2012 regarding Support for Rural Wire-line Connections, Installed Before 01.04.2002. TRAI in its Recommendations stated that Support to M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 01.04.2002. The amount of support may be Rs.1500 Crore for the first year and Rs.1250 Crore for the second year.

### Recommendations dated 14<sup>th</sup> May 2012 on “Application services”

2.5.6 The Authority forwarded its recommendations on Application Services on 14<sup>th</sup> May 2012. The key points of the recommendations are as under:

- The Application Service Providers (ASPs) should be covered under Licencing through Authorisation.
- Provisions for application services should be included in the terms and conditions of existing licences as well as in the proposed licences under unified licencing regime.
- For allocation of Short codes to telecom service providers/licencees and licenced application service providers/content providers, a Short Code Council (SCC) will be set up by TRAI.

- Short codes will be allotted centrally through a online web based system in accordance with the National Numbering Plan. Short codes will be allotted to both ASPs and TSPs independently.
- Development of application services in Indian regional languages should be encouraged through suitable incentives.

### Recommendations dated 12<sup>th</sup> July 2012 on “Auction of Spectrum: Analysis of effects on costs, tariffs and financial returns

2.5.7 A financial analysis was carried out using modeling and forecasting techniques to asses the impact of operator costs and returns and on retail tariffs in the wireless service segment taking into consideration the recommended reserve price for auction contained in Telecom Regulatory Authority of India’s Recommendations on Auction of Spectrum dated 23.4.2012. The results of the analysis were communicated to DoT.

### Recommendations dated 12<sup>th</sup> October 2012 on “Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunication system (CTS)”

2.5.8 A large chunk of mobile calls are initiated by subscribers from their homes or offices and a substantial





Open House Discussion on 'Allocation of Spectrum Resources for Residential & Enterprise Intra-telecommunications Requirements/Cordless Telecommunication System (CTS)' held on 10<sup>th</sup> July, 2012

number of such calls are intra-enterprise calls. For providing satisfactory indoor coverage, the service providers have to either provide a large number of Base Transceiver Stations (BTSs) or deploy in-building solutions. Digital CTS technology can complement cellular mobile technology for more efficient use of scarce spectrum resources and also aid in indoor coverage requirements. However, due to interference issues with various unlicensed devices, particularly Wi-Fi devices, CTS devices are hampered in delivery of good quality services in existing unlicensed bands. In these recommendations, TRAI has recommended that the 1880-1900 MHz band should be de-licensed for low power operations of CTS for

private and indoor (not for commercial) use. Certain etiquettes for CTS devices that will be operating in the un-licensed spectrum band of 1880-1900 MHz band have also been recommended.

### Recommendations dated 22<sup>nd</sup> November 2012 on Amendment in the ISP Licence Agreement for incorporating the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access

2.5.9 The Authority received a reference from Department of Telecommunication (DoT) seeking its recommendations for amendment in the ISP Licence Agreement to incorporate the terms and conditions mentioned in Notice Inviting



Applications (NIA) for use of Broadband Wireless Access (BWA) spectrum.

After due consultation process, recommendation was sent to DoT on 22.11.2012 to ensure uniform and equitable application of terms and conditions of Notice Inviting Applications (NIA) related to BWA spectrum to all the licenses viz. UAS, CMTS, ISP, who have obtained BWA spectrum in auction.

### **Recommendations dated 2<sup>nd</sup> January 2013 on “Terms and Conditions of Unified License (Access Services)”**

2.5.10 The Department of Telecommunications (DoT) through its letter No. 20-281/2010-AS-I dated 21.12.2012 referred the ‘Terms and Conditions for Unified License (Access Services)’ to TRAI. In the letter of DoT, it was stated that there is a requirement to issue fresh licenses to the successful new entrants in the auction of spectrum held in November 2012.

TRAI, after examination of Unified License (Access Services), gave its recommendations on 2<sup>nd</sup> January 2013.

### **Recommendations dated 19<sup>th</sup> March 2013 on “IMT – Advanced Mobile Wireless Broadband Services”**

2.5.11 TRAI had issued a Consultation paper on ‘IMT – Advanced Mobile Wireless

Broadband Services’ on 19<sup>th</sup> August 2011. Some of the issues raised in the consultation paper are spectrum bands for IMT Advanced services, Block size of spectrum to be put for auction, Minimum number of spectrum blocks required for effective use of 4G technologies, Reserve price per MHz, Spectrum Usage Charges etc. were regulatory in nature, while some issues viz. specifications of the User Equipment, Security issues, delivery of voice services over IMT-A systems, interoperability with legacy systems (2G/3G), QoS parameters and impact of Femto cell/Relays etc on Key Performance Indicators (KPIs) and spectrum policy etc. were of technical nature.

On 2<sup>nd</sup> February 2012, the Supreme Court directed TRAI to make fresh recommendations for grant of licence and allocation of spectrum in the 2G bands. Accordingly, after a due consultation process, TRAI sent its recommendations to the Department of Telecommunications on ‘Auction of Spectrum’ on 23<sup>rd</sup> April, 2012. These recommendations were comprehensive and covered not only the spectrum for 2G services but also for 3G and IMT–Advanced services. Therefore, some of the issues, which were originally raised in the Consultation paper dated 19<sup>th</sup> August 2011, got covered in the recommendation on ‘Auction of Spectrum’ dated 23<sup>rd</sup> April, 2012.



Remaining issues raised in the consultation paper, which mainly deal with technical aspects of the IMT Advance technologies, have been considered in TRAI's recommendations on "IMT-Advanced Mobile Wireless Broadband Services" dated 19<sup>th</sup> March 2013.

In these recommendations, TRAI considered the various band plans in 700 MHz band and observed that many countries in the Asia-Pacific region and outside also, have either adopted or actively considering the adoption of FDD based APT700 band plan. TRAI was of the opinion that India should also follow the harmonized band plan to take advantage of the vast eco system that is likely to emerge in this band plan. Accordingly, TRAI recommended that APT700 band plan should be adopted for the 700 MHz spectrum band (698-806 MHz) with FDD based 2x45 MHz frequency arrangement. On the remaining issues, viz., specifications of User Equipment, Security issues, delivery of voice services over IMT-A systems, interoperability with legacy systems (2G/3G), QoS parameters and impact of Femto cell / Relays etc. on Key Performance Indicators (KPIs) etc. Telecom Regulatory Authority of India was of the view that only after the roll out of these technologies, these issues can be better addressed. Accordingly, did not make any recommendations on these issues.

## BROADCASTING & CABLE TV SECTOR

- ❖ Recommendations dated 19<sup>th</sup> April 2012 on "Prescribing Minimum Channel Spacing, within a License Service Area, in FM Radio Sector in India"
- ❖ Recommendations dated 28<sup>th</sup> December 2012 on "Issues related to entry of certain entities in the business of broadcasting and / or distribution of TV Channels"

### Recommendations dated 19<sup>th</sup> April 2012 on "Prescribing Minimum Channel Spacing, within a License Service Area, in FM Radio Sector in India"

2.5.12 The Ministry of Information and Broadcasting, vide DO No. 102/2/2008-FM (Vol. IV) dated 8<sup>th</sup> August, 2011, had requested TRAI to reconsider the issue of Minimum Channel Spacing, within a License Service Area, in FM Radio Sector. The minimum channel spacing i.e. the frequency separation between the adjacent channels' carrier frequencies is an important parameter which determines faithful reception of individual channels at the listener's FM radio receiver set. With the improvement in the quality of Radio receivers, penetration of digital devices such as mobile sets among the masses and alternate designs of the FM Radio transmitter setups, it is now technically feasible to transmit more FM Radio channels with reduced



channel spacing in a given license service area. This would ensure effective utilization of scarce radio frequency spectrum. Keeping this in view, TRAI has come up with its recommendations. The key features of these recommendations are:

- i) Frequencies for FM Radio channels, within a license service area, may be released with a minimum spacing of 400 KHz.
- ii) The FM channels operating with channel spacing of 400 KHz should be radiated from effectively co-located sites and transmitted with equal power.
- iii) The exact allocation of frequencies may be done taking into account the frequencies and power of the existing set-ups/ allocated frequencies in the adjacent license service areas so that the criteria for the re-use of the frequencies are satisfied. All the future planning of allocation of frequencies and development of the infrastructure should be done accordingly.

**Recommendations dated 28<sup>th</sup> December 2012 on “Issues related to entry of certain entities in the business of broadcasting and / or distribution of TV Channels”**

2.5.13 Recommendations on “Issues related to entry of certain entities in to the business of broadcasting and / or distribution of TV channels” were

issued on 28.12.2012. The key recommendations are as under:-

- i) The Central Government Ministries, Central/State Government Departments, Central/State Government owned companies, Central /State Government undertakings, joint venture of the Central/State Governments and the private sector and Central/State Government funded entities should not be allowed to enter in to the business of broadcasting and or distribution of TV channels.
- ii) The arm’s length relationship between Prasar Bharti and the Government be further strengthened. The Authority also recommends that such measures should ensure functional independence and autonomy of Prasar Bharti.
- iii) Pending enactment of any new legislation on broadcasting, the disqualifications recommended for political bodies to enter into broadcasting and/or distribution activities should be implemented through executive decision by incorporating the disqualifications into Rules, Regulations and Guidelines as necessary.
- iv) In case the Central Government has already accorded permission to any State Government / State Government owned companies / State Government undertakings/Joint venture of the



State Government and the private sector / State Government funded entities to enter into the cable distribution platform, then the Central Government should provide an appropriate exit route.

2.6 During the year 2012-13, the Authority, in discharge of its functions assigned under the Telecom Regulatory Authority of India Act, 1997, has framed the following Regulations in Telecom and Broadcasting sectors.

### TELECOM SECTOR

- ❖ The Reporting System on Accounting Separation Regulations, 2012 dated 11<sup>th</sup> April 2012
- ❖ The Mobile Banking (Quality of Service) Regulations, 2012 dated 17<sup>th</sup> April 2012
- ❖ The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Amendment) Regulations, 2012 dated 7<sup>th</sup> May 2012
- ❖ The Telecom Commercial Communications Customer Preference (Ninth Amendment) Regulations, 2012 dated 14<sup>th</sup> May 2012
- ❖ Telecommunication Mobile Number Portability (Third Amendment) Regulations, 2012 dated 8<sup>th</sup> June 2012
- ❖ Intelligent Network Services in Multi Operator and Multi Network Scenario (Amendment) Regulations, 2012 dated 18<sup>th</sup> September 2012
- ❖ The Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 dated 18<sup>th</sup> September 2012
- ❖ Telecommunication Mobile Number Portability (Fourth Amendment) Regulations, 2012 dated 19<sup>th</sup> September 2012
- ❖ The Reporting System on Accounting Separation (Amendment) Regulations, 2012 dated 15<sup>th</sup> October 2012
- ❖ International Telecommunication Access to essential facilities at Cable Landing Stations (Amendment) Regulations, 2012 dated 19<sup>th</sup> October 2012
- ❖ Telecom Consumers Protection (Fourth Amendment) Regulations, 2012 dated 22<sup>nd</sup> October 2012
- ❖ The Telecom Commercial Communications Customer Preference (Tenth Amendment) Regulations, 2012 dated 5<sup>th</sup> November 2012
- ❖ The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Second Amendment) Regulations, 2012 dated 8<sup>th</sup> November 2012
- ❖ Telecom Consumers Protection (Fifth Amendment) Regulations, 2012 dated 27<sup>th</sup> November 2012





- ❖ The Standards of Quality of Service for Wireless Data Services Regulations, 2012 dated 4<sup>th</sup> December 2012
- ❖ The International Telecommunication Cable Landing Stations Access Facilitation Charges and Co-location Charges Regulations, 2012 dated 21<sup>st</sup> December 2012
- ❖ Quality of Service of Broadband Service (Amendment) Regulations, 2012 dated 24<sup>th</sup> December 2012
- ❖ Registration of Consumer Organisations Regulations, 2013 dated 21<sup>st</sup> February 2013
- ❖ Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 dated 21<sup>st</sup> February 2013
- ❖ Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment) Regulation 2013 dated 25<sup>th</sup> March 2013

### **Regulation on “The Reporting System on Accounting Separation Regulations, 2012 dated 11<sup>th</sup> April 2012**

2.6.1 The Reporting System on Accounting Separation Regulations, 2012 puts in place an updated, rationalized and standardized reporting system and strengthens audit and accountability provisions. The salient features are:

- All service providers with aggregate turnover of not less than rupees one hundred crore during the accounting year need to submit reports.

- Classification of services, products and network elements has been revised to capture the latest trends in technology, innovation and consumer demand.
- Formats in which information is to be submitted have been rationalized and standardized.
- To strengthen accountability, the reports need to be adopted by the Board of Directors of the company.

Guidelines for System on Accounting Separation Regulations, 2012 were issued on 22<sup>nd</sup> August, 2012 for guidance to service providers on the broad methodology and principles for accounting separation to help them to prepare Operator Specific Accounting Separation Manuals.

### **The Mobile Banking (Quality of Service) Regulation dated 17<sup>th</sup> April 2012**

2.6.2 To ensure faster and reliable communication for enabling banking through the mobile phones, the Mobile Banking regulations were issued on 17<sup>th</sup> April 2012. These regulations have been issued after elaborate consultation process starting with the issue of a consultation paper seeking the views of stakeholders on Quality of Service parameters for meeting the requirement of financial transaction on mobile phones. The salient features of these regulations are that the access service providers

shall facilitate the banks to use SMS, USSD and IVR to provide banking services to its customers. The access service providers can also optionally facilitate the bank to use WAP or STK.

### **The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Amendment) Regulations, 2012 dated 7<sup>th</sup> May 2012**

2.6.3 Through these regulations, the Authority has prescribed the network-centric Quality of Service parameters and benchmarks for Voice Services provided through 3G networks. These parameters help assessment of performance of 3G operators in critical areas such as call drop, voice quality, network congestion and network availability.

### **The Telecom Commercial Communications Customer Preference (Ninth Amendment) Regulations, 2012 dated 14<sup>th</sup> May 2012**

2.6.4 The Telecom Commercial Communications Customer Preference (Ninth Amendment) Regulations, 2012 were issued on 14<sup>th</sup> May 2012 stating that in case a telemarketer is blacklisted for sending UCC through promotional resources, the telecom resources provided to it for sending promotional messages shall only be disconnected, however, in case the telemarketer is blacklisted for sending unsolicited commercial

communications through the telecom resources allotted to it for sending transactional messages, the telecom resources provided to it for sending transactional messages and promotional messages shall be disconnected.

### **Telecommunication Mobile Number Portability (Third Amendment) Regulations, 2012 dated 8<sup>th</sup> June, 2012**

2.6.5 Subsequent to Hon'ble Supreme Court's judgment dated 2<sup>nd</sup> February, 2012 declaring allocation of spectrum to certain licensees as illegal and quashing their licenses, TRAI issued the 3<sup>rd</sup> Amendment to the Telecommunication Mobile Number Portability regulations to facilitate porting of numbers by the affected subscribers whose age on network is less than 90 days.

### **Intelligent Network Services in Multi Operator and Multi Network Scenario (Amendment) Regulations, 2012 dated 18<sup>th</sup> September 2012**

2.6.6 A draft Amendment to the IN Regulations was uploaded on Telecom Regulatory Authority of India's website on 12.10.2010 for obtaining comments/ counter comments from the stakeholders. On the basis of comments received from stakeholders, amendment to the IN regulations dated 27.11.2006 was issued on 18.09.2012. The amendment will facilitate service



providers to enter into agreement in a time bound manner for IN services. This will be useful for Virtual Calling Cards (VCC) issued by long distance providers. After the agreement between the service providers for VCC services, subscribers will be able to make STD/ISD calls using calling cards issued by NLDOs/ILDOS.

### **The Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 dated 18<sup>th</sup> September 2012**

2.6.7 Port is an essential part for the establishment of the interconnection between two networks. Port may be defined as a place of termination on a switch/exchange to provide Point of Interconnection (POI) for ingress and egress of traffic between the two interconnecting networks. The Port charges are payable by the interconnection seeker to the interconnection provider for terminating interconnection links on the network interface of the interconnection provider.

The port charges were initially determined by Telecom Regulatory Authority of India in 1999 and modified by issuing 'The Telecommunication Interconnection (Port Charges) Regulation 2001' in December 2001. These charges were subsequently revised in February, 2007. To further review port charges, Telecom Regulatory Authority of India

issued a consultation paper on 09.05.2012.

On the basis of comments/ counter comments received from stakeholders and further internal analysis, Telecom Regulatory Authority of India issued second amendment to the regulations on 18.09.2012. In the amendment, ceiling for providing port in Tandem/TAX Switch has been specified as Rs. 10,000 per port per annum and for providing port in MSC, the ceiling has been specified as Rs. 4,000 per port per annum. The revised Port Charges came into effect from 1<sup>st</sup> October, 2012.

### **Telecommunication Mobile Number Portability (Fourth Amendment) Regulations, 2012 dated 19<sup>th</sup> September 2012**

2.6.8 Telecom Regulatory Authority of India had received a number of complaints wherein the subscribers have reported that their porting requests have been rejected by the donor operators on invalid grounds. In order to ensure strict compliance to the MNP regulations by Access Providers, Telecom Regulatory Authority of India has amended the regulations and has incorporated provisions for levying financial disincentives where contravention is established in rejection of porting requests and also in the timelines specified in the regulations. In the cases where deviation is noticed by Telecom



Regulatory Authority of India in the specified timelines by a service provider, a financial disincentive of an amount maximum upto Rs.5,000/- will be levied for each contravention whereas in the cases where contravention is established in rejection of porting request by a service provider, a financial disincentive of an amount maximum upto of Rs. 10,000/- will be levied for each rejection.

### **The Reporting System on Accounting Separation (Amendment) Regulations, 2012 dated 15<sup>th</sup> October 2012**

2.6.9 The Reporting System on Accounting Separation Regulations, 2012 did not contain provision to disincentivize delay in submission of prescribed reports or submission of incomplete / false information in the reports by the service providers. In order to ensure timely submission of complete and correct reports under regulation 5 of the Reporting System on Accounting Separation Regulations, 2012 (7 of 2012) notified on 11<sup>th</sup> April, 2012, the Authority felt that some financial disincentives should be imposed on the defaulting service providers.

Accordingly, the Reporting System on Accounting Separation (Amendment) Regulations, 2012 (20 of 2012) was notified in the Gazette of India on 15<sup>th</sup> October, 2012 to insert a new Regulation 5A for imposition of

financial disincentive on the defaulting service providers.

### **International Telecommunication Access to essential facilities at Cable Landing Stations (Amendment) Regulations, 2012 dated 19<sup>th</sup> October 2012**

2.6.10 In order to enable access to bottleneck facility on fair and non-discriminatory terms and conditions, suitable provisions have been made through this Amendment so that Access Facilitation Charges, Co-location Charges and other related charges like cancellation charges and restoration charges are now specified by the Authority.

### **Telecom Consumers Protection (Fourth Amendment) Regulations, 2012 dated 20<sup>th</sup> October 2012**

2.6.11 The Telecom Consumer Protection Regulation, 2012 (TCP R) dated 6<sup>th</sup> January 2012, permitted only three categories of vouchers, namely Plan Vouchers, Top-ups and STVs. There have been demands from several service providers and Cellular Operators Association of India to allow a fourth category of vouchers (Combo Vouchers). The Combo Vouchers would be an additional category of vouchers under the TCP R that would provide monetary value and tariff concessions through a single voucher. Such vouchers would provide more flexibility to the service providers to



offer innovative bundling of the products based on market segmentation. Further, use of Combo Vouchers afford the subscriber convenience of purchasing additional monetary value as well as well as getting benefit of special tariffs through a single transaction. Therefore, the Telecom Regulatory Authority of India issued the Telecom Consumer Protection (Fourth Amendment) Regulation, 2012 on 22<sup>nd</sup> October 2012, permitting combo vouchers.

### **The Telecom Commercial Communications Customer Preference (Tenth Amendment) Regulations, 2012 dated 5<sup>th</sup> November 2012**

2.6.12 Telecom Regulatory Authority of India had taken a series of measures in the recent past for curbing the menace of UCC. The Telecom Commercial Communications Customer Preference (Tenth Amendment) Regulations, 2012 has been issued to further tighten the regulatory framework, especially relating to commercial SMS from unregistered telemarketers. To prevent unregistered telemarketers from misusing SMS packs or tariff plans for sending bulk promotional SMSs, a price restraint has been placed on sending of more than one hundred SMS per day per SIM at a concessional rate. The subscriber is free to send

SMSs beyond this number. However, all such SMSs sent beyond one hundred SMS per day per SIM would be charged at a rate not lower than the rate prescribed by the Authority.

### **The Standard of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Second Amendment) Regulations, 2012 dated 8<sup>th</sup> November 2012**

2.6.13 In order to improve the quality of service provided by the service providers Telecom Regulatory Authority of India had issued 'The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Services (Second Amendment) Regulations, 2012' on 8<sup>th</sup> November 2012, for imposing financial disincentives on the service providers for those who fail to meet the prescribed Quality of Service (QoS) benchmarks for Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service. These regulations also seek to prescribe a financial disincentive on Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service operators for non-compliance with the benchmark for the Network Service Quality Parameters and Customer Service Quality Parameters. The regulations further provide for a deterrent against false and delayed reporting of the Quality of Service benchmarks.



## Telecom Consumers Protection (Fifth Amendment) Regulations, 2012 dated 27<sup>th</sup> November 2012

2.6.14 The Fifth Amendment to the Telecom Consumers Protection Regulations specifies the date from which the provisions prescribed in the Fourth Amendment Regulations dated 20<sup>th</sup> October 2012 would come into effect.

## The Standards of Quality of Service for Wireless Data Services Regulations, 2012 dated 4<sup>th</sup> December 2012

2.6.15 The service providers are rolling out 3G services and these services are presently available in all the service areas. With the roll out of 3G and Broadband Wireless Access (BWA) services, the growth rate in cellular mobile telephone service is poised for higher growth, compared to wireline internet users. Since, there were no quality of service standards for the mobile data services, it was felt necessary to benchmark and monitor the quality of service offered by the service providers of mobile data services. Telecom Regulatory Authority of India, therefore issued the draft regulations on 10<sup>th</sup> July 2012 for comments from stakeholders. Open House Discussions were held on 10<sup>th</sup> October 2012. Based on the comments and discussions Telecom Regulatory Authority of India issued the Standards of Quality of Service for Wireless Data Services Regulations 2012 on 4<sup>th</sup> December 2012.

## The International Telecommunication Cable Landing Station Access Facilitation Charges and Co-location Charges Regulations 2012, dated 21<sup>st</sup> December 2012

2.6.16 Telecom Regulatory Authority of India had issued 'International Telecommunication Access to Essential Facility at Cable Landing Station Regulation' on 07.06.2007. In 2007, with approval of the Authority, owner of cable landing stations published the Access Facilitation Charges (AFC) (a) when access is provided at Cable Landing Station (CLS) and (b) at alternate location when space is not available at CLS. With a view to align AFC with current cost and utilization, Telecom Regulatory Authority of India issued a consultation paper on 22.03.2012. On the basis of cost data submitted by service providers, the Authority has specified Access Facilitation Charges in four Capacities at Cable Landing Station & at Alternate location. These charges are substantially lower than the prevailing charges and are likely to result in:

- Reduction in the price of International Private Leased Circuits (IPLC) for BPOs/ Call Centers, small and medium enterprises (SMEs) and other information technology enabled service providers.
- Availability of International bandwidth at competitive price to ILDOs/ISPs for rapid growth of Broadband services.



- International carriage of voice/data at competitive rates.
- Boosting of competition in the International bandwidth segment.

### **Quality of Service of Broadband Service (Amendment) Regulations, 2012 dated 24<sup>th</sup> December 2012**

2.6.17 The Quality of Service of Broadband Service (Amendment) Regulations, 2012 was issued on 24<sup>th</sup> December 2012. The purpose of these regulations is to prescribe financial disincentives on the Broadband Service providers for failure to meet the prescribed Quality of Service (QoS) benchmarks for Broadband Service. The Regulations have prescribed financial disincentive on Broadband Service Providers for non compliance with the benchmark of the Quality of Service parameters. The Regulations further provide for a deterrent against false and delayed reporting of the Quality of Service benchmarks.

