

# Telecom Regulatory Authority of India

(IS/ISO 9001:2008 Certified Organisation)

## Annual Report 2011-12

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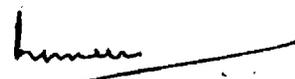


## Letter of Transmittal

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

It is my privilege to forward the 15<sup>th</sup> Annual Report of the Telecom Regulatory Authority of India to be laid before each House of Parliament. The report is for the year 2011-12. 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: 16<sup>th</sup> November 2012



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# OVERVIEW

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1. The focus of the Telecom Regulatory Authority of India during the year 2011-12 was primarily towards putting in place a new policy framework for licensing, spectrum management, migration to digital addressable systems in broadcasting and consumer protection. In line with the unique position TRAI enjoys amongst the Telecom Regulators in the world, the Authority organised a number of International seminars / roundtable / workshops on various relevant topics. The Authority also hosted a number of delegations from regulators across the world.

2. The work relating to Telecom and Broadcasting sectors during the year was as follows:

## A. Telecom Sector

3. The Telecom sector continued to register an impressive growth during the year. The number of telephone subscriptions increased from 846.32 million to 951.34 million, registering a growth of 12.41 %. The wireless subscriber base increased by 107.58 million and the wireline subscriber base recorded a decline of 2.56 million. The wireless segment continued to dominate with a total base of 919.17 million connections. The overall teledensity in the country increased to 78.66 from 70.89. The rural teledensity increased to 39.22 from 33.79. The urban teledensity increased to 169.55 from 157.32.

4. The growth in subscriber base resulted in an increase in the gross revenue of telecom services from Rs.1,71,719 crore to Rs.1,95,442 crore during the year, a growth of 13.82%. At the same time, the minutes of usage (MOU) per subscriber per month for GSM and CDMA full mobility service registered a decline from 349 and 263 at the end of March 2011 to 346 and 229 at the end of March 2012, respectively. The average outgo per outgoing minute decreased from Rs.0.51 to Rs.0.49 (a fall of 3.08 %) for GSM full mobility service and the average outgo per outgoing



minute remained at Rs.0.47 for CDMA full mobility service during the period. The Average Revenue Per User per month (ARPU) which at the end of March 2011 was Rs. 100/- in case of GSM full mobility service decreased to Rs.97/- at the end of March 2012. The monthly ARPU in respect of CDMA full mobility service increased from Rs.66/- to Rs.75/- per month during the same period. Resultantly, the Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the telecom sector in 2011-12 was Rs. 23,221 crore, as against Rs. 23,266 crore in the previous year indicating a decline of 0.19%. The EBITDA margin declined from 13.95% in 2010-11 to 12.91% in 2011-12. The capital employed in the sector decreased from Rs.3,37,683 crore in 2010-11 to Rs. 3,21,375 crore in 2011-12 i.e. a decrease of 4.83%.

5. During the year, the number of Internet subscribers increased to 22.86 million from 19.67 million registering an annual growth of about 3.19 million. The number of Broadband connections increased from 11.89 million to 13.81 million. The provision of Internet and Broadband continued to be predominantly through digital subscriber line (DSL) technologies over copper pairs. The rolling out of networks using 3G and BWA spectrum has started during the year.
6. Several significant policy recommendations were made by TRAI during the year which include

recommendations on spectrum management, licensing, Telecom Infrastructure, Green telecommunications and Telecom equipment manufacturing. TRAI also notified several regulations relating to consumer protection, complaint redressal and for controlling unsolicited commercial communications.

7. In reference to its recommendations on 'Spectrum Management and Licensing Framework' issued on 11<sup>th</sup> May, 2010, and recommendation on "The 2010 Value of Spectrum in 1800 MHz Band' dated 08<sup>th</sup> February 2011 DoT requested to review some of them. TRAI after careful consideration reiterated most of its recommendations. Further, as an incentive, TRAI recommended a progressive reduction of the USOF component of the Licence fee on the achievement of prescribed roll out obligations. On Merger & Acquisition issues TRAI recommended that spectrum holding by the Resultant entity (after M&A) would be limited to 25% of the spectrum assigned in a service area.
8. During this period, Authority issued a comprehensive draft guideline for Unified Licence / Class Licence and Migration of existing licences for comments of the stakeholders. The recommendations on the issue were finalized subsequently and a consultation process on 'Exit-Policy' for telecom licences was also initiated during the year.



9. In pursuance to the Order of the Hon'ble Supreme Court in February 2012, Authority issued a pre-consultation paper on 3<sup>rd</sup> February 2012 for making fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction. Subsequently, a Consultation Paper was issued on 7<sup>th</sup> March 2012. The recommendations on 'Auction of spectrum' were issued subsequently (April-May 2012).
10. Recognizing the need for creation of an efficient, robust and cost-effective infrastructure for the sector, the Authority recommended a framework for efficient deployment of infrastructure, deployment of towers, sharing of active and passive infrastructure, promoting advanced in-building solutions and Distributed Antenna Systems, Right of Way policy, Internet Exchange Points, migration to IPv6, Mobile Virtual Network Operator (MVNO) and framework for rural telecom.
11. India is the second largest mobile market in the world. There are currently about 400,000 telecom towers in the country, involving significant diesel consumption. To ensure reduction in carbon footprint, the Authority in its recommendations on "Approach towards Green telecommunications" provided that 50% of all rural towers and 20% of the urban towers should be powered by hybrid power by 2015 and that all service providers should aim at reduction of carbon emission by at least 8% of the base year (2011) emissions by 2015. All equipment, products and services should be energy and performance assessed and certified by 2015. The recommendations have since been accepted by the Government.
12. The enormous growth of the Telecommunications in the country has unfortunately not been accompanied by a corresponding growth of the Telecom equipment manufacturing industry. Resultantly, while only about 12.5% of the demand for telecom equipment is being met by domestic production, the Indian products account for a mere 3% of the demand. The Authority issued recommendations on telecom equipment manufacturing specifying the targets which include meeting 45% of the domestic demand through domestically manufactured products by the year 2015 and 80% by the year 2020; increase value addition in domestic manufactured products to 35% by the year 2015 and 65% by the year 2020.
13. TRAI initiated a process of preparing for consultation and eventual establishment of appropriate policy and regulatory framework for Next Generation Network (NGN). TRAI has also started publishing a monthly technology magazine that would focus on different aspects of telecommunications technology for dissemination among different stakeholders.



14. A major initiative of the Authority in the year 2011-12 was the work relating to control of unsolicited commercial communications, popularly known as pesky calls / SMS. "The Telecom Commercial Communications Customer Preference Regulations were implemented w.e.f. 27<sup>th</sup> September 2011. This has resulted in significant reduction in unwanted commercial calls/ SMS.
15. With rapid technological developments, mobile phone has evolved from a mere communication device to smart phone with an ability to tap a plethora of information & services. Mobile Value Added Services enable subscribers to use the mobile phone for a host of purposes like information gathering, entertainment and access applications like m-banking, m-health, m-education, e-governance, etc. With a view to enable growth of VAS through appropriate regulatory framework, TRAI suo-motu initiated a consultation process on Mobile Value Added Services/ Application services.
16. With a view to improve the effectiveness of complaints redressal system, the Authority issued the Telecom Consumers Complaint Redressal Regulations, 2012 replacing the earlier 'Telecom Consumers Protection and Redressal of Grievances Regulations, 2007'. With issue of this Regulation, the consumer complaint redressal mechanism has been strengthened and made more effective.
17. With a view to protecting the interest of telecom consumers and particularly the prepaid consumers, the Authority has issued the Telecom Consumers Protection Regulations, 2012. Among other things, these Regulations have simplified and standardised the prepaid vouchers offered by the service providers into three categories- Plan Voucher, Top Up Voucher and Special Tariff Voucher (STV). To promote further transparency and easy identification distinct colour codes have been mandated for these vouchers. Further, it has been mandated to provide information to every prepaid subscriber about the amount charged on his last call or data usage, through SMS after every call made or after every data usage session. Other measures mandated through these regulations relate to provision of itemized usage to prepaid subscribers and improved information relating to charges for premium rate services & Value Added Services.
18. In order to further improve transparency in telecom tariff offers, the Authority had issued directions on publication of tariff plans and on preventing misleading telecom tariff advertisements.
19. In its efforts to promote consumer protection as well as consumer awareness, the Consumer Advocacy Groups (CAGs) registered with TRAI play an important role. In the year 2011-12, TRAI has taken several measures to



strengthen the CAGs. It has attempted to bring about a greater coordination between the CAGs and the Telecom Service Providers (TSPs). During the year 2011-12, Consumer Education Workshops and meetings were organized by the Authority to educate Consumer Advocacy Groups (CAGs) about various actions taken by it to protect the interest of customers and for their capacity building.

## B. Broadcasting Sector

20. 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 247<sup>1</sup> million households, around 150<sup>1</sup> million have Television as on March 2012 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 94<sup>1</sup> million Cable TV subscribers including around 0.91<sup>2</sup> million subscribers in the notified CAS areas, 46.25<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.

21. The broadcasting services TV sector consists of 26<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 831 TV channels registered with the Ministry of Information and Broadcasting at the end of financial year 2011-12 out of which 168<sup>2</sup> were pay channels.

22. India's TV industry grew from Rs 29,700<sup>3</sup> cr. in the year 2010 to Rs 32,900<sup>3</sup> cr. in the year 2011, thereby registering a growth of around 11%. The subscription revenue accounts for the major share of the overall revenue of the TV industry. The subscription revenue grew from Rs. 19,400<sup>3</sup> cr. in the year 2010 to Rs. 21,400<sup>3</sup> cr. in the year 2011 whereas the ARPUs remained almost flat at around Rs. 160 per month. The advertisement revenue in the TV sector in India registered Rs. 11,600<sup>3</sup> crore in the year 2011, up from Rs. 10,300<sup>3</sup> crore in the year 2010. In 2011, TV advertisement revenue recorded a growth of 13 percent. Of the total advertisement volumes on television, 4,385<sup>3</sup> crore was contributed by regional channels of 8 major languages, which is around 39% of total advertisement revenue.

23. The FM radio sector has also shown impressive growth. There were 245

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

<sup>2</sup> As per TRAI Records

<sup>3</sup> Based on FICCI-KPMG Report 2012



private FM radio stations operational by March 2012, besides the public service broadcaster- All India Radio (AIR) having a network of 237 broadcasting centres with 149 medium frequency (MW), 54 high frequency (SW) and 177 FM transmitters. The coverage of AIR is 91.85% of the geographical area of the country, serving 99.18% of the population. Further, as on March 2012, out of the 167 licenses issued for the setup of community radio stations, 130 community radio stations were operational. The radio industry, which is entirely dependent on advertisement revenues, registered a growth of around 15 percent during the year 2011. The industry showed advertisement revenue of Rs. 1,150<sup>3</sup> crore in the year 2011 compared to Rs. 1,000<sup>3</sup> crore in year 2010. The advertisement rates have been increased by 7-10<sup>3</sup> percent in metros whereas it witnessed growth of 15-18<sup>3</sup> percent in smaller cities. 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 70<sup>3</sup>%.

24. 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 to the Government for complete digitization with addressability of the cable TV services sector in a phased manner in its recommendations dated 5<sup>th</sup> Aug. 2010. These have been accepted by the Government, and subsequent to the suitable amendments in the Cable Act by the Parliament, a notification has been 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 said implementation is to be completed by Dec 2014. During the year, TRAI took necessary steps to put in place the regulatory framework for implementation of Digital Addressable Cable TV System (DAS) in the country. This included issue of Tariff Order and Regulations on Interconnection, Quality of Service and complaint redressal mechanism. Implementation of digitisation with addressability is going to be a game changer and would drive the growth of the broadcasting and cable TV services in the country in a structured manner.



**PART-I**

**POLICIES AND PROGRAMMES**





# TELECOM SECTOR

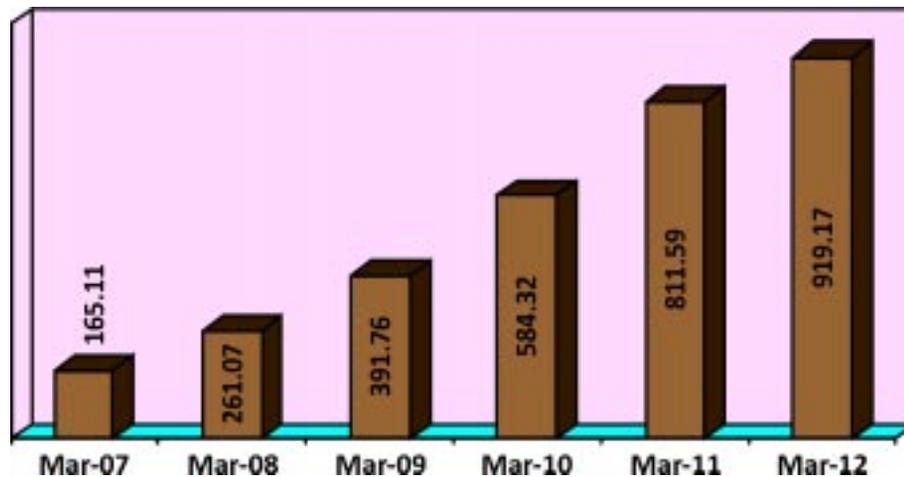
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1. The growth pattern of previous years continued this year too. This year also witnessed a phenomenal growth in the subscriber base in the telecom sector. At the end of the financial year the subscriber base was 951.34 million, with mobile subscribers on their own being 919.17 million. The growth trend in subscriber base experienced since mid-1990s continues to be on an upward swing. The status of development of the various services of the telecom sector is outlined below.

## WIRELESS

2. The wireless subscriber base was 919.17 million as on 31<sup>st</sup> March 2012 in comparison to the subscriber base of 811.59 million as on 31<sup>st</sup> March 2011. It added 107.58 million subscribers in the financial year 2011-12 registering an annual growth rate of about 13.26%. The total subscriber base of wireless services has grown from 165.11 million in March, 2007 to 919.17 million in March, 2012 as depicted in **Figure 1 below**:

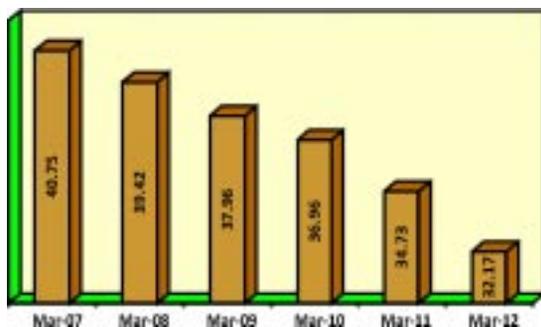
**Figure 1 : Wireless Subscriber (in million)**



## WIRESLINE

- The subscriber base of wireline subscribers as on 31<sup>st</sup> March 2012 was 32.17 million as compared to 34.73 million subscribers on 31<sup>st</sup> March, 2011 registering a decrease of 2.56 million subscribers during the year 2011-12. Out of the 32.17 million wireline subscribers, 24.62 million are Urban wire line Subscribers and the remaining 7.55 million are Rural Subscribers. The status of the wireline subscribers during the last six years are depicted in **Figure 2 below**:

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



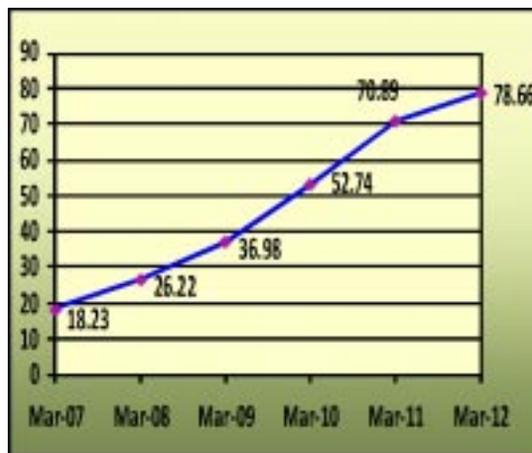
## TELEDENSITY

- The tele-density at the end of March, 2012 reached the mark of 78.66 as compared to 70.89 at the end of previous year recording an increase of nearly 7.77. The trend of growth of teledensity since March 2007 is depicted in **Figure 3**.

## INTERNET SUBSCRIBERS

- The Internet subscriber base in the country as on 31<sup>st</sup> March 2012 stood at 22.86 million as compared to 19.67

**Figure 3 : Growth of Teledensity**



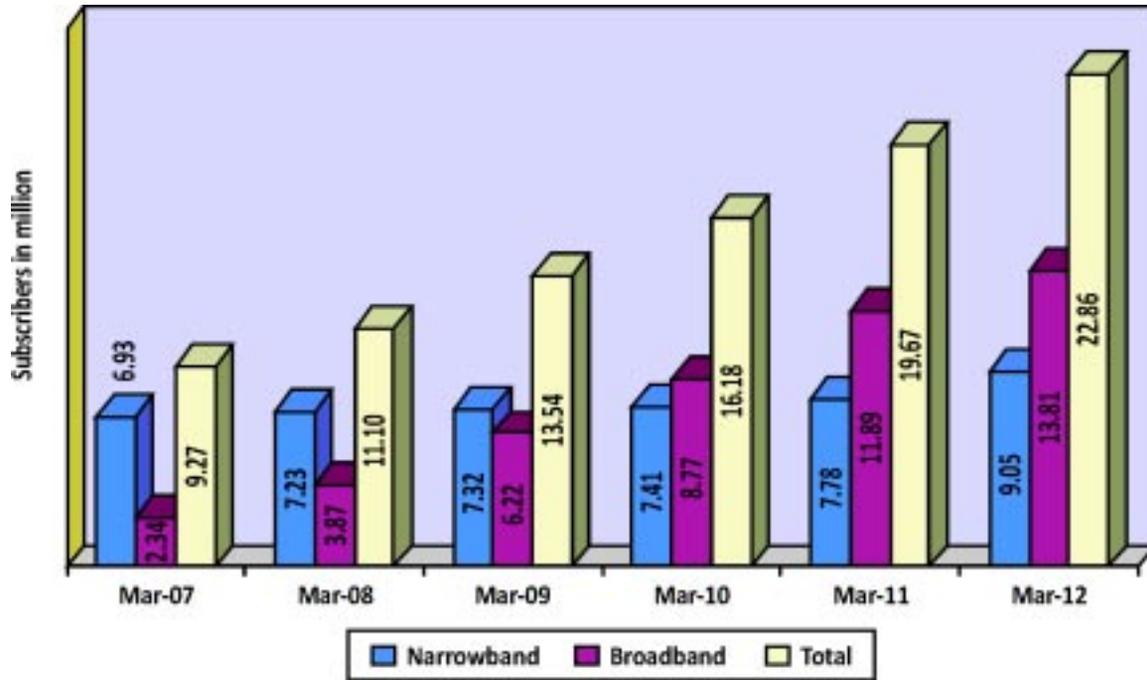
million as on 31<sup>st</sup> March 2011, registering an annual growth rate of about 16.19%. The total broadband subscriber base has reached 13.81 million as on 31<sup>st</sup> March 2012 as compared to 11.89 million as on 31<sup>st</sup> March 2011 thereby registering a net addition of 1.92 million broadband subscribers during the financial year 2011-12 with growth of 16.15%.

