



**MTS response to TRAI Consultation Paper on “Review of The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006”**

At the outset, we welcome the opportunity given to comment on the issues raised in consultation paper on review of the Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulation, 2006.

We do not subscribe to the proposal of imposition of financial disincentives. There is strong competitive pressure on service providers for acquisition of customers and retain them. The mobile number portability (MNP) being in place will take care of the issues with respect to metering and billing i.e. any dissatisfaction arising out of the incorrect metering and billing will ensure that the customer ports out from the network of the respective service provider.

It is pertinent to mention that the audit covers various aspects of Metering & Billing systems such as tariff information to customers, the provision of services, CDRs ratings and accuracy of measurement, complaint management etc., it calls for the large scale compilation of information from all service areas covering various processes and data / information extraction from billing & related systems. In view of the same we believe that the current practice of auditing the three months CDRs once in a year should be continued because audit of the CDRs for more than once in a year will have further operational difficulties in terms of time, energy, resources and cost.

Our point wise submission on the issues raised is as below:

**Question 1: What are your views on imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justification.**

**&**

**Question 2: What are your views on imposing financial disincentives for delay in submission of Action Taken Reports on audit observations of the metering and billing system and for providing false information or incomplete information and what should be the quantum of such financial disincentives? Please give your comments with justification.**

We would like to submit that in principle we do not agree with the imposition of financial disincentives. However in case if the authority wishes to proceed with the imposition of financial disincentive then a nominal financial disincentive as envisaged under provisions of companies act, 1956 should be made applicable.

Further, the Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006 should be amended to have provision of an extension for submission of the Audit Reports and Action Taken Reports in line with the provisions of the Companies Act wherein ROC has been empowered to grant extension of time up to a maximum period of three months.

We understand that TRAI itself does not have powers to impose penalties under the TRAI Act, 1997 therefore it has sought in its recent recommendation on NTP 2012 that TRAI Act should be amended to provide it with powers to impose penalties.

Further, any delay in submission of report should not be solely attributed to the service providers and thereby penalizing them. In view of the aforesaid TRAI is requested not to impose financial disincentive in case of minor delays in submission of metering and billing audit report or action taken report.

**Question 3: What are your views on the proposal for audit of the CDRs for at least twice a year- three months CDR pertaining to first half year and three months CDR pertaining to second half year? Please give your comments with justification.**

We believe that the current practice of auditing the three months CDRs once in a year should be continued because audit of the CDRs for at least twice a year i.e. three months CDR pertaining to first half year and three months CDR pertaining to second half year will have further operational difficulties in terms of time, energy, resources and cost at a time when ARPUs are falling and the economies of scale have come down drastically.

The metering and billing audit is a humongous task and requires concerted effort of at least 120-180 days from the auditor and auditee side. Further, the CDR audit is followed by another enormous exercise of performing live call testing for all circles. This involves gargantuan efforts in terms of activation of new SIMs with provisioning of selected tariff plans till the bill generation and extraction of the rated CDRs.

We hope that TRAI would appreciate that there is a huge burden on service providers for ensuring regulatory compliances and reporting.

**Question 4: What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by service providers on such audit observations and financial disincentives on delayed refund of such overcharged amounts? Please give your comments with justification.**

**&**

**Question 5: Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification.**

The simultaneous reporting of instances of overcharging to TRAI by the Auditor is agreed by us since it meets the objective of the regulation by bringing transparency and uniformity in the procedures of metering and billing systems. It is pertinent to mention that it may not be possible for the service provider to identify the impacted customer, calculation of the applicable refund amount and processing the refunds to them within a month's time from the date of reporting of such incidence to TRAI during the audit period. We suggest that for processing the refund in case of overcharging a maximum time period of 90 days should be set thereby eliminating the proposed requirement of monthly progress reports.

The detailed root cause analysis of the observations raised by the auditor is done and the comments / action taken are also furnished only after doing the thorough analysis. In view of the foregoing we wish to reiterate that in principle we do not agree with the imposition of financial disincentives.

**Question 6: Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider? Please give your comments with justification.**

&

**Question 7: What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.**

We believe that the current process of appointment of auditor by the service provider and fixing the remuneration of the auditor based on the quotation being submitted by the TRAI empanelled auditors to the service providers should continue. Further, the finalization of audit fees should also continue to be left for mutual negotiations due to various factors involved like no. of service areas to be audited, number of resources involved for timely completion of the audit, professional experience and technical competence etc.

**Question 8: What are your views on the proposals relating to tariff plans to be covered for audit? Please give your comments with justification.**

We believe that the existing practice of auditing three prepaid plan vouchers and two postpaid tariff plans launched during the current year, selected by the auditor in the sample size should continue. It is reiterated that the proposal of considering three prepaid tariff plans and two post-paid tariff plans having the largest number of subscribers and launched during each of the half year of audit will have further operational difficulties since the current process itself takes a very long time for completing the audit however if we intend to include more tariff plans it will be difficult to complete the audit process within the prescribed timelines.