### **Registration of Consumer Organisations Regulations, 2013 dated 21<sup>st</sup> February 2013**

2.6.18 Telecom Regulatory Authority of India issued the Registration of Consumer Organisations Regulations, 2013 on 21<sup>st</sup> February 2013 prescribing framework for Registration of Consumer Organisations for having an interface with the telecom consumers through regular interaction.

### **Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 dated 21<sup>st</sup> February 2013**

2.6.19 The Authority issued the Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 on 21<sup>st</sup> February 2013 to protect the interests of mobile consumers while keeping in mind the major concerns of TSPs in the matter of deactivation of SIMs. The Regulations inter-alia mandate that in cases where a TSP prescribes a condition for deactivation of Cellular Mobile Telephone Connections on the ground of non-usage, the following regulatory guidelines are to be complied with:-

- (i) The mobile connections of prepaid consumers shall not be deactivated for any period of non-usage less than 90 days;
- (ii) For the purpose of usage, a voice call/ video call (incoming or outgoing) or an outgoing SMS or a data usage or usage of Value Added Services, or payment of rental (in case of post paid connection) etc. shall definitely fall in the scope of activity, the service provider may prescribe any other activity as well;
- (iii) There shall be no deactivation if the balance in prepaid consumer account is Rs.20/- or more;
- (iv) An 'Automatic Number Retention Scheme' shall be implemented for



prepaid consumers on payment of reasonable charges;

- (v) A consumer whose connection is deactivated shall be given a grace period of 15 days within which he can reactivate the same number;
- (vi) Consumers shall be transparently communicated the terms and conditions of deactivation of SIMs due to non-usage.

The Regulations also mandated implementation of a 'Safe Custody Scheme' for postpaid consumers on payment of a reasonable charge. Such consumers will not be required to pay monthly rental during the period of safe custody.

### Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment) Regulation 2013 dated 25<sup>th</sup> March 2013

2.6.20 The Authority issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment)

Regulation 2013 on 25<sup>th</sup> March 2013 prescribing a revised framework for audit of metering and billing system of service providers in order to bring further effectiveness in the implementation of the metering and billing analysis. The Regulations mandate the service providers to arrange audit of their Metering and Billing System on an annual basis through anyone of the Auditors notified by TRAI and to furnish to TRAI an audit certificate thereof not later than 31<sup>st</sup> July of every year. The Regulations also provide that the service providers have to take corrective action on the inadequacies, if any pointed out by the Agency in the certificate and to file with TRAI an Action Taken Report thereon not later than 30<sup>th</sup> November of every financial year. Further, for effective implementation of these regulations, TRAI has also prescribed financial disincentive at the rate of



Open House Discussion on 'Review on Implementation of the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations' held on 9<sup>th</sup> January, 2013

Rs.1,00,000/- per week for delay in submission of Audit Reports and Action Taken Reports and financial disincentives not exceeding an amount of Rs.10,00,000/- per action taken report for false or incomplete information.

## BROADCASTING & CABLE TV SECTOR

- ❖ The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 dated 30<sup>th</sup> April 2012
- ❖ The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television System) (First Amendment) Regulations, 2012 dated 14<sup>th</sup> May 2012
- ❖ Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 dated 14<sup>th</sup> May 2012
- ❖ Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012 dated 14<sup>th</sup> May 2012
- ❖ Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013 dated 22<sup>nd</sup> March 2013

### The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 dated 30<sup>th</sup> April 2012

2.6.21 Telecom Regulatory Authority of India has issued “The Telecommunication

(Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012” on 30<sup>th</sup> April 2012. The Salient features of the interconnection regulation are:

- i) The Broadcaster would enjoy ‘must carry’ provision from 1.1.2013 or 1.4.2013 as the case may be, for Hindi, English and channels in the regional language of the concerned area.
- ii) The provision relating to amount charged by broadcaster to MSO remains unchanged. They can charge a maximum of 42% of the rate, they charge in the non-addressable systems.
- iii) The Authority has addressed the issue relating to the Carriage Fee. Keeping in view the fact that substantial investment for implementation of Digital Addressable Cable TV Systems is made by the MSO and the cost involved in carriage of channels, the Authority has decided that every MSO may fix the Carriage Fee. However, it should be published in the Reference Interconnect Offer and applied in a uniform, non-discriminatory and transparent manner. The Carriage Fee cannot be revised upward for a minimum of 2 years. The Authority would intervene in case it is felt that the Carriage Fee is unreasonable.



## **The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (First Amendment) Regulations, 2012 dated 14<sup>th</sup> May, 2012**

2.6.22 TRAI has issued an amendment to the existing Interconnection Regulations, 2012 for DAS on 14<sup>th</sup> May 2012. The salient features of the amendment to the Interconnection Regulations are:

- i) Multi-system operator not to demand any placement fee from the broadcaster.
- ii) The Reference Interconnect Offer of a multi-system operator submitted to the Authority to contain the basis on which the carriage fee payable by the broadcaster has been determined.
- iii) Every broadcaster to declare the genre of its channels which may be either News and Current Affairs or Infotainment or Sports or Kids or Music or Lifestyle or Movies or Religious/Devotional or General Entertainment (Hindi) or General Entertainment (English) or General Entertainment (regional language).
- iv) Every multi-system operator to display, in his Electronic Programme Guide, all the channels offered by him, in the same genre in which a particular channel has been indicated by the broadcaster and one channel shall appear in only one genre.

## **Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 dated 14<sup>th</sup> May, 2012.**

2.6.23 Telecom Regulatory Authority of India has issued “Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012” on 14<sup>th</sup> May 2012. The Salient features of the Quality of service (QoS) Regulations are:

- i) A standard application form giving all details to be used for providing services such as connection, disconnection, shifting and return of set top box etc.
- ii) Prior notice of a minimum of 15 days to be given for disconnection of services to the consumer. Similarly, the consumer to give prior notice of minimum 15 days for making request for disconnection.
- iii) No charges, other than rentals for STB to be charged, in case the connection is suspended on the request of the consumer for a period of minimum one month to maximum three months.
- iv) Operators to publish a manual of practice and also provide it to the consumer at the time of enrolment. The Manual of practice should be in the language of the state where the cable services are provided apart from Hindi and English.





- v) Consumer complaints to be responded within 8 hours.
- vi) In case consumer is not satisfied with the redressal of his complaints through Complaint Centre, he can approach the nodal officer of the operator.
- vii) Every multi-system operator to offer cable TV services with both pre-paid and post-paid payment options and be responsible for generation of bills to the consumers.
- viii) Operators to offer three schemes for set top boxes to the consumers namely outright purchase, hire purchase and rental.
- ix) Minimum warranty of one year to be provided for set top boxes acquired by the consumer under outright purchase scheme.
- x) The security deposit for the set top boxes to be refunded within seven days of surrender of the set top box by the consumer.
- xi) Every multi-system operator to have a website giving details of services being offered, rates of services being offered.
- xii) Multi-system operators and the cable TV operators to conduct public awareness campaign about the salient features of the provisions of these regulations.

### **Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012(13 of 2012) dated 14<sup>th</sup> May, 2012.**

2.6.24 TRAI has issued Consumer's Complaint Redressal mechanism for the Digital Addressable Cable TV Systems on 14<sup>th</sup> May 2012. The salient features of the Consumer Complaint Redressal mechanism are:

- i) Every multi-system operator or his linked local cable operator, before providing the services, to establish a complaint centre in his service area for redressal of complaints and addressing service requests of consumers.
- ii) The consumer care number has to be toll free and to be widely publicised.
- iii) Every multi-system operator or his linked local cable operator to establish a web based complaint monitoring system to enable the consumers to monitor the status of their complaints.
- iv) Every multi-system operator or his linked local cable operator to appoint or designate one or more nodal officer in every state in which it is providing its services.
- v) Multi-system operators or his linked cable operator has to publish a consumer's charter for Digital Addressable Cable TV systems providing all necessary details with

respect to the services being provided by them.

### Regulation on “Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013” dated 22<sup>nd</sup> March 2013.

2.6.25 Telecom Regulatory Authority of India notified the regulation on “Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013” on 22<sup>nd</sup> March 2013. This regulation mandated the broadcasters to restrict the duration of advertisements in their channels to a maximum of 12 minutes in any given clock-hour as prescribed in the existing rules. In order to monitor and ensure compliance of these regulations, broadcasters are now also mandated to report the duration of advertisements carried in their channels to the Authority on quarterly

basis in a proforma prescribed by the Authority.

2.7 During the year 2012-13, the Authority issued the following Tariff Orders in the Telecom and Broadcasting sectors.

#### TELECOM SECTOR

- ❖ Telecommunication Tariff (50<sup>th</sup> Amendment) Order, 2012 dated 19<sup>th</sup> April 2012
- ❖ Telecommunication Tariff (51<sup>st</sup> Amendment) Order, 2012 dated 20<sup>th</sup> April 2012
- ❖ Telecommunication Tariff (52<sup>nd</sup> Amendment) Order, 2012 dated 19<sup>th</sup> September 2012
- ❖ Telecommunication Tariff (53<sup>rd</sup> Amendment) Order, 2012 dated 1<sup>st</sup> October 2012
- ❖ Telecommunication Tariff (54<sup>th</sup> Amendment) Order, 2012 dated 5<sup>th</sup> November 2012



Open House Discussion on ‘Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations’ held on 23<sup>rd</sup> November, 2012

## Telecommunication Tariff (50<sup>th</sup> Amendment) Order, 2012 dated 19<sup>th</sup> April 2012

2.7.1 50<sup>th</sup> Amendment to Telecommunication Tariff Order, 1999 was issued on 19<sup>th</sup> April 2012 enhancing the ceiling on processing fee from Rs. 2/- to Rs. 3/- for certain categories of top-up vouchers.

## Telecommunication Tariff (51<sup>st</sup> Amendment) Order, 2012 dated 20<sup>th</sup> April 2012

2.7.2 To facilitate consumer choice, the Telecommunication Tariff Order, 1999 (51<sup>st</sup> Amendment) mandates provision of a "Per Second Pulse Rate" by every service provider. After this amendment it has become mandatory for service providers to offer in each service area at least one tariff plan each for both postpaid and prepaid subscribers with a uniform pulse rate of one second.

This amendment, while also giving service providers a small margin of flexibility in applying revisions in International Long Distance (ILD) tariffs for existing subscribers, provides that any revision in ILD tariffs is to be applied uniformly for new as well as existing subscribers and existing subscribers will also remain eligible for subscribing to any special packs providing free or concessional ILD usage charges.

## Telecommunication Tariff (52<sup>nd</sup> Amendment) Order, 2012 dated 19<sup>th</sup> September 2012

2.7.3 With a view to improve compliance of regulatory mandates, the Telecommunication Tariff (52<sup>nd</sup> Amendment) Order notified on 19<sup>th</sup> September 2012 provided for financial disincentives on service providers in the following situations:

- (i) Financial Disincentives on delay in reporting tariff: If any service provider fails to comply with the Reporting Requirement as envisaged under TTO 1999, it will be liable to pay five thousand rupees by way of financial disincentive, for every day of delay subject to maximum of two lakh rupees as the Authority may by order direct.
- (ii) Financial Disincentives for Levy of excess Charges from consumers: In cases where it comes to the notice of the Authority that excess charges have been levied in violation of the provisions of Tariff Orders and the same is ordered to be refunded to the affected subscribers, the service providers shall, in addition to such refund, remit to Telecom Regulatory Authority of India an amount not exceeding the total of such excess amount charged from subscribers.



### **Telecommunication Tariff (53<sup>rd</sup> Amendment) Order, 2012 dated 1<sup>st</sup> October 2012**

2.7.4 This Tariff Order notified on 01.10.2012 mandated that the Processing Fee levied on top-up vouchers shall not exceed 10% of Maximum Retail Price or three rupees whichever is less. Keeping in view the difficulties in implementing the ceiling tariff and feedback received during the consultation process, the Authority vide this 53<sup>rd</sup> Amendment decided to keep the tariff for calls made and SMS sent to participate in contests, competition and voting, under forbearance.

### **Telecommunication Tariff (54<sup>th</sup> Amendment) Order, 2012 dated 5<sup>th</sup> November 2012**

2.7.5 This Tariff Order notified on 05.11.2012 prescribed further measures to tighten the framework for controlling the menace of Unsolicited Commercial Communications (UCC), especially relating to commercial SMS from unregistered telemarketers. As per the Tariff Order every SMS beyond 100 SMS per day / per SIM is to be charged at not less than 50 paisa.

## **BROADCASTING AND CABLE TV SECTOR**

◆ The Telecommunication (Broadcasting and Cable) Services (Fourth)

(Addressable Systems) Tariff (First Amendment) Order, 2012 dated 30<sup>th</sup> April 2012

### **The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012 dated 30<sup>th</sup> April 2012**

2.7.6 Telecom Regulatory Authority of India has issued “The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012” on 30<sup>th</sup> April 2012. The Salient features of the Tariff Order are:

- i) All channels (pay and free-to air) to be offered on a-la-carte basis to subscribers.
- ii) There will be a Basic Service Tier (BST) consisting of a minimum of 100 free-to air (FTA) channels comprising of at least 5 channels of each genre namely news and current affairs, infotainment, sports, kids, music, lifestyle, movies and general entertainment in Hindi, English and regional language of the concerned region. 18 channels of Public Broadcaster and Lok Sabha channel will also form the part of the BST. While Multi-system Operator (MSO) has to offer the Basic Service Tier, it is not obligatory for subscriber to subscribe to the BST. Instead subscriber can form his own package of a maximum of 100 FTA channels. In



either case the MSO cannot charge the subscriber more than Rs. 100/- per month.

- iii) It shall be open to the subscriber to subscribe to the BST or one or more FTA channels or one or more Pay channels or bouquets offered by MSO or any combination of these.
- iv) In case subscriber chooses Pay channel(s) with or without FTA channel(s) the MSO can fix a minimum monthly subscription not exceeding Rs. 150/-. If the total value of the channels/ bouquets opted by the subscriber exceeds Rs. 150/- then actual subscription charges has to be paid.
- v) The basic purpose of digitization is to ensure ample choice to the consumer as well as to enable him to budget his subscription according to his paying capacity. Accordingly, the Authority has mandated MSOs to carry a minimum of 500 channels from 1.1.2013. However, keeping in view that the smaller MSOs having less than 25000 subscribers may need some additional time for building the capacity, they have been given time up to 1.4.2013. Besides, to ensure that the consumer is not adversely affected, the Authority has prescribed that every MSO should have a minimum capacity to carry 200 channels from 1<sup>st</sup> July, 2012. Authority

expects that all the MSOs operating in areas of Phase-II onwards would take suitable measures to enhance the channel carrying capacity to 500 channels.

- vi) Only those MSOs that have the requisite capacity, as mentioned above, can invoke 'must provide' clause. The broadcasters shall not provide their channels to MSOs who have channel carrying capacity of less than 200 channels immediately and less than 500 channels from 1.1.2013 or 1.4.2013 in case of smaller MSOs.
- vii) The MSOs can fix the retail tariff and also package and price offerings. However, the sum of the a-la-carte rates of channels, forming part of a bouquet, shall not exceed 1.5 times the rate of the bouquet. Further, the a-la-carte rate of any channel shall not exceed 3 times the average channel rate of the bouquet.
- viii) The July 2010 Tariff Order provides that the revenue share between the MSO and LCO shall be based on mutual negotiations. The Authority has now prescribed that in case the mutual negotiations fail, the revenue share shall be in the ratio of 55:45 (MSO: LCO) for BST or FTA channels. The revenue share for Pay channels or bouquet of Pay channels with or without FTA channels shall be in the ratio of 65:35 (MSO: LCO).



2.8 Telecom Regulatory Authority of India issued the following Directions to the Service Providers during the year 2012-13 for compliance of its order / Regulations.

## TELECOM SECTOR

- ◆ Direction dated 11<sup>th</sup> April 2012 to M/s S Tel Private Limited for ensuring compliance of the terms and conditions of the Unified Access Service License and 'Continuity of Service' to subscribers
- ◆ Direction dated 11<sup>th</sup> April 2012 to M/s Etisalat DB Telecom Private Limited for ensuring compliance of the terms and conditions of the Unified Access Service License and 'Continuity of Service' to subscribers
- ◆ Direction dated 12<sup>th</sup> June 2012 under section 13, read with sub-clauses (i) and (v) of clause (b) of sub-section (1) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) and clause 11 of the Telecom Tariff Order, 1999, on issues arising out of the audit of the metering and billing system of service providers
- ◆ Second Amendment dated 26<sup>th</sup> June 2012 to Direction issued vide F.No.341-3/2011-CA (QoS) dated 27<sup>th</sup> September, 2011 regarding exemption from the limit of two hundred SMS per SIM per day for non-commercial communications category

- ◆ Direction dated 27<sup>th</sup> July 2012 to service providers for delivering broadband services in a transparent manner by providing adequate information to broadband consumers
- ◆ Direction dated 7<sup>th</sup> September 2012 to service providers on missed calls (wangiri calls) originating from outside the country
- ◆ Direction dated 14<sup>th</sup> September 2012 prescribing additional transparency measures to protect the interest of consumers in the matter of charging on black out days.
- ◆ Direction dated 15<sup>th</sup> October 2012 to M/s Tata Teleservices for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ◆ Direction dated 15<sup>th</sup> October 2012 to M/s Vodafone for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ◆ Direction dated 15<sup>th</sup> October 2012 to M/s Reliance Telecom Limited for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ◆ Direction dated 15<sup>th</sup> October 2012 to M/s Reliance Communication for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC





- ❖ Direction dated 15<sup>th</sup> October 2012 to M/s Idea for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ❖ Direction dated 15<sup>th</sup> October 2012 to M/s Aircel for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ❖ Direction dated 15<sup>th</sup> October 2012 to M/s Bharti Airtel for disconnection of ported mobile numbers from M/s loop Telecom Limited without valid UPC
- ❖ Direction dated 6<sup>th</sup> November 2012 to M/s Mahanagar Telephone Nigam Ltd. (MTNL) to ensure compliance of the provisions of the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations, 2006 dated the 27<sup>th</sup> November, 2006
- ❖ Direction dated 6<sup>th</sup> November 2012 to M/s Reliance Communications Ltd. to ensure compliance of the provisions of the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations, 2006 dated the 27<sup>th</sup> November, 2006
- ❖ Direction dated 6<sup>th</sup> November 2012 to M/s Bharti Airtel to ensure compliance of the provisions of the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations, 2006 dated the 27<sup>th</sup> November, 2006
- ❖ Direction dated 17<sup>th</sup> December 2012 to M/s Sistema Shyam Teleservices Ltd., Gurgaon to inform subscribers about closure of service pursuant to auction results of spectrum announced by the Central Government
- ❖ Direction dated 17<sup>th</sup> December 2012 M/s Videocon Telecommunications Ltd., Gurgaon to inform subscribers about closure of service pursuant to auction results of spectrum announced by the Central Government
- ❖ Direction dated 17<sup>th</sup> December 2012 to M/s Unitech Wirelss (Tamilnadu) Pvt. Ltd, Gurgaon to inform subscribers about closure of service pursuant to auction results of spectrum announced by the Central Government
- ❖ Direction dated 17<sup>th</sup> December 2012 to M/s Tata Teleservices Ltd., Mumbai to inform subscribers about closure of service pursuant to auction results of spectrum announced by the Central Government
- ❖ Direction dated 22<sup>nd</sup> February 2013 to M/s Unitech / All Cellular Mobile Telephone service providers / Access Service Providers regarding facilitation of Mobile Number Portability for consumers of M/s Unitech
- ❖ Direction dated 11<sup>th</sup> March 2013 to bar the porting transactions of the licensees who discontinued there services subsequent to Hon'ble Supreme Court order

**Direction dated 11<sup>th</sup> April, 2012 to M/s Etisalat and M/s S.Tel for ensuring compliance of the terms and conditions of the Unified Access Service License, restoring network connectivity, maintaining quality of service and ensuring continuity of service to subscribers**

2.8.1 The Direction was in the context of M/s Etisalat and M/s S.Tel, who had unilaterally closed down their services citing the orders of the Hon'ble Supreme Court, quashing their licenses. However, Hon'ble Supreme Court's order was to take effect from a prospective date and the service providers were therefore to comply with license terms and conditions till that date. The direction was issued to protect the interest of customers as long as the licenses of these service providers remained operational.

**Direction dated 12<sup>th</sup> June 2012 on issues arising out of the audit of the metering and billing system of service providers**

2.8.2. This direction seeks to address issues relating to overcharging due to wrong configuration of number series and tariff plans. Through this direction the Authority has mandated the service providers to implement two Master Tables containing various items, one relating to configuration of new number series and the other relating to configuration of new tariff plans. The Master Table will help in avoiding delay in configuration of new number

series and tariff plan and thereby reduce incidences of wrong charging of consumers. Also the Master Tables will provide an audit trail to auditors for proper verification of billing.

**Second Amendment dated 26<sup>th</sup> June 2012 of Direction issued vide F.No.341-3/2011-CA (QoS) dated 27<sup>th</sup> September, 2011 regarding exemption from the limit of two hundred SMS per SIM per day for non-commercial communications category**

2.8.3 Through the Second Amendment to 27.9.2011 direction, exemptions were given to M/s Jaxtr SMS, M/s Hike and M/s Latlong from the limit of two hundred SMS per SIM per day for non-commercial communications category.

**Direction dated 27<sup>th</sup> July 2012 to service providers for delivering broadband services in a transparent manner by providing adequate information to broadband consumers**

2.8.4 In order to ensure transparency in delivery of broadband services and to protect interests of consumers in the telecom sector, a Direction was issued to telecom service providers for delivering broadband services in a transparent manner by providing adequate information to the broadband consumers about various plans and Fair Usage Policy (FUP).

Through this Direction, telecom service providers have been directed to provide adequate information on Fair Usage Policy (FUP); to ensure that



speed of broadband connection is not reduced below the minimum speed specified and to provide alert to consumers when their data usage reaches 80% and 100% of the data usage limit bundled with the plan.

### **Direction dated 7<sup>th</sup> September 2012 on missed calls (wangiri calls) originating from outside the country**

2.8.5 It has come to Telecom Regulatory Authority of India's notice that consumers are receiving missed calls from international locations prompting them to respond. When the consumer tries to call back the number, a large amount of money is deducted from his account. This direction seeks to address issues relating to such missed calls (also known as wangiri calls). Service providers have been mandated to provide ISD connection to prepaid consumers only with their consent, inform consumers through SMS to give their consent for ISD facility within 60 days, discontinue ISD facility of those prepaid consumers who have not given consent and provide easy opt-in and opt-out facility for ISD.

### **Direction dated 14<sup>th</sup> September 2012 prescribing additional transparency measures to protect the interest of consumers in the matter of charging on black out days.**

2.8.6 Through direction dated 14<sup>th</sup> September 2012 Telecom Regulatory

Authority of India prescribed additional measures with a view to enhance transparency in the matter of charging on blackout days. The term 'blackout days' refers to the days on which the service providers do not allow free or concessional voice calls/SMS offered by them under any plan/package. Certain guidelines were already in place mandating that the number of blackout days shall not exceed five in a calendar year and that no alteration in any such date is allowed after the package is subscribed by the consumer. The additional measures now mandated include the following:

- (i) The charges for calls or SMSs on 'blackout' days shall not exceed the rate in the tariff plan in which the consumer is enrolled;
- (ii) Consumers shall be given intimation prior to start of every blackout day and the date/ occasion of the blackout day shall also be intimated; and
- (iii) List of blackout days applicable for the calendar year shall be displayed on the website of service providers, before start of every calendar year and shall be published, service area wise, along with the tariff plans of the service provider, every six months.

**Direction dated 15<sup>th</sup> October 2012 to (i) M/s Tata Teleservices; (ii) M/s Vodafone; (iii) M/s Reliance Telecom Limited; (iv) M/s Reliance**



### **Communication; (v) M/s Idea; (vi) M/s Aircel; and (vii) M/s Bharti Airtel for disconnection of ported mobile numbers from M/s Loop Telecom Limited without valid UPC**

2.8.7 The direction aimed at curbing certain malpractices by Telecom service providers wherein they were porting premium / fancy numbers from telecom service providers whose licenses were quashed by the Hon'ble Supreme Court.