- The Internet Subscriber base consisting of narrowband (<256 Kbps) and broadband (> 256 Kbps) for the last six years is depicted in **Figure 4**.

## TRENDS IN TELECOM TARIFFS

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

Figure 4 : Internet Subscriber (in million)



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.

- There are a large number of product and service options available to consumers depending upon their usage and need profile. One unique option is the availability of a set of tariffs generally referred to as Life Time Plans which enable consumers to enjoy the same tariffs without any adverse rate changes for the entire license period of the service provider.

## THE INDIAN TELECOM SERVICES PERFORMANCE INDICATORS

- 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 2011-12, TRAI has come out with 4 Quarter’s reports. Snapshot covering the key parameters for the 4 quarters is as under:



**Table 1: Performance Indicator**

	Quarter ending June 2011	Quarter ending Sept. 2011	Quarter ending Dec. 2011	Quarter ending Mar. 2012
<b>Telecom Subscribers (Wireless + Wireline) in Millions</b>				
Total Telephone Subscribers	885.99	906.93	926.53	951.34
Urban Subscribers	587.94	601.42	611.19	620.52
Rural Subscribers	298.05	305.51	315.33	330.82
Wireless Subscribers	851.70	873.61	893.84	919.17
Wireline Subscribers	34.29	33.31	32.69	32.17
<b>Teledensity</b>				
Total Teledensity	73.97	75.48	76.86	78.66
Urban Teledensity	163.13	166.01	167.85	169.55
Rural Teledensity	35.60	36.40	37.48	39.22
<b>Internet &amp; Broadband Subscribers (in Million)</b>				
Total Internet Subscribers	20.33	20.99	22.39	22.86
Broadband Subscribers	12.35	12.83	13.35	13.81
<b>Telecom Financial Data (Rs. Crores)</b>				
Gross Revenue during the quarter	46,891.61	49,942.25	49,365.18	49,242.99
Adjusted Gross Revenue (AGR)	32,589.93	33,460.52	34,081.35	34,457.07

## FINANCIAL PERFORMANCE OF THE TELECOM SECTOR<sup>1</sup>

### REVENUE

10. The Total Revenue of the Telecom Service Sector went up from Rs. 1,71,719 crore in 2010-11 to Rs. 1,95,442 crore in 2011-12 indicating a growth of 13.82%. The corresponding figures of Revenue after adjustment of intra operator interconnection charges, come to Rs. 1,66,752 crore in 2010-11 and Rs. 1,79,914 crore in 2011-12,

showing a growth of 7.89% over the previous year.

11. The revenue contribution from the public sector telecom companies in the 2011-12 was 17.77% (previous year 20.37%) and from private sector companies was 82.23% (previous year 79.63%). **Table 2** indicates the revenue contributions of the public and private sectors during 2010-11 and 2011-12. **Figure 5** indicates the revenue earnings of different telecom companies for 2010-11 and 2011-12.

<sup>1</sup> Based on the data furnished by Service Providers to TRAI. Previous year figures as published in TRAI's Annual Report 2010-11.

Figure 5: Revenue of major access telecom service providers 2010-11 and 2011-12

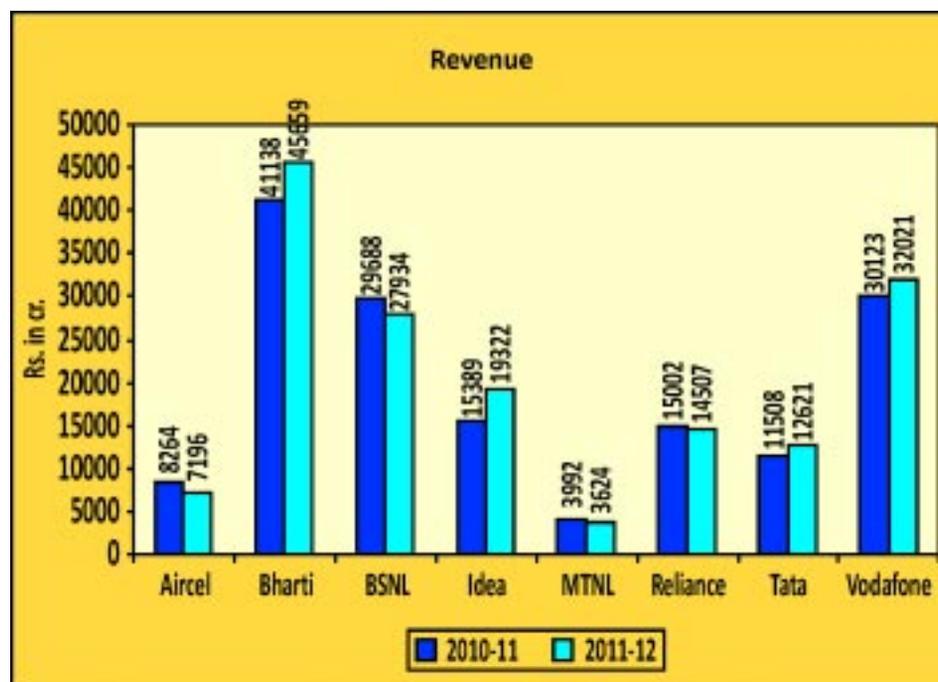


Table 2: Revenue contributions of public and private sector 2010-11 and 2011-12

Revenue of Telecom Service Sector (Rs. in Crore)		
Particulars	2010-11	2011-12
Revenue of public sector companies	33976	31962
Revenue of private sector Companies	132776	147952
<b>Total Revenue</b>	<b>166752</b>	<b>179914</b>

### EBITDA

- EBITDA represents the Earnings before Interest, Tax and Depreciation & Amortization. The EBITDA for the telecom sector for 2011-12 was Rs. 23,221 crore against Rs. 23,266 crore in 2010-11 i.e. a decline of 0.19%.
- The decline in EBITDA for public sector telecom service providers in 2011-12

was 123.69% as against an increase of 16.66% for private telecom service providers. **Table 3** indicates the EBITDA of public and private sector companies in 2010-11 and 2011-12.

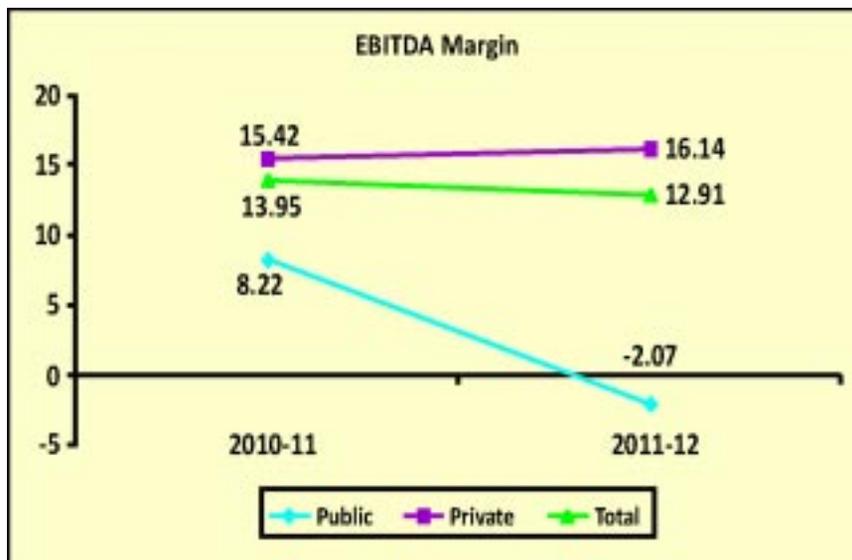
Table 3: EBITDA of public and private sector in 2010-11 and 2011-12

EBITDA	(Rs. in Crores)	
	2010-11	2011-12
EBITDA of public sector companies	2,794	-662
EBITDA of private sector companies	20,472	23,883
<b>Total EBITDA</b>	<b>23,266</b>	<b>23,221</b>

- The EBITDA Margin of telecom service sector declined to 12.91% in 2011-12 from 13.95% in 2010-11. **Figure 6** indicates the EBITDA Margin of the entire sector as well as the public and private sector for 2010-11 and 2011-12.



Figure 6: EBITDA Margins 2010-11 and 2011-12



### OPERATING RATIO

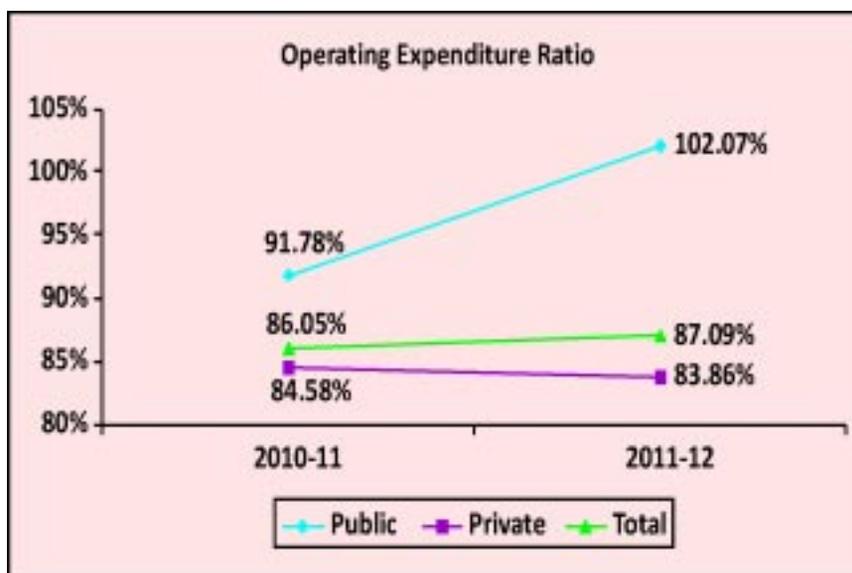
15. The Operating Ratio is Operating Expenditure divided by the Total Revenue. The Operating Ratio for 2011-12 for the telecom service industry was 87.09%. **Figure 7** below indicates the Operating Ratio for the entire sector as

well as the public and private sectors for 2010-11 and 2011-12.

### CAPITAL EMPLOYED

16. The Capital Employed represents the funds deployed to operate the business. Capital employed in the telecom service sector has decreased from Rs. 3,37,683

Figure 7: Operating Ratios 2010-11 and 2011-12



crore in 2010-11 to Rs. 3,21,375 crore in 2011-12 i.e. by 4.83%.

- Capital employed of public sector companies decreased by 8.41% in 2011-12 and capital employed of private telecom sector companies decreased by 3.55%. **Table 4** indicates the capital employed in the public and private sectors in 2010-11 and 2011-12.

**Table 4: Capital employed in public and private sectors 2010-11 and 2011-12**

Capital Employed	(Rs. in cr)	
	2010-11	2011-12
Capital Employed of public sector companies	89,040	81,548
Capital Employed of private sector companies	2,48,643	2,39,827
Total Capital Employed	3,37,683	3,21,375

### CAPITAL INVESTMENT (GROSS BLOCK)

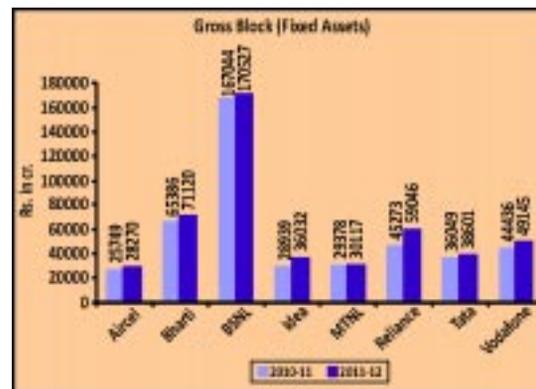
- The capital investment (Gross Block) of the telecom services sector reached Rs. 5,17,818 crore in 2011-12 from Rs. 4,79,278 crore in 2010-11 i.e. an increase of 8.04%. **Table 5** indicates the Gross Block in the public and private sectors in 2010-11 and 2011-12. **Figure 8** shows the Gross Block of major access telecom service providers for the years 2010-11 and 2011-12.

**Table 5: Investment (Gross Block – Fixed Assets) public and private sector 2010-11 and 2011-12**

(Rs. in Crores)

Particulars	2010-11	2011-12
Gross Block of public sector companies	1,97,332	2,01,582
Gross Block of private sector companies	2,81,946	3,16,236
Total Gross Block	4,79,278	5,17,818

**Figure 8: Gross Block (Fixed Assets) of major access telecom service providers 2010-11 and 2011-12**

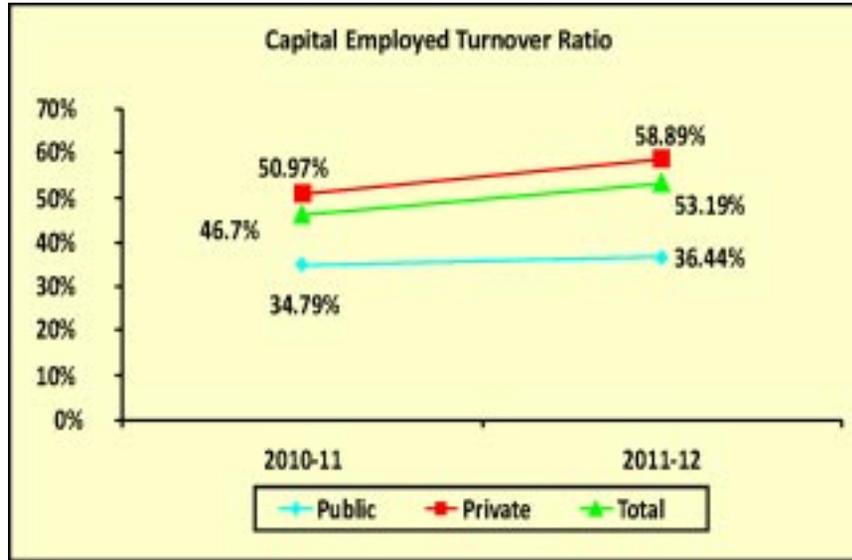


### CAPITAL EMPLOYED TURNOVER RATIO

- Capital Employed Turnover Ratio is computed as Income from Telecom Services divided by Capital Employed. **Figure 9** indicates the Capital Employed Turnover Ratio for the entire sector as well as the public and private sectors for 2010-11 and 2011-12.



Figure 9: Capital Employed Turnover Ratio 2010-11 and 2011-12



#### FIXED ASSETS (NET) TURNOVER RATIO

20. Fixed Assets (Net) Turnover Ratio is computed as Income from Telecom Services divided by Net Fixed Assets. **Figure 10** below indicates the Assets (Net) Turnover Ratio for the entire sector as well as the public and private sectors for 2010-11 and 2011-12.

#### DEBT EQUITY RATIO

21. **Figure 11** indicates the Debt Equity Ratio for the entire sector as well as the public and private sectors for 2010-11 and 2011-12. Debt Equity ratio is calculated as debt divided by equity where debt is total debt and equity is shareholders' funds.

Figure 10: Fixed Assets (Net) Turnover Ratio 2010-11 and 2011-12.

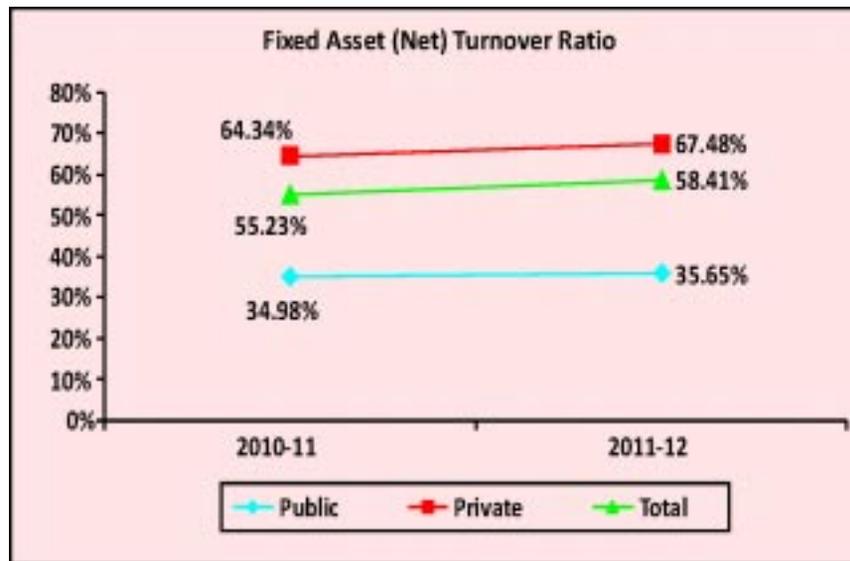
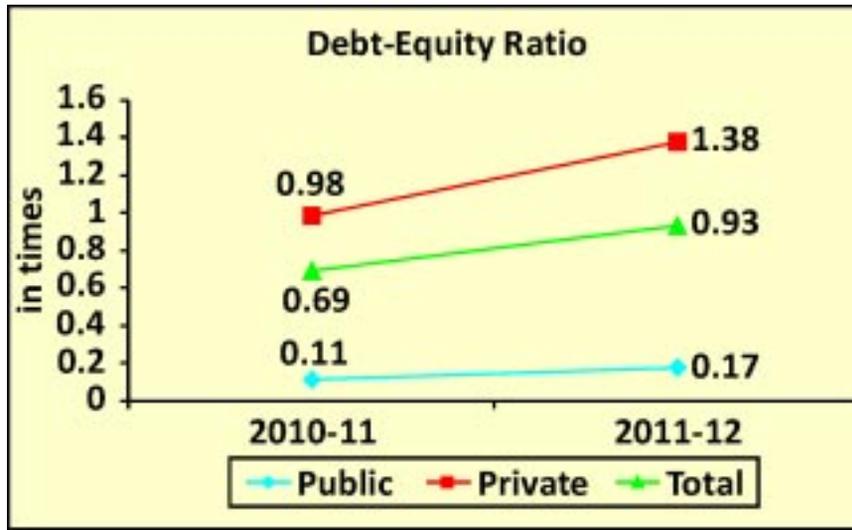


Figure 11: Debt Equity Ratio 2010-11 and 2011-12.



