

Videocon Response to TRAI Consultation paper on Review of The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006 dated 27th November, 2012

**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.**

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**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.**

At the outset we would like to submit that the Audit Reports and the Action Taken Reports (ATR) are being filed with auditors within the timeframe as directed. There should not be any financial disincentive for the delay (if any) in submitting Audit reports and ATR considering the genuine intention of the service provider. Further it is emphasized that since the audit is conducted by the TRAI nominated independent auditors, questions of submitting incomplete/incorrect report does not arise. Moreover, such submissions with delayed/false/incorrect information impact the overall reputation the organization.

Similarly, while submitting the Action Taken Report after completion of the Audit, all observations which require action are reviewed and monitored by SME (Subject Matter Experts) closely to ensure accuracy & timely closure of the same and accordingly reported to TRAI with necessary evidences.

In view of the above, we would like to submit that the Authority should NOT impose any financial disincentive.

**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 would like to submit that since the volume of CDRs generated is very high for such a large subscriber base and these CDRs have to be archived on regular interval and then retrieved from archived data tapes which itself takes good amount of time. So if the period of CDRs is current, these can be given from online system, whereas if any prior period is sought, then only archived records will have to be extracted which is a time consuming activity.

Therefore, we strongly recommend that the present mechanism of CDR audit i.e. 3 month period (once a year) should be continued with.

**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.**

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**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.

We agree to the proposal of the Authority for simultaneous reporting of instances of overcharging to TRAI by the Auditor since it meets the objective of the regulation by bringing transparency and uniformity in the procedures of metering and billing systems. However, it may not be possible for the service provider to identify the impacted customer base, calculation of the applicable refund amount and processing the refunds to them within a one month time frame from the date of reporting such incidence to TRAI during the audit period.

It is also pertinent to mention that all necessary steps are being taken to be honest with the consumer failing which there could be more severe repercussions on business of the organization than any financial disincentive.

Further, since all the audit observation with service provider's comments are being duly reviewed by Auditor hence we strongly recommend that TRAI should not construe the comments/ supporting evidence provided by the service provider as incomplete or inadequate and no financial disincentive is required to be imposed for the same.

**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.**

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**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 strongly recommend to continue with current practice of appointment of Auditor by the service providers. We also suggest TRAI to increase the number of empanelled Audit firms giving greater freedom to Service Provider for selecting the suitable auditor.

We would also like to submit that the Audit fees are best negotiated basis the merit and commitment of the Auditor. Further, audit fees are always agreed in view of the resources and timelines involved irrespective of the various factors like service areas to be audited, number of resources involved for timely completion of the audit, professional experience and technical competence etc.

In light of the above, we are of the view that the current process wherein the remuneration of the auditor is determined by the lowest bid being submitted to the operator should be continued.

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

It is recommended to continue with the existing practice of considering three prepaid plan vouchers and two postpaid tariff plans launched during the current year in the sample size selected by the auditor.