### **Direction dated 6<sup>th</sup> November 2012 to (i) M/s Mahanagar Telephone Nigam Ltd. (MTNL); (ii) M/s Reliance Communications Ltd.; and (iii) M/s Bharti Airtel to ensure compliance of the provisions of the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations, 2006 dated the 27<sup>th</sup> November, 2006 (13 of 2006)**

2.8.8 Telecom Regulatory Authority of India had issued Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006 (13 of 2006) on 27<sup>th</sup> November 2006 (hereinafter referred to as IN regulations) to facilitate the subscribers of an access provider to access the IN Services provided by any other service provider. In order to ensure the compliance of the provisions of the IN Services Regulations, 2006 and that no service provider can deny its consumers to

access Free Phone services of their choice, which are available in multi operator scenario, Direction under section 13, read with sub clause (ii), (iii), (iv), (vi) and (vii) of clause (b) of sub-section (1) of section 11 of Telecom Regulatory Authority of India Act, 1997, were issued to M/s MTNL, M/s Bharti and M/s Reliance.

### **Direction dated 17<sup>th</sup> December 2012 to (i) M/s Sistema Shyam Teleservices Ltd., Gurgaon, (ii) M/s Videocon Telecommunications Ltd., Gurgaon, (iii) M/s Unitech Wireless (Tamilnadu) Pvt. Ltd., Gurgaon and (iv) M/s Tata Teleservices Ltd., Mumbai to inform subscribers about closure of service pursuant to auction results of spectrum announced by the Central Government**

2.8.9 Mobile Operators whose licences were quashed by the orders of the Hon'ble Supreme Court and who have not acquired the spectrum in the Auction conducted by the Government, were required to close down their services on or before 18<sup>th</sup> January 2013. Accordingly directions were issued to service providers to inform the date of discontinuance of services to all their existing subscribers in the concerned service areas, either in writing or through SMS and also to inform every new subscriber at the time of enrolment. This was intended to make subscribers aware of the impending closure of services and enable them to make alternate arrangements.



### **Direction dated 22<sup>nd</sup> February 2013 to M/s Unitech regarding facilitation of Mobile Number Portability for consumers**

2.8.10 In pursuant to the Hon'ble Supreme Court's order /Judgment dated 15<sup>th</sup> Feb 2013, M/s Unitech closed down its services in 15 service areas where M/s Unitech did not acquire any spectrum in the auction conducted by the DoT. Considering the facts that a large number of subscribers could not consume their available balance amount and they could not avail the facility of Mobile Number Portability to port their number to the other Service providers in Mumbai and Kolkata service areas due to sudden closure of network, a Direction was issued to all TSPs and MNPSs regarding facilitation of Mobile Number Portability for subscribers of M/s Unitech Wireless (Tamilnadu) Private Limited in these service areas.

### **Direction to bar the porting transactions of the Licensees who discontinued their services subsequent to Hon'ble Supreme Court order dated 11<sup>th</sup> March 2013**

2.8.11 It had been brought to the notice of Telecom Regulatory Authority of India that the mobile telephone numbers belonging to the service providers who have not either commenced their operations, or closed their operations pursuant to the judgment / order of the Hon'ble Supreme Court, are being ported. Telecom Regulatory Authority

of India directed all the MNP service providers not to process and the Telecom Service Providers not to entertain the request for porting in respect of mobile telephone numbers belonging to such service providers.

### **BROADCASTING & CABLE TV SECTOR**

- ◆ Direction dated 22<sup>nd</sup> February 2013 to MSOs under Section 13 of the Telecom Regulatory Authority of India Act, 1997, for implementation of Digital Addressable Cable TV Systems (DAS)
- ◆ Direction dated 22<sup>nd</sup> February 2013 to Local Cable Operators under Section 13 of the Telecom Regulatory Authority of India Act, 1997, for implementation of Digital Addressable Cable TV Systems (DAS)

### **Direction dated 22<sup>nd</sup> February,2013 to MSOs under Section 13 of the Telecom Regulatory Authority of India Act, 1997, for implementation of Digital Addressable Cable TV Systems (DAS).**

2.8.12 A direction, dated 22<sup>nd</sup> February,2013, to all MSOs registered for providing cable TV services through DAS in notified DAS areas covered under Phase I of DAS implementation was issued, directing to comply with the provisions of clause 20 of the "Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012". Multi-System Operators operating in notified areas of DAS are required to ensure that all the relevant subscribers details including choice of channels/bouquets



in respect of all the active set-top boxes in the subscriber management system have been completely entered into the said system and submit to the Authority its compliance report within 7 days of the issue of this direction.

**Direction dated 22<sup>nd</sup> February, 2013 to LCOs under Section 13 of the Telecom Regulatory Authority of India Act, 1997, for implementation of Digital Addressable Cable TV Systems (DAS).**

2.8.13 A direction was issued to LCOs providing cable TV services through DAS in notified DAS areas covered under Phase I of DAS implementation under Section 13 of the Telecom Regulatory Authority of India Act, 1997, for implementation of Digital Addressable Cable TV Systems (DAS), directing:-

- (a) All the Linked Local Cable Operators of the multi-system operators operating in DAS areas shall ensure that, the consumer application forms, in respect of all the subscribers where the Set-Top-Boxes have been seeded, duly filled and complete in all respect (all the relevant consumer details and his choice of channels/ bouquets) have been collected from the subscribers and the same are provided to the linked multi-system operators.
- (b) A compliance report in this regard shall be submitted by all linked local cable operators to the Authority containing the following details:-

- (i) total number of STBs received from the linked multi-system operator(s)
- (ii) total number of STBs seeded and operationalised.
- (iii) total number of consumer application forms duly filled and complete in all respects (all the relevant consumer details and his choice of channels/ bouquets) submitted to the linked multi-system operator(s).

A compliance report with respect to information in sub-paragraphs (a) and (b) above shall be submitted to the Authority within 7 days from the date of issue of this Direction.

2.9. Telecom Regulatory Authority of India interacts with various stakeholders such as the service providers, their organizations, Consumer Advocacy Groups / Consumer Organizations and other experts in the field. It has developed a process, which allows all the stakeholders and the general public to participate in policy formulation by offering their views whenever sought for on Consultation Papers. In addition to the Consultation Papers which have culminated in issue of Recommendations / Regulations / Telecom Tariff Order, the following Consultation Papers were also issued during the year 2012-13.

**TELECOM SECTOR**

- ◆ Consultation Paper on Telecom network failures during Emergencies/



Disasters – Priority routing of calls of persons engaged in ‘response and recovery’ dated 10<sup>th</sup> May 2012

- ❖ Pre-Consultation Paper on Review of Tariff for National Roaming dated 20<sup>th</sup> December 2012
- ❖ Consultation Paper on “Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR “ dated 28<sup>th</sup> December 2012
- ❖ Pre-Consultation Paper on Full Mobile Number Portability (Pan-India Number Portability) dated 20<sup>th</sup> February 2013
- ❖ Consultation Paper on Review of Tariff for National Roaming dated 25<sup>th</sup> February 2013

- ❖ Consultation Paper on “Universal Single Number Based Integrated Emergency Communication and Response System” dated 15<sup>th</sup> March 2013

- ❖ Consultation on the draft Telecommunication Mobile Number Portability (Fifth Amendment) Regulations, 2013 issued on dated 19<sup>th</sup> March 2013

### **Consultation Paper dated 10<sup>th</sup> May 2012 on Telecom network failures during Emergencies/Disasters – Priority routing of calls of persons engaged in ‘response and recovery’**

2.9.1 In order to facilitate a mechanism wherein important functionaries engaged in ‘response and recovery’ work during emergencies get the calls



on priority, TRAI had issued a consultation paper on Telecom network failures during Emergencies/ Disasters – Priority routing of calls of persons engaged in ‘response and recovery’ had been issued on 10<sup>th</sup> May, 2012 for seeking comments of the stakeholders. An open house session on the subject was conducted by TRAI in Delhi on 10<sup>th</sup> October 2012. Subsequently a seminar was held on 21<sup>st</sup> November 2012 to discuss the technical issues involved in implementation of Priority Call Routing in India.

### **Pre-Consultation Paper dated 20<sup>th</sup> December 2012 on Review of Tariff for National Roaming**

2.9.2 The tariff for National Roaming Services was last specified by the Authority through Telecommunication Tariff Order (44<sup>th</sup> Amendment) dated 24<sup>th</sup> January, 2007. In view of the changes in regimes governing some of the cost components which formed part of the national roaming charges, the Authority decided to conduct a comprehensive review.

On 20<sup>th</sup> December 2012 TRAI released a Pre-Consultation Paper on the subject and sought inputs from the stakeholders on the broad framework of tariff for national roaming services so as to enable the Authority to prepare a detailed comprehensive Consultation Paper. The consultation

paper was released on 25.02.2013; it discussed the pros and cons of different approaches to the regulation of tariffs for national roaming. The possibility of mandating free national roaming as envisaged in National Telecom Policy, 2012 was deliberated in the Consultation Paper with a detailed impact analysis. In addition, the paper also sought the views of stakeholders on the tariff regime for video calls and SMS while on national roaming and on the desirability of allowing Special Tariff Vouchers (STVs) for national roaming service. Further an OHD was also held on the subject on 07.05.2013 at New Delhi.

### **Consultation Paper dated 28<sup>th</sup> December 2012 on “Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR”**

2.9.3 TRAI received a reference from Department of Telecommunication (DoT) seeking TRAI’s recommendations under Section 11(1)(a)(ii) of TRAI Act, on the following:

- (i) The definition of AGR in the ISP License Agreements for provision of Internet Services, and amendment in the license(s) thereof, in the following categories:-
  - ISP license(s) granted under 1998 guidelines (ISP Category Licence)





- ISP license(s) granted under 2002 guidelines and subsequently under 2007 guidelines (ISP-IT Category Licence)
- (ii) Applicability of minimum presumptive AGR and value, if applicable, for BWA Spectrum holders under Internet Service / Access Service license(s), keeping in view the provisions of Notice inviting Application (NIA) of 3G / BWA spectrum auction and in case of other licenses with or without

spectrum, including access service licenses.

- (iii) Amendment in the “Format of Statement of Revenue and Licence Fee” to be reported by various categories of Internet Service Licensees and UAS Licensees.

Accordingly, TRAI issued consultation paper on “Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and

minimum presumptive AGR” on 28<sup>th</sup> December, 2012 to seek comments of the stakeholders.

### **Pre-Consultation Paper dated 20<sup>th</sup> February 2013 on Full Mobile Number Portability (Pan-India Number Portability)**

2.9.4 In accordance with the provisions contained in the National Telecom Policy-2012 regarding “One Nation-Full Mobile Number Portability”, TRAI received a reference from DoT vide its letter dated 27<sup>th</sup> Dec 2012, seeking the recommendations of TRAI under TRAI Act for full Mobile Number Portability i.e. MNP across licensed service areas.

In order to implement Full Mobile Number Portability, issues relating to processing of porting requests, routing, charging, testing etc need to be identified and addressed. Through this pre-consultation paper, TRAI sought views from stakeholders on various issues like optimum method of implementing Inter-service area porting, amendments required in the existing license conditions of the MNP service license, generation of UPC by roaming subscriber, modifications required in the present MNP regulations etc.

Pre-Consultation paper was issued on 20<sup>th</sup> February 2013 for seeking comments of the stakeholders.

### **Consultation Paper dated 25<sup>th</sup> February 2013 on Review of Tariff for National Roaming**

2.9.5 The tariff for National Roaming Services was last specified by the Authority through Telecommunication Tariff Order (44<sup>th</sup> Amendment) dated 24<sup>th</sup> January, 2007. In view of the changes in regimes governing some of the cost components which formed part of the national roaming charges, the Authority decided to conduct a comprehensive review.

The consultation paper analyzed the pros and cons of different approaches to the regulation of tariffs for national roaming. The possibility of mandating free national roaming as envisaged in National Telecom Policy, 2012 was deliberated in the Consultation Paper with a detailed impact analysis. In addition, the Consultation Paper also sought the views of stakeholders on the tariff regime for video calls and SMS while on national roaming and on the desirability of allowing Special Tariff Vouchers (STVs) for national roaming service.

### **Consultation Paper dated 15<sup>th</sup> March 2013 on “Universal Single Number Based Integrated Emergency Communication and Response System”**

2.9.6 Most emergencies usually involve direct risk to health, life, property or environment and therefore require



urgent intervention. Presently in India, different emergency communication & response systems are in place for police, ambulance, fire brigade, civil defence, disaster management etc. These systems are accessed through different numbers such as 100(Police), 101(Fire), 102(Ambulance) & 108 (Emergency Disaster Management) etc.

In most developed countries an Integrated Emergency Communication & Response system is available that is accessed through a universal single number by their citizens. For example

in USA, number '911' is used; in most of the European countries number '112' has been provided for emergency response. In view of the various shortcomings in the present system, there is a need to have a similar system in India too. However, there are challenges in its implementation particularly when there are various government departments/agencies involved in handling different types of emergencies.

TRAI issued a consultation paper on "Universal Single Number Based Integrated Emergency Communication



Workshop on 'Issues Involved in Implementation of Emergency Communication System' held on 31<sup>st</sup> October, 2012

and Response System” dated 15<sup>th</sup> March 2013 for seeking comments of the stakeholders. Through this consultation paper TRAI had sought comments on stakeholders on issues related to telecom in implementation of IECRS. Some of the issues are types of emergency services that should be available through single emergency number, identification of Universal single emergency number, technical issues involved in identification & transfer of caller’s location in real time (particularly for mobile users), funding mechanism, language translation issues etc.

### Consultation on draft Telecommunication Mobile Number Portability (Fifth Amendment) Regulations, 2013 issued on 19<sup>th</sup> March 2013

2.9.7 The Authority had earlier issued the Telecommunication Mobile Number Portability Regulations, 2009 dated 23<sup>rd</sup> September 2009 laying down the basic business process framework for implementation of Mobile Number Portability in the country. The Authority received complaints from the subscribers of corporate mobile numbers that their porting requests have been rejected by the donor operators under the category ‘contractual obligation’ for want of permission / authorisation from the company / corporate for porting such numbers. In order to address these

issues, TRAI issued the draft amendment to the MNP Regulation seeking the comments of the stakeholders.

### BROADCASTING & CABLE TV SECTOR

- ❖ Consultation Paper on “Issues related to amendment to the Interconnection Regulations applicable for Digital Addressable Cable TV Systems & Tariff Order applicable for Addressable Systems” dated 20<sup>th</sup> December, 2012
- ❖ Consultation Paper on Issues relating to Media Ownership dated 15<sup>th</sup> February 2013

### Consultation Paper on “Issues related to amendment to the Interconnection Regulations applicable for Digital Addressable Cable TV Systems & Tariff Order applicable for Addressable Systems” dated 20<sup>th</sup> December, 2012

2.9.8 A consultation paper on “Issues related to amendment to the Interconnection Regulations applicable for Digital Addressable Cable TV Systems & Tariff Order applicable for Addressable Systems” was issued on 20.12.2012. The consultation paper sought views on various issues, some of which were as under: -

- i) Minimum channel carrying capacity of MSOs
- ii) Regulation of placement fee
- iii) Modification of the twin conditions to prevent perverse pricing at retail level



- iv) Minimum prescription period of channels
- v) Option to subscriber regarding choice of channel (s) / bouquet (s)
- vi) Manner of offerings of bouquet(s) of channels which require special Set Top Boxes (STBs)
- vii) Devising rules / restrictions in case of mergers and acquisitions in the media sector.
- viii) Devising ownership rules for vertical integration between broadcasting and distribution entities.
- ix) Prescribing norms for mandatory disclosures by media entities.

### Consultation Paper dated 15<sup>th</sup> February 2013 on Issues relating to Media Ownership

2.9.9 A consultation paper on “Issues relating to Media Ownership” was issued on 15.02.2013. The consultation paper sought views on various issues, some of which are as under:-

- i) Disqualification of certain entities from entry in the media sector.
- ii) Methodology to be used to measure ownership/control of an entity over a media outlet.
- iii) Identification of media segments wherein media ownership rules are to be prescribed.
- iv) Identification of genres to be considered while framing media ownership rules.
- v) Identification of relevant market(s) for evaluating various parameters to be used for devising media ownership rules and the methodology for measuring these parameters.
- vi) Devising media ownership rules within and across media segments.

### REVIEW OF WORKING AND OPERATION OF THE TELECOM REGULATORY AUTHORITY OF INDIA

2.10 The working and operation of Telecom Regulatory Authority of India in the specific context of policy framework is reviewed in the following paragraphs in respect of (a) Rural Telephone Network; (b) Expansion of Telephone Network; (c) Entry of Private Sector in basic and value added service; (d) Technical Compatibility and effective interconnection with service providers; (e) Telecommunication Technology; (f) Implementation of National Telecom Policy; (g) Quality of Service; and (h) Universal Service Obligation are elaborated below.

#### (a) Rural Telephone Network

2.10.1 The total rural subscriber base has reached 349.22 million as on 31<sup>st</sup> March 2013 from 330.82 million 31<sup>st</sup> March 2012. The rural teledensity has increased to 41.02 at the end of March 2013 from 39.22 at the end of March 2012.

The rural wireline subscriber base is decreasing. As on 31<sup>st</sup> March, 2013,



the rural wireline subscriber base stood at 6.71 million as compared to 7.55 million at the end of 31<sup>st</sup> March, 2012. Whereas the rural wireless subscriber base is increasing during the same period. As on 31<sup>st</sup> March 2013, the Wireless rural [Mobile and WLL(F)] market has reached the 342.50 million mark as against 323.27 million as on 31<sup>st</sup> March 2012. 39.47% of total wireless subscribers are now in rural areas.

## (b) Expansion of Telephone Network

2.10.2 As on 31<sup>st</sup> March, 2013, the total wireline subscriber base stood at 30.21 million. The incumbents BSNL and MTNL have 67.67% and 11.45% market share respectively in the subscriber base, while all the six private operators together have 20.88% share. The share of private operators has increased from 19.41% as on 31<sup>st</sup> March, 2012 to 20.88% as on 31<sup>st</sup> March, 2013.

The Wireless Subscriber base was 867.80 million as on 31<sup>st</sup> March 2013 in comparison to the subscriber base of 919.17 million as on 31<sup>st</sup> March 2012. The subscriber base has reduced by 51.37 million subscribers in the financial year 2012-13. The total subscriber base of wireless services has grown from 261.07 million in March 2008 to 867.80 million in March 2013. Out of 867.80 million subscribers at the end of financial year

2012-13, 794.03 million (91.50%) were GSM Subscribers and 73.77 million (8.50%) were CDMA Subscribers.

In the wireless segment subscriber base of GSM was 794.03 million subscribers at the end of March 2013, as compared to 814.06 million as at the end of March 2012. GSM subscriber base reduced by around 20.03 million subscribers during the year.

In terms of subscriber base and market share of GSM services, M/s Bharti with 188.20 million subscriber base remains the largest GSM Service providers followed by M/s Vodafone, M/s Idea/Spice, and M/s BSNL with subscriber base of 152.35 million, 121.612 million and 98.50 million respectively.

In Cellular CDMA Services, in terms of subscriber base and market share, M/s Reliance with 38.68 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 20.28 million, and 11.91 million, respectively.

## (c) Entry of Private Sector in Basic and Value Added Services

2.10.3 At present, there are a total of 184 Access Service licensees providing basic and cellular mobile services in the country. The license wise break up is as below:



Type of Licence	Number of licences
Basic	2 (PSUs-BSNL and MTNL)
CMTS	37
UAS	145

**(d) Technical Compatibility and effective Interconnection between Service Providers**

2.10.4 Under the TRAI Act, the Authority is mandated to fix the terms and conditions of interconnectivity and to ensure technical compatibility and effective interconnection between service providers. Interconnection lies at the core of the telecom business in a multi-operator environment. The terms and conditions of interconnection need to be regulated to ensure a level playing field among service providers. Accordingly, the following interconnection charges were prescribed by TRAI:

- *Amendment to the International Telecommunication Access to Essential Facilities at Cable Landing Stations Regulations, 2012 dated 19<sup>th</sup> October, 2012 and fixation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations dated 21<sup>st</sup> December, 2012*

Submarine cables, a vital international telecommunication link between countries, terminate in a country through cable landing stations. Access Facilitation Charges

are charges payable by International Long Distance Operators/ Internet Service Providers to the owners of cable landing stations for leasing/ acquiring international bandwidth in a submarine cable. To enable access to this bottleneck facility at Cable Landing Stations on fair and non-discriminatory terms and conditions, suitable provisions have been made in the regulation so that Access Facilitation Charges, Co-location Charges and other related charges like cancellation and restoration charges are now specified by the Authority. With the charges thus specified: a) competition in the International Private Leased Circuit segment will receive a boost, which will benefit Business and Knowledge Process Outsourcing and enterprises that need international connectivity and b) there will be a reduction in the cost of international bandwidth for Internet and broadband services.

- *Amendment to the Telecommunication Interconnection (Port Charges) Regulations reducing the level of port charges dated 18<sup>th</sup> September, 2012*

A port is an essential element for establishing interconnection between two networks. Port charges have now been aligned to current costs. This will reduce the costs of interconnection of telecom service providers. The revised Port Charges



have come into effect from 1<sup>st</sup> October, 2012.

2.10.4.1 In addition, TRAI took the following step to settle interconnection issues between Intelligent Network (IN) service providers:

- *Amendment to the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations to help service providers to enter into agreements for provision of IN services dated 18<sup>th</sup> September, 2012*

This amendment will help service providers to enter into agreements for provision of IN services in a time bound manner. This will be useful for Virtual Calling Cards (VCC) issued by long distance providers. After the agreement between service providers for VCC services, subscribers can make Subscriber Trunk Dialing (STD)/International Subscriber Dialing (ISD) calls using calling cards issued by National Long Distance Operators (NLDOs)/International Long Distance Operators (ILDOs).

## (e) Telecommunication Technology

2.10.5.1 **Implementation of Green Technology in Telecom Sector** – TRAI has recommended the measures for implementation of green technology in telecom sector vide its

recommendation on ‘approach towards green telecommunications’ dated 12.04.2011. Based on TRAI’s recommendations DoT had issued the directions in January, 2012 to all NLDs/ILDs/ISPs/ CMTS/UASL/Basic Service Licensees Including BSNL and MTNL. Subsequent to the above directions, DoT had issued further clarification dated 18.09.2012 and 19.11.2012.

As per the DoT’s directives, all service providers should declare to TRAI, the carbon footprint of their network operations in the format prescribed by TRAI twice in a year i.e. half yearly report for the period ending September to be submitted by 15<sup>th</sup> November and the succeeding half yearly report for the period ending March to be submitted by 15<sup>th</sup> of May each year. The directions of DoT also mandate the service providers to consensually evolve, through their Associations, a Voluntary Code of Practice encompassing energy efficient Network Planning, infra-sharing, deployment of energy efficient technologies and adoption of Renewable Energy Technology (RET) and submit the voluntary code of practice to TRAI.

Accordingly, TRAI has conducted various meetings for clarifications and issued letters and reminders to the service providers to obtain the



requisite compliance in respect of DoT directives. In this regard, TRAI is receiving the Carbon footprint report of their network equipment of the NLDs/ILDs/ISPs and access service providers including BSNL and MTNL. Voluntary codes of practice adopted by the service providers have also been received in TRAI from telecom associations.

#### 2.10.5.2 Next Generation Network (NGN) –

At present networks are virtually separated and provide fixed services, mobile services and internet services. Next Generation Networks has the ability to converge different traffic types (Voice, Video and data etc.) onto a single network. It is essentially a managed IP-based (i.e., packet-switched) network that supports variety of services. TRAI accelerated its efforts for migration towards Next Generation Networks

in India during the financial year. TRAI had appointed a consultant, to assist in establishing appropriate policy and regulatory framework on Next Generation Networks (NGNs). Scope of the consultancy work includes preparation of an exhaustive report on NGN, preparation of a draft consultation paper, conducting workshop on NGN for Industry, assist TRAI in post evaluation work. The Consultant has submitted the draft exhaustive report and draft consultation paper on NGN. TRAI has organised a Workshop on 'Next Generation Networks (NGNs)' from 29<sup>th</sup> to 30<sup>th</sup> November 2012 at New Delhi. The main objective of the workshop was to provide a platform for discussion, collaboration and intellectual exchange of information on different aspects of migration to NGN



Workshop on 'Next Generation Network' held from 29<sup>th</sup> to 30<sup>th</sup> November, 2012

including technical, regulatory and policy issues.