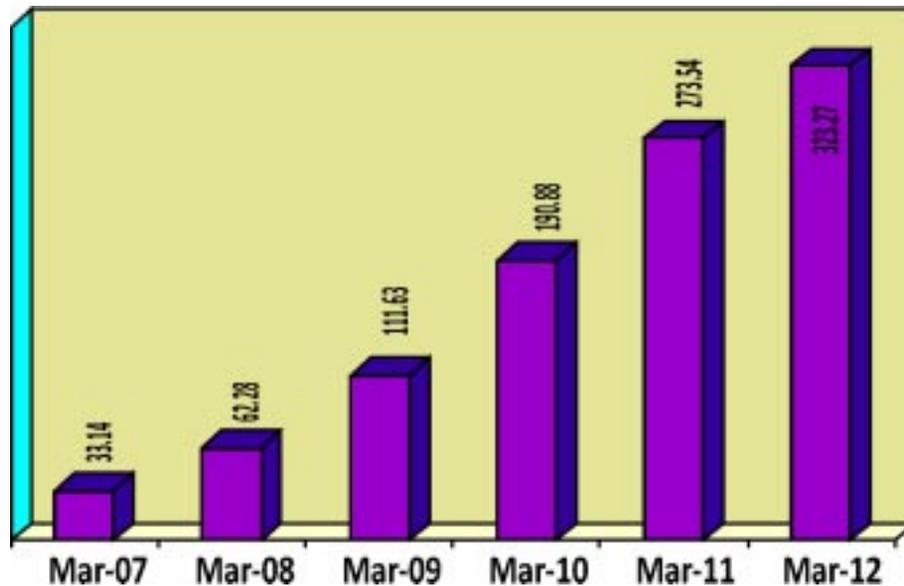
## RURAL TELEPHONE NETWORK

### (i) WIRELESS

22. As on 31<sup>st</sup> March 2012, the Wireless rural [Mobile and WLL (F)] market has reached the **323.27** million mark as against **273.54** million as on 31<sup>st</sup> March 2011. As per the Performance Indicator

Report, 35.17% of total wireless subscribers are now in rural areas. The rural subscriber base is steadily increasing. The rural wireless subscriber base since March 2007 is indicated in **Figure 12**. The service provider-wise rural wireless subscriber base & their market shares are shown in **Table 6** and **Figure 13**.

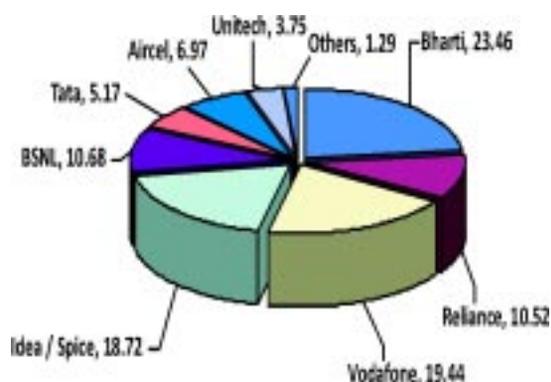
Figure 12 : Rural Wireless Subscriber (in million)



**Table 6: Service Provider-wise Rural Wireless Subscribers and Market Share**

Sl. No.	Wireless Group	Total wireless subscribers (in millions)		Rural Subscribers (in millions)		Market Share of Rural Subscribers	
		March-12	March-11	March 12	March 11	March 12	March 11
1	<b>Bharti</b>	181.28	162.20	75.83	65.73	23.46	24.03
2	<b>Reliance</b>	153.05	135.72	34.02	29.47	10.52	10.77
3	<b>Vodafone</b>	150.47	134.57	62.84	51.62	19.44	18.87
4	<b>Idea/Spice</b>	112.72	89.50	60.51	46.05	18.72	16.83
5	<b>BSNL</b>	98.51	91.83	34.53	32.77	10.68	11.98
6	<b>Tata</b>	81.75	89.14	16.70	18.46	5.17	6.75
7	<b>Aircel</b>	62.57	54.84	22.54	19.43	6.97	7.10
8	<b>Unitech</b>	42.43	22.79	12.11	6.86	3.75	2.51
9	<b>Sistema</b>	15.80	10.06	2.61	2.35	0.81	0.86
10	<b>Videcon</b>	5.95	7.11	0.00	0.00	0.00	0.00
11	<b>MTNL</b>	5.83	5.47	0.00	0.00	0.00	0.00
12	<b>S Tel</b>	3.43	2.82	1.58	0.80	0.49	0.29
13	<b>Loop</b>	3.27	3.09	0.00	0.00	0.00	0.00
14	<b>HFCL</b>	1.33	1.47	0.000	0.001	0.00	0.00
15	<b>Etisalat</b>	0.782	0.968	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>919.17</b>	<b>811.59</b>	<b>323.27</b>	<b>273.54</b>	<b>100.00</b>	<b>100.00</b>

**Figure 13 : Market Share of service providers of Rural Wireless Subscriber base**



Note: Others include Sistema, S Tel and HFCL

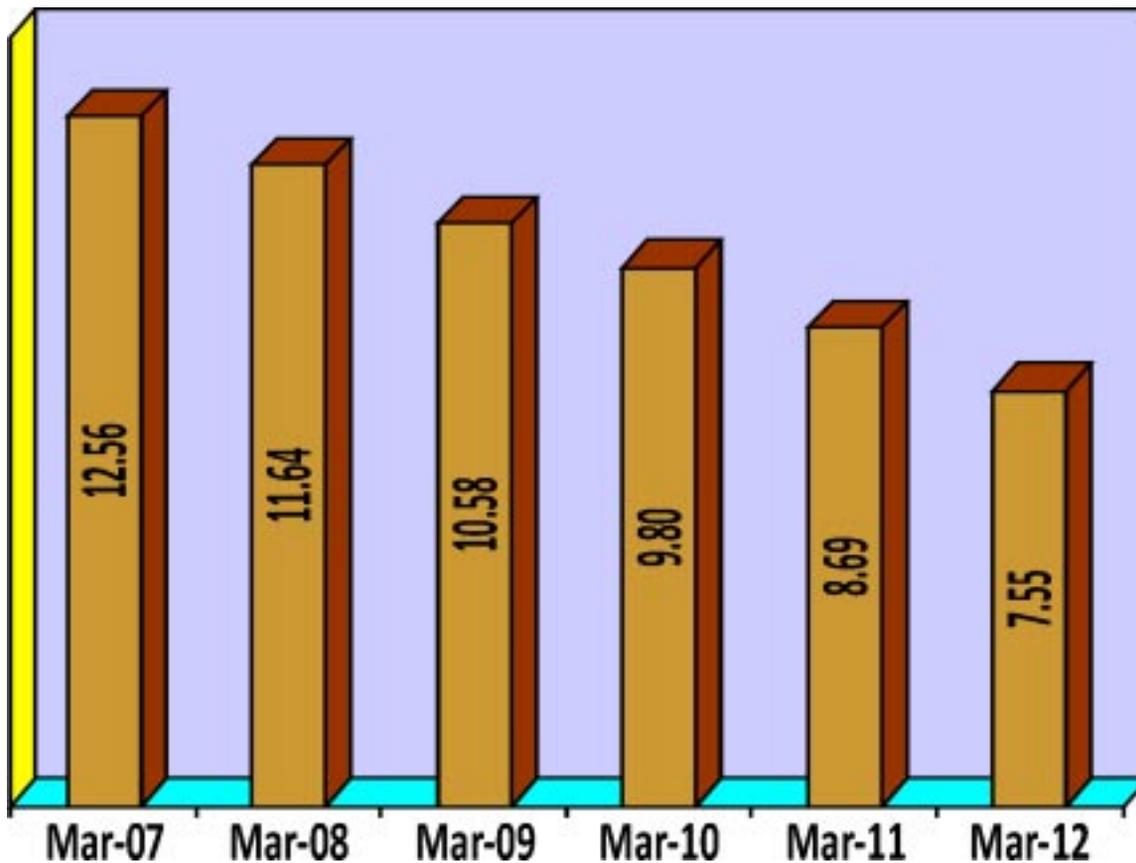
**(ii) WIRELINE**

23. The rural wireline subscriber base is decreasing (**Figure 14**). As on 31<sup>st</sup> March 2012, the rural wireline subscriber base stood at **7.55** million as compared to **8.69** million at the end of 31<sup>st</sup> March 2011. As per the Performance Indicator Report, **23.46%** of total wireline subscribers are in rural areas. The service provider-wise wireline rural subscriber base & their market share are shown in **Table 7** and **Figure 15**.

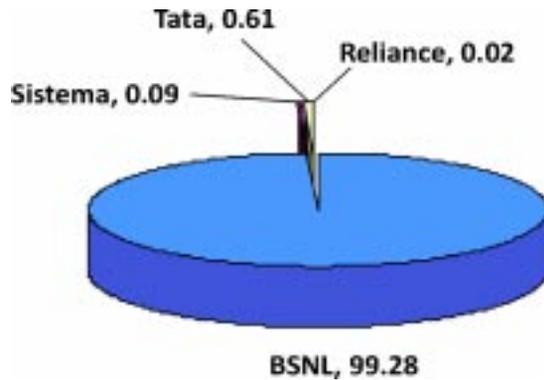
**Table 7: Service Provider-wise Rural Wireline Subscribers and Market Share**

Sl. No.	Wireline Group	Total Wireline Subscribers (in million)		Rural Wireline Subscribers (in million)		Market Share of Wireline Rural Subscribers (in %)	
		March' 11	March' 12	March' 11	March' 12	March' 11	March' 12
1	<b>BSNL</b>	25.22	22.47	8.64	7.492	99.44	99.28
2	<b>MTNL</b>	3.46	3.46	-	-	-	-
3	<b>Bharti</b>	3.30	3.27	-	-	-	-
4	<b>HFCL</b>	0.19	0.20	-	-	-	-
5	<b>Sistema</b>	0.04	0.05	0.005	0.007	0.06	0.09
6	<b>TATA</b>	1.28	1.44	0.04	0.046	0.48	0.61
7	<b>Reliance</b>	1.23	1.27	0.002	0.002	0.02	0.02
8.	<b>Vodafone</b>	-	0.02	-	-	-	-
	<b>Total</b>	<b>34.73</b>	<b>32.17</b>	<b>8.69</b>	<b>7.547</b>	<b>100.00</b>	<b>100.00</b>

**Figure 14 : Rural Wireline Subscribers (in million)**



**Figure 15 : Market Share of service providers of Rural Wireline Subscriber base**



## EXPANSION OF TELEPHONE NETWORK

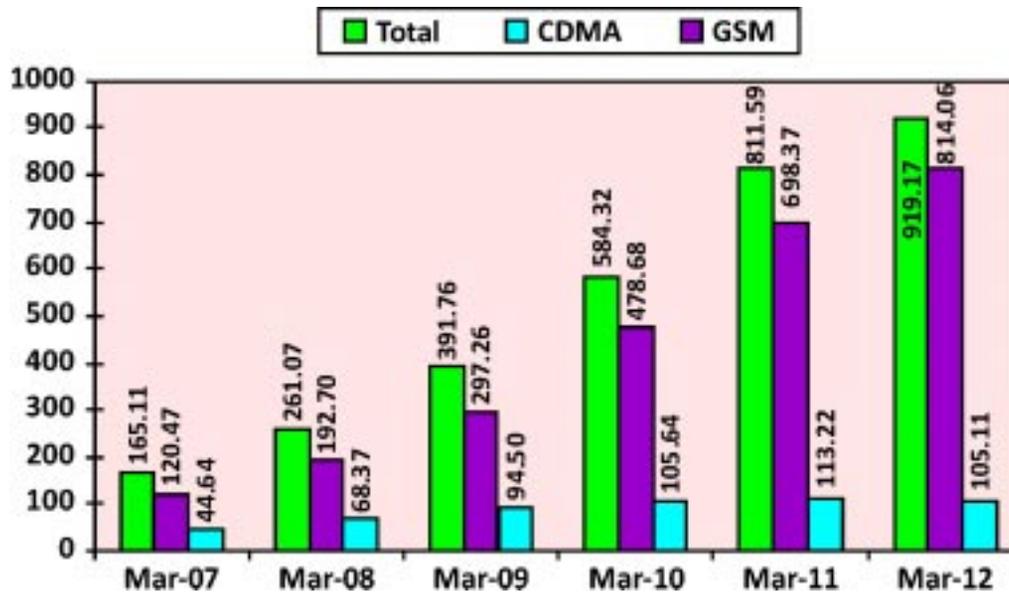
### (i) WIRELESS SERVICES

24. The wireless subscriber base was 919.17 million as on 31<sup>st</sup> March 2012 in comparison to the subscriber base of 811.59 million as on 31<sup>st</sup> March, 2011. It added 107.58 million subscribers in the financial year 2011-12 registering an annual growth rate of about 13.26%. The total subscriber base of wireless

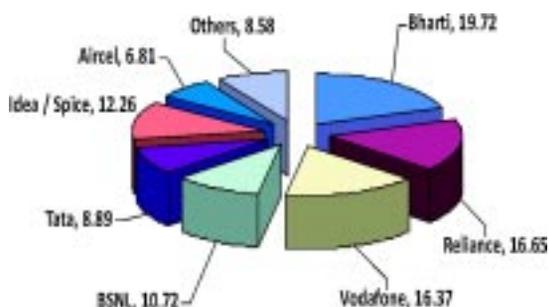
services has grown from 165.11 million in March, 2007 to 919.17 million in March 2012. Out of 919.17 million subscribers at the end of the financial year 2011-12, 814.06 million (88.56%) were GSM Subscribers and 105.11 million (11.44%) were CDMA Subscribers. The subscriber growth of wireless services of both GSM and CDMA networks from March 2007 to March 2012 is depicted in **Figure 16**.

25. The subscriber base of individual wireless service providers (both GSM & CDMA) from March 2007 to March 2012 along with their percentage growth over the financial year 2011-12 is given in **Annexure I**. The market share of different mobile operators as on 31<sup>st</sup> March 2012 is displayed in **Figure 17**. The list of licensed service providers in various service areas is given in **Annexure II**.

**Figure 16: Subscriber base of wireless Operators (in million) as on 31<sup>st</sup> March 2012**

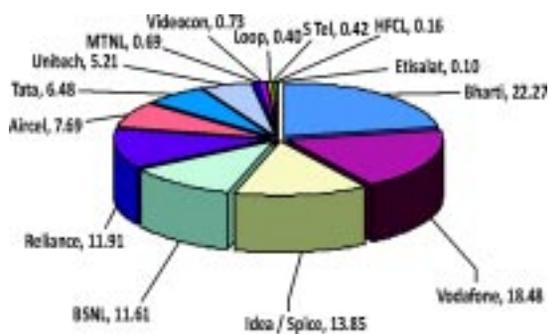


**Figure 17: Market Share of Wireless Service Providers (as on 31<sup>st</sup> March 2012)**



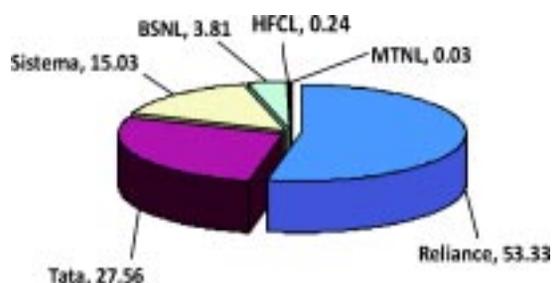
26. In the wireless segment subscriber base of GSM reached the 814.06 million subscriber mark at the end of March 2012, as compared to 698.37 million as at the end of March 2011. It added around 115.69 million subscribers during the year, registering an annual growth of 16.57%.
27. In terms of subscriber base and market share of GSM services, M/s Bharti with 181.28 million subscriber base remains the largest followed by M/s Vodafone, M/s Idea/Spice, and M/s Reliance with subscriber base of 150.47 million, 112.72 million and 96.99 million respectively. The market Share of various GSM operators as on 31<sup>st</sup> March 2012 is displayed in **Figure 18**.

**Figure 18: Market Share (%) of GSM Operators (as on 31<sup>st</sup> March 2012)**



28. In Cellular CDMA Services, in terms of subscriber base and market share, M/s Reliance with 56.06 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 28.97 million, and 15.80 million respectively. The market share of different CDMA operators as on 31<sup>st</sup> March 2012 is shown in **Figure 19**.

**Figure 19: Market Share (%) of CDMA Operators (as on 31<sup>st</sup> March 2012)**



29. The subscriber base for Cellular Wireless services in different categories of service areas for the period March, 2007 to March, 2012 is indicated graphically in **Figure 20**.
30. The addition of Wireless subscribers and annual growth rates for different categories of service areas during the financial years, 2009-10, 2010-11 and 2011-12 is indicated in the **Annexure-III**. The total subscriber base for wireless services has registered an annual growth of 13.26% with the maximum growth of 17.93% observed in 'C' Circle during 2011-12.

## (ii) WIRELINE SERVICES

31. As on 31<sup>st</sup> March, 2012, the total subscriber base of fixed (Wireline) lines stood at 32.17 million. The operator wise status of wireline subscriber is



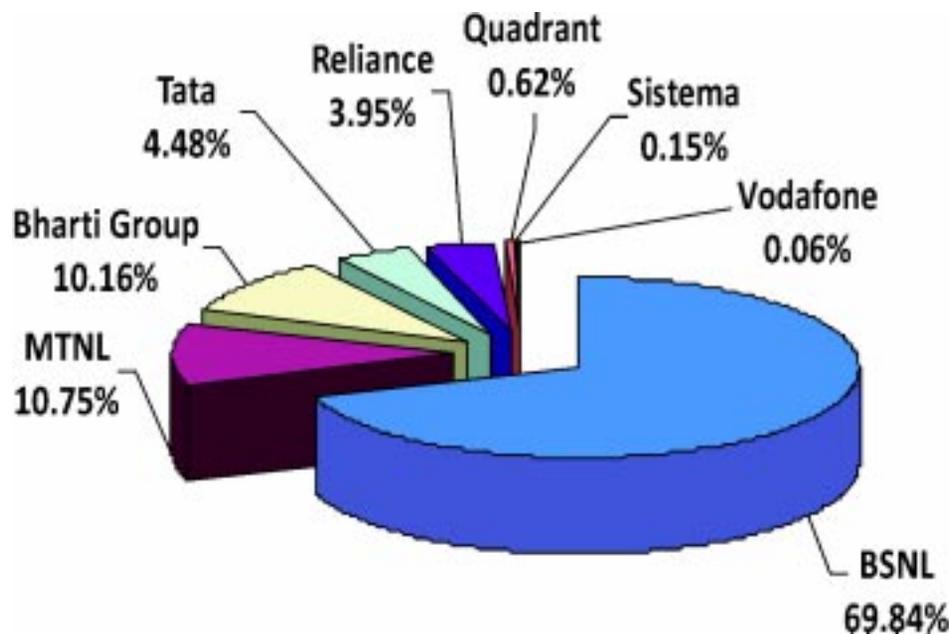
**Figure 20 : Subscriber Base for Wireless Services in Metros and Circles from March, 2007 to March, 2012 (Figures in Million)**



shown in **Table 8**. The incumbents BSNL and MTNL have 69.84% and 10.75% market share respectively in the subscriber base, while all the six private operators together have 19.41% share.

The share of private operators has increased from 17.40% as on 31<sup>st</sup> March, 2011 to 19.41% as on 31<sup>st</sup> March, 2012. The market share of total fixed lines is shown in **Figure 21**.

**Figure 21: Market Share of Wireline Service Providers as on 31<sup>st</sup> March 2012 (in %)**



**Table 8: Operator wise details of Fixed (Wireline) Subscriber Base as on 31<sup>st</sup> March, 2012**

Sl. No.	Service Provider (Wireline)	Area of Operation	Subscriber base (Wireline)
1	Bharat Sanchar Nigam Ltd. (BSNL)	All India except Delhi & Mumbai	2,24,67,732
2	Mahanagar Telephone Nigam Ltd. (MTNL)	Delhi & Mumbai	34,57,729
3	Bharti Airtel Ltd. & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (included Chennai), UP(East), UP(West).	32,69,949
4	Quadrant Televentures Ltd. (formerly HFCL)	Punjab	2,00,432
5	Sistema Shyam Teleservices Ltd.	Rajasthan	46,659
6	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Maharashtra & Mumbai, Karnataka, Kerala, Kolkata, Madhya Pradesh, North East, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP(East), UP(West) and West Bengal	14,41,370
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	12,69,750
8	Vodafone	Andhra Pradesh, Chennai, Delhi, Gujarat, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab and Rajasthan	17,850
	<b>Grand Total</b>		<b>3,21,71,471</b>

Source: Monthly Report on Fixed (Wireline) Subscriber base furnished by the Service Providers.

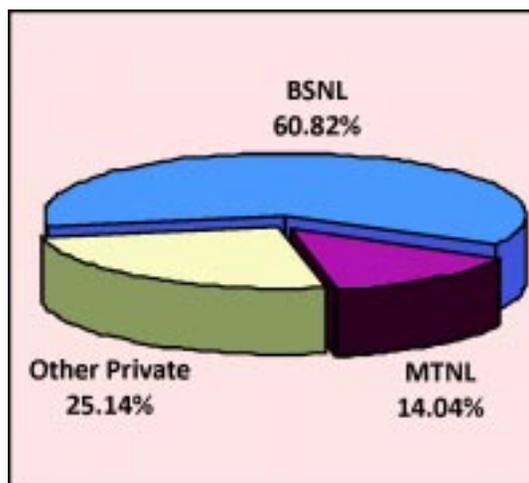


32. As on 31<sup>st</sup> March 2012 the total urban wireline subscribers were 24.62 million and rural wireline subscribers were 7.55 million. **Table 9** indicates the Service Provider-wise Subscriber base in Rural and Urban areas and the same are depicted graphically in **Figure 22** and **Figure 23**.

**Table 9: Service Provider-wise Subscribers (Rural & Urban)**

Service Provider	Subscriber Base (million)		
	Rural	Urban	Total
BSNL	7.49	14.98	22.47
MTNL	-	3.46	3.46
Bharti	-	3.27	3.27
Tata	0.05	1.40	1.44
Reliance	0.002	1.27	1.27
Quadrant (HFCL)	-	0.20	0.20
Sistema	0.01	0.04	0.05
Vodafone	-	0.02	0.02
<b>Total</b>	<b>7.55</b>	<b>24.62</b>	<b>32.17</b>

**Figure 22: Market Share of Urban Wireline Subscribers as on 31<sup>st</sup> March 2012 (in %)**

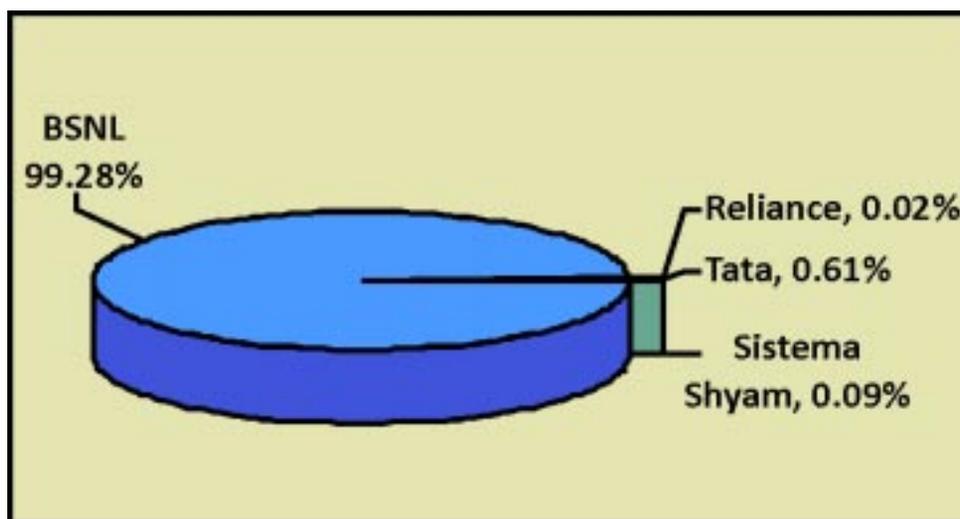


33. As on 31<sup>st</sup> March, 2011 besides BSNL and MTNL 6 Unified Access Service Licence (UASL) are providing fixed line services. The total equipped capacity and service provider wise connections are shown in **Table 10** below:-

#### Public Call Offices (PCOs)

34. As on 31<sup>st</sup> March 2012, the total number of Public Call Offices (PCOs) was 2.01 million. The number of PCOs provided

**Figure 23: Market share of Rural Wireline Subscribers as on 31<sup>st</sup> March 2012 (in %)**



**Table 10 : Service Provider wise Equipped switching capacity**

Sl. No.	Name of the Service Provider	Service Area	As on 31 <sup>st</sup> March, 2012	
			Equipped Capacity	Working Connections
1	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	4,25,05,984	2,24,67,732
2	Mahanagar Telephone Nigam Ltd.	Delhi and Mumbai	57,73,936	34,57,729
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	32,69,949
4	Quadrant Televentures Ltd.	Punjab	5,48,835	2,00,432
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	12,69,750
6	Sistema Shyam Teleservices Ltd.	Rajasthan	64,000	46,659
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.	29,56,010	14,41,370
8	Vodafone	Andhra Pradesh, Chennai, Delhi, Gujarat, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab and Rajasthan	1,30,000	17,850

Source: As per report furnished by the Service Providers.



by BSNL, MTNL and Private Operators is indicated in **Table 11** below:

**Table 11: Public Call Offices in the Country**

S. No.	Name of Service providers	2011-12 (March 2012)
1	BSNL	10,80,316
2	MTNL	1,58,970
3	Private Operators	7,66,442
	<b>Total</b>	<b>20,05,728</b>

### Village Public Telephones (VPTs)

35. As on 31<sup>st</sup> March, 2012, the total number of village public telephone (VPTs) provided by the service providers, who are also providing fixed(wireline) line services was 5.837 lakh as against 5.847 lakh as on 31<sup>st</sup> March, 2011. **Table 12** provides the total number of VPTs provided by service providers.

**Table 12: Village Public Telephones in India**

Sl. No.	Name of Service providers	2010-11 (March 2011)	2011-12 (March 2012)
1	BSNL	5,73,863	5,77,031
2	MTNL	0	0
3	Private Operators	10,869	6,687
	<b>Total</b>	<b>5,84,732</b>	<b>5,83,718</b>

### (iii) INTERNET / BROADBAND SERVICES

36. TRAI is constantly monitoring the growth of the Internet and Broadband services in the country by analyzing Performance Monitoring Reports (PMR) being submitted by Internet Service

Providers (ISPs). During the current financial year 187 ISPs have been submitting their Quarterly Performance Monitoring Reports (PMR) to TRAI regularly. Issues raised by ISPs from time to time were successfully resolved by TRAI to create conducive environment and to encourage the growth of the services during the financial year.

37. As per the data available on Department of Telecom (DoT) website there were 378 licenses for Internet services as on 31<sup>st</sup> July 2010. As per the reports submitted to TRAI by various ISPs, as on 31<sup>st</sup> March 2012 the Internet subscriber base (both narrowband & broadband) in the country stood at 22.86 million as compared to 19.67 million on 31<sup>st</sup> March 2011, registering an annual growth of 16.19%. In addition there were 448.89 million subscribers (as on 31.03.2012) who access data services including Internet using their mobile phones (GSM/CDMA) or data card.
38. The distribution of Internet subscribers among PSU owned ISPs & Private ISPs as on 31<sup>st</sup> March 2012 is shown in **Table 13**.

**Table 13 : Share of PSU/Private ISPs as on 31<sup>st</sup> March 2012.**

Public Sector ISPs	1,51,93,502
Private Sector ISPs	76,66,234
<b>Total</b>	<b>2,28,59,736</b>

39. The market share of top five Internet Service Providers (ISPs) in terms of subscriber base as on 31<sup>st</sup> March 2012 is indicated in **Table 14**.

**Table 14: Market Share of Top Five Internet Service Providers (ISPs) in terms of subscriber base as on 31<sup>st</sup> March 2012**

S. No.	ISP	Market Share in %
1.	Bharat Sanchar Nigam Limited	55.32
2.	Reliance Communications Infrastructure Ltd.	15.65
3.	Mahanagar Telephone Nigam Limited	11.13
4.	Bharti Airtel Ltd	6.04
5.	You Broadband & Cable India Pvt Ltd	1.84

40. Among PSU owned ISPs, Bharat Sanchar Nigam Ltd and Mahanagar Telephone Nigam Limited have reported subscriber base of 12.65 million and 2.54 million respectively, while among private sector, Reliance Communications Infrastructure Ltd, Bharti Airtel Ltd and You Broadband & Cable India Pvt Ltd have reported subscriber base of 3.58 million, 1.38 million and 0.42 million respectively.
41. As per Broadband Policy 2004, Broadband is defined as an “always on” data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 256 Kbps to an individual subscriber from the

Point of Presence (POP) of the service provider intending to provide Broadband service where such individual Broadband connections are aggregated and the subscriber is able to access these interactive services including the Internet through this POP. There are various technologies available to provide Broadband services. The Digital Subscribers Line (DSL) is the most preferred technology by the service providers to offer Broadband services in the country. Other technologies used for providing Broadband services are Cable modem, Ethernet LAN, Fibre, Wireless, Leased line etc. The broadband subscriber base in the country at the end of March 2012 is 13.81 million.

#### (iv) INTERNET TELEPHONY

42. 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, 36 ISPs are providing Internet Telephony. The list of ISPs providing internet telephony is given at **Table 15**. Total minutes of usage of Internet Telephony during the financial year were 236.40 million minutes.



**Table 15: List of Internet Service Providers providing Internet Telephony Services**

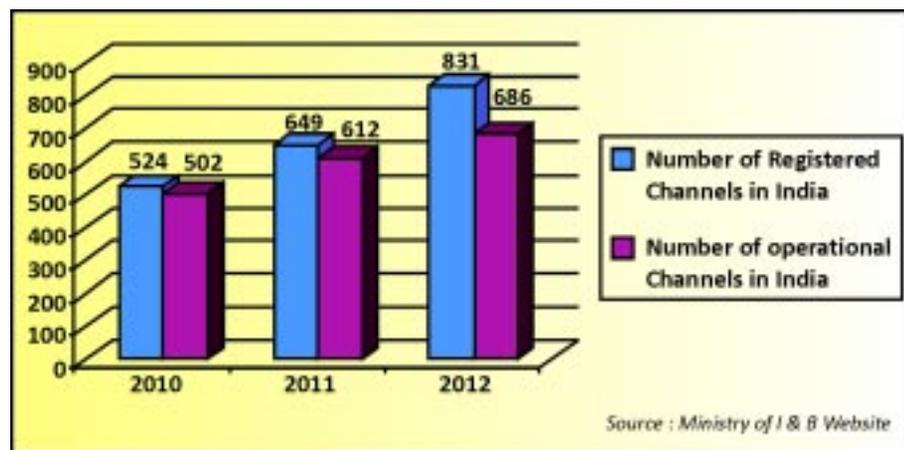
S. No.	Name of the Service Provider
1	Alliance Broadband Services Pvt. Ltd.
2	Apna Telelink Ltd.
3	Asianet Satellite Communications Ltd.
4	Bharat Sanchar Nigam Ltd.
5	Blazenet Ltd.
6	City Online Services Ltd.
7	Citycom Networks Pvt. Ltd.
8	Cordia LT Communications Pvt Ltd.
9	Data Infosys Ltd.
10	delDSL Internet Pvt Ltd.
11	Digital2Virtual ISP Pvt. Ltd.
12	Dishnet Wireless Ltd.
13	Fast Lynx Internet Service Pvt Ltd.
14	Karuturi Telecom Private Limited
15	Mahanagar Telephone Nigam Ltd.
16	Manipal Ecommerce Ltd.
17	My Own Infotech Pvt. Ltd.
18	Nettlinx Ltd.

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

# BROADCASTING AND CABLE TV SECTOR

43. 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 142 million (Cable + DTH+ Other Platforms) by March 2012, an average growth rate of more than 34% every year for the last 20 years. **Figure 24** depicts the increase in the number of television channels in the Country. 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.

**Figure 24: Growth in number of television channels in India**



## DTH SERVICES

44. 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 46.25 million subscribers of pay DTH services, catered to by 6 pay DTH operators by March 2012. 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 25** below.
45. 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.

## CABLE TV SERVICES

46. The cable TV services sector is the largest pay television service sector with an estimated subscriber base of around 94 million subscribers. **Figure 26** depicts the growth of the cable TV sector in terms of number of subscribers, over the last decade.
47. The cable TV services in India, at present, are mostly analogue (non-addressable cable TV systems) in nature. In the last few years, the exponential growth in the number of TV channels (both Free To Air and Pay) combined with the inherent limitations of the

**Figure 25 : Growth of DTH sector in terms of the registered subscriber base**

(numbers in million)

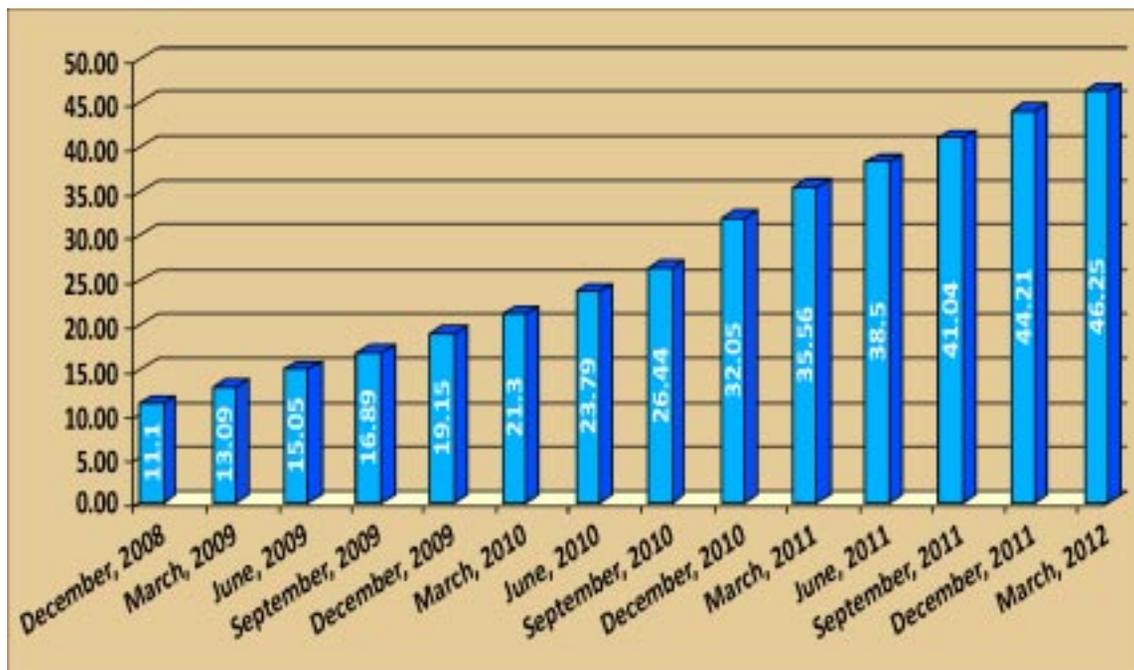
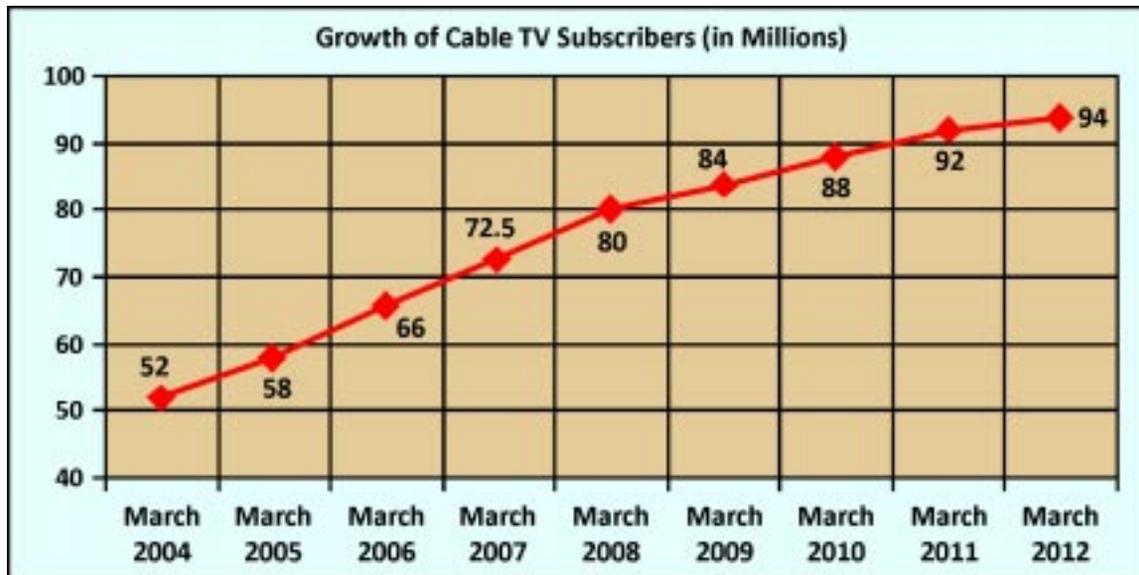


Figure 26: Growth in number of Cable TV subscribers (in millions)



analog cable TV systems has posed several challenges in the cable TV sector, mainly due to capacity constraints and non-addressable nature of the network. With time and evolution of technology, new addressable TV platforms like DTH, IPTV etc. were introduced to the masses. 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,

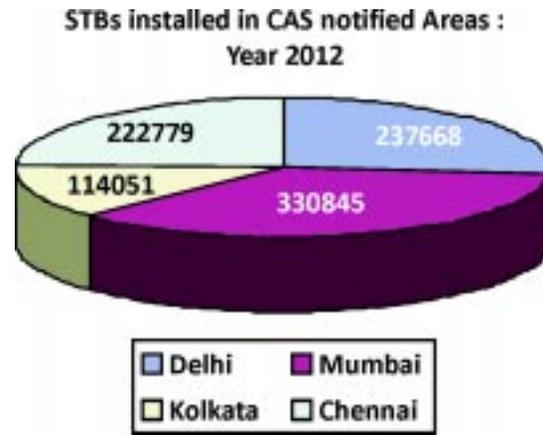
enabling the implementation of digital addressable cable TV systems in India. Thereafter, the Government also issued a notification dated 11<sup>th</sup> November, 2011, which laid down the roadmap for implementation of digital addressable cable TV systems, in a phased manner in four phases, completing by December, 2014. The first phase will cover the four metros of Delhi, Mumbai, Kolkata and Chennai; the second phase will cover the cities with a population more than one million; all other urban areas (municipal corporations/municipalities) will be covered in the third phase and the fourth phase will cover the rest of India. The Ordinance dated 25<sup>th</sup> October, 2011, subsequently, in December, 2011, became an Act.