#### 2.10.5.3 Publication of Technology Digest –

New technology is constantly being developed and finds its applications in the technical systems that make up a telecommunications network. However, keeping pace with advances in telecom technology becomes difficult for most telecom professionals. To identify and share new technology trends with industry, TRAI is publishing a technology bulletin called 'Technology Digest', which focuses on one technology aspect in every issue. The 'Technology Digests' on the following topics have been issued:

- a) Wireless Sensor Networks
- b) 100 Gigabit Ethernet and Beyond
- c) Distributed Antenna Systems
- d) Mobile Data offloading
- e) Location Based Services
- f) Near Field Communication
- g) Self Organizing Networks
- h) Fixed Mobile convergence
- i) LTE (Advanced)

#### (f) Implementation of National Telecom Policy (NTP)

2.10.6 The year 2012 has been an extremely eventful year for the telecommunications and broadcasting sectors. In the telecom

sector, activities centred around the Telecom Policy 2012, Spectrum Management, Spectrum Auction and Unified Licensing. The Authority has laid down an appropriate regulatory framework for the migration to take place. Besides, the Authority has taken a number of measures in the consumers' interest: these include steps in the areas of quality of service, tariffs, transparency in service provision, mobile number portability, protection of telecom consumers from the menace of unsolicited commercial communications and consumer complaint redressal.

The possibility of mandating free national roaming as envisaged in National Telecom Policy, 2012 was deliberated in a Consultation Paper dated 25<sup>th</sup> February 2013 on Review of Tariff on National Roaming with a detailed impact analysis.

#### (g) Quality of Service (QoS)

2.10.7 The Authority, in exercise of its functions under Section 11 (1) (b) (v) of the TRAI Act, has prescribed the Quality of Service standards for Basic Telephone Service (wireline), Cellular Mobile Telephone Service and Broadband Service. For effectively ensuring the compliance of the QoS regulations with respect to the benchmarks for various parameters prescribed by TRAI, following steps are taken:





**2.10.7.1 Audit of Metering and Billing System** – The audit is conducted to ensure that the Metering and Billing is within the standard laid down by TRAI. During the year, Audit of Metering and Billing system of Access Service Providers were conducted by Service Providers through Auditors from the panel notified by TRAI. Also during the year the Audit Report and Action Taken Reports for the previous year were submitted by the Service Providers. These audits helped in identifying and addressing billing issues.

**2.10.7.2 Objective assessment of Quality of Service through an Independent agency** – TRAI Act as well as the QoS regulations provide for assessment of customer perception of service against the QoS benchmark through survey. TRAI has appointed Independent Agencies for survey namely M/s IMRB International in South & East Zone, M/s Voluntary Organisation in Interest of Customer Education (VOICE) in North Zone, M/s Mott Mac Donald in West Zone. These agencies have been entrusted with the work of (i) Assessment of Implementation and Effectiveness of various regulations, directions and orders issued by TRAI and (ii) Customer Perception of Service, through Survey. An approved Questionnaire for survey has been

sent to all the Independent Agencies for conducting Survey for the year 2013-2014.

**2.10.7.3 Review of the framework for controlling Unsolicited Commercial Communications (UCC)** – TRAI is actively involved in the protection of telecom consumers from the menace of unsolicited commercial communications (UCC). The steps taken during the year 2012-13 in this regard are as under:

- **The Telecom Commercial Communication Customer Preference (Ninth Amendment) Regulations**

The Telecom Commercial Communications Customer Preference (Ninth Amendment) Regulations, 2012 were issued on 14<sup>th</sup> May 2012 stating that in case a telemarketer is blacklisted for sending UCC through promotional resources, the telecom resources provided to it for sending promotional messages shall only be disconnected, however, in case the telemarketer is blacklisted for sending unsolicited commercial communications through the telecom resources allotted to it for sending transactional messages, the telecom resources provided to it for sending transactional messages and promotional messages shall be disconnected.

- **The Telecom Commercial Communication Customer Preference (Tenth Amendment) Regulations**

The Telecom Commercial Communications Customer Preference (Tenth Amendment) Regulations, 2012 were issued to further tighten the regulatory framework, especially relating to commercial SMS from unregistered telemarketers. To prevent unregistered telemarketers from misusing SMS packs or tariff plans for sending bulk promotional SMSs, a price restraint has been placed on sending of more than one hundred SMS per day per SIM at a concessional rate. The subscriber is free to send SMSs beyond this number, however, all such SMSs sent beyond one hundred SMS per day per SIM shall be charged at a rate not lower than the rate prescribed by the Authority.

2.10.7.4 **Consumer Education** – During the year several measures were taken to enlighten the consumers of their rights. The steps taken are as follows:

- Seventeen Consumer Outreach Programmes were organized in different parts of the country during February and March, 2013 by the Authority to spread awareness among consumers and for their

capacity building. The consumer outreach programme was organized with the help of the Regional Offices of Telecom Regulatory Authority of India located in nine states as given in the table.

- During the year 2012-13 TRAI took initiative for printing of Consumers' Handbook on Telecommunications in 10 regional languages. i.e. Marathi, Gujarati, Tamil, Telugu, Malayalam, Kannada, Bengali, Oriya, Punjabi and Assamee besides Hindi and English for distributing during the course of consumer outreach programme.
- To protect the interest of consumers of telecom services, TRAI has been issuing various Regulations, directions and Orders from time to time. During February, 2013, Registration of Consumer Organisations Regulations, 2013 (1 of 2013) was issued. Monthly newsletters conveying important activities / initiatives taken by the Authority and other developments in telecom sectors are circulated to all CAGs.

**(h) Universal Service Obligation (USO)**

2.10.8 The Authority in its Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002 stated that support to



S.No.	Date	Places	Regional Office
1	25 <sup>th</sup> February 2013 16 <sup>th</sup> March 2013	Chandigarh Jammu	Chandigarh
2	25 <sup>th</sup> February 2013 22 <sup>nd</sup> March 2013	Mysore Thiruvananthapuram	Bangalore
3	26 <sup>th</sup> February 2013 22 <sup>nd</sup> March 2013	Jaipur Rewari	Jaipur
4	27 <sup>th</sup> February 2013 22 <sup>nd</sup> March 2013	Guwahati Shillong	Guwahati
5	1 <sup>st</sup> March 2013 19 <sup>th</sup> March 2013	Mumbai Pune	Mumbai
6	1 <sup>st</sup> March 2013	Bhopal	Bhopal
7	8 <sup>th</sup> March 2013 27 <sup>th</sup> March 2013	Hyderabad Coimbatore	Hyderabad
8	7 <sup>th</sup> March 2013 25 <sup>th</sup> March 2013	Kolkata Bhubaneswar	Kolkata
9	27 <sup>th</sup> February 2013 13 <sup>th</sup> March 2013	Patna Ranchi	Patna

M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 01.04.2002. The amount of support may be Rs.1500 Crore for the first year and Rs.1250 Crore for the second year.

## i) International Relations

### 2.10.9.1 Visit of International Delegations to TRAI

- The first group of three member delegation led by Mr. Abdul Wakil Shergul, Chairman of Afghanistan Telecommunications Regulatory



Authority (ATRA) visited TRAI from 9<sup>th</sup> to 13<sup>th</sup> April 2012 and the Second Group of five member delegation led by Mr. Eng. Khair Mohammad Faizi, Vice Chairman and Board Member of Afghanistan Telecommunications



Regulatory Authority (ATRA) visited TRAI from 1<sup>st</sup> to 8<sup>th</sup> June 2012 for discussion on various regulatory issues.

- A Swedish delegation from Swedish National Credits Guarantee Board (Exportkreditnamnden, EKN) and Swedish Export Credit Corporation (SEK) visited TRAI on 17<sup>th</sup> April 2012 for bilateral discussions with TRAI.



- A Six Member Delegation led by Mr. Kimiaki MATSUZAKI, Senior Vice Minister for Internal affairs and



Communications, Japan visited TRAI for bilateral discussion with Chairman TRAI on 30<sup>th</sup> April 2012.

- Mr. De Benito, a Spanish Businessman, who works with several IT and Telecom companies in Spain visited TRAI on 12<sup>th</sup> February 2013 for a meeting with Secretary, TRAI for discussions regarding the telecom market future and also more specifically regarding technology, 4G and M2M Services.
- Mr. Alain Beaudoin, Assistant Deputy Minister for Spectrum, Information Technologies and Telecommunications, Industry Canada,



Government of Canada visited TRAI on 12<sup>th</sup> February 2013 for bilateral discussions with Secretary, TRAI.



### 2.10.9.2 International Events

- Telecom Regulatory Authority of India organized the 'ITU-TRAI

International Training Programme (ITP)' at Hyderabad, India from 2<sup>nd</sup> April to 4<sup>th</sup> April 2012.



- TRAI organized the 'South Asian Telecommunications Regulators Council (SATRC) Workshop on

Spectrum' at New Delhi from 18<sup>th</sup> December to 20<sup>th</sup> December 2012.





Group photograph of participants of the SATRC Workshop on 'Spectrum' held from 18<sup>th</sup> to 20<sup>th</sup> December, 2012



(From L to R) Mr. Uday Kumar Varma, Ex-Secretary, M/o I&B; Mr. P.K. Rastogi, Ex-Member TDSAT; Mr. R. Chandrasekhar, Ex-Secretary, DoT; Dr. J.S. Sharma, Ex-Chairman TRAI; Smt. Ambika Soni, Ex-Minister of I&B; Dr. Hamadoun Touré, Secretary General of ITU; Sh. Kapil Sibal, Hon'ble Minister of Communication & IT and Dr. Eun-Ju Kim, Regional Director of ITU-Asia Pacific : Meeting Dr. Touré on 7<sup>th</sup> May, 2012





(From L to R) Dr. Eun-Ju Kim, Regional Director of ITU-Asia Pacific; Dr. Hamadoun Touré, Secretary General of ITU; Sh. Kapil Sibal, Hon'ble Minister of Communication & IT and Smt. Ambika Soni, Ex-Minister of I&B : Meeting Dr. Touré on 7<sup>th</sup> May, 2012



Dr. J.S. Sharma, Ex-Chairman, TRAI and Shr. R.K. Arnold, Member, TRAI receiving Sh. Kapil Sibal, Hon'ble Minister for Communication & IT on 7<sup>th</sup> May, 2012



## PART-III

# FUNCTIONS OF TELECOM REGULATORY AUTHORITY OF INDIA IN RESPECT OF MATTERS SPECIFIED IN SECTION 11 OF TELECOM REGULATORY AUTHORITY OF INDIA ACT





# FUNCTIONS OF THE TELECOM REGULATORY AUTHORITY OF INDIA IN RESPECT OF MATTERS SPECIFIED IN SECTION 11 OF THE TRAI ACT

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*Section 11 of the Telecom Regulatory Authority of India Act, 1997, as amended, provides that—*

- (1) notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the functions of the Authority shall be to—*
  - (a) make recommendations, either suo motu or on a request from the licensor, on the following matters, namely:*
    - (i) need and timing for introduction of new service provider;*
    - (ii) terms and conditions of licence to a service provider;*
    - (iii) revocation of licence for non-compliance of terms and conditions of licence;*
    - (iv) measures to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services;*
    - (v) technological improvement in the services provided by the service providers;*
    - (vi) type of equipment to be used by the service providers after inspection of equipment used in the network;*
    - (vii) measures for the development of telecommunication technology and any other matter relatable to telecommunication industry in general;*
    - (viii) efficient management of available spectrum;*
  - (b) discharge the following functions, namely:*
    - (i) ensure compliance of terms and conditions of licence;*
    - (ii) notwithstanding anything contained in the terms and conditions of the licence granted before the commencement of the Telecom Regulatory Authority of India (Amendment) Act, 2000, fix the terms and conditions of inter-connectivity between the service providers;*
    - (iii) ensure technical compatibility and effective interconnection between different service providers;*
    - (iv) regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services;*



- (v) lay-down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunications service;
- (vi) lay-down and ensure the time period for providing local and long distance circuits of telecommunication between different service providers;
- (vii) maintain register of interconnect agreements and of all such other matters as may be provided in the Regulations;
- (viii) keep register maintained under clause (vii) open for inspection to any member of public on payment of such fee and compliance of such other requirement as may be provided in the regulations;
- (ix) ensure effective compliance of universal service obligations.
- (c) levy fees and other charges at such rates and in respect of such services as may be determined by Regulations;
- (d) perform such other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act:

*Provided that the recommendations of the Authority specified in clause (a) of this sub-section shall not be binding upon the Central Government.*

*Provided further that the Central Government shall seek the recommendations of the Authority in respect of matters specified in sub-clauses (i) and (ii) of clause (a) of this sub-section in respect of new licence to be issued to a service provider and the Authority shall forward its recommendations within a period of sixty days from the date on which that Government sought the recommendations:*

*Provided also that the Authority may request the Central Government to furnish such information or documents as may be necessary for the purpose of making recommendations under sub-clauses (i) and (ii) of clause (a) of this sub-section and that Government shall supply such information within a period of seven days from receipt of such request:*

*Provided also that the Central Government may issue a licence to a service provider if no recommendations are received from the Authority within the period specified in the second proviso or within such period as may be mutually agreed upon between the Central Government and the Authority:*

*Provided also that if the Central Government having considered that recommendation of the Authority, comes to a prima facie conclusion that such recommendation cannot be accepted or needs modifications, it shall, refer the recommendation back to the Authority for its reconsideration, and the Authority may within fifteen days from the date of receipt of such reference, forward to the Central Government its recommendation after considering the reference made by that Government. After receipt of further recommendation if any, the Central Government shall take a final decision.*

- (2) Notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the Authority may, from time to time, by order, notify in the Official Gazette the rates at which the telecommunication services within India and outside India shall be provided under this Act including the rates at which messages shall be transmitted to any country outside India:

*Provided that the Authority may notify different rates for different persons or class of persons for similar telecommunication services and where different rates are fixed as aforesaid the Authority shall record the reasons therefor.*

- (3) While discharging its functions under sub-section (1) or subsection (2) the Authority shall not act against the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality.
- (4) The Authority shall ensure transparency while exercising its powers and discharging its functions.



3. The Authority, in pursuance of achieving the objectives of ensuring growth of industry and protecting interest of consumers has made several Recommendations either suo moto or on matters referred to it by the Government; notified various Regulations to carry out purposes of the Act; taken action to enforce licence terms and conditions; and initiated work on several other issues. By discharging various recommendatory & regulatory functions, TRAI has contributed to growth of telecom services including the broadcasting and cable TV services in terms of increased number of consumers and a vast network providing telecom services across the length and breadth of the country. These continued measures have also resulted in overall benefits to the consumer in terms of choice of services, reduced tariff of telecom service, better quality of service etc. Some of the specific functions carried out by TRAI in respect of various matters specified in Section 11 of the TRAI Act are given below.

**a) Telecommunication rates both within India and outside India including the rates at which messages shall be transmitted to any country outside India**

3.1 Section 11 (2) of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, empowers the Authority to notify in the Official Gazette the rates

at which telecommunication services within India and outside India shall be provided, including the rates at which the messages shall be transmitted to any country outside India. It also provides that the Authority may notify different rates for different persons or class of persons for similar telecommunication services. Besides specifying the tariff regime applicable to various services, TRAI is also required to ensure that tariffs prevailing in the market are consistent with the specified tariff regime. For this purpose, the Authority monitors the rates at which the service providers provide the various telecom services. Further, the function of specifying norms for fixation of rates for Pay Channels as well as fixation of rates for Cable Services is also assigned to TRAI. Details of action taken by TRAI in Telecom Sector and Broadcasting & Cable Sector during 2012-13 are discussed in the following paragraphs.

3.1.1 TRAI looks after consumer interests through tariff regulation. Tariff regulation takes the form of ensuring clarity and transparency in tariff offers to consumers and fixing tariff charges where the market is not delivering optimal rates. The following specific measures taken in the telecom sector were:

- Amendment to Telecom Tariff Order mandating, inter alia, provision of “per second pulse” in at least one tariff plan dated 20<sup>th</sup> April, 2012



- Direction on 'Guidelines on blackout days' dated 14<sup>th</sup> September, 2012
- Amendment to the Telecommunication Tariff Order to streamline the levy of Processing Fees on talk time top-up vouchers dated 1<sup>st</sup> October, 2012

3.1.2 Besides, the possibility of mandating free national roaming as envisaged in National Telecom Policy, 2012 was deliberated in a Consultation Paper dated 25<sup>th</sup> February 2013 on Review of Tariff on National Roaming with a detailed impact analysis.

3.1.3 In order to provide cost effective Broadcasting services to the consumer, TRAI has laid down the regulatory framework from time to time in form of tariff orders. The tariffs in Non-CAS areas, notified CAS areas and that for the addressable Platforms such DTH, HITS, IPTV etc. are governed by the respective tariff orders issued by TRAI.

3.1.4 Through the "Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012" which was notified on 30<sup>th</sup> April 2012 tariff were prescribed for wholesale and retail tariff and revenue share between MSOs and local cable operators, the manner of offering of channels at wholesale and retail levels, composition and tariff of the basic service tier, provisions for consumer protection and reporting requirements for service providers.

**b) Recommendations on (i) the need and timing of the new service providers; (ii) the terms and conditions of license to a new service provider; and (iii) revocation of licence for non-compliance of terms and conditions of licence**

3.2 Under Section 11 (1) (a) of the TRAI Act 1997, the Authority is required to make recommendations either suo moto or on a request from the licensor, i.e., Department of Telecommunications or Ministry of Information & Broadcasting in the case of Broadcasting and Cable TV Services. Recommendations given by TRAI to Government during 2012-13 are given below.

- (i) Recommendations dated 16<sup>th</sup> April 2012 on Guidelines for Unified Licence/ Class Licence and Migration of Existing Licences
- (ii) Recommendations dated 18<sup>th</sup> April 2012 on "Exit-Policy for various telecom licences"
- (iii) Recommendations dated 23<sup>rd</sup> April 2012 on Auction of Spectrum
- (iv) TRAI's response dated 11<sup>th</sup> May 2012 to DoT's letter dated 21-03-2012 regarding TRAI's recommendations on "Efficient utilization of Numbering Resources" dated 20-08-2010
- (v) Recommendations dated 12<sup>th</sup> May 2012 in response to DoT's reference back on TRAI's recommendations on



- “Auction of Spectrum” dated 23.04.2012
- (vi) Recommendations dated 12<sup>th</sup> May 2012 after reconsideration to DoT’s reference on “Guidelines for Unified Licence / Class Licence and Migration of Existing Licences”
  - (vii) Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002
  - (viii) Recommendations dated 14<sup>th</sup> May 2012 on “Application services?”
  - (ix) Recommendation dated 12<sup>th</sup> July 2012 on “Auction of Spectrum: Analysis of effect on costs, tariffs and financial returns”
  - (x) Recommendation dated 12<sup>th</sup> October 2012 on “Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunication system (CTS)”
  - (xi) Recommendation dated 22<sup>nd</sup> November 2012 on Amendment in the ISP Licence Agreement for incorporating the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access
  - (xii) Recommendations dated 2<sup>nd</sup> January 2013 on “Terms and Conditions of Unified License (Access Services)”
  - (xiii) Recommendations dated 19<sup>th</sup> March 2013 on “IMT – Advance Mobile

## Wireless Broadband Services”

The details of these Recommendations have already been discussed in Part II of this Report.

### c) Ensuring technical compatibility and effective inter-connection

3.3 To facilitate seamless telecommunication across networks, it is necessary that different networks interconnect. The licence condition also prescribes that all access providers should interconnect with each other and with national and international long distance operators’ networks.

3.3.1 During the period 2012-13, the following interconnection charges were prescribed by TRAI

- Amendment to the International Telecommunication Access to Essential Facilities at Cable Landing Stations Regulations, 2012 dated 19<sup>th</sup> October, 2012 and fixation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations dated 21<sup>st</sup> December, 2012
- Amendment to the Telecommunication Interconnection (Port Charges) Regulations reducing the level of port charges dated 18<sup>th</sup> September, 2012
- Amendment to the Intelligent Network Services in Multi Operator and Multi Network Scenario Regulations to help service providers to enter into agreements for provision



of IN services dated 18<sup>th</sup> September, 2012

**d) Regulating arrangement amongst service providers of sharing their revenue derived from providing telecommunication service.**

3.4 The Authority issued a Consultation Paper on 'Review of Interconnection Usage Charges' on 27<sup>th</sup> April, 2011. Public consultation through this consultation paper sought views of the stakeholders on various parameters of fixing of components of the Interconnection Usage Charges. On the basis of various inputs provided by the stakeholders inter-alia including the comments and counter comments furnished by them during the consultation process, Accounting Separations reports, quarterly traffic data submitted to TRAI, a report was prepared and filed in the Hon'ble Supreme Court on 31<sup>st</sup> October 2011 in compliance with its order dated 29<sup>th</sup> July 2011 in IUC Appeal pending in Hon'ble Supreme court.

**e) Time period for providing local and long distance circuits of telecommunication between different service providers**

3.5 To provide a framework to ensure transparency, predictability and reasonableness and allow provision of DLC/local lead in a non-discriminatory manner, TRAI issued DLC Regulations on 14<sup>th</sup> September 2007. These

regulations cover DLC and local Lead provided on any media i.e. copper, fiber, wireless etc. and using any transmission technology. These regulations make it obligatory for all service providers who have the capacity of copper, fiber or wireless, and who have been allowed under the licence to provide DLC, to share it with other service providers. From the analysis of the reports received it is observed that since the release of DLC regulations, the provision of DLCs / local leads have been streamlined.

**f) Ensuring compliance of the Terms and Conditions of License**

3.6 One of the functions of the Authority is to ensure compliance of the terms and conditions of the licenses issued to the service providers by the licensor viz. the Department of Telecommunications (DOT). Directions for compliance of terms and conditions are issued by Telecom Regulatory Authority of India from time to time. Recommendations for action are also sent to DOT. In this regard, the following activities were performed during the year 2012-13:

- Direction to 2 service providers for ensuring compliance of the terms and conditions of the Unified Access Service License, restoring network connectivity, maintaining quality of service and ensuring continuity of service to subscribers dated 11<sup>th</sup> April, 2012. TRAI also recommended to DOT that necessary action should be taken



against the service providers for violation of UAS license terms and conditions by unilaterally shutting down services in some service areas dated 28<sup>th</sup> August, 2012 and 19<sup>th</sup> September, 2012

- Direction to inform subscribers about closure of service pursuant to completion of spectrum auction by the Central Government and 17<sup>th</sup> December, 2012

### g) **Steps taken to protect the Interest of the Consumers of Telecommunications Services**

3.7.1 Ensuring transparency in service provision is an important dimension of consumer protection. TRAI has undertaken the following specific measures in the telecom sector for ensuring transparency:

- The Telecom Commercial Communications Customers Preference (Ninth Amendment) Regulations, 2012 dated 14<sup>th</sup> May 2012 for disconnecting resources to blacklisted telemarketers
- Direction dated 27<sup>th</sup> July, 2012 to service providers for transparent delivery of broadband services
- Direction dated 7<sup>th</sup> September, 2012 on missed calls (wangiri calls) originating from outside the country
- Combo vouchers permitted through amendment to Telecom Consumer Protection Regulation, 2012 dated 22<sup>nd</sup> October, 2012

- The Telecom Commercial Communications Customers Preference (Tenth Amendment) Regulations, 2012 dated 5<sup>th</sup> November 2012 for implementing technical solutions to prevent spam, early lodging of complaints, restraints in bulk SMSs tariffs etc.

- The Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 notified on 21<sup>st</sup> February 2013 on deactivation of SIM due to non-usage.

3.7.2 Besides, the Authority has also initiated following measures to protect the interest of consumers:

- **Import of Mobile handsets / Devices with unauthorized International Mobile Equipment Identity (IMEI) –** IMEI is a unique number given to each GSM mobile handset for its Identification. It had come to the notice of TRAI that there has been a proliferation in the market of mobile devices. (eg. Mobile phones, laptop data cards etc.) with duplicate/ fake/ non IMEI numbers. The use of such devices can pose threats to national and personal security as they are difficult to trace on the network. They can also be inimical to consumer safety and wellbeing, as such devices are manufactured in non-standard conditions and lack safety features. The growth of a grey market in such phones adversely impacts organized trade and denies the government legitimate revenue. A letter was addressed to Commerce Secretary on



29<sup>th</sup> August 2012, advising that only such mobile devices/ handsets should be allowed to be imported as have been certified as having genuine, unique and non-duplicate IMEIs, and a common database should be maintained in all ports of entry for such devices so that duplicated/ fake/ non IMEI mobile devices are not allowed to enter the country.