48. At present, notified areas of Delhi, Mumbai, Kolkata and Chennai, where conditional access system(CAS) is in



place, the pay TV channels are mandated to be carried through digital addressable system whereas the Basic service tier, comprising of free to air (FTA) channels, is carried in the analogue form. **Figure 27** depicts the city-wise growth in number of pay TV subscribers in the notified CAS areas over last five years. **Figure 28** depicts city-wise status of pay TV subscribers in the notified CAS areas, as on March 2012. There are an estimated 60,000 local cable operators and 6,000 Multi-System Operators (MSOs) / Independent Cable Operators (ICOs). The maximum number of TV channels carried in the cable network by any MSO, as reported to TRAI, is 356, whereas in conventional analogue form

**Figure 28 : City-wise status of pay TV subscribers in the notified CAS areas (as on March 2012)**



this figure is only 100. The maximum number of FTA and pay TV channels, being carried in the cable network over last five years is given in the **Figure 29**.

**Figure 27: City-wise growth in number of subscribers in the notified CAS Areas in the last five years**

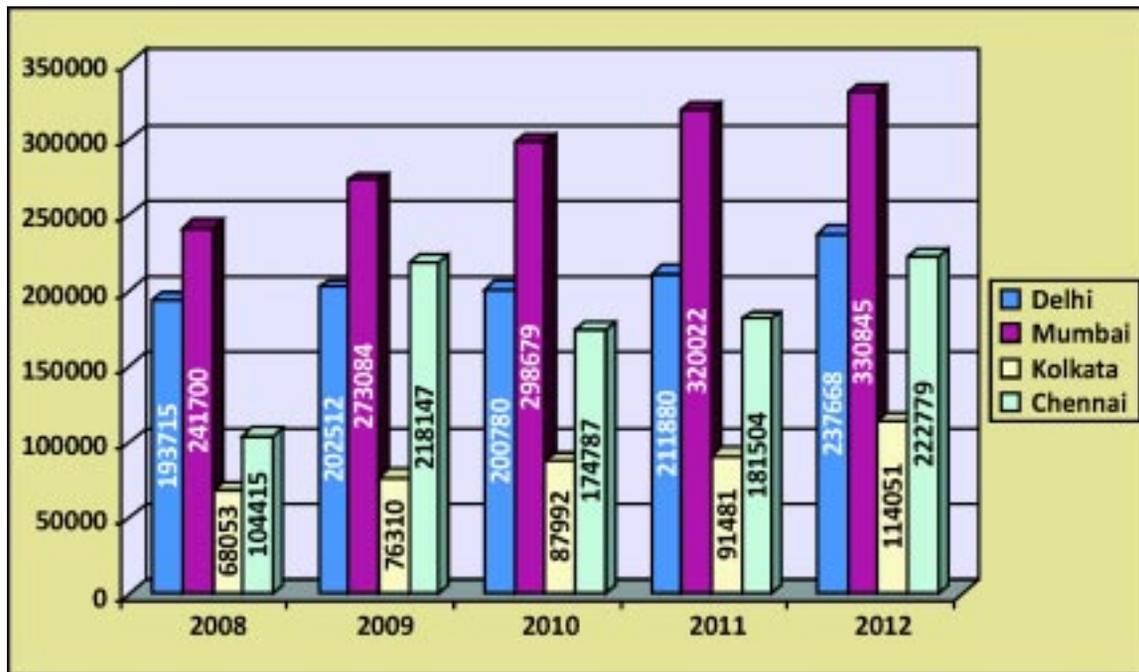
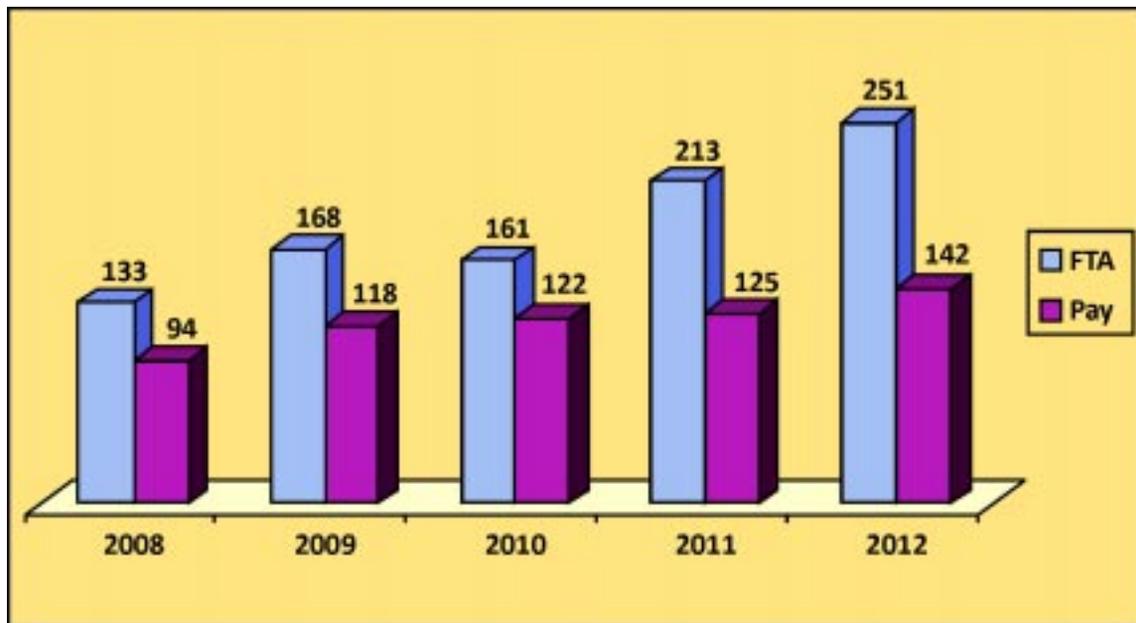


Figure 29 : Maximum number of FTA and pay TV channels carried in the cable networks



## RADIO

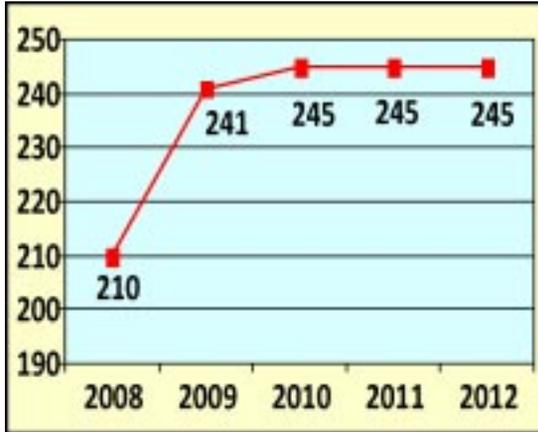
49. Radio is one of the most popular and affordable means for mass communication, largely owing to its wide coverage, terminal portability, low set up costs and affordability. In India, Radio coverage is available in Short-wave (SW), Medium-wave (MW) and Frequency Modulation (FM) mode. Frequency Modulation (FM) Radio broadcasting due to its versatility is considered as the main medium to provide entertainment, information and education within radio sector. There were 245 private FM radio stations operational by March 2012, besides the public service broadcaster- All India Radio (AIR) having a network of 237 broadcasting centres with 149 medium frequency (MW), 54 high frequency (SW) and 177 FM transmitters.

50. 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 25th 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 30**.

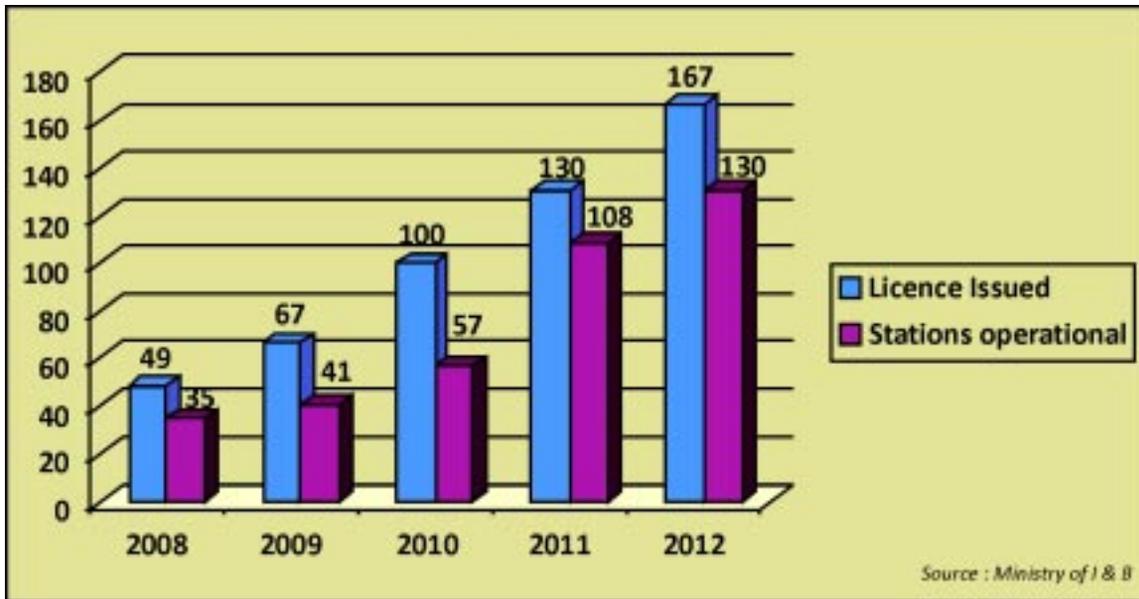
**Figure 30 : Growth in number of Private FM Radio Stations**



51. The radio sector in the country witnessed another expansion with the opening up of Community Radio Stations. There is a huge potential 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 2012, out of the 167 licenses issued for the setup of community radio stations, 130 community radio stations have become operational. The year wise growth of community radio stations are depicted in **Figure 31**.

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



## TELEPORTS

52. 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

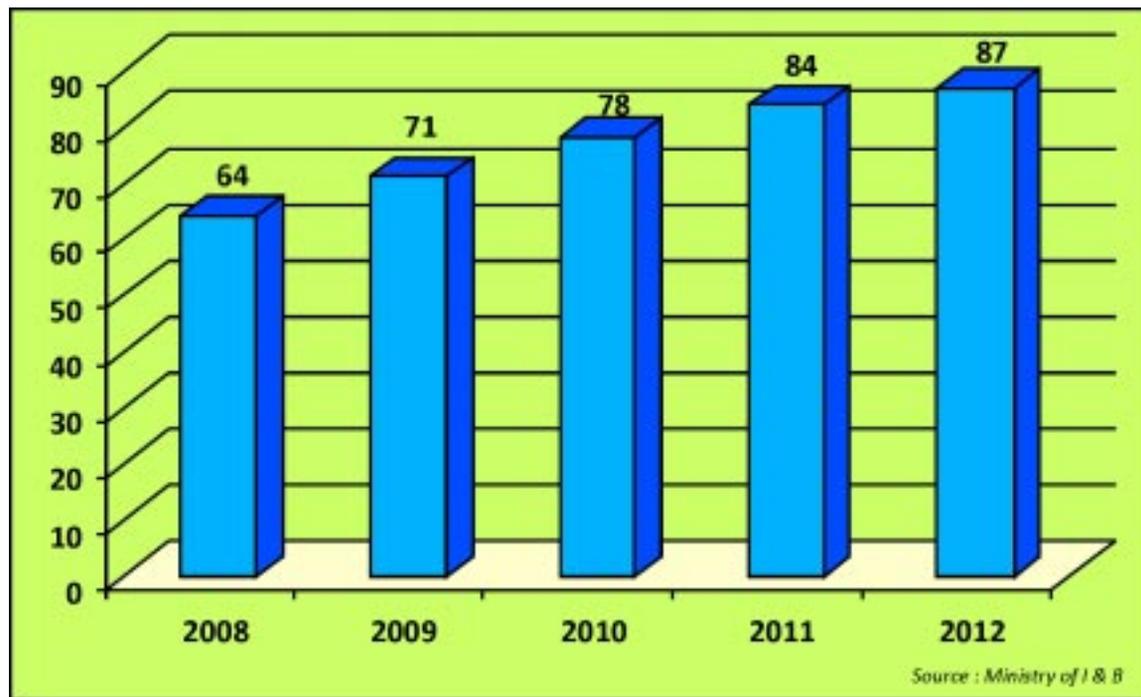
facilities for TV channels to be viewed in other parts of the world. Recognising this opportunity, TRAI, in its recommendations dated 22<sup>nd</sup> July 2010 on “issues related to Uplinking / Downlinking of Television Channels in India”, had suggested to the Government to develop India into a teleport hub.

53. The growth in the number of permitted teleports in India, over the last five years, is depicted in **Figure 32** and the list of teleports, permitted by Ministry of Information and Broadcasting, is placed at **Annexure IV**.

## TRENDS IN THE TARIFF IN THE BROADCASTING SECTOR

54. In order to provide cost effective Broadcasting services to the consumer,

**Figure 32 : Growth in number of permitted teleports in the country**



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. 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 going to be replicated in the cable TV sector also.

55. One of the most significant developments in the DTH sector has been a steady decline in the cost of the STB's. Over the past four years the cost of STB's have come down from an average of Rs.4,000/- to around Rs.1,000/- and the trend is likely to continue. This has made the once supposed to be the elitist service in the sector quite affordable for the common man.
56. 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 is consumer specific rather than

defined by the service providers. It is already observed in the market that within the maximum of the minimum subscription amount of Rs. 150/-, which an operator can prescribe, as per the said tariff order, they are already offering different monthly packs, ranging from Rs. 90/- per month per subscriber for 132 channels pack to Rs. 150/- per month per subscriber for 186 channels pack. Notably, these packs also include a sizable number of pay channels. Thereby, making available considerable choice of channels to the consumers.

57. The time line for implementation of digital addressable cable TV systems has been announced. It is expected that with the availability of multitude of digital addressable platforms, the consumer will be further empowered. The consumer will have lot more choice available both in terms of platforms as well as services such as HD, 3D channels, triple play including broadband and other value added services and interactive services apart from large number of TV channels to choose from. This will further promote competition in the sector which is expected to ensure availability of services at reasonable rates.

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

58. As of March 2012, the total number of TV channels registered with the Ministry of Information and

Broadcasting was 831 which include 168 pay channels. These channels are owned by around 250 broadcasters (content owners) and marketed by 26 distributors / aggregators. List of pay channels, distributors/aggregators and list of pay DTH operators are placed at **Annexure V** to **Annexure VII** respectively.

## BROADCASTING & CABLE SERVICES PERFORMANCE INDICATORS

59. The overall status of the broadcasting and Cable TV services sector is given in the **Table 16**.
60. The performance indicator of the Broadcasting sector over the last four quarters is tabulated at **Table 17**.

**Table 16 : Overall status of Broadcasting and Cable TV Services**

Number of households in the country (estimated) <sup>2</sup>	247 Million
Number of TV households (estimated) <sup>1</sup>	148 Million
Number of Cable TV subscribers (estimated) <sup>1</sup>	94 Million
Number of pay DTH Subscribers registered with private service providers as on 31 <sup>st</sup> March 2012	46.25 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 2012	831
Number of Pay Channels as on 31 <sup>st</sup> March 2012	168
Number of FM Radio Stations (excluding All India Radio) as on 31 <sup>st</sup> March 2012	245
Number of Licensed Community Radio Stations as on 31 <sup>st</sup> March 2012	167
Number of Operational Community Radio Stations as on 31 <sup>st</sup> March 2012	130
Number of Set Top Box installed in CAS notified areas of Delhi, Kolkata, Mumbai and Chennai as on 31 <sup>st</sup> March 2012	0.91 Million
Number of permitted Teleports in the country as on 31 <sup>st</sup> March 2012	87

<sup>2</sup> Based on Industry reports as on year ending 2011



**Table 17 : Performance Indicator of Broadcasting Sector**

Broadcasting & Cable Services	Quarter ending			
	June 2011	Sept. 2011	Dec. 2011	March 2012
Total Number of Registered Channels with I&B Ministry	715	762	825	831
Number of Pay Channels	158	161	163	168
DTH Subscribers registered with private Service Providers (in millions)	38.50	41.04	44.21	46.25
Number of Set Top Boxes in CAS areas	8,11,507	8,19,960	8,53,737	9,05,343
Number of Private FM Radio Stations	245	245	245	245



# ANNEXURES TO PART-I





## Subscriber Base of Wireless [GSM and CDMA] Services from 2006-07 to 2011-12

(Subscriber base in millions)

Service Providers	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	%age growth over FY 2011
Bharti	37.14	61.98	93.92	127.62	162.20	181.28	11.76%
Reliance	28.01	45.79	72.67	102.42	135.72	153.05	12.77%
Vodafone	26.44	44.13	68.77	100.86	134.57	150.47	11.82%
Idea	14.01	24.001	38.89	63.82	89.50	112.72	25.94%
Spice	2.73	4.21	4.13				
BSNL	30.99	40.79	52.15	69.45	91.83	98.51	7.27%
Tata	16.02	24.33	35.12	65.94	89.14	81.75	-8.29%
Aircel	5.51	10.61	18.48	36.86	54.84	62.57	14.10%
Unitech			0	4.26	22.79	42.43	86.18%
Sistema	0.1	0.11	0.6	3.78	10.06	15.68	55.86%
Videocon			0	0.03	7.11	5.95	-16.32%
MTNL	2.94	3.53	4.48	5.09	5.47	5.83	6.58%
S Tel			0	1.01	2.82	3.43	21.63%
Loop	1.07	1.29	2.16	2.84	3.09	3.27	5.83%
HFCL	0.15	0.3	0.39	0.33	1.47	1.33	-9.52%
Etisalat			0	0.0004	0.97	0.78	-19.59%
<b>Total</b>	<b>165.11</b>	<b>261.07</b>	<b>391.76</b>	<b>584.32</b>	<b>811.59</b>	<b>919.17</b>	<b>13.26%</b>

Source: Service Provider



List of Wireless Service Providers Service Area wise as on 31<sup>st</sup> March 2012

Sl. No.	Category	Service Area	Access Service Provider			
1	Metros	Delhi	Bharti			
			Vodafone			
			MTNL			
			Idea Cellular Ltd			
			Aircel Ltd			
			Etisalat DB Telecom Pvt. Ltd			
			Videocon Telecommunications Ltd*			
			Unitech Wireless (Delhi) Ltd*			
			Spice Communications Ltd*			
			Loop Telecom Private Ltd*			
			Sistema Shyam Teleservices Ltd			
			Reliance Infocomm			
			Tata Teleservices			
			2		Mumbai	Loop Telecom Pvt. Ltd
						Vodafone
						MTNL
Bharti						
Aircel Ltd						
Idea Cellular Ltd						
Etisalat DB Telecom Pvt. Ltd						
Videocon Telecommunications Ltd						
Unitech Wireless (Mumbai) Pvt. Ltd						
Sistema Shyam Teleservices Ltd						
Reliance Infocomm						
Tata Teleservices						
3		Chennai	Aircel Cellular Ltd			
			BSNL#			
			Vodafone			
			Reliance Infocomm#			

Sl. No.	Category	Service Area	Access Service Provider
			Tata Teleservices#
			Bharti#
			Videocon Telecommunications Ltd#
			Idea Cellular Ltd#
			Unitech Wireless (Tamil Nadu) Pvt. Ltd#
			Etisalat DB Telecom Pvt. Ltd#
			Loop Telecom Private Ltd*#
			Sistema Shyam Teleservices Ltd#
4		Kolkata	Bharti
			Vodafone
			BSNL
			Reliance Telecom
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Idea Cellular Ltd
			Unitech Wireless (Kolkata) Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
5	<b>A Circle</b>	MH	Vodafone
			Idea Cellular Ltd
			BSNL
			Bharti
			Aircel Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (West) Pvt. Ltd
			Spice Communications Ltd*
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd



Sl. No.	Category	Service Area	Access Service Provider
			Reliance Infocomm
			Tata Teleservices
6		GUJ	Vodafone
			Idea Cellular Ltd
			BSNL
			Bharti
			Aircel Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (West) Pvt. Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
7		AP	Idea Cellular Ltd
			Bharti
			BSNL
			Vodafone
			Aircel Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (South) Ltd
			Spice Communications Ltd*
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Priovate Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
8		KTK	Bharti
			Spice
			BSNL
			Vodafone

Sl. No.	Category	Service Area	Access Service Provider
			Aircel Ltd
			Videocon Telecommunications Ltd
			Idea Cellular Ltd*
			Unitech Wireless (South) Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Pvt Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
9		TN	Vodafone
			Aircel Ltd
			BSNL#
			Reliance Infocomm#
			Tata Teleservices#
			Bharti#
			Videocon Telecommunications Ltd#
			Idea Cellular Ltd#
			Unitech Wireless (Tamil Nadu) Pvt. Ltd#
			Etisalat DB Telecom Pvt. Ltd#
			Loop Telecom Private Ltd*#
			Sistema Shyam Teleservices Ltd#
10	<b>B Circle</b>	Kerala	Idea Cellulat Ltd
			Vodafone
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (South) Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Pvt. Ptd*
			Sistema Shyam Teleservices Ltd



Sl. No.	Category	Service Area	Access Service Provider
			Reliance Infocomm
			Tata Teleservices
11		Punjab	Spice
			Bharti
			BSNL
			Vodafone
			Dishnet Wireless Ltd
			Idea Cellular Ltd*
			Unitech Wireless (North) Pvt. Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			HFCL Infocom
			Tata Teleservices
12		Haryana	Idea Cellular Ltd
			Vodafone
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (North) Pvt. Ltd
			Spice Communications Ltd*
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
13		UP-W	Idea Cellular Ltd
			Bharti
			BSNL

Sl. No.	Category	Service Area	Access Service Provider
			Vodafone
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (North) Pvt. Ltd
			Etisalat DB Telecom Pvt Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
14		UP-E	Vodafone
			BSNL
			Bharti
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (East) Pvt. Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Pvt. Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
15		Raj	Vodafone
			Hexacom(Bharti)
			BSNL
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (North) Pvt. Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Private Ltd
			Reliance Infocomm



Sl. No.	Category	Service Area	Access Service Provider
			Sistema Shyam Teleservices Ltd
			Tata Teleservices
16		MP	Idea Cellular Ltd
			Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (West) Pvt. Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Allianz Infratech (P) Ltd
			Reliance Infocomm
			Tata Teleservices
17		WB&A&N	Reliance Telecom
			BSNL
			Bharti
			Vodafone
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt. Ltd
			Loop Telecom Private Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
18	<b>C circle</b>	HP	Bharti
			Reliance Telecom
			BSNL
			Idea Cellular Ltd

Sl. No.	Category	Service Area	Access Service Provider
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd
			Unitech Wireless (North) Pvt. Ltd
			S Tel Ltd
			Loop Telecom Private Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
19		Bihar	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Aditya Birla Telecom Ltd (Idea)
			Videocon Telecommunications Ltd
			Unitech Wireless (East) Pvt. Ltd
			S Tel Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
			Allianz Infrastech (P) Ltd
20		Orissa	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt. Ltd



Sl. No.	Category	Service Area	Access Service Provider
			S Tel Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
21		Assam	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd*
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt. Ltd
			Tata Teleservices Ltd
			S Tel Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
22		NE	Reliance Telecom
			Bharti
			BSNL
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd*
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt Ltd
			Tata Teleservices Ltd
			S Tel Ltd
			Loop Telecom Private Ltd
			Sistema Shyam Teleservices Ltd
23		J&K	BSNL
			Bharti



Sl. No.	Category	Service Area	Access Service Provider
			Dishnet Wireless Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd*
			Idea Cellular Ltd
			Unitech Wireless (North) Pvt. Ltd
			Tata Teleservices Ltd
			S Tel Ltd*
			Loop Telecom Pvt. Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm

**Note :** \* Services not yet Started

# Single License for Tamil Nadu & Chennai

Source : DOT/Service Providers



**Wireless Subscribers added and annual growth rate in different circles during  
2009-10, 2010-11 and 2011-12**

Circles	No. of Subscribers added during April, 09 to March, 10 (in million)	% Growth during year 2009-10	No. of Subscribers added during April, 10 to March, 11 (in million)	% Growth during year 2010-11	No. of Subscribers added during April, 11 to March, 12 (in million)	% Growth during year 2011-12
<b>Metro</b>	9.09	14.64%	25.65	36.03%	6.93	7.16%
<b>Circle `A`</b>	75.13	54.77%	76.13	35.87%	35.58	12.34%
<b>Circle `B`</b>	77.15	52.54%	94.55	42.21%	45.75	14.36%
<b>Circle `C`</b>	31.19	68.32%	30.94	40.26%	19.33	17.93%
<b>All India</b>	<b>192.56</b>	<b>49.15%</b>	<b>227.27</b>	<b>38.89%</b>	<b>107.58</b>	<b>13.26%</b>

Source: Quarterly Reports of Service Providers



## List of Permitted Teleport

Sl. No.	Particulars
1	TV TODAY NETWORKN 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 COMMUNICATIONSLTD. KOCHI(KERALA)
12	NOIDA SOFTWARE TECHNOLOGY PARK LTD. GREATER NOIDA
13	DISH TV INDIA LTD. ( formerly ASCENTERPRISES LTD.)NOIDA
14	POSITIV TELEVISION PVT. LTDGUAHATI
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



Sl. No.	Particulars
30	BENNET COLMAN & CO. LTD. MUMBAI
31	SENIOR MEDIA LTD.
32	LOK PRAKASHAN LTD. AHMEDABAD
33	CALCUTTA TELEVISION 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.) BHUBANESHWAR
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

Sl. No.	Particulars
61	G. NEXT MEDIA PVT. LTD. NEW DELHI
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



## List of Pay Channels

S.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 <sup>(iv)</sup>
23	Zee Jagran
24	Zee Smile
25	24 Ghante
26	24 Taas
27	Zee Talkies
28	WB
29	REAL

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

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

S.No.	Name of the channel
90	Udaya II
91	Adithya TV
92	Surya TV
93	Kiran TV
94	The Disney Channel
95	Disney XD <sup>(xiv)</sup>
96	Hangama TV
97	IBN 7
98	IBN Lokmat
99	Colors
100	MTV
101	NICK
102	VH 1
103	CNBC TV 18
104	CNN-IBN
105	CNBC Awaaz
106	ETV
107	ETV 2
108	ETV Bangla
109	ETV Marathi
110	ETV Kannada
111	ETV Gujarathi
112	ETV Oriya
113	ETV UP
114	ETV Bihar
115	ETV Urdu
116	ETV Rajasthan
117	ETV MP
118	Bindass
119	UTV Action <sup>(v)</sup>
120	World Movies



S.No.	Name of the channel
121	UTV Movies
122	Bloomberg UTV <sup>(vi)</sup>
123	UTV Action – Telugu
124	BBC World
125	BBC Entertainment
126	Cbeebies
127	ESPN
128	Star Sports
129	Star Cricket
130	ESPNEWS
131	Raj TV
132	Raj Digital Plus
133	Vissa TV
134	9XM
135	9X
136	NDTV Lumiere
137	NDTV Showbiz
138	Sahara One
139	Filmy
140	B4U Movies
141	MAA TV
142	MAA Music
143	MAA Movies
144	MAA Junior

S.No.	Name of the channel
145	Dilli Aaj Tak
146	E-24
147	Boomerang
148	TCM Turner Classic Movies
149	Tarang
150	Tarang Music
151	Prarthana
152	ET NOW
153	Times Now
154	Zoom
155	Ten Action+
156	Ten Sports
157	Ten Cricket
158	BIG CBS PRIME
159	BIG CBS LOVE
160	BIG CBS SPARK
161	BIG CBS SPARK Punjabi
162	BIG MAGIC
163	9X Tashan
164	Sarthak TV
165	Jaya TV
166	Jaya Plus
167	Jaya Max
168	J Movies



## List of Broadcasters / Aggregator

Sl. No.	Particulars
1	M/s Ushodaya Enterprises Pvt. Limited
2	M/s ESPN Software India Private Limited
3	M/s UTV Global Broadcasting Limited
4	M/s Raj Television Limited
5	M/s Turner International India Private Limited
6	M/s 9X Media Pvt. Ltd.
7	M/s Turner General Entertainment Networks India Private Limited
8	M/s Orissa Television Limited
9	M/s MAA Television Network Limited
10	M/s B4U Television Network India Limited
11	M/s BBC World (India) Private Limited
12	M/s TV Today Network Limited
13	M/s Allied Infotainment Distribution Private Limited
14	M/s BBC World Wide Channels Private Limited
15	M/s Taj Television India Private Limited.
16	M/s MSM Discovery Private Limited
17	M/s SUN 18 Media Services North
18	M/s SUN 18 Media Services South
19	M/s Media Pro Enterprise Private Limited
20	M/s ABS Media Services Private Limited
21	M/s Media Network & Distribution (India) Limited
22	M/s BIG CBS Networks Limited
23	M/s Reliance Television Private Limited
24	M/s Paul Entertainment Pvt. Ltd.
25	M/s Sarthak Entertainment Pvt. Ltd.
26	M/s Mavis Satcom Limited



**List of Pay DTH Operator**

1.	M/s. Tata Sky Ltd.
2.	M/s Dish TV India Ltd.
3.	M/s SUN Direct TV (P) Ltd.

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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1. Part I of the Report has given a review 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 2011-12. The main thrust of TRAI's functioning is to create conditions for efficient competition and growth in the telecom sector including broadcasting and cable services together with better quality at affordable prices, in order to meet the objectives of New Telecom Policy, 1999 (NTP' 99). In line with the mandate given under the TRAI Act, TRAI has played a 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. The Government of India issued a Notification dated 9<sup>th</sup> January, 2004 by which broadcasting and cable services have been brought within the ambit of telecommunication services in terms of section 2(k) of the Telecom Regulatory Authority of India Act, 1997 as amended by the TRAI (Amendment) Act, 2000.
3. 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.

4. To formulate policies and recommendations, 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 policy formulation by offering their views whenever sought for. This process involves 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.

5. 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 interacting with them at regular intervals. TRAI has registered 41 consumer organizations as on 31<sup>st</sup> March 2012 from all over the country and 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.

6. 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 2011-12 are given below.

### (I) RECOMMENDATIONS

7. During the Financial year 2011-12, the Authority submitted following Recommendations to the Government on various issues of Telecommunication and Broadcasting Sector.

- (i) Recommendations dated 12<sup>th</sup> April 2011 on Issues related to Telecommunications Infrastructure Policy
- (ii) Recommendations dated 12<sup>th</sup> April 2011 on "Telecom Equipment Manufacturing Policy"
- (iii) Recommendations dated 12<sup>th</sup> April 2011 on Approach towards Green Telecommunications
- (iv) Recommendations dated 4<sup>th</sup> May 2011 on DoT's reference on TRAI recommendations on "National Broadband Plan"

- (v) Revised Recommendations dated 3<sup>rd</sup> June 2011 of TRAI to the reference dated 18.05.2011 of the Ministry of Information & Broadcasting on recommendations of TRAI on Foreign Investment Limits for Broadcasting Sector

- (vi) Reconsideration of views/recommendations of TRAI in respect of the roll out obligations of UAS Licensees dated 14<sup>th</sup> July 2011

- (vii) Recommendations dated 3<sup>rd</sup> November 2011 on Spectrum Management and Licensing Framework- Response of the Authority on DoT reference no. 20-281/2010-AS-I (Vol.II) (Pt.) dated 10.10.2011

- (viii) Extension of Support from USO fund towards the Rural Direct Exchange Lines (R-DEL) on expiry of the current subsidy support dated 5<sup>th</sup> March 2012

### (i) Recommendations dated 12<sup>th</sup> April 2011 on Issues related to Telecommunications Infrastructure Policy

8. TRAI issued a consultation paper on 'Issues related to Telecommunications Infrastructure Policy' on 14<sup>th</sup> January 2011. Based on the comments received from the stakeholders and its own analysis, TRAI issued the Recommendations on Telecommunications Infrastructure Policy on 12<sup>th</sup> April 2011. The key points of the recommendations are:

- Telecom infrastructure should be treated as an essential infrastructure.



- Tax benefits should be provided to Telecom infrastructure provider companies under Section 80 IA.
- Infrastructure Providers (IP-1) should be allowed to install and share active network limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system subject to the condition that they are brought under the proposed Unified Licensing Regime.
- Local authorities should grant right of way permission within 45 days and uniform reinstatement charges should be applicable for laying the cables.
- Dispute resolution authority should be appointed for dealing with the cases of refusal of permission or imposition of conditions.
- Indoor Building Solutions (IBS) & Distributed Antenna System (DAS) should be deployed for reduction in number of towers, better coverage and efficient spectrum utilisation.
- All ministries should be advised by DoT to provide, within next one year, IBS/DAS solutions in all central Government buildings including central PSU buildings, Airport and buildings falling under their jurisdiction & control.
- All State Government should be similarly advised to provide/ mandate, within next one year, IBS/DAS solutions in all buildings including hospitals having more than 100 beds and shopping malls of more than 25000 square feet super built area.
- As far as outdoor coverage is concerned, DAS should be mandated for deployment in 63 JNNURM cities within 18 months after completion of optical fibre network in these cities under the National Broadband Plan.
- TEC should develop standards for all types of towers used in telecommunications. These standards should be made mandatory for all the service providers. Licence condition should be amended to include that all the towers will conform to the standard developed by TEC.
- Camouflaging should be made mandatory in areas of heritage, environmental or architectural importance and Infrastructure sharing should be mandated in locations of heritage, security and environmental importance.
- A revised framework for facilitating growth of mobile virtual network operators (MVNO).
- Internet exchange points (IXPs) should be brought under Class licence and Data centres should be permitted to connect directly to the IXPs for facilitating efficient & effective routing of fast growing domestic internet traffic.
- All Government websites should be made IPv6 compliant by 2012 and IPv6 test bed facilities, already available with



academic institutions like IITs, IISc should be extended to National Institutes of Technology (NITs) for easy access to stakeholders.

- DoT should address all State Governments to direct the Power Distribution companies in the state to provide grid power connectivity on priority for telecom tower sites.

**(ii) Recommendations dated 12<sup>th</sup> April 2011 on "Telecom Equipment Manufacturing Policy"**

9. To bring the issues relating to telecom manufacturing in India, TRAI issued a consultation paper on 'Encouraging Telecom Equipment Manufacturing in India' on 28<sup>th</sup> December 2010 for obtaining views of the stakeholders. After analysis of the comments and OHDs, TRAI issued recommendations on 'Telecom Equipment Manufacturing Policy' on 12<sup>th</sup> April 2011. In these recommendations, the specific targets that seek to achieve would be:

- To meet 45% of the domestic demand through domestically manufactured products by the year 2015 and 80% by the year 2020.
- To provide market access to Indian products to the extent of 25% by the year 2015 and 50% by the year 2020.
- To increase value addition in domestic manufactured products to 35% by the year 2015 and 65% by the year 2020.

To achieve the proposed targets the followings recommendations have been made:

- i. Set up a Telecom Equipment Manufacturing Organisation (TEMO) to act as a coordinator between manufacturers and service providers.
- ii. Convert TEC into an autonomous Testing and certification Organisation (TCO) which will test and certify both Indian and global products.
- iii. Identify ten telecom clusters to promote the TEM, and to remove infrastructural disabilities in these clusters in a time bound manner.
- iv. Set up Telecom Research & Development Fund (TRDF) to promote research, IPR creation, development activities and Research Park to be established to facilitate R&D, innovation, IPR creation and commercialization for fast and sustainable growth of telecom industry.
- v. Set up a Telecom Manufacturing Fund (TMF) of the order of Rs 3000 crore, which will provide venture capital to indigenous manufacturers in the form of low cost finance for supporting pre and post commercialisation project development and brand creation.
- vi. Set up Telecom standards Organisation (TSO) for carrying out all works related to telecom standards, driving international standards and drawing up specifications of the equipment to be



used in the Indian telecom networks, including security standards.

- vii. Financial incentives have been proposed for Indian manufactured product (IMP) and Indian products (IP).

- Fiscal incentives have also been proposed and
- To encourage increased production of electronic components, measures have also been proposed.

### **(iii) Recommendations on Approach towards Green Telecommunications 12<sup>th</sup> April 2011**

- 10. TRAI issued a pre-consultation paper on “Green Telecom” on 18<sup>th</sup> June, 2010 for obtaining views of the stakeholders. Based on the comments received from the stakeholders, TRAI issued consultation paper on ‘Green Telecommunications’ on 3<sup>rd</sup> February 2011. Based on the comments received during the consultation and its own analysis, the Authority forwarded its recommendations on ‘Approach towards Green Telecommunications’ on 12<sup>th</sup> April 2011. The key recommendations are:

- (i) Measures towards greening the sector should be part of National Telecom Policy.
- (ii) In the next 5 years – 50% of all rural towers and 33% of all urban towers to

be powered by hybrid power (Renewable energy sources + Grid power)

- (iii) All equipments, products and services deployed in the sector should be energy and performance assessed and certified “Green passport” by 2015.
- (iv) All mobile phones should be free of brominates, chlorinated compounds and antimony trioxide by 2015.
- (v) All mobile manufactures / distributors should place collection bins at appropriate places across the country for collection of e-waste – mobile phones, batteries, chargers etc.

The recommendations of TRAI have been accepted by the Government.