- **Auditing of Metering and Billing System** – In order to (i) bring uniformity and transparency in the procedures being followed by service providers with regard to metering and billing; (ii) prescribe standards relating to accuracy of measurement, reliability of billing; (iii) measure the accuracy of billing provided by the Service Providers from time to time and to compare them with the norms so as to assess the level of performance; (iv) minimize the incidences of billing complaints; (v) and to protect the interest of consumers of telecommunication services, TRAI had recently reviewed the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006 and issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment) Regulations, 2013 on 25<sup>th</sup> March, 2013. The Regulation mandates the service providers to arrange audit of their Metering and Billing System on an annual basis through any one of the auditors notified by TRAI and to furnish to TRAI

an audit certificate thereof not later than 31st July of every year. The Regulation also provides that the service providers have to take corrective action on the inadequacies, if any, pointed out by the Agency in the Certificate and to file with TRAI an Action Taken Report thereon not later than 30th November of every financial year. Further, for effective implementation of these regulations, TRAI has also enforced financial disincentive at the rate of Rs.1,00,000/- per week for delay in submission of Audit Reports and Action Taken Reports and Financial disincentive not exceeding Rs.10,00,000/- per action taken report for false or incomplete information. During the year 2012-13, the Authority has extended the validity period of panel of auditors for one year. The audit for the year 2011-12 has been undertaken by these auditors.

#### **h) Steps taken to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services**

- 3.8.1 TRAI has always endeavoured to establish policies that are contemporary, in tune with the current developments, simple, pragmatic. They have had desired impact on competition, infrastructure, revenue and customer welfare. It has been conscious of the fact that regulatory certainty is important for formulation



of appropriate business strategies, promoting competition and thereby giving customer the fruits of innovation. TRAI has carried out the job of increasing competition and easing entry of competitive service providers in all seriousness. Measures in the form of recommendations / regulations / tariff orders / directions etc have proved to be key for growth of the industry.

3.8.2 To facilitate competition and promote efficiency in the operation of telecommunications and Broadcasting services TRAI issued the following Regulations during 2012-13.

- The Mobile Banking (Quality of Service) Regulations, 2012 dated 17<sup>th</sup> April 2012
- The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Amendment) Regulations, 2012 dated 7<sup>th</sup> May 2012
- The Telecom Commercial Communications Customer Preference (Ninth Amendment) Regulations, 2010 dated 14<sup>th</sup> May 2012
- Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 dated 14<sup>th</sup> May 2012
- Consumers Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012 dated 14<sup>th</sup> May 2012
- Telecommunication Mobile Number

Portability (Third Amendment) Regulation, 2012 dated 8<sup>th</sup> June 2012

- Telecommunication Mobile Number Portability (Fourth Amendment) Regulation, 2012 dated 19<sup>th</sup> September 2012
- Telecom Consumers Protection (Fourth Amendment) Regulations, 2012 dated 22<sup>nd</sup> October 2012
- The Telecom Commercial Communications Customer Preference (Tenth Amendment) Regulations, 2012 dated 5<sup>th</sup> November 2012
- The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Second Amendment) Regulations, 2012 dated 8<sup>th</sup> November 2012
- Telecom Consumers Protection (Fifth Amendment) Regulations, 2012 dated 27<sup>th</sup> November 2012
- The Standards Of Quality Of Service For Wireless Data Services Regulations, 2012 dated 4<sup>th</sup> December 2012
- Quality of Service of Broadband Service (Amendment) Regulations, 2012 dated 24<sup>th</sup> December 2012
- Registration of Consumer Organisations Regulations, 2013 dated 21<sup>st</sup> February 2013
- Telecom Consumers Protection (Sixth Amendment) Regulations, 2013 dated 21<sup>st</sup> February 2013



- Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013 dated 22<sup>nd</sup> March 2013

- Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment) Regulation 2013 dated 25<sup>th</sup> March 2013

The details of these Regulations have been discussed in Part II of this Report.

**i) Levy of fees and other charges at such rates and in respect of such services as may be determined by Regulations**

3.9 TRAI is mandated to decide the tariff policies for telecommunications and broadcasting services. TRAI looks after consumer interests through tariff regulation. Tariff regulation takes the form of ensuring clarity and transparency in tariff offers to consumers and fixing tariff charges where the market is not delivering optimal rates. The following specific measures taken in this direction were:

- Telecommunication Tariff (50<sup>th</sup> Amendment) Order, 2012 dated 19<sup>th</sup> April 2012
- Telecommunication Tariff (51<sup>st</sup> Amendment) Order, 2012 dated 20<sup>th</sup> April 2012
- The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012 dated 30<sup>th</sup> April 2012

- Telecommunication Tariff (53<sup>rd</sup> Amendment) Order, 2012 dated 1<sup>st</sup> October 2012

- Telecommunication Tariff (54<sup>th</sup> Amendment) Order, 2012 dated 5<sup>th</sup> November 2012

The details of these Tariff Orders have already been discussed in the Part II of the report.

**j) Steps taken to ensure effective compliance of universal service obligation (USO)**

3.10 The Authority in its Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002 stated that support to M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 01.04.2002. The amount of support may be Rs.1500 Crore for the first year and Rs.1250 Crore for the second year.

**k) Details of advice rendered to the Central Government in the matter relating to development of telecommunication technology and any other matter relatable in telecommunication industry in general.**

3.11 Details of advice rendered by TRAI to the Central Government in the matters relating to development of telecommunication and broadcasting cable sectors are given below.



- Recommendations dated 16<sup>th</sup> April 2012 on Guidelines for Unified Licence / Class Licence and Migration of Existing Licences
- Recommendations dated 18<sup>th</sup> April 2012 on “Exit-Policy for various telecom licences”
- Recommendations dated 19<sup>th</sup> April 2012 on “Prescribing Minimum Channel Spacing, within a License Service Area, in FM Radio Sector in India”
- Recommendations dated 23<sup>rd</sup> April 2012 on Auction of Spectrum
- Recommendations dated 14<sup>th</sup> May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002
- Recommendations dated 14<sup>th</sup> May 2012 on “Application services?”
- Recommendation dated 12<sup>th</sup> July 2012 on “Auction of Spectrum: Analysis of effect on costs, tariffs and financial returns”
- Recommendation dated 12<sup>th</sup> October 2012 on “Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunication system (CTS)”
- Recommendation dated 22<sup>nd</sup> November 2012 on Amendment in the ISP Licence Agreement for incorporating the terms and conditions mentioned in Notice Inviting

Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access

- Recommendations dated 2<sup>nd</sup> January 2013 on “Terms and Conditions of Unified License (Access Services)”
- Recommendations dated 19<sup>th</sup> March 20 on “IMT – Advance Mobile Wireless Broadband Services” 13

The details of these Recommendations are given in Part II of the Report.

## I) **Monitoring of the quality of services and details of promotional survey of such services by the service providers**

- 3.12 TRAI monitors the performance of Basic and Cellular Mobile service against the benchmarks prescribed by TRAI through quarterly performance monitoring report (PMR) received from service providers. TRAI also monitors POI congestion through monthly reports received from cellular mobile service provider (CMSP). Follow up meetings are held with the service providers for improving their performance with regard to quality of service.

- 3.12.1 **Quarterly reports on Basic and Cellular Mobile Services** – TRAI monitors the performance of Basic and Cellular Mobile service against the benchmarks prescribed by TRAI through quarterly performance monitoring report (PMR) received from service providers. TRAI also monitors POI congestion through



monthly reports received from cellular mobile service provider (CMSP). Follow up meetings with the service providers were held for improving their performance with regard to quality of service.

### 3.12.2 Quarterly reports on Broadband Service

– TRAI monitors the performance of Broadband service providers against the benchmarks provided by TRAI vide Regulation on Quality of Service of Broadband Service dated 6<sup>th</sup> October, 2006. The quarterly reports submitted by Broadband service providers are analysed for assessing their performance with regard to the QoS benchmark. Wherever deficiencies in meeting the quality of service benchmark are noticed, the matter is taken up with the service provider for remedial action in a time bound basis.

### 3.12.3 Quarterly reports on QoS parameters of ISPs

– TRAI notified Regulation on Quality of Service of Dial-up and Leased Line Internet Access Service in December, 2001, fixing benchmarks for Internet Dial-up Access that were

required to be achieved by ISPs within 6 months. Accordingly, ISPs are required to comply with the benchmarks as per the QoS Regulations. TRAI receives quarterly Performance Monitoring Reports from ISPs and these are analyzed for assessing their performance with regard to Quality of Service benchmarks.

### 3.12.4 Monthly Point of Interconnection (POI) congestion report

– TRAI is monitoring the level of congestion at the POI between various Service Providers on monthly basis. This parameter signifies the ease by which a customer of one network is able to communicate with a customer of another network. This parameter also reflects as to how effective is the interconnection between two networks. The bench mark notified by TRAI in the QoS Regulations for this parameter is <0.5%. TRAI receives monthly PoI Congestion Reports from Basic and Cellular Mobile Services for assessing their performance with regard to Quality of Service benchmarks.



**PART-IV**

**ORGANISATIONAL MATTERS OF  
TELECOM REGULATORY AUTHORITY OF INDIA OF  
INDIA AND FINANCIAL PERFORMANCE**



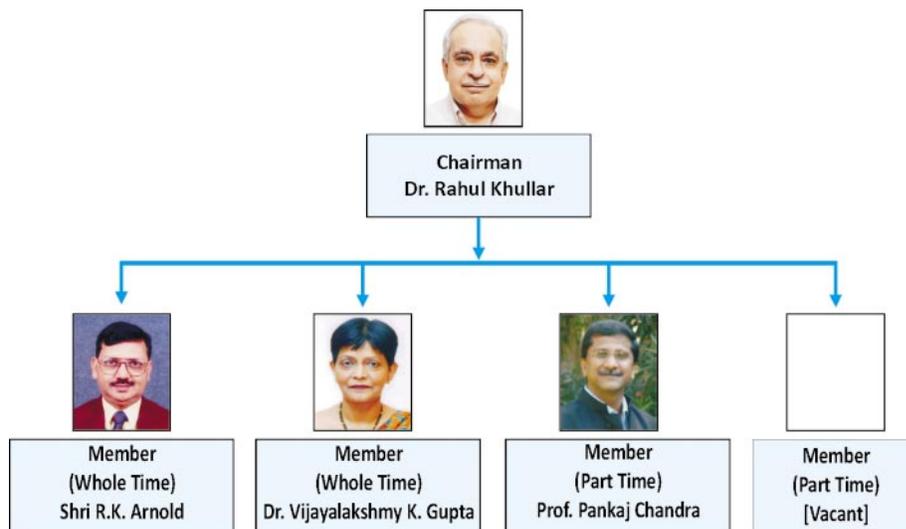


# A) ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA

4. This section provides information on organizational matters of TRAI relating particularly to organization, funding, human resources covering the areas of recruitment, training and seminars and some general issues are detailed in the following paragraphs.

## (a) ORGANISATION

- 4.1 The Telecom Regulatory Authority of India (Authority) is a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. The Telecom Regulatory Authority of India was established under the Telecom Regulatory Authority of India Act, 1997 enacted on 28<sup>th</sup> March, 1997.



The TRAI (Amendment) Act, 2000 led to reconstitution of the Authority. The Authority now consists of a Chairperson, and not more than two whole time members and not more than two-part time members, to be appointed by the Central Government. The head office of the Authority is at New Delhi. The constitution of the Authority as on 31<sup>st</sup> March 2013 is as given at previous page.

## **(b) SECRETARIAT OF TRAI (HQ)**

4.2 The Authority functions with a Secretariat headed by a Secretary and assisted by seven divisional heads which are as follows:

- (i) **General Administration (A);** (ii) **Broadcasting & Cable Services (B&CS);** (iii) **Consumer Affairs and Quality of Service Affairs (CA&QoS)** (iv) **Financial & Economic Analysis (F&EA)** (v) **Legal;** (vi) **Networks, Spectrum and Licensing (NSL);** (vii) **Technological Development (TD).**

## **GENERAL ADMINISTRATION DIVISION**

4.2.1 General Administration Division is responsible for all administrative and personnel functions which include planning and control of human resource development in TRAI as well as ensuring coordinated availability of information on enforcement of all the Regulations/ Directions/Orders issued by TRAI for the Authority's use. General Administration Division has the responsibility of management and control of activities of General Administration Section,

Communication Section, International Relation Section, RE&RO Section, OL Section, MR Section and RTI Section. On Regulatory Enforcement front, it is responsibility of the Division directly concerned with the relevant regulation. However, General Administration Division ensures coordinated availability of information in respect of all Divisions and collates the information for the Authority's use. Division through its IR Section also handles the International Relations which includes coordination with all International Organisations / bodies viz ITU, APT, World Bank, WTO, ADB, SATRC, OECD and Regulatory Bodies in other countries.

## **BROADCASTING & CABLE SERVICES (B&CS) DIVISION**

4.2.2 B&CS Division is responsible for advising the Authority, for laying down the overall regulatory framework for the broadcasting, cable TV sector and Radio: FM, encompassing the interconnection, quality of service and tariff aspects, to ensure effective interconnection between the service providers, to ensure implementation of laid down quality of service and tariff norms by service providers and to ensure compliance of license conditions in the sector by the service providers. B&CS division is also responsible for examination of issues relating to the modernization/ digitization of the Broadcasting and cable TV sector and proposing recommendations regarding the same, monitoring and follow up of



the complaints as provided in the laid down regulations, examination and proposing recommendations regarding introduction of new broadcasting and cable TV services and measures to protect the interest of all the stakeholders of the industry.

### **CONSUMER AFFAIRS AND QUALITY OF SERVICE (CA & QOS) DIVISION**

4.2.3 CA & QoS Division is responsible for development of consumer advocacy in the telecommunication sector and creating general awareness amongst consumers about various measures taken by the Telecom Regulatory Authority of India to protect the interest of consumers. The division facilitates registration of consumer organizations and non-governmental organizations from all over the country with TRAI and interacts with them on various issues concerning the consumers. The other activities of division for protection of interest of consumers include organizing of consumer education workshops in all the regions of the country, assisting the consumer organizations registered with TRAI to organize consumer education workshops at district and block levels and handling of generic consumer complaints.

The division is responsible for laying down the standards of quality of service to be provided by the service providers; ensure the quality of service and conduct the periodical survey of such service provided by the service

providers so as to protect interest of the consumers of telecommunication service. The division is also responsible for maintaining register of interconnect agreements and of all such other matters as may be provided in the regulations.

### **FINANCIAL & ECONOMIC ANALYSIS (F&EA) DIVISION**

4.2.4 F&EA Division is responsible for providing advice on all aspects relating to cost methodologies and costing of telecom services, accounting separation, and analysis of financial statements of service providers etc. The division advises the Authority in the matter of framing appropriate tariff policy for telecom services from time to time; fixation of tariffs for various telecom services in India that are under tariff regulation which include tariff for Domestic Leased Circuits, International Private Leased Circuits and National Roaming in cellular mobile services. The division also advises the Authority on matters relating to fixation of cost based interconnection charges and on measures to promote competition in various segments of telecommunication services market in India. This Division also compiles “The Indian Telecom Services Performance Indicators Report” and publishes it on quarterly basis.

Principal Advisor (F&EA) is also Internal Financial Advisor of TRAI and renders advice to the Authority on all financial matters, income & expenditure



accounts, financial auditing and scrutiny of financial transactions.

## LEGAL DIVISION

4.2.5 Legal Division is responsible for rendering legal advice to the Authority on all regulatory issues. The Division manages all litigation matters in which TRAI is a party.

## NETWORKS, SPECTRUM AND LICENSING (NSL) DIVISION

4.2.6 NSL Division is responsible for fixing the terms & conditions of interconnection, ensuring effective interconnection between various service providers, handling of all interconnection issues including determination of Interconnection Usage Charges (IUC) and regular review thereof, optical access issues and access charges related to cable landing stations. The division is also responsible for monitoring of compliance of license conditions of Basic, National Long Distance (NLD) and International Long Distance (ILD) licenses and also the Regulations/ Directions/Orders issued by the Division.

The Division is responsible for the issues related to management of Spectrum including, inter-alia, its efficient utilizations and its refarming. It also deals with issues related to introduction of new wireless technologies and related regulatory issues. The Division handles issues relating to compliance of terms and conditions of various licenses

issued to mobile operators; recommendations related to various issues/aspects of wireless services including Mobile Number Portability; ensuring compliance of matters relating to Universal Service Obligations and efficient management of available spectrum for telecom services; preparation of Quarterly PMR pertaining to mobile services, Radio Paging, PMRTS, VSAT GMPCS etc. and support to ITU/APT Study Group activities.

## TECHNOLOGICAL DEVELOPMENT (TD) DIVISION

4.2.7 Development of telecommunications technology has a profound impact on how regulatory practices evolve over time. Investment in new type of networks & technologies needs a supportive regulatory regime that provides certainty over a period of time. TRAI's TD Division seeks to build up capacity for technical research in telecommunications with the aim of understanding and identifying the technology trends, their uses and potential uses so that TRAI is able to make informed decisions with an understanding of the implications for service providers, consumers and citizens in the regulation of communications markets. The Division handles the issues related to Next Generation networks and matters, manufacturing for telecom sector, environmental issues, infrastructure



management, electromagnetic radiation and public safety and convergence in various forms. Of special importance would be the implications of new development on regulation and areas that require new or different regulatory or non-regulatory responses. The Division is also entrusted with the responsibility of managing IT resources including local and remote servers and publication of Technology Digest which focuses on one Technology aspect in every issue.

## (c) HUMAN RESOURCES

4.3.1 **Staff strength of TRAI Headquarters (as on 31.03.2013)** – A staff of 185 (as on 31.03.2013) is handling the work in the Secretariat of TRAI (HQ), which performs the tasks assigned to it by the Authority in the discharge of its functions. Wherever necessary, Consultants are engaged. Engagement of Consultants is either on secondment or assignment basis. As on 31<sup>st</sup> March 2013, the Staff strength of the TRAI (Headquarters) was as under:

S.No.	Posts	Sanctioned	Actual
1.	SECRETARY	01	01
2.	PR. ADVISOR / ADVISOR	14	12
3.	JT. ADVISOR /DY. ADVISOR	35	25
4.	SR. PR. PRIVATE SECRETARY	03	02
5.	SR. RESEARCH OFFICER	37	24
6.	PPS	02	02
7.	TECHNICAL OFFICER	12	09
8.	SECTION OFFICER	19	17
9.	PS	14	08
10.	LIBRARIAN	1	—
11.	ASSISTANT	48	42
12.	PA	18	16
13.	STENO'D'	01	—
14.	JR. HINDI TRANSLATOR	01	—
15.	LDC	07	06
16.	DRIVERS	15	13
17.	PCM OPERATOR	02	02
18.	DESPATCH RIDER	01	01
19.	ATTENDANTS	08	05
	<b>TOTAL</b>	<b>239</b>	<b>185</b>



## Details of Secretary, Pr. Advisors / Advisors Level in TRAI (HQ)

Sl. No.	Name of the Officer / Designation	
1.	Sh. Rajeev Agrawal Secretary	
2.	Vacant principal advisor (admin.)	
3.	Sh. Sudhir Gupta Principal Advisor (NSL)	
4.	Sh. N. Parameswaran Principal Advisor (B&CS)	
5.	Mrs. Anuradha Mitra Principal Advisor (F&EA)	
6.	Sh. K. Ramchand Principal Advisor (TD)	
7.	Vacant Principal Advisor (Legal)	

Sl. No.	Name of the Officer / Designation	
8.	Sh. Rajpal Advisor (F&EA)	
9.	Sh. Amit Mohan Govil Advisor (Legal)	
10.	Sh. Wasi Ahmad Advisor (B&CS)	
11.	Sh. A. Robert Jerard Ravi Advisor (CA&QoS)	
12.	Sh. Raj Kumar Upadhyay Advisor (B&CS)	
13.	Sh. Arvind Kumar Advisor (NSL)-I	
14.	Sh. Sanjeev Banzal Advisor (NSL)-II	
15.	Sh. Manish Sinha Advisor (F&EA)	

TRAI officials are initially drafted on deputation from the Government Departments. These deputationists with relevant experience in the fields of telecommunication, economics, finance, administration, etc., are initially appointed for a period of two years and thereafter, if required, requests are sent to concerned Government Departments / Organisations for extending their deputations. Seeking extension of deputations in respect of trained and experienced existing employees has often proved to be difficult. While the scope, scale and complexity of Authority's functions continue to grow at a fast pace, the Authority is facing the problem of losing trained and experienced personnel due to their repatriation to their parent departments. The Authority has, therefore, constituted a cadre of officers and staff with specialized expertise and skills with the option of permanent absorption in TRAI.

**4.3.2 Recruitment** – The Authority has constituted its own cadre of officers and staff by way of absorbing the officials who are on deputation to TRAI from various Ministries and Departments. However, most deputationists, particularly in the senior and middle levels do not exercise option for permanent absorption. Therefore, the recruitment of personnel for its Secretariat by way of deputation from

other Ministries / Departments / PSUs still continues. This is due to two reasons. Firstly, the prevailing remuneration package does not attract independent talent with expertise and experience in the areas covered by the Authority. Secondly, among Government employees, the relevant expertise is available mainly in the Ministries or with the Government owned Telecom Operators. However, Authority has been experiencing difficulty in recruiting specialized manpower on account of unattractive terms & conditions of service.

**4.3.3 Training** – TRAI accords utmost importance to human resource initiatives to develop expertise for its staff in the fields of Telecom and Broadcasting especially related to tariffs and quality of services standards, conduct of surveys on Quality of Service and other consumer related matters. This initiative has proved to be useful for its officers and staff in participating effectively in the consultative process for the Authority, both through the preparation of consultation papers and analysing feedback and responses received and also during Open House Discussion. This has also helped in developing the policy framework to address various issues which arise in regulating the telecom sector. In selecting and designing training programmes / workshops, TRAI's



endeavour is to impart diverse skills for macro level policy and handling of techno-economic operating details relevant for implementation and monitoring of policies. Special programmes need to be identified or designed and run to meet the specific needs of TRAI, the Authority sponsors its officers for international training under the 'Institutional Capacity Building Project' for further developing their expertise within the organization.

Few TRAI officers were deputed during the year to attend International Training programmes conducted by various Institutions and International Telecommunications Union. The officers have received valuable inputs through these trainings and the inputs have enriched their skills in their respective area of regulatory work. Forty eight officers / officials of TRAI were deputed for IT skill training programme conducted through National Institute of Electronics & Information Technology (formerly DOEACC Society), New Delhi.

TRAI also has in place a system of in-house training and workshops, where distinguished national and international experts are invited for interaction with its officers on latest developments in the telecom sector. These are the steps for capacity building by TRAI for its officers and staff.

#### **(d) Seminar / Workshops**

4.4 In order to keep pace with the developments taking place globally, the Authority has deputed members of its staff to 26 international events, meetings and symposia which not only helped gather valuable feedback / inputs for its own policy formulation as well to keep abreast with the latest development in the fields of technology, but has also contributed to the international efforts being focused on issues of major regulatory concerns in India and many other countries and enabled India to play a leading role in emerging global information society.

#### **(e) Office accommodation**

4.5 As per the policy of the Government of India TRAI is an eligible office for Office Accommodation from Government pool. But, since its inception in 1997 TRAI has been functioning through rented accommodation. In the past TRAI had made vigorous efforts to get its own office premises through Ministry of Communications & IT but it has been no avail. TRAI being an autonomous regulatory body for regulating the affairs of Telecom Sector and Broadcasting and Cable Services needs its own office premise to keep its autonomous character intact. Presently, TRAI's office is located in the building owned by MTNL on rental basis.



## (f) Residential quarters for TRAI staff

4.6 As per the existing policy of the Government of India employees joining the Authority on deputation are permitted retention of general pool accommodation on payment of Special Licence Fee by the Authority who may recover normal licence fee from the employees. Permissible period of retention will be till the superannuation of the employees or till the duration of their tenure with the Authority, whichever is earlier. The eligibility for allotment of General Pool residential accommodation would be restricted to the officers posted in the Secretariat of the Authority (TRAI) in Delhi, who were eligible for allotment of accommodation from General Pool prior to their joining in the Authority on payment of special licence fee by TRAI to the Directorate of Estates. In view of the forgoing position, the Directorate of Estates is neither allotting the general pool accommodation nor allowing retention of the accommodation already allotted, either to the officers or to the staff, after they get absorbed in TRAI.