### **(iv) Recommendations dated 4<sup>th</sup> May 2011 on DoT’s reference on TRAI recommendations on "National Broadband Plan"**

- 11. The Authority noted that the DoT is in agreement with the proposal of the Authority for creation of National Optical Fibre Network and the National Optical Fibre Network should be an enabling network, facilitating different technologies for the growth of broadband. The Authority stated that it is firmly of the opinion that broadband should be available to all citizens of the country, both in the rural and urban areas, so as to further the ideal of inclusive growth. The Authority conveyed that it is ‘in principle’ in



agreement with DoT that an effective broadband network would be a combination of wireless and wireline/ fixed line technologies at the access level. On the proposals of DoT, the Authority gave its detailed response to DoT on 4<sup>th</sup> May 2011.

**(v) Revised Recommendations dated 3<sup>rd</sup> June 2011 of TRAI to the reference dated 18.05.2011 of the Ministry of Information & Broadcasting on recommendations of TRAI on Foreign Investment Limits for Broadcasting Sector**

12. Ministry of Information and Broadcasting (MIB) vide their letter dated 18.05.2011 sought revised recommendations of TRAI on TRAI's earlier recommendations on 'Foreign Investment Limits for Broadcasting Sector' dated 30.06.2010. After examining the issues, the Authority sent revised recommendations on 'Foreign Investment Limits for Broadcasting Sector' to the Ministry of I&B on 03.06.2011. The revised recommendations inter-alia, mentioned that the Authority would have no objection to retain the FDI limit of 49% for the LCOs. It was also mentioned in the revised recommendations that while defining a 'person' under Section 2(e) of the Cable Television Networks (Regulation) Act 1995 (Cable TV Act), companies may be categorised into two classes:

- (a) a company intending to be registered as a LCO, or as an MSO which would not be implementing digitisation with addressability, should be a company as defined in Section 3 of the companies Act, 1956 (1 of 1956) and having a foreign investment limit of 49%, and
- (b) a company intending to be registered as a MSO which would be implementing digitisation with addressability, should be a company as defined in Section 3 of the companies Act, 1956 (1 of 1956) and having a foreign investment limit of 74%.

The recommendations further also mentioned that the FDI limits of 74% would apply to all MSOs who take up digitisation with addressability, whether they be at the District, State or National level.

**(vi) Reconsideration of views / recommendations of TRAI in respect of the roll out obligations of UAS Licensees dated 14<sup>th</sup> July 2011**

- 13. In pursuance of Section 11(1)(b) (i) of TRAI Act, 1997 (as amended), TRAI had sought compliance of licence terms and conditions pertaining to roll out obligations from all the service providers who had been issued licenses from December 2006 onwards.
- 14. TRAI had analysed the reports in respect of 130 licenses that were issued from December 2006 onwards vide its recommendation dated 18<sup>th</sup> November



2010 and 22<sup>nd</sup> December 2010, TRAI recommended cancellation of 43 UAS licences in addition to levy of liquidated damages, while in case of 31 licences, TRAI recommended that cancellation of these licenses need to be seriously considered after legal examination, besides imposition of liquidated damages.

15. DoT vide its letters dated 6<sup>th</sup> May, 10<sup>th</sup> June and 15<sup>th</sup> June 2011 had referred back the above recommendations of TRAI for reconsideration. TRAI had reconsidered the same and vide its letter dated 14<sup>th</sup> July 2011, TRAI reiterated its earlier recommendations. TRAI also recommended that four more licences where the 52 weeks from date of allocation of spectrum have expired, service may be cancelled as per the licence conditions besides imposition of Liquidated Damages. Further, TRAI has agreed with the action of DoT for cancellation of five more licences.

**(vii) Recommendations dated 3<sup>rd</sup> November 2011 on Spectrum Management and Licensing Framework- Response of the Authority on DoT reference no. 20-281/2010-AS-I (Vol.II) (Pt.) dated 10.10.2011**

16. DOT's vide letter dated 10<sup>th</sup> October 2011 had requested TRAI to review some of the recommendations of "Spectrum Management and Licensing Framework" dated 11<sup>th</sup> May 2010 and recommendations of "The 2010 Value

of Spectrum in 1800 MHz Band" dated 08<sup>th</sup> February 2011.

17. TRAI after careful consideration to the views of the DoT sent its response on various issues to DoT dated 3<sup>rd</sup> November 2011.
18. TRAI has reiterated its recommendations regarding identification of additional spectrum for telecom services, license fee at a uniform rate of 6% of AGR, bringing IP-I and ISP under licence regime etc.
19. TRAI reiterated its recommendation to replace the existing urban centric roll out obligations by the revised norms, applicable to all the CMTS/UAS licences. As an incentive, TRAI recommended a progressive reduction of the USOF component of the Licence fee, starting with 0.5% for the achievement of the two years' roll out obligation, extending upto 4% in the event of coverage of all villages with a population of 500 to 2000.
20. Regarding Mergers and Acquisitions, TRAI recommended that merger upto the level of 35% market share, for the 'Resultant entity', by way of subscribers or AGR in a given service area, can be permitted by the Government. If the market share of the resultant entity is above 35% and upto 60%, the case would be referred to TRAI for its recommendation, who would carry out a detailed examination to ensure that there would not be any abuse of market

dominance. Cases where the resultant entity would have more than 60% market share would not be considered at all. The limit for spectrum holding by the Resultant entity would be 25% of the spectrum assigned in a service area.

21. On Spectrum sharing, TRAI recommended that the same would be permitted between any two licensees holding spectrum subject to the condition that the total spectrum so shared would not cross the permissible limit under mergers. The permission would be for a period of 5 years, subject to renewal for one more term of 5 years.

**(viii) Extension of Support from USO fund towards the Rural Direct Exchange Lines (R-DEL) on expiry of the current subsidy support dated 5<sup>th</sup> March 2012**

22. DoT vide letter dated 14.9.2011 sought the recommendation of the Authority regarding continuation of support from Universal Service Obligation Fund (USOF) towards rural wireline connections installed before 1.4.2002 on phasing out of ADC, beyond three years and the amount/period thereof. After careful consideration of the inputs in this regard from BSNL, the Authority recommended that a subsidy of Rs. 600 Crore purely as an adhoc measure may be given to BSNL. Besides, keeping in view the fact that it may not be easy for the Government to obtain any additional funds for this purpose through normal budgetary process, the subsidy grant of Rs. 600 Crore may be

made from the USOF. It further stated that the both the amount of Rs. 600 Crore and the source of i.e. USOF are purely adhoc arrangement and that final recommendations will be made by the Authority after due consultation process.

**(II) REGULATIONS**

23. During the year 2011-12 TRAI issued the following Regulations:
  - (i) The Telecom Commercial Communications Customer Preference (Sixth Amendment) Regulations, 2011 (5 of 2011) dated 05 Sep 2011
  - (ii) The Telecom Commercial Communications Customer Preference (Seventh Amendment) Regulations, 2011 (6 of 2011) dated 25 Oct 2011
  - (iii) The Telecom Commercial Communications Customer Preference (Eight Amendment) Regulations, 2011 (7 of 2011) dated 01 Nov 2011
  - (iv) Telecom consumers complaint redressal Regulations, 2012 dated 05 Jan 2012
  - (v) Telecom Consumers Protection Regulations, 2012 (2 of 2012) dated 06 Jan 2012
  - (vi) Telecom Consumers Complaint Redressal (Amendment) Regulations, 2012 (3 of 2012) dated 12 Jan 2012
  - (vii) Telecom Consumers Protection (Amendment) Regulations, 2012 (4 of 2012) dated 12 Jan 2012



(viii) Telecom Consumers Protection (Second Amendment) Regulations 2012 (5 of 2012) dated 21 Feb 2012

(ix) Telecom Consumers Protection (Third Amendment) Regulations, 2012 dated 09 Mar 2012

24. The salient features of these Regulations are furnished in the following paragraphs.

(i) **Amendments to “The Telecom Commercial Communications Customer Preference Regulations, 2010”**

25. TRAI had issued ‘The Telecom Commercial Communications Customer Preference Regulations 2010’ to curb

Unsolicited Commercial Communications and dissatisfaction of customers on this account. Unlike the previous Regulations which provided only for a Do Not Call Registry, the Regulations issued provide a wide choice to the customer. He may choose to be under the ‘fully blocked’ category which is akin to the Do Not Call Registry under the previous Regulations or he may choose the ‘partially blocked’ category, in which case he will receive SMSs in the category/categories chosen by him. The ‘partially blocked’ category is like a Do Call Registry. By the continuous effort of the Authority, all the provisions of the principal regulations came into force w.e.f. 27<sup>th</sup> September 2011.



(L to R) Dr. J.S. Sarma, Chairperson, TRAI felicitating Shri Kapil Sibal, Hon'ble Minister for Communications & IT at the launch of 'Telecommunication Commercial Communications Customer Preference Regulations, 2010' in New Delhi on 27<sup>th</sup> September 2011. Also seen in the picture are Shri Milind Deora, Hon'ble Minister of State for Communications & IT and Shri R. Chandrasekhar, Secretary, Department of Telecommunications, GOI



The amendments to the Telecom Commercial Regulations, 2010 issued during the year are Communications Customer Preference as under :

<p><b>6<sup>th</sup> Amendment</b></p>	<p>With the notification of this amendment, the Provisions of the principal regulations came into force on 27<sup>th</sup> September 2011. Further, in order to provide flexibility to a customer to change his preference, the existing restriction of three months has been reduced to seven days. Further, to ensure smooth flow of the transactional messages without any restrictions as specified for commercial communications, the relevant clauses of regulation have been amended. The operational requirements of certain categories for sending non-commercial SMS in excess of one hundred SMS per SIM per day has been made.</p>
<p><b>7<sup>th</sup> Amendment</b></p>	<p>To further deter the sending of promotional SMSs, the Authority prescribed 'a promotional SMS charge' of Re. 0.05 (five paisa only) payable by an Originating Access Provider to the Terminating Access Provider for each promotional SMS sent by a registered telemarketer from the network of Originating Access Provider to network of the Terminating Access Provider.</p>
<p><b>8<sup>th</sup> Amendment</b></p>	<p>The Authority received representations from some of the service providers and consumers to increase the limit of 100 SMS per day per SIM. The Authority considered these representations and decided to increase the limit of one hundred SMS per day per SIM to two hundred SMS per day per SIM.</p>





Officers of TRAI and other participants during the launch of 'Telecommunication Commercial Communications Customer Preference Regulations, 2010' in New Delhi on 27<sup>th</sup> September 2011.

**(ii) Telecom Consumer Complaint Redressal Regulations, 2012 dated 5<sup>th</sup> January 2012 and its Amendments dated 12<sup>th</sup> January 2012**

26. With a view to improve the effectiveness of complaints redressal for the telecom consumer by the service provider, the Authority issued the Telecom Consumers Complaint Redressal Regulations, 2012 replacing the earlier 'Telecom Consumers Protection and Redressal of Grievances Regulations, 2007'. These regulations have been issued after an extensive public consultations process including holding of five Open House Discussions across the country. The salient features of these regulations are:

- (i) Establishment of a Complaint Centre with a toll-free "Consumer Care Number". The Complaint Centre will be responsible to address all the complaints received by them. Provisions have also been made at the complaint centre to establish a Customer Care Number which could be accessed from any other service provider's network.
- (ii) The existing three-tier complaint redressal mechanism – Call center, Nodal Center and Appellate Authority, has been replaced by a two-tier one by doing away with the Nodal Officer.
- (iii) Every complaint at the Complaint Center shall be registered by giving a unique docket number, which will remain in the system for at least three months. The docket number along with

date and time of registration and the time limit for resolution of the complaint would be communicated to the consumer through SMS. The customer shall also be informed of the action taken through SMS.

- (iv) If a consumer is not satisfied with the redressal of his complaint, or his complaint remains unaddressed or no intimation of redressal of the complaint is received within the specified period, he can approach the next tier – the Appellate Authority for redressal of his complaints.
- (v) A two member Advisory Committee in each of the service areas by the service provider. This will comprise of one member from the consumer organization registered with TRAI and another member from the service provider.
- (vi) The regulations provide for resolution of complaints by the service provider in a time bound manner, referred by TRAI.
- (vii) All service providers are required to publish a Citizen's Charter (amended as 'Telecom Consumers Charter'). This will contain different time frames specified by the Authority for various complaints under QoS regulations, complaint redressal mechanism, various procedures related to services like mobile number portability, amount to be deducted as administrative expenses or otherwise, right of the consumers etc. An abridged version of the Citizen's Charter is required to be provided to

each consumer at the time of subscription for service.

- (viii) The regulations require the setting up of a Web based complaint monitoring system by the service provider through which the consumer can track their complaints.

**(iii) Telecom Consumers Protection Regulations, 2012 (2 of 2012) dated 6<sup>th</sup> January 2012 and its Amendments dated 12<sup>th</sup> January 2012; dated 21<sup>st</sup> February 2012 and 9<sup>th</sup> March 2012**

27. With a view to protect the interest of telecom consumers and particularly the prepaid consumers, the Telecom Regulatory Authority of India (TRAI) issued the Telecom Consumers Protection Regulations, 2012. The highlights of the regulations are:-

- (i) A Start-Up Kit (SUK) have been mandated to be provided to each consumer containing SIM card, if applicable; mobile number; and an abridged version of the Telecom Consumer Charter provided under the Telecom Consumers Complaint Redressal Regulations 2012.
- (ii) The vouchers offered by the Service Providers have been simplified and standardised into three categories- Plan Voucher, Top Up Voucher and Special Tariff Voucher (STV).
  - (a) The Plan Voucher shall be used for enrolling a consumer into a tariff plan.



A new consumer or an existing consumer can be enrolled into a tariff plan only through this Voucher.

- (b) The Top Up Voucher shall contain only monetary value in rupees and such monetary value shall be without any restrictions in terms of validity period or usage.
- (c) The “Special Tariff Voucher” or “STV” could alter one or more items of applicable tariff in the consumer tariff plan in terms of limited or unlimited usage of voice calls, SMS or data but does not provide any monetary value. The validity of the STV shall not exceed ninety days.
- (iii) To promote further transparency and easy identification by consumers, a distinct colour band has been mandated to be provided on the reverse of the each voucher. The Plan Voucher will have a red colour band, the Top Up Voucher a green colour band and the Special Tariff Voucher a yellow colour band.
- (iv) To ensure that a prepaid consumer is aware of the charges made on his last call or data usage, the service providers have been mandated to inform the consumer, through SMS or USSD, about the deduction from his account – after every call made or after every data usage session. This information will include the duration of the call or usage, the charges deducted, balance available, quantum of data usage. The consumer can also get details of his

tariff plan, available balance in his account and details of any Value Added Service activated on his telephone number at any time from the service provider, free of charge.

- (v) To ensure that a prepaid consumer get their itemized usage of his account, the service providers have been mandated to provide the same within 30 days to the consumer on request and at a reasonable cost not exceeding Rs 50/-.
- (vi) A provision has been made in the regulation to ensure that the charges for premium rate service are conveyed through a voice alert before activation of the call to such services.
- (vii) On activation of any value added service by a consumer, he should receive information about the charges, validity period and the procedure to unsubscribe from the service.

#### (IV) DIRECTIONS

- 29. Telecom Regulatory Authority of India issued following directions to the Service Providers during the year 2011-12 for compliance of its order / Regulations:
  - (i) Direction dated 24<sup>th</sup> May 2011 on rejections of request for porting on the ground of “contractual obligation” and “outstanding payment dues”
  - (ii) Direction dated 4<sup>th</sup> July 2011 on obtaining explicit consent of consumers for subscribing and renewing of Value Added Services

- (iii) Directions dated 29<sup>th</sup> June 2011 to (i) M/s SUN 18 Media Service North Private Limited, (ii) M/s ESPN Software India Private Limited, (iii) M/s NEO Sports Broadcast Private Limited, (iv) M/s Zee Turner Limited, (v) M/s Star Den Media Services Private Limited, (vi) M/s Taj Television (India) Pvt Limited regarding amendment to their Reference Interconnect Offer (RIOs) for operators of Addressable Platforms
  - (iv) Direction dated 27<sup>th</sup> September 2011 regarding exemption from the limit of one hundred SMS per SIM per day for non-commercial communications categories
  - (v) Direction dated 18<sup>th</sup> October 2011 to Bharat Sanchar Nigam Ltd.(BSNL) to restore all POIs disconnected by it in the Punjab Service Area
  - (vi) Direction dated 25<sup>th</sup> October 2011 to Bharat Sanchar Nigam Ltd.(BSNL) to restore all POIs with Cellular Mobile Telephone Service Providers disconnected by it
  - (vii) Direction dated 25<sup>th</sup> October 2011 regarding Transactional messages
  - (viii) Direction dated 31<sup>st</sup> October 2011 on rejections of request for porting on the ground of “contractual obligation” by M/s Vodafone
  - (ix) Amendment dated 23<sup>rd</sup> December 2011 to Direction No.341-3/2011-CA (QoS) dated 27<sup>th</sup> September 2011
  - (x) Amendment dated 23<sup>rd</sup> December 2011 to Direction No.341-3/2011-CA (QoS) dated 25<sup>th</sup> October, 2011 regarding Transactional messages
  - (xi) Direction dated 16<sup>th</sup> January 2012 (as amended vide Direction dated 3<sup>rd</sup> April 2012) regarding publication of Tariff Plans
  - (xii) Direction dated 20<sup>th</sup> January 2012 regarding blocking of bulk international messages
  - (xiii) Direction dated 25<sup>th</sup> January 2012 regarding exemption from the limit of two hundred SMS per day per SIM
  - (xiv) Direction dated 21<sup>st</sup> February 2012 regarding cancellation / withdrawal of MNP request by Donor Operators
  - (xv) Direction dated 26<sup>th</sup> March 2012 on tariff advertisements
30. The details of the directions are discussed below:
- (i) **Direction dated 24<sup>th</sup> May 2011 on rejections of request for porting on the ground of “contractual obligation” and “outstanding payment dues”**
31. Telecom Regulatory Authority of India while reviewing the status of MNP implementation noted that the percentage of rejections of the porting requests of subscribers are very high. In view of very high rejection rate, the Authority invited the representatives of all CMTS/UASL, MNP Service Provider



and COAI & AUSPI for a meeting to discuss the operational issues and reasons for rejection of porting request. During the meeting, held on 10<sup>th</sup> Feb 2011, the service providers and their two associations COAI and AUSPI informed the Authority that the main reasons of rejection of porting request are the outstanding amount of the previous bill and the non-compliance of the exit clause by the subscriber of his subsisting contractual obligations with the service provider.

32. Further, the Authority while reviewing the status of MNP implementation and discussions with the representatives of COAI & AUSPI, noted that in majority of the cases, the rejection of the porting request have been on flimsy grounds such as very nominal outstanding payment due from the previous bill of the customer, some kind of arrangement prohibiting the customer from porting etc.

33. The Authority was of the opinion that rejection of a porting request for a small amount such as Rs.0.13, 0.70, 1.50 etc. is against the spirit of the regulations specially when the service provider has liberty to adjust the said outstanding amount in the next bill and such rejection is neither in the interest of subscribers nor in the interest of the service providers as for collection of such a small amount, the service provider has to spend a far higher amount.