## (g) Funding

4.7 TRAI is an autonomous body and it is wholly funded by grant received from the Consolidated Fund of India. The total expenditure on the functioning of

TRAI in the year 2012-13 was Rs. 48.96 crores out of this, Rs.9.87 crores was incurred during 2012-13 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.

TRAI is of the view that in order to perform effectively as an independent regulator, it should be funded from a portion of the licence fees recovered as a cost of administration from those whom it regulates, and it should be empowered with the flexibility in determining the terms and conditions of its employees to enable it to recruit talents / professionals from non-government sources also at senior and other levels. It is worth mentioning that some other national regulatory bodies like IRDA and SEBI are funded out of the fees recovered from the sector they regulate and hence these authorities have the flexibility to use these funds as per the specific requirements of their functioning.

## (h) TRAI Regional Offices

4.8 Authority had approved opening of the Regional Office of TRAI at Delhi. With this, total number of approved Regional Offices of TRAI became 11 (Eleven), but only 09 (Nine) Regional Offices have been made functional. The locations of Regional Offices with License – Service Areas covered is given in the Table.





Sl.No.	Location of Regional Office	License - Service Areas covered
1.	Kolkata	(i) West Bengal (ii) Kolkata (iii) Orissa
2.	Patna	(i) Bihar
3.	Lucknow	(i) Uttar Pradesh (East) (ii) Uttar Pradesh (West)
4.	Chandigarh	(i) Himachal Pradesh (ii) Punjab (iii) Jammu & Kashmir
5.	Hyderabad	(i) Andhra Pradesh (ii) Tamil Nadu
6.	Bhopal	(i) Madhya Pradesh
7.	Bengaluru	(i) Karnataka (ii) Kerala
8.	Mumbai	(i) Maharashtra (ii) Mumbai (iii) Gujarat
9.	Guwahati	(i) Assam (ii) North East
10.	Jaipur	(i) Rajasthan (ii) Haryana
11.	Delhi	(i) Delhi

- **Staff strength of TRAI Regional Offices (as on 31.03.2013)** – The Staff strength of the TRAI (Regional Offices) as on 31.03.2013 was as under:

Sl. No.	Posts	Sanctioned	Actual
1.	Advisors	11	9
2.	Jt. Advisor /Dy. Advisor	22	0
3.	Sr. Research Officer	22	11
4.	Assistant	11	7
	<b>Total</b>	<b>66</b>	<b>27</b>

- **Details of Advisor Level officers in TRAI, Regional Offices (as on 31.3.2013) – The details of officers in the Regional Offices, as on 31.3.2013, was as under :**

Sl. No.	Name of the Officer/Designation	
1.	Rupa Paul Choudhary Advisor Kolkata	
2.	Arun Kumar Advisor Patna	
3.	Vacant Advisor Lucknow	
4.	Amrish Kumar Midha Advisor Chandigarh	
5.	G. Muralidhar Advisor Hyderabad	
6.	Arvind Sinha Advisor Bhopal	
7.	Dr. Sibichen K. Mathew Advisor Bengaluru	

Sl. No.	Name of the Officer/Designation	
8.	Madan Mohan Advisor Mumbai	
9.	Amit Kumar Bhattacharya Advisor Guwahati	
10.	Ramdeo Arya Advisor Jaipur	
11	Vacant Advisor Delhi	

4.8.1 The role and functions of Regional Offices of Telecom Regulatory Authority of India are as under:

- (i) Ensuring compliance of Tariff related Guidelines & effective monitoring of Retail Tariff of Telecommunications, Broadcasting & Cable Services;
- (ii) Proper coordination with Service Providers with regard to Regulatory and marketing aspects;
- (iii) Monitoring of Quality of Service and handling of consumer grievance;





- (iv) Organizing Open House Discussions (OHD) / Consumer Advocacy Groups (CAG) meetings of TRAI;
- (v) Coordination & monitoring of Audit and Survey by Independent Agencies appointed by TRAI;
- (vi) Development of CAG upto to District / Block level and close interaction with CAGs;
- (vii) Organizing Consumer Education Workshops;
- (viii) Close interaction with TERM Cell of DoT;
- (ix) Monitoring of implementation of Mobile Number Portability (MNP) Regulations and Unsolicited Commercial Communications (UCC) Regulations; and
- (x) Perform such other functions including such administrative and financial functions as may be entrusted to it by the Headquarters of TRAI or as may be necessary to carry out the provisions of TRAI Act.

4.8.2 Out of the eleven regional offices approved, nine regional offices were made operational during 2012-13 under pilot project. The Regional offices provided necessary assistance in the areas of Audit and Survey of QoS parameters, complaint redressal, compilation of list of registered Cable Operators, Talk Show through TV and translation of Consumer Handbook into regional languages. During the year

2012-13, Consumer outreach programmes were organized with the help of the Regional offices at 17 places, viz., Chandigarh, Jammu, Mysore, Thiruvananthapuram, Jaipur, Rewari, Guwahati, Shillong, Mumbai, Pune, Bhopal, Hyderabad, Coimbatore, Kolkata, Bhubaneswar, Patna & Ranchi.

#### (i) Right to Information Act

4.9 The Right to Information Act, 2005, which came into force from 12<sup>th</sup> October 2005 is also applicable to TRAI. Accordingly, in consonance with the provisions of the Act, the Authority has designated a Central Public Information Officer in TRAI assisted by a Central Assistant Public Information Officer. Officers of the level of Principal Advisors have been designated as Appellate Authority and Transparency officers under the Act. Name and designation of these officers and the information required to be published under Section 4 (1) of the RTI Act have been placed on the website of TRAI.

During the year 2012-13, 595 applications were received under the RTI Act. All these applications were promptly dealt with and replies have been sent within the stipulated time period.

#### (j) IS/ISO 9001 : 2008 certification

4.10 TRAI had been awarded ISO 9001:2000 certification in December 2004 by Bureau of Indian Standards (BIS). The

same was renewed twice in the year 2007 and 2010 with the validity period of three years. The present series of ISO Standards IS/ISO 9001:2008 certification was awarded to TRAI which is valid upto November, 2013. To evaluate the implementation and effectiveness of Quality Management System (QMS) in TRAI, BIS has also conducted surveillance audits once every year and two renewal audits since December, 2004. The quality auditors have found the QMS functioning satisfactorily and recommended the continuance of the license issued by the BIS.

Conducting internal quality audit on a quarterly basis has also ensured the continual improvement in the system. TRAI has 48 internal quality auditors for the purpose. The Quality Management System is also reviewed by the Secretary

on a monthly basis and by the Top Management in a year.

### (k) Implementation of Official Language Policy

4.11 An Official Language Section under the supervision of Secretary, TRAI is functioning in Telecom Regulatory Authority of India to implement the provisions of Official Language Act, 1963, Official Languages Rules, 1976 and other administrative instructions issued on the subject from time to time by the Department of Official Language (Ministry of Home Affairs). TRAI makes every effort to ensure the compliance of the Official Language policy of the Union Government in TRAI. Besides, it also caters to the translation needs of various Divisions as and when regulations, press communiqués, tender notices, gazette notifications and



Chairman & Members (Whole time), TRAI at the Hindi Pakhwara function held on 14<sup>th</sup> September, 2012



Chairman, TRAI addressing at the Hindi Pakhwara function on 14<sup>th</sup> September, 2012.

Also seen are Senior Officers of TRAI

other documents are issued in bilingual form.

The implementation of Official Language policy of the Union Government by all the Divisions and Sections of TRAI is monitored by the Official Language Implementation Committee (OLIC) constituted under the Chairmanship of Pr. Advisor (Admn.). Meetings of the OLIC are held regularly in every quarter. In these meetings, special emphasis is given on increasing the progressive use of Hindi in official work. Besides, a review of the current status of implementation of Official Language policy in TRAI is also done and future action-plan in this regard is drawn. Valuable suggestions of the members of the Committee are invited to gear up the work relating to Official Language. During the period of the report, 4 meetings of OLIC were held on 27<sup>th</sup> June, 2012, 25<sup>th</sup> September, 2012, 31<sup>st</sup> December, 2012 & 10<sup>th</sup> April, 2013.

In compliance with the directives received from Department of Official

Language (Ministry of Home Affairs) and Department of Telecommunications, "Hindi Pakhwara" was organized in TRAI from 1<sup>st</sup> September, 2012 to 14<sup>th</sup> September, 2012 during which various Hindi competitions viz. Hindi essay writing, poetry recitation, speech, noting/drafting, slogan writing, debate etc. were organized. A number of officers upto the rank of Joint Advisor and staff took part in the competition with great zeal and enthusiasm. On the occasion of Hindi Day, a message from Chairman, TRAI for ensuring the compliance of Official Language rules/regulations was circulated among the officers/staff on 14<sup>th</sup> September, 2012. Chairman, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 14<sup>th</sup> September, 2012.

In order to increase the progressive use of Hindi in day-to-day official work, an annual incentive scheme viz. Varshik Protsahan Yojna has been introduced in TRAI for officers / employees for the last five years. Under this scheme, 10 cash



prizes are given every year to the officers / employees for doing their maximum official work in Hindi during the period of the scheme. This scheme has proved to be very popular among the staff and it has encouraged the staff to do their maximum of official work in Hindi throughout the year.

With a view to facilitate officers/staff to do noting and drafting in Hindi and also to apprise them of the Official Language policy of the Union government, regular Hindi workshops are organized in TRAI. During these workshops dictionaries, administrative glossaries, help/reference books etc. are distributed to the participants which render them

useful help while doing their official work in Hindi. During the period under report, four Hindi workshops were organized in TRAI on 12<sup>th</sup> June, 2012, 22<sup>nd</sup> August, 2012, 31<sup>st</sup> December, 2012 & 20<sup>th</sup> February, 2013.

The bilingual magazine 'TRAI DARPAN' is a representative in-house magazine of TRAI and it is published half yearly. Two issues of 'TRAI DARPAN' (Issue No. 11 and 12) were published during the period of the Report. These issues were widely appreciated both within the Authority and by the members of Hindi Salahakar Samiti of the Department of Telecommunications.



Officers & Staff at the Hindi Pakhwara function on 14<sup>th</sup> September, 2012.  
Also seen Chairman distributing prizes to the winners of various competitions held during Hindi Pakhwara





## B) AUDITED ACCOUNTS OF TRAI FOR THE YEAR 2012-13

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**S**eparate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India for the year ended 31 March 2013

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as on 31 March 2013 and the Income and Expenditure Account/Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000). These financial statements are the responsibility of the Telecom Regulatory Authority of India's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum performance aspects, etc, if any, are reported through Inspection Reports/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance



that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;

ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Section 23 (1) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000).

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India.

iv. We further report that:

#### A. Balance sheet

##### Assets

**Current Assets, Loans and Advances (Schedule 11) Non Plan ₹926.78 lakh**

**Claims receivable ₹.4.87 lakh**

The above head is understated by ₹104.26 lakh being Registration Fee - ₹ 6.70 lakh and Customer Education Fee - ₹ 97.56 lakh for the year 2010-11 as it was transferred to DoT in the year 2011-12. This has also not been separately disclose in Income & Expenditure Account as 'Prior Period' items.

#### B Income and Expenditure Account

**Other Income (Schedule 18) Non Plan ₹ 339.96 lakh**

**Registration fees from telemarketers ₹ 1.34 lakh**

**Customer education fee from telemarketers ₹ 210.74 lakh**

**Penalty from Telemarketer ₹ 126.64 lakh**

The above includes ₹181.18 lakh (Registration fees from Telemarketers: ₹ 0.96 lakh, Customer education fees from Telemarketers: ₹128.88 lakh, Penalty from Telemarketers: ₹52.34 lakh). pertaining to the year 2011-12 which should have been shown separately in the Income and Expenditure Account as 'Prior Period' items.



## Grants in aid

Out of the grants in aid (Non-Plan) of ₹ 4184 lakh {including unspent balance of ₹ 208 lakh (Non Plan) out of the earlier year's grants in aid lying with TRAI} received during the year (₹ 0.00 crore was received in March 2013), TRAI could utilise a sum of ₹ 3837 lakh (Non Plan), leaving a balance of ₹ 347 lakh (Non Plan) as unutilised grant as on 31 March 2013.

Further, out of the grants in aid (Plan) of ₹ 1515 lakh {including unspent balance of ₹ 65 lakh (Plan) out of the earlier year's grant (Plan) lying with TRAI} received during the year (₹ 0.00 crore was received in March 2013), TRAI could utilise a sum of ₹ .1171 lakh (Plan), leaving a balance of ₹ 344 lakh (Plan) as unutilised grant as on 31 March 2013.

## Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Authority through a management letter issued separately for remedial/corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and the Income and Expenditure Account/ Receipts and Payments Account dealt with by this Report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in **Annexure-I** to this Audit Report give a true and fair view in conformity with the accounting principles accepted in India:
  - a. In so far as it relates to the Balance Sheet (both Plan and Non-Plan) of the state of affairs of the Telecom Regulatory Authority of India as on 31 March 2013; and
  - b. In so far as it relates to the Income and Expenditure Account of the Deficit (both Plan and Non-Plan) for the year ended on that date.

For and on behalf of the C&AG of India

Place: Delhi

Date: 29<sup>th</sup> October 2013

Sd/-

(R.B.Sinha)

Director General of Audit (P&T)



## ANNEXURE-I

As per the information and explanations given to us, the books and records examined by us in normal course of audit and to the best of our knowledge and belief, we further report that:

### (1) Adequacy of Internal Audit System

The internal Audit System of the organization is adequate and commensurate with its size and the nature of its functions. But the Internal Audit was not independent (Reporting to the head of finance instead of head of organization as the compliance of scope of observations rests with the auditee unit itself. However, amendment was effected w.e.f. 3/5/2012 to the administrative set up of Internal Audit by making the Internal Auditor report to the Secretary, TRAI instead of head of Finance based on the observation of the Audit.

### (2) Adequacy of Internal Control System

The internal control system of the organisation is adequate and

commensurate with its size and the nature of its functions.

### (3) System of physical verification of fixed assets

The System of physical verification of fixed assets of the organisation is adequate and commensurate with its size and the nature of its functions.

### (4) System of physical verification of inventory

The system for physical verification of inventory is adequate and commensurate with its size and the nature of its functions.

### (5) Regularity in payment of statutory dues

There was no disputed amount payable in respect of any other statutory dues including Contributory Provident Fund.



**FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)  
TELECOM REGULATORY AUTHORITY OF INDIA  
BALANCE SHEET AS AT 31-03-2013**

(Amount-Rs.)

Schedule	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
CORPUS/CAPITAL FUND	1,03,77,491	(4,30,03,291)	34,20,37,200	24,06,55,674
RESERVES AND SURPLUS				
EARMARKED/ENDOWMENT FUNDS				
SECURED LOANS AND BORROWINGS				
UNSECURED LOANS AND BORROWINGS				
DEFERRED CREDIT LIABILITIES				
CURRENT LIABILITIES AND PROVISIONS	10,37,97,618	11,92,62,176	4,39,42,049	4,26,56,706
<b>TOTAL</b>	<b>11,41,75,109</b>	<b>7,62,58,885</b>	<b>38,59,79,249</b>	<b>28,33,12,380</b>
<b>ASSETS</b>				
FIXED ASSETS				
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	2,14,97,306	2,40,77,623	1,69,52,230	1,50,668
INVESTMENTS-OTHERS				
CURRENT ASSETS, LOANS,ADVANCES ETC	9,26,77,803	5,21,81,262	36,90,27,019	28,31,61,712
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)				
<b>TOTAL</b>	<b>11,41,75,109</b>	<b>7,62,58,885</b>	<b>38,59,79,249</b>	<b>28,33,12,380</b>
SIGNIFICANT ACCOUNTING POLICIES				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS				

**Sd/-  
Pr. Advisor (F&EA)**

**Sd/-  
Secretary**

**Sd/-  
Member**

**Sd/-  
Chairperson**





**FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)**  
**TELECOM REGULATORY AUTHORITY OF INDIA**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2013**

(Amount-Rs.)

Schedule	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
<b>INCOME</b>				
Income from Sales/Services				
Grants/Subsidies	41,00,00,000	35,00,00,000	20,00,00,000	16,00,00,000
Fee/Subscriptions				
Income from Investments (Income on Invest from earmarked /endow. Funds transferred to Funds				
Income for Royalty, Publication etc.			902	
Interest Earned	3,07,830	4,67,929		
Other Income	3,39,96,050	19,242		
Increase(decrease) in stock of Finished goods and works-in-progress				
<b>TOTAL(A)</b>	<b>44,43,03,880</b>	<b>35,04,87,171</b>	<b>20,00,00,902</b>	<b>16,00,00,000</b>
<b>EXPENDITURE</b>				
Establishment Expenses	18,35,87,137	16,93,21,278		
Other Administrative Expenses etc	20,17,65,448	19,93,09,389	9,63,24,480	6,75,45,381
Expenditure on Grants,Subsidies etc				
Interest				
Depreciation (Net Total at the year end-corresponding to Schedule 8)	56,38,783	57,38,718	24,26,065	51,446
<b>TOTAL (B)</b>	<b>39,09,91,368</b>	<b>37,43,69,385</b>	<b>9,87,50,545</b>	<b>6,75,96,827</b>

Schedule	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
Balance being excess of Income over Expenditure (A-B)				
Transfer to Special Reserve (Specify each)				
Transfer to / from General Reserve				
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND	5,33,12,512	(2,38,82,214)	10,12,50,357	9,24,03,173
SIGNIFICANT ACCOUNTING POLICIES	24			
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25			

Sd/-

Pr. Advisor (F&EA)

Sd/-

Secretary

Sd/-

Member

Sd/-

Chairperson



**FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)**  
**TELECOM REGULATORY AUTHORITY OF INDIA**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-03-2013**

**SCHEDULE 1 - CORPUS/CAPITAL FUND**

(Amount-Rs.)

	NON - PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
Balance as at the beginning of the year	(4,30,03,291)	(2,10,72,360)	24,06,55,674	14,81,92,501
Add:/Less Contributions towards Corpus/Capital Fund	68,270	19,51,283	1,31,169	60,000
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	5,33,12,512	(2,38,82,214)	10,12,50,357	9,24,03,173
<b>BALANCE SHEET AS AT THE YEAR-END</b>	<b>1,03,77,491</b>	<b>(4,30,03,291)</b>	<b>34,20,37,200</b>	<b>24,06,55,674</b>

**SCHEDULE 2 - RESERVES AND SURPLUS**

(Amount-Rs.)

	NON - PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Capital Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
2. Revaluation Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
3. Special Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
4. General Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Sd/-  
Dy. Advisor

**SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS**

(Amount-Rs.)

	FUND-WISE BREAKUP				TOTALS			
	Fund WW	Fund XX	Fund YY	Fund ZZ	NON-PLAN Current Year 2012-13	Previous Year 2011-12	PLAN Current Year 2012-13	Previous Year 2011-12
	a) Opening balance of the funds							
b) Additions of the funds:								
i. Donations/grants								
ii. Income from investments made on account of funds								
iii. Other additions(Misc income, receipt of advances)								
<b>TOTAL (a+b)</b>								
c) Utilisation/expenditure towards objectives of funds								
i. Capital Expenditure								
- Fixed Assets								
- Others								
<b>Total</b>								
ii. Revenue Expenditure								
- Salaries,Wages and allowances etc								
- Rent								
- Other Administrative expenses								
<b>Total</b>								
<b>TOTAL (c)</b>								
<b>NET BALANCE AS AT THE YEAR-END (a+b+c)</b>								

**Notes**

- 1) Disclosures shall be made under relevant head based on conditions attaching to the grants
- 2) Plan funds received from the Central/State Governments are to be shown as separate funds and not to be mixed up with any other Funds

**Sd/-  
Dy. Advisor**



## SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Central Government	-	-	-	-
2. State Government (Specify)	-	-	-	-
3. Financial Institutions	-	-	-	-
4. Banks	-	-	-	-
a) Term Loans	-	-	-	-
- Interest accrued and due	-	-	-	-
b) Other-Loans(Specify)	-	-	-	-
- Interest accrued and due	-	-	-	-
5. Other Institutions and Agencies	-	-	-	-
6. Debentures and Bonds	-	-	-	-
7. Others (Specify)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

**Note :** Amount due within one year

## SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Central Government		-		-
2. State Government (Specify)		-		-
3. Financial Institutions		-		-
4. Banks		-		-
a) Term Loans		-		-
- Interest accrued and due		-		-
b) Other-Loans(Specify)		-		-
- Interest accrued and due		-		-
5. Other Institutions and Agencies		-		-
6. Debentures and Bonds		-		-
7. Others(Specify)		-		-
<b>TOTAL</b>		-		-

**Note :** Amount due within one year

Sd/-  
Dy. Advisor

## SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2012-13	2011-12	2012-13	2011-12
1. Acceptance secured by hypothecation of capital equipment and other assets	-	-	-	-
2. Others	-	-	-	-

**Note :** Amount due within one year

## SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2012-13	2011-12	2012-13	2011-12
<b>A. CURRENT LIABILITIES</b>				
1) Acceptances	-	-	-	-
2) Sundry Creditors	-	-	-	-
a) For Goods	-	-	-	-
b) Others	-	-	-	-
3) Advances Received	-	-	-	-
4) Interest accrued but not due on:	-	-	-	-
a) Secured loans/borrowings	-	-	-	-
b) Unsecured Loans/borrowings	-	-	-	-
5) Statutory Liabilities	-	-	-	-
a) Overdue	-	-	-	-
b) Others	-	-	-	-
6) Other current Liabilities	-	-	-	-
1) For TRAI General Fund	10,80,000	9,03,000	77,50,000	48,00,000
2) For Telemarketers Registration fees	-	96,000	-	-
3) For Customer Education Fees	-	1,28,88,337	-	-
4) Penalty from telemarketers	-	52,33,705	-	-
<b>TOTAL (A)</b>	<b>10,80,000</b>	<b>191,21,042</b>	<b>77,50,000</b>	<b>48,00,000</b>
<b>B. PROVISIONS</b>				
1. For Taxation	-	-	-	-
2. Gratuity	1,88,34,059	1,50,06,101	-	-
3. Superannuation/Pension	-	-	-	-
4. Accumulated Leave Encashment	2,05,16,769	1,81,20,507	-	-
5. Trade Warranties/Claims	-	-	-	-
6. Other(Specify)	-	-	-	-
Provisions for expenses	6,33,66,790	6,70,14,526	3,61,92,049	3,78,56,706
<b>TOTAL (B)</b>	<b>10,27,17,618</b>	<b>10,01,41,134</b>	<b>3,61,92,049</b>	<b>3,78,56,706</b>
<b>TOTAL (A+B)</b>	<b>10,37,97,618</b>	<b>11,92,62,176</b>	<b>4,39,42,049</b>	<b>4,26,56,706</b>

Sd/-  
Dy. Advisor





### SCHEDULE 8 - FIXED ASSETS NON-PLAN

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the beginning of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
<b>A. FIXED ASSETS :</b>										
1. LAND	-	-	-	-	-	-	-	-	-	-
a) Freehold	-	-	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-	-	-
2. BUILDINGS										
a) On Freehold Land	-	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-	-	-
c) Ownership Flats/Premises	-	-	-	-	-	-	-	-	-	-
d) Superstructures on land not belonging to the entity	-	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES	64,85,438	-	-	64,85,438	32,66,675	4,27,363	-	36,94,038	27,91,400	32,18,763
5. FURNITURE, FIXTURES	1,86,91,036	6,80,655	-	1,93,71,691	1,06,81,464	14,66,957	-	1,21,48,421	72,23,270	80,09,572

(Contd...)

**SCHEDULE 8 - FIXED ASSETS NON-PLAN (Contd...)**

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the beginning of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
6. OFFICE EQUIPMENT	1,14,21,157	4,59,136	19,998	1,18,60,295	87,17,294	7,20,417	11,506	94,26,205	24,34,090	27,03,863
7. COMPUTER/PERIPHERALS	2,92,92,942	15,83,162	79,760	3,07,96,344	2,34,59,882	22,77,512	79,760	2,56,57,634	51,38,710	58,33,060
8. ELECTRIC INSTALLATIONS	62,82,440	3,14,628	-	65,97,068	23,11,249	5,99,537	-	29,10,786	36,86,282	39,71,191
9. LIBRARY BOOKS	37,42,121	29,377	-	37,71,498	34,00,947	1,46,997	-	35,47,944	2,23,554	3,41,174
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS										
<b>TOTAL OF CURRENT YEAR</b>	<b>7,59,15,134</b>	<b>30,66,958</b>	<b>99,758</b>	<b>7,88,82,334</b>	<b>5,18,37,511</b>	<b>56,38,783</b>	<b>91,266</b>	<b>5,73,85,028</b>	<b>2,14,97,306</b>	<b>2,40,77,623</b>
<b>PREVIOUS YEAR</b>	<b>7,15,04,268</b>	<b>44,20,866</b>	<b>10,000</b>	<b>7,59,15,134</b>	<b>4,61,02,910</b>	<b>57,38,718</b>	<b>4,117</b>	<b>5,18,37,511</b>	<b>2,40,77,623</b>	<b>2,54,01,358</b>
<b>B-CAPITAL WORK-IN-PROGRESS</b>										
<b>TOTAL</b>										

Sd/-  
Dy. Advisor





**SCHEDULE 8 - FIXED ASSETS PLAN**

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the beginning of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
<b>A. FIXED ASSETS:</b>										
1. LAND	-	-	-	-	-	-	-	-	-	-
a) Freehold	-	-	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-	-	-
2. BUILDINGS										
a) On Freehold Land	-	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-	-	-
c) Ownership Flats/ Premises	-	-	-	-	-	-	-	-	-	-
d) Superstructures on land not belongg to the entity	-	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES	-	-	-	-	-	-	-	-	-	-

(Contd...)

**SCHEDULE 8 - FIXED ASSETS PLAN (Contd...)**

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the beginning of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
5. FURNITURE, FIXTURES	-	12,74,926	-	12,74,926	-	1,00,197	-	1,00,197	11,74,729	-
6. OFFICE EQUIPMENT	-	17,24,815	-	17,24,815	-	1,48,050	-	1,48,050	15,76,765	-
7. COMPUTER/PERIPHERALS	-	1,62,27,886	-	1,62,27,886	-	21,26,372	-	21,26,372	1,41,01,514	-
8. ELECTRIC INSTALLATIONS	-	-	-	-	-	-	-	-	-	-
9. LIBRARY BOOKS	3,64,407	-	-	3,64,407	2,13,739	51,446	-	2,65,185	99,222	1,50,668
10. TUBEWELLS & W.SUPPLY	-	-	-	-	-	-	-	-	-	-
11. OTHER FIXED ASSETS	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OF CURRENT YEAR</b>	<b>3,64,407</b>	<b>1,92,27,627</b>	<b>-</b>	<b>1,95,92,034</b>	<b>2,13,739</b>	<b>24,26,065</b>	<b>-</b>	<b>26,39,804</b>	<b>1,69,52,230</b>	<b>1,50,668</b>
<b>PREVIOUS YEAR</b>	<b>3,64,407</b>	<b>-</b>	<b>-</b>	<b>3,64,407</b>	<b>1,62,293</b>	<b>51,446</b>	<b>-</b>	<b>2,13,739</b>	<b>1,50,668</b>	<b>2,02,114</b>
<b>B. CAPITAL WORK-IN-PROGRESS</b>										
<b>TOTAL</b>										

Sd/-  
Dy. Advisor



## SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. In Government Securities	-	-	-	-
2. Other approved Securities	-	-	-	-
3. Shares	-	-	-	-
4. Debentures and Bonds	-	-	-	-
5. Subsidiaries and Joint Ventures	-	-	-	-
6. Others ( to be specified)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

## SCHEDULE 10 - INVESTMENTS OTHERS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. In Government Securities	-	-	-	-
2. Other approved Securities	-	-	-	-
3. Shares	-	-	-	-
4. Debentures and Bonds	-	-	-	-
5. Subsidiaries and Joint Ventures	-	-	-	-
6. Others (Bank FDRs)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

Sd/-  
Dy. Advisor

**SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC**

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
<b>A. CURRENT ASSETS:</b>				
1. Inventories				
a) Stores and Spares	-	-	-	-
b) Lose tools	-	-	-	-
c) Stock-in-trade	-	-	-	-
Finished Goods	-	-	-	-
Work in progress	-	-	-	-
Raw Material	-	-	-	-
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months	-	-	-	-
b) Others	-	-	-	-
3. Cash balances in hand (including cheques/drafts and imprest)	99,902	89,739	1	-
4. Bank Balances:				
a) With Scheduled Banks	-	-	-	-
- On Current Accounts TRAI General fund	3,69,34,014	2,26,93,590	4,21,75,612	1,12,98,897
- On Current Accounts Registration Fees	1,34,000	96,000	-	-
- Penalty from telemarketres	1,26,64,131	52,33,705	-	-
- On Savings Account Customer education fees	2,10,74,128	1,28,88,337	-	-
- On Savings Account Financial Disincentive	1,02,867	-	-	-
b) With non-Scheduled Banks				
- On Current Accounts	-	-	-	-
- On Deposit Accounts	-	-	-	-
- On Savings	-	-	-	-
5. Post Office-Savings Accounts	-	-	-	-
<b>TOTAL (A)</b>	<b>7,10,09,042</b>	<b>4,10,01,371</b>	<b>4,21,75,613</b>	<b>1,12,98,897</b>

Sd/-  
Dy. Advisor



**SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC**

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
<b>B. LOANS, ADVANCES AND OTHER ASSETS</b>				
1. Loans				
a) Staff	23,46,494	31,54,631	-	-
b) Other Entities engaged in activities/objectives similar to that of Entity				
c) Others (TA, LTC and Festival Advances to Officers & Staff)	6,08,469	18,21,142	8,30,606	4,91,015
2. Advance and other amounts recoverable in cash or in kind or for value to be received:				
a) On Capital Account	1,50,00,000	26,00,000	32,60,00,000	27,10,00,000
b) Prepayments				
c) Others	9,52,544	10,78,544	20,800	3,71,800
3. Income Accrued				
a) On Investments from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances				
d) Others (includes income due unrealised Rs.)	22,73,619	20,37,939		
4. Claims Receivable	4,87,635	4,87,635		
<b>TOTAL (B)</b>	<b>2,16,68,761</b>	<b>1,11,79,891</b>	<b>32,68,51,406</b>	<b>27,18,62,815</b>
<b>TOTAL (A+B)</b>	<b>9,26,77,803</b>	<b>5,21,81,262</b>	<b>36,90,27,019</b>	<b>28,31,61,712</b>

Sd/-  
Dy. Advisor

## SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Income from Sales	-	-	-	-
a) Sale of Finished Goods	-	-	-	-
b) Sale of Raw material	-	-	-	-
c) Sale of Scraps	-	-	-	-
2. Income from Services	-	-	-	-
a) Labour and Processing Charges	-	-	-	-
b) Professional/Consultancy Services	-	-	-	-
c) Agency Commission and Brokerage	-	-	-	-
d) Maintenance Services (Equipment/Property)	-	-	-	-
e) Others (Specify)	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SCHEDULE 13 - GRANTS/SUBSIDIES

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
(Irrevocable Grants & Subsidies Received)				
1) Central Government	41,00,00,000	35,00,00,000	20,00,00,000	16,00,00,000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
<b>TOTAL</b>	<b>41,00,00,000</b>	<b>35,00,00,000</b>	<b>20,00,00,000</b>	<b>16,00,00,000</b>

Sd/-  
Dy. Advisor



## SCHEDULE 14 - FEES/SUBSCRIPTIONS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2012-13	2011-12	2012-13	2011-12
1. Entrance Fees	-	-	-	-
2. Annual Fees/Subscriptions	-	-	-	-
3. Seminar/Program Fees	-	-	-	-
4. Consultancy Fees	-	-	-	-
5. Others (specify)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

Note: Accounting Policies towards each item are to be disclosed

## SCHEDULE 15 - INCOME FROM INVESTMENTS

(Amount-Rs.)

	Investment from Earmarked Fund			
	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2012-13	2011-12	2012-13	2011-12
(Income on Invest.from Earmarked/Endowment Funds Transferred to Funds)				
1) Interest				
a) On Govt Securities	-	-	-	-
b) Other Bonds/Debentures	-	-	-	-
2) Dividends	-	-	-	-
a) On Shares	-	-	-	-
b) On Mutual Fund Securities	-	-	-	-
3) Rents	-	-	-	-
4) Others (Specify)	-	-	-	-
<b>TOTAL</b>				
<b>TRANSFERRED TO EARMARKED/ENDOWMENT FUNDS</b>				

Sd/-  
Dy. Advisor

## SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATION ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Income from Royalty	-	-	-	-
2. Income from Publications	-	-	-	-
3. Others (specify)	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SCHEDULE 17 - INTEREST EARNED

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1) On Term Deposits				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-	-	-	-
c) With Institutions	-	-	-	-
d) Others	-	-	-	-
2) On Savings Account				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-	-	-	-
c) With Institutions	-	-	-	-
d) Others	-	-	-	-
3) On Loans				
a) Employees/Staff	3,07,830	4,67,929	902	-
b) Others	-	-	-	-
4) Interest on Debtors and Other Receivables	-	-	-	-
<b>TOTAL</b>	<b>3,07,830</b>	<b>4,67,929</b>	<b>902</b>	<b>-</b>

Note-Tax deducted at source to be indicated

Sd/-  
Dy. Advisor



## SCHEDULE 18 - OTHER INCOME

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
1. Profit on Sale/disposal of Assets	-	-	-	-
a) Owned assets	7,976	-	-	-
b) Assets acquired out of grants, or received free of cost	-	-	-	-
2. Export Incentives realized	-	-	-	-
3. Fees for Miscellaneous Services	-	-	-	-
4. Miscellaneous Income	12,948	19,242	-	-
5. Registration Fees from Telemarketers	1,34,000	-	-	-
6. Customer Education Fees from Telemarketers	2,10,74,128	-	-	-
7. Penalty from Telemarketers	1,26,64,131	-	-	-
8. Financial Disincentive	1,02,867	-	-	-
<b>TOTAL</b>	<b>3,39,96,050</b>	<b>19,242</b>	<b>-</b>	<b>-</b>

## SCHEDULE 19 - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
a) Closing stock				
- Finished Goods	-	-	-	-
- Work-in-progress	-	-	-	-
b) Less Opening Stock				
- Finished Goods	-	-	-	-
- Work-in-progress	-	-	-	-
<b>NET INCREASE/(DECREASE) [a-b]</b>		<b>-</b>		<b>-</b>

Sd/-  
Dy. Advisor

## SCHEDULE 20 - ESTABLISHMENT EXPENSES

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
a) Salaries and Wages	14,81,20,191	13,65,48,216	-	-
b) Allowances and Bonus	2,81,905	2,77,221	-	-
c) Contribution to Provident Fund	39,99,696	36,70,657	-	-
d) Contribution to Other Fund (specify)	-	-	-	-
e) Staff Welfare Expenses	3,70,997	3,86,123	-	-
f) Expenses on Employees Retirement and Terminal Benefits	1,72,14,233	1,77,78,906	-	-
g) Others (LTC, Medical to Officers & Staff and OTA to Staff)	1,36,00,115	1,06,60,155	-	-
<b>TOTAL</b>	<b>18,35,87,137</b>	<b>16,93,21,278</b>	-	-

Sd/-  
Dy. Advisor



## SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
a) Purchases	-	-	-	-
b) Labour and processing expenses	-	-	-	-
c) Cartage and Carriage Inwards-	-	-	-	-
d) Electricity and power	13,28,867	9,75,604	-	-
e) Water charges	-	-	-	-
f) Insurance	85,572	1,11,615	-	-
g) Repairs and maintenance	29,01,482	23,76,159	-	-
h) Excise Duty	-	-	-	-
i) Rent,Rates and Taxes	12,52,33,548	11,76,43,636	-	-
j) Vehicles Running and Maintenance	31,12,701	33,17,004	-	-
k) Postage,Telephone and Communication Charges	73,48,120	80,82,217	-	-
l) Printing and Stationery	80,05,444	76,92,856	-	-
m) Travelling and Conveyance Expenses	1,58,97,237	1,96,56,912	-	-
n) Expenses on Seminar/Workshops	2,72,026	9,99,980	-	-
o) Subscription Expenses	1,60,165	5,55,793	-	-
p) Expenses on Fees	-	-	-	-
q) Auditors Remuneration	1,43,906	1,04,200	-	-
r) Hospitality Expenses	24,62,785	23,07,647	-	-
s) Professional Charges	2,47,10,012	2,15,39,180	-	-
t) Provision for Bad and Doubtful Debts/Advances	-	-	-	-
u) Irrecoverable Balances Written-off	-	-	-	-
v) Packing Charges	-	-	-	-
w) Freight and Forwarding Expenses	-	-	-	-
x) Distribution Expenses	-	-	-	-
y) Advertisement and Publicity	9,53,084	42,41,263	-	-
z) Others	-	-	-	-
(i) Others (Payment to Security, Housekeeping etc.)	91,50,499	97,05,323	-	-
(ii) Expenditure on Capacity Building	-	-	9,63,24,480	6,75,45,381
<b>TOTAL</b>	<b>20,17,65,448</b>	<b>19,93,09,389</b>	<b>9,63,24,480</b>	<b>6,75,45,381</b>

**Sd/-  
Dy. Advisor**

## SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
a) Grants given to Institutions/ Organisations	-	-	-	-
b) Subsidies given to Institutions/ Organisations	-	-	-	-
<b>TOTAL</b>	-	-	-	-

**Note:** Name of Entities,their Activities along with the amount of Grants/Subsidies are to be disclosed

## SCHEDULE 23 - INTEREST

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12
a) On Fixed Loans	-	-	-	-
b) On Other Loans (including Bank Charges)	-	-	-	-
c) Others (specify)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

Sd/-  
Dy. Advisor





**TELECOM REGULATORY AUTHORITY OF INDIA**  
**RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2013**

(Amount-Rs.)

	NON-PLAN		PLAN		PAYMENTS		NON-PLAN		PLAN	
	Current Year 2012-13	Previous Year 2011-12								
<b>I. Receipts</b>										
a) Opening Balance										
a) Cash in hand	89,739	90,640								
i) In current accounts	2,26,93,590	1,19,06,421	1,12,98,897	20,93,027						
ii) In deposit accounts										
iii) Savings Accounts										
Penalty from Telemarketers			52,33,705							
Registration Fees			96,000	6,70,000						
Customer Education Fees			1,28,88,337	97,76,062						
<b>II. Grants Received</b>										
a) From Government of India	39,76,00,000	37,90,00,000	14,50,00,000	6,00,00,000						
b) From State Government										
c) From other sources(details)										
<b>III. Income on Investments from</b>										
a) Earmarked/Endow Funds										
b) Own Funds (Oth Investment)										
<b>IV. Interest Received</b>										
a) On Bank deposits										6,70,000
<b>I. Expenses</b>										
a) Establishment Expenses (corresponding to Schedule 20)	17,64,55,183	16,05,35,326								
b) Administrative Expenses (corresponding to Schedule 21)	20,61,76,565	20,09,79,878	11,30,69,400	5,42,46,179						
<b>II. Payments made against funds for various projects</b>										
<b>III. Investments and deposits made</b>										
a) Out of Earmarked/Endowment funds										
b) Out of Own Funds (Investments-Others)										
<b>IV. Expenditure on Fixed Assets &amp; Capital Work-in-progress</b>										
a) Purchase of Fixed Assets	31,38,079	42,44,890	40,16,195							
b) Expenditure on Capital Work-in-progress										
<b>V. Refund of surplus money/Loans</b>										
a) To the Government of India										
b) To the State Government										
c) To other providers of funds										
d) To DoT for Registration Fees of Telemarketers										6,70,000

(Contd...)

RECEIPTS	NON-PLAN			PLAN			PAYMENTS	NON-PLAN			PLAN		
	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12		Current Year 2012-13	Previous Year 2011-12	Current Year 2012-13	Previous Year 2011-12		
b) Loans, Advances etc.	72,150	88,633	902										
c) Miscellaneous									97,56,000				
<b>V. Other Income (Specify)</b>													
To Miscellaneous Income	12,948	19,242											
<b>VI. Amount Borrowed</b>													
<b>VII. Any other receipts (give details)</b>													
To Security Deposits	1,77,000		29,50,000										
To Sale of Assets	11,506	5,883							89,739	1			
To Loans and Advances & Security Deposits	21,46,810	96,906	11,409	42,00,000									
To Registration Fees	38,000	96,000											
To Customer Education Fees	81,85,791	1,28,68,275											
To Penalty from Telemarketers	74,30,426	52,33,705											
To Financial Disincentive	1,02,867												
<b>TOTAL</b>	<b>45,67,78,869</b>	<b>41,98,51,767</b>	<b>15,92,61,208</b>	<b>6,62,93,027</b>	<b>45,67,78,869</b>	<b>41,98,51,767</b>	<b>15,92,61,208</b>	<b>6,62,93,027</b>	<b>45,67,78,869</b>	<b>41,98,51,767</b>	<b>15,92,61,208</b>	<b>6,62,93,027</b>	

**Sd/-**  
**Pr. Advisor (F&EA)**

**Sd/-**  
**Secretary**

**Sd/-**  
**Member**

**Sd/-**  
**Chairperson**



## SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

### 1 Accounting Conventions:

- (a) The financial statements have been prepared in the "Uniform Form of Accounts" as approved by the Controller General of Accounts vide their letter No. F.No.19(1)/Misc./2005/TA/450-490 dated 23.07.2007 for both Non-Plan and Plan activities appropriately and distinctly.
- (b) Accounts have been prepared on accrual basis for the current year i.e., 2012-13. There is no change in Method of Accounting from the preceding year.
- (c) Provisions for all the undisputed and known liabilities have been made in the Books of Account.
- (d) Figures have been rounded off to the nearest rupee.
- (e) Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

### 2 Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition.

### 3 Depreciation:

- (a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the categories mentioned below on which higher rates of depreciation have been applied, as applied in the Accounts for preceding years :

Category	Minimum prescribed depreciation rate as per Companies Act, 1956	Depreciation rate applied
Office Equipments	4.75%	10.00%
Furnitures and Fixtures	6.33%	10.00%
Electrical Appliances	4.75%	10.00%
Airconditioners	4.75%	10.00%
Books and Publications	4.75%	20.00%

Office Equipments includes Mobile Handsets provided to the officers for official purposes. It has been decided by the Competent Authority vide Order No. 2-1/97-LAN dated 04.05.2007 to provide/write off these handsets in three years on the same pattern as DoT. Accordingly depreciation on Mobile Handsets from the year 2007-08 onwards have been charged off @



33.33%. Further, It has also decided by Authority, vide order no 23-24/2008/GA (LT) dated 19/03/2009 that life span for the Laptop issued to TRAI officers will henceforth be of four years. Accordingly, depreciation on Laptop has been provided @ 25%.

- (b) In respect of additions to Fixed Assets during the year, depreciation is considered on Pro-rata basis.
- (c) Assets costing Rs. 5,000/- or less, each are fully provided.

#### **4. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

#### **5. Retirement Benefits**

- (a) Provision for Leave Salary and Pension Contribution up to 31.03.2013 in the case of employees on deputations have been provided in the Books of Accounts at the rates prescribed by Government of India under Fundamental Rules from time to time.
- (b) In the case of regular employees, provision for Leave Encashment and Gratuity for the year 2012-13 have been made on the basis of report furnished by the actuary.

#### **6 Govt. Grant :**

- (a) No grant in respect of specific fixed assets has been received during the current year.
- (b) Govt. grants are accounted for on the basis of sanctioned amount.

### **SCHEDULE 25 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS**

#### **1. Contingent Liabilities:**

Claims against the Entity not acknowledged as debts Current Year (Nil) (Previous year Nil)

#### **2. Current Assets, Loans and Advances:**

In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet.

#### **3. Taxation:**

As per clause 32 of the TRAI Act, 1997, TRAI is exempt from tax on Wealth and Income.

#### **4. Grants**

During the accounting year i.e. 2012-13, the grants sanctioned for transfer to TRAI General Fund under Non – Plan head was Rs. 41.00 crore against which a sum of Rs.39.76 crores was



received as grant from DoT. A sum of Rs. 1.50 crores receivable from DoT has been shown in Schedule-11 under the head "Advance and other amounts recoverable in cash or in kind or for value to be received".

Similarly, the grant for transfer to TRAI General Fund under PLAN head of account was sanctioned as Rs. 20.00 crore against which a sum of Rs. 14.50 crore was received as grant from DoT. A sum of Rs. 32.60 crore receivable from DoT has been shown in Schedule-11.

#### 5. Transactions relating to the Telecom Commercial Communications Customer Preference Regulations, 2010

As per the provisions of "The Telecom Commercial Communications Customer Preference Regulations, 2010, TRAI has opened four accounts with Corporation Bank for deposition of Registration Fee, Customer Education Fee, Penalty Telemarketers and Financial Disincentive Accounts. As on 31st March, 2013 a sum of Rs. 1,34,000/- , Rs. 2,10,74,128/-, Rs. 1,26,64,131/- and Rs. 1,02,867/- has been received on account of Registration Fee, Customer Education Fee, Penalty on Telemarketers and Financial Disincentive respectively. This amount has been shown in Schedule 18 - 'Other Income'.

#### 6. Previous year figures:

Corresponding figures for the previous year have been regrouped/arranged wherever necessary. The expenditure/income relating to the previous year i.e prior period expenditure/income have been routed through capital fund .

#### 7. Transactions in Foreign Currencies

Expenditure in Foreign Currency: Non - Plan Head *Nil*

Expenditure in Foreign Currency: Plan Head

(a) Travel : A sum of Rs. 30,45,802/- was paid to officers towards TA/ DA expenditure for overseas travel.

(b) Remittances and Interest payment to Financial Institution, Banks in Foreign Currency *Nil*

(c) Other Expenditure:  
 - Professional Expenses A sum of Rs. 18,66,294/- was paid to Overseas Consultant

8 Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Income and Expenditure Account for the year ended on that date.

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Pr. Advisor (F&amp;EA)</b>	<b>Secretary</b>	<b>Member</b>	<b>Chairperson</b>



# C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNT OF TRAI FOR THE YEAR 2012-13

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**S**eparate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India-Contributory Provident Fund Account for the year ended 31 March 2013

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2013 and the Income and Expenditure Account/Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Rule 5 (5) of the Telecom Regulatory Authority of India (Contributory Provident Fund) Rules, 2003, issued under Government of India, Extraordinary Gazette Notification No. GSR 333(E) dated 10 April 2003. These financial statements are the responsibility of the Telecom Regulatory Authority of India-Contributory Provident Fund Account's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum performance aspects, etc, if any are reported through Inspection Reports/CAG's Audit Reports separately.





3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
  - ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Rule 5 of the Telecom Regulatory Authority of India (Contributory Provident Fund) Rules, 2003.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India – Contributory Provident Fund Account.
  - iv. We report that the Balance Sheet and the Income and Expenditure Account/Receipt and Payments Account dealt with by this Report are in agreement with the books of accounts.
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report, give a true and fair view in conformity with the accounting principles accepted in India:
    - a. In so far as it relates to the Balance Sheet of the state of affairs of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2013; and
    - b. In so far as it relates to the Income and Expenditure Account of the 'Income' for the year ended on that date.

**For and on behalf of the C&AG of India**

**Sd/-**

**(R.B. Sinha)**

**Director General of Audit (P&T)**

**Place: Delhi**  
**Date: 12 September 2013**

## ANNEXURE-I TO SEPARATE AUDIT REPORT

*(Referred to in paragraph 4(v) of Separate Audit Report of even date on the accounts of Telecom Regulatory Authority of India - Contributory Provident Fund Account for the year ended 31st March 2013)*

As per the information and explanations given to us, the books and records examined by us in normal course of audit and to the best of our knowledge and belief, we further report that:

### **(1) Adequacy of Internal Audit System**

*The internal Audit System of the organisation is adequate and commensurate with its size and the*

*nature of its functions. But the Internal Audit is not independent as the compliance of Scope and observations rest with the auditee unit themselves.*

### **(2) Adequacy of Internal Control System**

*The internal Control System of the organisation is adequate and commensurate with its size and the nature of its functions.*





**FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)**  
**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT**  
**BALANCE SHEET AS AT 31-MAR-2013**

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year	(Amount-Rs.)
TRAI - CPF MEMBERS' ACCOUNT	1	75210083.00	55671067.00	
RESERVES AND SURPLUS	2	3454192.83	-	
EARMARKED/ ENDOWMENT FUNDS	3	-	-	
SECURED LOANS AND BORROWINGS	4	-	-	
UNSECURED LOANS AND BORROWINGS	5	-	-	
DEFERRED CREDIT LIABILITIES	6	-	-	
CURRENT LIABILITIES AND PROVISIONS	7	-	-	
<b>TOTAL</b>		<b>78664275.83</b>	<b>55671067.00</b>	
<b>ASSETS</b>				
FIXED ASSETS	8		-	
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9		-	
INVESTMENTS - OTHERS	10	72495101.00	48100924.79	
CURRENT ASSETS, LOANS, ADVANCES ETC	11	6169174.83	7570142.21	
MISCELLANEOUS EXPENDITURE - on account of Diminution on Value of Investments (to the extent not written off or adjusted)			-	
<b>TOTAL</b>		<b>78664275.83</b>	<b>55671067.00</b>	
SIGNIFICANT ACCOUNTING POLICIES	24			
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>	
<b>Sh. J.S. Bhatia</b> Jt. Advisor (Accounts) Ex - Officio Trustee		<b>Sh. Mathew Palamattam</b> Jt. Advisor (Admn.) Ex - Officio Trustee	<b>Sh. S.B. Singh</b> Jt. Advisor (Legal) Trustee	<b>Sh. Amit Govil</b> Advisor (Admn.) Ex - Officio President

**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT  
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/ YEAR ENDED 31-MAR-2013**

(Amount-Rs.)

INCOME	Schedule	Current Year	Previous Year
Income from Sales/ Services	12	-	-
Grants/ Subsidies	13	-	-
Fee/ Subscriptions	14	-	-
Income from Investments (Income on Invest from earmarked / endow. Funds transferred to Funds)	15	6140194.98	936489.14
Income for Royalty, Publication etc	16	-	-
Interest Earned	17	3036935.54	2644288.50
Other Income	18	0.00	881468.57
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	-
<b>TOTAL (A)</b>		<b>9177130.52</b>	<b>4462246.21</b>
<b>EXPENDITURE</b>			
Establishment Expenses	20	-	67348.00
Other Administrative Expenses etc	21	589812.69	427.00
Expenditure on Grants, Subsidies etc	22	-	-
Interest	23	5133125.00	4366788.00
Diminution Value of Investments in Mutual Funds		-	27683.21
Depreciation (Net Total at the year end-corresponding to Schedule 8)		-	-
<b>TOTAL (B)</b>		<b>5722937.69</b>	<b>4462246.21</b>

(Contd...)





INCOME	Schedule	Current Year	Previous Year
<b>Balance being excess of Income over Expenditure (A-B)</b>		3454192.83	-
Transfer to Misc Expenditure to the extent not written off - on account of Diminution Value of Investments		-	-
Transfer to / from General Reserve		3454192.83	-
Balance being Surplus/ (Deficit) carried to Corpus/Capital Fund		0.00	0.00
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	24		
<b>CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS</b>	25		
		<b>Sd/-</b>	<b>Sd/-</b>
		Sh. J.S. Bhatia	Sh. Amit Govil
		Jt. Advisor (Accounts)	Advisor (Admn.)
		Ex - Officio Trustee	Ex - Officio President
		<b>Sd/-</b>	<b>Sd/-</b>
		Sh. Mathew Palamattam	Smt. Poonam Khurana
		Jt. Advisor (Admn.)	P. A. (B&CS)
		Ex - Officio Trustee	Trustee
		<b>Sd/-</b>	<b>Sd/-</b>
		Sh. S.B. Singh	
		Jt. Advisor (Legal)	
		Trustee	

**FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)**  
**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-MAR-2013**

**SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT**

(Amount-Rs.)

	Current Year	Previous Year
Balance as at the beginning of the year	55671067.00	55969295.00
Add: Contributions towards Members' Account	19539016.00	-298228.00
Add/(Deduct): Balance of net income/ (expenditure) transferred from the Income and Expenditure Account		
<b>BALANCE AS AT THE YEAR-END</b>	<b>75210083.00</b>	<b>55671067.00</b>

**SCHEDULE 2 - RESERVES AND SURPLUS**

(Amount-Rs.)

	Current Year	Previous Year
1. Capital Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
2. Revaluation Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
3. Special Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
4. General Reserve:		
As per last Account		
Addition during the year	3454192.83	-
Less: Deductions during the year		
<b>TOTAL</b>	<b>3454192.83</b>	<b>-</b>

Sd/-  
Dy. Advisor





**SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS**

	FUND-WISE BREAKUP				Current Year	Previous Year
	Fund	Fund	Fund	Fund		
	WW	XX	YY	ZZ		
a) Opening balance of the funds						
b) Additions of the funds:						
i. Donations/grants						
ii. Income from investments made on account of funds						
iii. Other additions (specify nature)						
<b>TOTAL (a+b)</b>						
c) Utilisation/expenditure towards objectives of funds						
i. Capital Expenditure						
- Fixed Assets						
- Others						
<b>Total</b>						
ii. Revenue Expenditure						
- Salaries,Wages and allowances etc						
- Rent						
- Other Administrative expenses						
<b>Total</b>						
<b>TOTAL (c)</b>						
<b>NET BALANCE AS AT THE YEAR-END (a+b+c)</b>						

**Notes**

- 1) Disclosures shall be made under relevant head based on conditions attaching to the grants
- 2) Plan funds received from the Central/State Governments are to be shown as separate funds and not to be mixed up with any other Funds

Sd/-  
Dy. Advisor

## SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-Rs.)

	Current Year	Previous Year
1. Central Government	/	N.A.
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		
- Interest accrued and due		
b) Other-Loans (Specify)		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others (Specify)		
<b>TOTAL</b>		

**Note :** Amount due within one year

## SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

(Amount-Rs.)

	Current Year	Previous Year
1. Central Government	/	N.A.
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		
- Interest accrued and due		
b) Other-Loans (Specify)		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others (Specify)		
<b>TOTAL</b>		

**Note :** Amount due within one year

Sd/-  
Dy. Advisor



## SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

(Amount-Rs.)

	Current Year	Previous Year
1. Acceptance secured by hypothecation of capital equipment and other assets	/	N.A.
2. Others		
<b>TOTAL (A)</b>		

**Note :** Amount due within one year

## SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-Rs.)

	Current Year	Previous Year
<b>A. CURRENT LIABILITIES</b>	/	N.A.
1) Acceptances		
2) Sundry Creditors		
a) For Goods		
b) Others		
3) Advances Received		
4) Interest accrued but not due on:		
a) Secured loans/borrowings		
b) Unsecured Loans/borrowings		
5) Statutory Liabilities		
a) Overdue		
b) Others		
6) Other current Liabilities		
<b>TOTAL (A)</b>		
<b>B. PROVISIONS</b>		
1. For Taxation		
2. Gratuity		
3. Superannuation/Pension		
4. Accumulated Leave Encashment		
5. Trade Warranties/Claims		
6. Other (Specify)		
<b>TOTAL (B)</b>		
<b>TOTAL (A+B)</b>		

Sd/-  
Dy. Advisor



**SCHEDULE 8 - FIXED ASSETS**

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the beginning of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
<b>A. FIXED ASSETS:</b>										
1. LAND										
a) Freehold										
b) Leasehold										
2. BUILDINGS										
a) On Freehold Land										
b) On Leasehold Land										
c) Ownership Flats/Premises										
d) Superstructures on land not belong to the entity										N.A.
3. PLANT MACHINERY & EQUIPMENT										
4. VEHICLES										
5. FURNITURE, FIXTURES										

(Contd...)





**SCHEDULE 8 - FIXED ASSETS**

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK			
	Cost/ valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year ended	As at the begining of the year	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
6. OFFICE EQUIPMENT										
7. COMPUTER/ PERIPHERALS										N.A.
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS										
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS										
<b>TOTAL OF CURRENT YEAR</b>										
<b>PREVIOUS YEAR</b>										
<b>B. CAPITAL WORK-IN-PROGRESS</b>										
<b>TOTAL</b>										

(Note to be given as to cost of assets on hire purchase basis included above)

Sd/-  
Dy. Advisor

## SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	Current Year	Previous Year
1. In Government Securities	/	N.A.
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others ( to be specified)		
<b>TOTAL</b>		

## SCHEDULE 10 - INVESTMENTS OTHERS

	Current Year	Previous Year
1. In Government Securities	43226753.00	14422323.79
<i>Long - term Investments - Rs. 3,97,26,753.00/-</i>		
<i>Current Investments - Rs. 35,00,000.00/-</i>		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (Fixed Deposits in Banks/PSU)	29268348.00	33678601.00
<b>TOTAL</b>	<b>72495101.00</b>	<b>48100924.79</b>

## SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

	Current Year	Previous Year
<b>A. CURRENT ASSETS:</b>		
1. Inventories		
a) Stores and Spares	-	-
b) Lose tools	-	-
c) Stock-in-trade		
Finished Goods	-	-
Work in progress	-	-
Raw Material	-	-
2. Sundry Debtors:		
a) Debts Outstanding for a period exceeding six months	-	-
b) Others	-	-
3. Cash balances in hand (including cheques/drafts and imprest)		

(Contd...)



**SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC (Contd...)**

(Amount-Rs.)

	Current Year	Previous Year
4. Bank Balances:		
a) With Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts (includes margin money)	952504.33	1511861.00
- On Savings Account	328102.91	753015.41
b) With non-Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts	-	-
- On Savings Account	-	-
5. Post Office-Savings Accounts		
<b>TOTAL (A)</b>	<b>1280607.24</b>	<b>2264876.41</b>
<b>B. LOANS, ADVANCES AND OTHER ASSETS</b>		
1. Loans		
a) Staff		-
b) Other Entities engaged in activities/ objectives similar to that of Entity		-
c) Others (Specify)		-
2. Advance and other amounts recoverable in cash or in kind or for value to be received:		
a) On Captial Account		-
b) Prepayments		-
c) Others		-
3. Income Accrued		
a) On Investments from Earmarked/ Endowment Funds		-
b) On Investments - Others	4888567.59	4424214.04
c) On Loans and Advances		
d) Others (includes income due unrealised Rs.)		
4. Claims Receivable -		881051.76
<b>TOTAL (B)</b>	<b>4888567.59</b>	<b>5305265.80</b>
<b>TOTAL (A+B)</b>	<b>6169174.83</b>	<b>7570142.21</b>

Sd/-  
Dy. Advisor



## SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-Rs.)

	Current Year	Previous Year
1. Income from Sales	/	
a) Sale of Finished Goods		
b) Sale of Raw material		
c) Sale of Scraps		
2. Income from Services	/	
a) Labour and Processing Charges		N.A.
b) Professional/Consultancy Services		
c) Agency Commission and Brokerage		
d) Maintenance Services (Equipment/Property)		
e) Others(Specify)		
<b>TOTAL</b>		

## SCHEDULE 13 - GRANTS/SUBSIDIES

	Current Year	Previous Year
(Irrevocable Grants & Subsidies Received)	/	
1) Central Government		
2) State Govenemnt(s)		
3) Government Agencies		N.A.
4) Institutions/Welfare Bodies		
5) International Organisations		
6) Other (Specify)		
<b>TOTAL</b>		

## SCHEDULE 14 - FEES/SUBSCRIPTIONS

	Current Year	Previous Year
1. Entrance Fees	/	
2. Annual Fees/Subscriptions		
3. Seminar/Program Fees		N.A.
4. Consultancy Fees		
5. Others (specify)		
<b>TOTAL</b>		

**Note:** Accounting Policies towards each item are to be disclosed

Sd/-  
Dy. Advisor



## SCHEDULE 15 - INCOME FROM INVESTMENTS

(Amount-Rs.)

	Current Year	Previous Year
(Income on Invest. from Earmarked/ Endowment Funds Transferred to Funds)		
1) Interest		
a) On Govt Securities	1304402.39	936489.14
b) Other Bonds/Debentures		N.A.
2) Dividends		
a) On Shares		
b) On Mutual Fund Securities		
3) Rents		
4) Others - Income earned from Sale of Mutual Funds	4835792.59	-
<b>TOTAL</b>	<b>6140194.98</b>	<b>936489.14</b>
<b>TRANSFERRED TO EARMARKED/ENDOWMENT FUNDS</b>		

## SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATION ETC

	Current Year	Previous Year
1. Income from Royalty	/	
2. Income from Publications	/	
3. Others (specify)	/	
<b>TOTAL</b>	/	

## SCHEDULE 17 - INTEREST EARNED

	Current Year	Previous Year
1) On Term Deposits		
a) With Scheduled Banks	709102.61	540463.49
b) With Non-Scheduled Banks		
c) With Institutions	1901887.45	1900208.00
d) Others		
2) On Savings Account		
a) With Scheduled Banks	425945.48	203617.01
b) With Non-Scheduled Banks	-	-
c) With Institutions	-	-
d) Others	-	-
3) On Loans		
a) Employees/Staff	-	-
b) Others	-	-
4) Interest on Debtors and Other Receivables	-	-
<b>TOTAL</b>	<b>3036935.54</b>	<b>2644288.50</b>

Sd/-  
Dy. Advisor



## SCHEDULE 18 - OTHER INCOME

(Amount-Rs.)

	Current Year	Previous Year
1. Profit on Sale/disposal of Assets		
a) Owned assets	-	-
b) Assets acquired out of grants, or received free of cost	-	-
2. Export Incentives realized	-	-
3. Fees for Miscellaneous Services	-	-
4. Miscellaneous Income (To be recovered from TRAI)	-	881468.57
<b>TOTAL</b>	-	<b>881468.57</b>

## SCHEDULE 19 - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS

	Current Year	Previous Year
a) Closing stock	/	
- Finished Goods		N.A.
- Work-in-progress		N.A.
b) Less Opening Stock		
- Finished Goods		
- Work-in-progress		
<b>NET INCREASE/(DECREASE) [a-b]</b>		

## SCHEDULE 20 - ESTABLISHMENT EXPENSES

	Current Year	Previous Year
a) Salaries and Wages		
b) Allowances and Bonus		
c) Contribution to Provident Fund		
d) Contribution to Other Fund(specify)		
e) Staff Welfare Expenses		
f) Expenses on Employees Retirement and Terminal Benefits		
g) Others	-	67348.00
<b>TOTAL</b>	-	<b>67348.00</b>

Sd/-  
Dy. Advisor



## SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-Rs.)

	Current Year	Previous Year
a) Purchases	-	-
b) Labour and processing expenses	-	-
c) Cartage and Carriage Inwards	-	-
d) Electricity and power	-	-
e) Water charges	-	-
f) Insurance	-	-
g) Repairs and maintenance	-	-
h) Excise Duty	-	-
i) Rent, Rates and Taxes	-	-
j) Vehicles Running and Maintenance	-	-
k) Postage, Telephone and Communication Charges	-	-
l) Printing and Stationery	-	-
m) Travelling and Conveyance Expenses	-	-
n) Expenses on Seminar/Workshops	-	-
o) Subscription Expenses	-	-
p) Expenses on Fees	-	-
q) Auditors Remuneration	-	-
r) Hospitality Expenses	-	-
s) Professional Charges	-	-
t) Provision for Bad and Doubtful Debts/Advances	-	-
u) Irrecoverable Balances Written-off	-	-
v) Packing Charges	-	-
w) Freight and Forwarding Expenses	-	-
x) Distribution Expenses	-	-
y) Advertisement and Publicity	-	-
z) Others - Bank & Finance Charges	589812.69	427.00
<b>TOTAL</b>	<b>589812.69</b>	<b>427.00</b>

## SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

	Current Year	Previous Year
a) Grants given to Institutions/Organisations	/	
b) Subsidies given to Institutions/Organisations	/	N.A.
<b>TOTAL</b>	/	

**Note:** Name of Entities,their Activities along with the amount of Grants/Subsidies are to be disclosed

## SCHEDULE 23 - INTEREST

	Current Year	Previous Year
a) On Fixed Loans		-
b) On Other Loans (including Bank Charges)		-
c) Others (specify) - <i>Interest Payable to Members</i>	5133125.00	4366788.00
<b>TOTAL</b>	<b>5133125.00</b>	<b>4366788.00</b>

**Sd/-  
Dy. Advisor**



**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT**  
**RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MAR-2013**

(Amount-Rs.)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
<b>I. Opening Balance</b>			<b>1. Expenses</b>		
a) Cash in hand	-	-	a) Establishment Expenses	0.00	67348.00
b) Bank Balances			b) Administrative Expenses	589812.69	428.00
i) In current accounts					
ii) In deposit accounts					
iii) Savings accounts	753015.41	825953.40			
<b>II. Grants Received</b>			<b>II. Payments made against funds for various projects</b>		
a) From Government of India			(Name the fund or project should be shown along with the particulars of payments made for each project)		
b) From State Government					
c) From Other Sources (Details) (Grants for capital & revenue exp to shown sperately)					
<b>III. Income on Investments from</b>			<b>III. Investments and Deposits made</b>		
a) Earmarked/ Endow Funds			a) Out of Earmarked/Endowment funds		
b) Own Funds (On Investment in Mutual Funds)	4830508.82		b) Out of Own Funds (Investments - Others)	49200442.50	9500000.00
<b>IV. Interest Received</b>			(Investments - Flexi Account)		1511861.00
a) On Bank Deposits - (Sch. A)	642445.48	579248.01	<b>IV. Expenditure on Fixed Assets &amp; Capital Work-in-progress</b>		
			a) Purchase of Fixed Assets		

(Contd...)





## SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Conventions:

- i) The financial statements have been prepared in the "Uniform Format of Accounts" as approved by the Controller General of Accounts vide their letter No. F.No.19(1)/Misc./2005/TA/450-490 dated 23.07.2007.
- ii) Accounts have been prepared on accrual basis for the current year i.e., 2012-13. There is no change in Method of Accounting from the preceding year.
- iii) Investments depicted in Schedule 10 (Investments - Others) are carried at cost.

## SCHEDULE 25 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

### Contingent Liabilities:

- 1 Claims against the Entity not acknowledged as debts NIL

### Notes on Accounts

- 1 Investments have been made on the pattern prescribed in the Notification of Ministry of Finance (Department of Economic Affairs) dated 14th August 2008, effective from 1<sup>st</sup> April 2009.
- 2 Investments depicted in Schedule 10 (Investments - Others) include investment in Government Securities amounting to Rs. 4,32,26,753.00 and Others (FDs in Banks/ PSUs) amounting to Rs. 2,92,68,348.00. Out of this, an amount of Rs. 6,89,95,101.00 are Long-term Investments as these are being held for more than one year from the date on which they have been made and a sum of Rs. 35,00,000.00 has been invested in 364 DTB which will mature on 15/11/2013.
- 3 Corresponding figures for the previous year have been re-grouped/ re-arranged wherever necessary.

Sd/-  
Sh. J.S. Bhatia  
Jt. Advisor (Accounts)  
Ex - Officio Trustee

Sd/-  
Sh. Mathew Palamattam  
Jt. Advisor (Admn.)  
Ex - Officio Trustee

Sd/-  
Sh. S.B. Singh  
Jt. Advisor (Legal)  
Trustee

Sd/-  
Smt. Poonam Khurana  
P. A. (B&CS)  
Trustee

Sd/-  
Sh. Amit Govil  
Advisor (Admn.)  
Ex - Officio President



## LIST OF ABBREVIATIONS

2G	Second Generation
3D	Three Dimensional
3G	Third Generation
ADB	Asian Development Bank
ADC	Access Deficit Charge
AGR	Adjusted Gross Revenue
AMFI	Association of Mutual Funds in India
APT	Asia Pacific Telecommunity
ARPU	Average Revenue Per User
ASP	Application Service Provider
AUSPI	Association of Unified Service Providers of India
BIS	Bureau of Indian Standards
BSNL	Bharat Sanchar Nigam Limited
BSO	Basic Service Operator
BST	Basic Service Tier
BTS	Base Transceiver Station
BWA	Broadband Wireless Access
C&S	Cable & Satellite
CAG	Consumer Advocacy Group
CAS	Conditional Access System
CDMA	Code Division Multiple Assay
CLS	Cable Landing Station
CMTS	Cellular Mobile Telephone Service
COAI	Cellular Operators Association of India
CPGRAMS	Centralized Public Grievances Redressal and Monitoring System
CPP	Calling Party Pay
CRS	Community Radio Station
CTS	Cordless Telecommunication System
CUTCEF	Committee on Telecommunication Consumers Education and Protection Fund



DAS	Digital Addressable Cable TV System
DIT	Department of Information Technology
DLC	Domestic Leased Circuits
DoT	Department of Telecommunication
DSL	Digital Subscriber Line
DTH	Direct to Home
EBITDA	Earning Before Interest, Tax, Depreciation and Amortisation
EETT Greece	Hellenic Telecommunications and Post Commission
EKN	Swedish Export Credit Guarantee Board
FDI	Foreign Direct Investment
FM	Frequency Modulation
FTA	Free to Air
GMPCS	Global Mobile Personal Communication System
GSM	Global System of Mobiles
HD	High Definition
HITS	Head End in the Sky
IBS / DAS	Indoor Building Solutions & Distributed Antenna System
ICOs	Independent Cable Operators
ICT	Informations and Communications Technology
IECRS	Integrated Emergency Communication & Response System
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
ILD	International Long Distance
IMT-Advanced	International Mobile Telecommunications-Advanced
IN	Intelligent Network
IP-I	Infrastructure Provider
IPTV	Internet Protocol Television
IPv6	Internet Protocol version 6
IRDA	Insurance Regulatory Development Authority
ISP	Internet Service Provider





ITSPs	Internet Telephony Service Providers
ITU	International Telecommunication Union
IUC	Interconnect Usage Charges
IXP	Internet Exchange Points
JNNURM	Jawaharlal Nehru National Urban Renewable Mission
LAN	Local Area Network
LCO	Local Cable Operator
LTE	Long Term Evolution
M&A	Merger & Acquisition
M/o I&B	Ministry of Information & Broadcasting
MCX	Commodity Exchange of India Ltd.
MEA	Ministry of External Affairs
MNP	Mobile Number Portability
MOU	Minutes of Usages
MPLS	Multi-Protocol Label Switching
MSC	Mobile Switching Centre
MSO	Multi System Operators
MTNL	Mahanagar Telephone Nigam Limited
MVNO	Mobile Virtual Network Operator
MW	Medium Wave
NCDEX	National Commodity & Derivative Exchange Ltd.
NCPR	National Customer Preference Register
NGN	Next Generation Network
NGO	Non-Governmental Organization
NIA	Notice Inviting Applications
NIT	National Institute of Technology
NLD	National Long Distance
NTP '99	New Telecom Policy, 1999
OECD	Organization for Economic Cooperation and Development
OHD	Open House Discussion

PABX	Private Automatic Branch Exchange
PCO	Public Call Office
PMR	Performance Monitoring Reports
POI	Point of Interconnection
POP	Points of Presence
PSU	Public Sector Undertaking
QMS	Quality Management System
QoS	Quality of Service
RAN	Radio Access Networks
R-DEL	Rural Direct Exchange Line
RIO	Reference Interconnect Offer
RTI Act	Right to Information Act
SATRC	South Asian Telecommunication Regulator's Council
SD	Standard Definition
SEBI	Securities and Exchange Board of India
SIM	Subscriber Identity Module
SMS	Short Messaging Service
STB	Set Top Box
STV	Special Tariff Voucher
SUK	Start-up Kit
SW	Short Wave
TAM	Television Audience Measurement
TCEPF	Telecommunication Consumers Education & Protection Fund
TCO	Testing & Certification Organisation
TCPR, 2012	Telecommunication Customer Protection Regulation, 2012
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TEC	Telecom Engineering Centre
TEMO	Telecom Equipment Manufacturing Organisation
TMF	Telecom Manufacturing Fund
TRAI	Telecom Regulatory Authority of India



TRCSL	Telecommunication Regulatory Commission, Sri Lanka
TRDF	Telecom Research & Development Fund
TSO	Telecom Standards Organisation
TSP	Telecom Service Providers
TTO	Telecom Tariff Order
UASL	Universal Access Service License
UCC	Unsolicited Commercial Communication
USOF	Universal Service Obligation Fund
USSD	Unstructured Supplementary Service Data
VAS	Value Added Service
VNTA	Viet Nam Telecommunication Authority
VPT	Village Public Telephone
VSAT	Very Small Aperture Terminal
WLL	Wireless in Local Loop
WTO	World Trade Organization