34. Therefore, Telecom Regulatory Authority of India vide its Direction

dated 24<sup>th</sup> May 2011 directed all the CMTS and UASP's not to reject a request for porting of a mobile number :--

- a) if the outstanding payment due from the subscriber, in the previous paid bill, is less than rupees ten which the service provider may include in the subsequent bill of the subscriber without any penal charges; and
- b) on the ground of subsisting contractual obligation except in the case of –
  - (i) the post paid connection with bundled handset with contractual obligation having exit clause and the subscriber has not complied with the same; and
  - (ii) corporate connections with contractual obligation having an exit clause and the subscriber has not complied with the same

**(ii) Direction dated 4<sup>th</sup> July 2011 on obtaining explicit consent of consumers for subscribing and renewing of Value Added Services**

35. The issue of the procedure for activating value added services has been receiving the attention of the Authority from time to time. Various steps have been taken by the Authority in this regard from time to time. Despite various initiatives, complaints regarding provision of value added services are being received by the Authority. Most of the consumers underlined the need for further strengthening of the provision to seek explicit consent of the consumers as they are of the view that value added

services are still being provided to consumers (especially pre-paid consumers) without taking their explicit consent. Incidences have also been brought to the notice of the Authority where value added services have been renewed to pre-paid consumers even in cases where available balance in consumer's account was insufficient for the renewal of VAS resulting in negative balance. Therefore, the Authority issued a direction on 4<sup>th</sup> July 2011 mandating the service providers to take confirmation from consumers within 24 hours of activation of service, failing which the service shall be discontinued without any cost to the consumers. Also the service providers have to take consent of consumers for renewal of value added services, wherever there is insufficient balance in the account at the time of renewal.

**(iii) Directions dated 29<sup>th</sup> June 2011 to (i) M/s SUN 18 Media Service North Private Limited, (ii) M/s ESPN Software India Private Limited, (iii) M/s NEO Sports Broadcast Private Limited, (iv) M/s Zee Turner Limited, (v) M/s Star Den Media Services Private Limited, (vi) M/s Taj Television (India) Pvt Limited regarding amendment to their Reference Interconnect Offer (RIOs) for operators of Addressable Platforms**

36. Through this direction, the Authority granted final opportunity to M/s. Sun 18

Media Service North Private Limited, M/s ESPN Software India Private Limited, M/s NEO Sports Broadcast Private Limited, M/s Zee Turner Limited, M/s Star Den Media Services Private Limited and M/s Taj Television (India) Pvt Limited, to modify their Reference Interconnect Offer (RIOs) in accordance with the provisions of Interconnection Regulation so as to realign the same with the provisions of the tariff order dated 21.07.2010.

**(iv) Direction dated 27<sup>th</sup> September 2011 regarding exemption from the limit of one hundred SMS per SIM per day for non-commercial communications categories**

37. All the provisions of "The Telecom Commercial Communications Customer Preference Regulations, 2010" have come into force from 27<sup>th</sup> September 2011. The regulations prescribe several steps for protection of customers from unsolicited Commercial calls and SMSs. Currently, Telecom service providers offer SMS packages offering as many as 2000 SMS per day, which can be made use of by unregistered persons for sending commercial communications from ordinary numbers. In order to reduce such a possibility, Telecom Regulatory Authority of India has, in consumer interest, prescribed a limit of 100 SMS per day per SIM for all the customers. Under the Regulation, the limit of 100 SMS does not apply to the Transaction messages. It is open to the



authority to notify further categories as Transactional messages.

38. In order to address the genuine requirements of customers, Telecom Regulatory Authority of India has issued a Direction on 27<sup>th</sup> September 2011 exempting certain categories from the limit of 100 SMS per day. These are agents of telecom service providers for sending electronic recharge messages, e-ticketing agencies, certain social networking sites and certain Directory services. It is open to the Authority to notify further categories, as and when warranted.

**(v) Direction dated 18<sup>th</sup> October 2011 to Bharat Sanchar Nigam Ltd.(BSNL) to restore all POIs disconnected by it in the Punjab Service Area**

39. It was brought to the notice of the Authority that BSNL has disconnected L1 and L2 TAX POIs of some of the service providers in the Punjab Service Area.
40. Since unavailability of interconnection between networks of service providers results in non-completion of calls, causes disruption of service and inconvenience to the subscribers of both the interconnecting service providers and leads to deterioration in the Quality of Service, the matter was examined in detail.
41. After examination, the Direction to M/s BSNL was issued on 18<sup>th</sup> October,

2011 to restore all Points of Interconnection disconnected by it in the Punjab Service Area immediately and report compliance latest by 21<sup>st</sup> October, 2011.

**(vi) Direction dated 25<sup>th</sup> October 2011 to Bharat Sanchar Nigam Ltd.(BSNL) to restore all POIs with Cellular Mobile Telephone Service Providers disconnected by it**

42. It was brought to the notice of the Authority by M/s Bharti & M/s Vodafone that M/s BSNL has disconnected Points of Interconnection with them in Haryana and Maharashtra Service Areas.
43. Since unavailability of interconnection between networks of service providers results in non-completion of calls, causes disruption of service and inconvenience to the subscribers of both the interconnecting service providers and leads to deterioration in the Quality of Service, the matter was examined in detail.
44. After examination, the Direction to M/s BSNL was issued on 25<sup>th</sup> October, 2011 as follows:
- (i) to restore within forty eight hours all Points of Interconnection with the Cellular Mobile Telephone Service Providers disconnected by it in the Punjab, Haryana and Maharashtra Service Areas;

- (ii) to desist from disconnecting any Point of Interconnection with other service providers adversely affecting the interests of the consumer;

**(vii) Direction dated 25<sup>th</sup> October 2011 regarding Transactional messages**

45. The Authority issued “The Telecom Commercial Communications Customer Preference Regulations, 2010” on 1<sup>st</sup> December 2010. “The Telecom Commercial Communications Customer Preference (Seventh Amendment) Regulations, 2011” was issued on 25<sup>th</sup> October 2011 by which all the provisions of these regulations came into force from 27<sup>th</sup> September 2011. Alongwith the Amendment to the main Regulation, the Authority also issued a Direction specifying certain categories of SMS as Transactional messages. Through this Direction, the Authority has included the following categories of SMSs in the definition of transactional message:-

- (i) information sent by e-commerce agencies in response to e-commerce transactions made by their customers;
- (ii) information sent by a company or a firm or depository participant registered with Securities and Exchange Board of India (SEBI) or Insurance Regulatory Development Authority (IRDA) or Association of Mutual Funds in India (AMFI) or National Commodity & Derivative Exchange Ltd. (NCDEX) or Multi Commodity Exchange of India Ltd.

(MCX) to its clients pertaining to the account of the client;

- (iii) information sent by a registered company to its employees or agents or to its customers pertaining to services or goods to be delivered to such customers.

**(viii) Direction dated 31<sup>st</sup> October 2011 on rejections of request for porting on the ground of "contractual obligation" by M/s Vodafone**

46. TRAI observed that in the complaints received against M/s Vodafone, majority of porting rejections are on the ground of contractual obligation; and in such cases, customers informed that they did not enter into such agreement with M/s Vodafone.

47. Further, the Authority also noted that when such complaints were forwarded to M/s Vodafone, such customers were allowed for porting out and therefore, such rejections on the ground of contractual obligation by M/s Vodafone were not in compliance with clause (h) of regulation 12 of the regulations, and Authority’s direction dated 24<sup>th</sup> May 2011.

48. Therefore, TRAI vide its Direction dated 31<sup>st</sup> October 2011 directed M/s. Vodafone to comply with the provisions of the Telecommunications Mobile Number Portability Regulations, 2009 (8 of 2009) and direction dated 24<sup>th</sup> May, 2011 and not to reject porting of mobile



numbers on the ground of contractual obligation contrary to the provisions of MNP regulations & direction.

**(ix) Amendment dated 23<sup>rd</sup> December 2011 to Direction No.341-3/2011-CA (QoS) dated 27<sup>th</sup> September 2011 increase the limit of 100 SMS to 200 SMS per SIM per day**

49. Through this Amendment to the Direction dated 27<sup>th</sup> September 2011, the Authority modified the direction dated 27<sup>th</sup> September 2011 with regard to the limit of SMS from 100 to 200 SMS per day per SIM. The direction further extended the definition of 'social networking platform'.

**(x) Amendment dated 23<sup>rd</sup> December 2011 to Direction No.341-3/2011-CA (QoS) dated 25<sup>th</sup> October, 2011 regarding Transactional messages**

50. Vide this Amendment to the Direction dated 25<sup>th</sup> October 2011 regarding the Transactional messages, the Authority added following messages in the definition of Transactional messages:

(i) information sent by a registered company or charitable trust or society or telecom service provider, pertaining to its activities to a telecom subscriber in response to a verifiable request of such subscriber. However, the registered company or charitable trust or society or telecom service provider shall not—

- (a) send information to the subscriber only after receipt of a verifiable request from him;
- (b) inform the subscriber through SMS, that the information requested for will be provided for a maximum period of six months, unless renewed and also the procedure for the subscriber to opt out at any time during the six months period from receiving such information;
- (c) shall obtain a fresh request from the subscriber every six months for continuing to receive such information;
- (d) intimate to the subscriber at least once in thirty days about the procedure to opt out from receiving such information;
- (e) provide details regarding procedure to opt out from receiving such information in every advertisement wherein regarding the facility is published by it in any media;
- (f) maintain a record of the request made by the subscriber for receiving such information for at least three months and provide such record as and when required by the Authority;
- (g) does not send any objectionable, obscene, unauthorized content, message or communication which is against public interest or national security or which infringes any copyright, intellectual property right etc, and the information does not contain any content which may violate any law of the land;



51. Further, the direction also provides the Access Provider shall, before permitting a registered company or charitable trust or society or telecom service provider, to send such information, enter into a standard agreement with such company, trust, society and telecom service provider as specified in schedule V of the Telecom Commercial Communication Customer Preference Regulations, 2010 (6 of 2010) dated 1<sup>st</sup> December, 2010 and obtain security deposits as specified in the said regulation and ensure that :-
- (a) such company or trust or society or telecom service provider shall use the proper header provided by it; and
  - (b) no unsolicited commercial communication or promotional message is mixed with the information sent to the subscriber through telecom resources allotted for the purposes of sending Transactional messages;
- (xi) Direction dated 16<sup>th</sup> January 2012 (as amended vide Direction dated 3<sup>rd</sup> April 2012) regarding publication of Tariff Plans**
52. In order to further improve transparency in telecom tariff offers for facilitating the telecom subscribers to choose their tariff plans that best meet their needs, the Authority issued on 16<sup>th</sup> January 2012, as amended vide direction dated 3<sup>rd</sup> April 2012, to all Access Service Providers on protection of tariff plans. The salient features of the Direction are:
- (i) All the tariff plans meant for pre-paid and post-paid subscribers shall be published in the separate formats. These formats shall contain all the tariff plans offered by the telecom access service providers in a service area covering all tariff items alongwith the tariff for the same in a tabular format at one place for facilitating easy comparison across tariff plans.
  - (ii) All the tariff plans shall be made available to the subscribers in the prescribed formats at the Customer Care Centres, the points of sale, retail outlets as well as on the website of the telecom access service provider;
  - (iii) The Telecom Access service providers shall ensure that the tariff plan published in the prescribed formats are updated on the website and the Customer Care Centre of the service provider every time there is a change in any of the tariff plans and make available the updated tariff plans in prescribed formats by the 7<sup>th</sup> day of January, April, July and October at their points of sale and retail outlets;
  - (iv) The Telecom Access Service Providers have been mandated to publish, all tariff plans in the prescribed formats in at least in one regional language and one English newspaper at an interval of not more than six month and provide compliance to TRAI.
- (xii) Direction dated 20<sup>th</sup> January 2012 regarding blocking of bulk international messages**
53. As per the provisions of “The Telecom Commercial Communications Customer



Preference Regulations, 2010” which have come into force from 27<sup>th</sup> September, 2011, the unsolicited commercial calls or SMSs will not be delivered to the customers registered on National Customer Preference Register (NCPR). During the implementation of the regulations, several incidences came to the notice of TRAI that promotional SMS were being routed through the servers located at international destinations and were getting delivered to customers registered in NCPR. It was observed that generally such SMSs were getting originated from locations within Germany, Sweden, Nauru, Fiji, Cambodia, Bosnia, Albania, Grenada, UK, Jersey, Sint Maarten, Tonga, Vanuatu, Namibia, Panama, Antigua and Barbuda etc. These SMSs contain the headers which are alphanumeric or starting with +91 or numbers with international codes. TRAI took serious note of such incidences and had detailed discussions with the telemarketers, access service providers and International Long Distance (ILD) operators to evolve measures for addressing the above practice of routing SMS through international locations. Based on these discussions, to strengthen the framework for addressing unsolicited commercial communications and to effectively control SMS coming from international locations, TRAI on 20<sup>th</sup> January 2012 issued a direction to all the Access Providers and the ILD operators

mandating them to take the following steps, within thirty days, keeping in view the time required to put the necessary system in place:-

- i. All international SMS containing alphabet header or alphanumeric header or +91 as originating country code should not be delivered through the network.
- ii. If any source or number from outside the country generates more than two hundred SMS Per hour with similar ‘signature’, the same should not be delivered through the network. However, such restriction shall not be applicable on blackout days.
- iii. Only valid codes associated with the network of those entities with whom agreements have been signed by the Access Providers shall be allowed in the network.

**(xiii) Direction dated 25<sup>th</sup> January 2012 regarding exemption from the limit of two hundred SMS per day per SIM**

54. The Authority, in exercise of the powers conferred upon it 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 (kb) of sub-regulation (2) of regulation 20 of the Telecom Commercial Communications Customer Preference Regulations, 2010 (6 of 2010), directed all Access Providers to exclude from the

limit of two hundred SMS per day per SIM, all machine to machine and person to machine messages, where machine is not a mobile handset and no manual intervention is required at the receiving end.

**(xiv) Direction dated 21<sup>st</sup> February 2012 regarding cancellation / withdrawal of MNP request by Donor Operators**

55. TRAI while reviewing the status of MNP implementation noted that the percentage of rejections of the porting requests of subscriber were very high and it was noticed by TRAI that as a Donor operator, some of the service providers were rejecting the porting request by accepting cancellation request in the form of written request, SMS or voice call from the subscriber. However, there is no provision in the regulations permitting the Donor Operators to accept withdrawal or cancellation of porting requests received from the subscribers.
56. Therefore, TRAI vide its Direction dated 21<sup>st</sup> Feb 2012 directed all Cellular Mobile Telephone Service Providers and Unified Access Service Providers, acting as Donor Operator, not to entertain any request from the subscriber for cancellation or withdrawal of porting request and not to reject a porting request except on the grounds mentioned under regulation 12 of the Telecommunications Mobile Number Portability Regulations, 2009.

**(xv) Direction dated 26<sup>th</sup> March 2012 on tariff advertisements**

57. In order to further improve transparency in telecom tariff offers for facilitating the telecom subscribers to choose the tariff plans that best meet their needs, the Authority on 26<sup>th</sup> March 2012 issued a Direction to all Telecom access service providers on 'Preventing Misleading Tariff Advertisements'. A tariff advertisement is considered to be misleading, which in any way, is likely to induce the consumer to subscribe to a tariff plan, which he would not have subscribed; contains an untrue statement; omits a material fact having bearing on the subscriber's decision; and fails to disclose attached limitations and restrictions.
58. Through this Direction, the telecom access service providers have, inter alia, been directed that advertisements published by them - are transparent and non-misleading and unambiguous; disclose all material information in unambiguous manner; contain the website address and customer care number of the telecom access service provider; and the advertisements issued in vernacular languages contain all the mandatory disclosures in the same vernacular language.
59. Further, the service providers have been mandated to maintain an advertisement register which must include a specimen of every tariff related advertisements, and carry out internal audit to ensure that they are



complying with all aspects of this Direction and to report compliance to the Authority on half yearly basis.

#### **(V) CONSULTATION PAPERS:**

60. During the year 2011-12, Telecom Regulatory Authority of India issued the following Consultation Papers :

- (i) Consultation Paper on Review of Interconnection Usage Charges dated 27<sup>th</sup> April 2011
- (ii) Consultation Paper on Mobile Value Added Services dated the 21<sup>st</sup> July 2011
- (iii) Consultation Paper on 'IMT – Advanced Mobile Wireless Broadband Services' dated the 19<sup>th</sup> August 2011
- (iv) Pre-consultation paper on "Priority call routing in Mobile networks for persons engaged in 'response and recovery' work during emergencies" dated the 8<sup>th</sup> November 2011
- (v) Consultation Paper on "Issues related to prescribing Minimum Channel Spacing, within a License Service Area, in FM Radio Sector in India" dated the 8<sup>th</sup> December 2011
- (vi) Consultation Paper on "Issues related to Implementation of Digital Addressable Cable TV Systems" dated the 22<sup>nd</sup> December 2011
- (vii) Consultation Paper on "Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunications system (CTS)" dated the 26<sup>th</sup> December 2011

- (viii) Pre-consultation paper on Exit Policy for various telecom licences dated the 6<sup>th</sup> January 2012
- (ix) Invitation of Views / suggestions from Stakeholders on Draft, 'The Reporting System on Accounting Separation Regulations, 2012' dated the 16<sup>th</sup> January 2012
- (x) Consultation on 'Draft Guidelines for Unified Licensing Regime' dated the 16<sup>th</sup> January 2012
- (xi) Pre-Consultation on 'Allocation of Spectrum in 2G Band in 22 Service Areas by auction' dated 3<sup>rd</sup> February 2012
- (xii) Consultation Paper on Review of Policy of Forbearance in Telecom Tariff dated the 6<sup>th</sup> February 2012
- (xiii) Consultation on Draft Guidelines for Unified Licence/Class Licence and Migration of Existing Licences dated the 10<sup>th</sup> February 2012
- (xiv) Consultation Paper on Auction of Spectrum dated the 7<sup>th</sup> March 2012
- (xv) Consultation Paper 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 (BWA) spectrum dated the 15<sup>th</sup> March 2012
- (xvi) Consultation Paper on Certain issues relating to the Telecom Consumers Protection Regulations, 2012 dated the 15<sup>th</sup> March 2012

(xvii) Consultation Paper on “Issues Related to Advertisements in TV Channels” dated the 16<sup>th</sup> March 2012

(xviii) Consultation Paper on Access Facilitation Charges and Co-location Charges at Cable Landing Stations dated the 22<sup>nd</sup> March 2012

(xix) Draft Response on Exit Policy for various telecom licenses dated the 26<sup>th</sup> March 2012

61. The details of the Consultation Papers are discussed below.

**(i) Consultation Paper on Review of Interconnection Usage Charges dated 27<sup>th</sup> April 2011**

62. The Consultation Paper on 'Review of Interconnection Usage Charges' was issued 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. After receipt of the comments and counter comments of



the stakeholders, OHD was held on 25<sup>th</sup> May 2011.

63. 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.

**(ii) Consultation Paper on Mobile Value Added Services dated the 21<sup>st</sup> July 2011**

64. With rapid technological developments, mobile phone has evolved from a mere communication device to smart phone with an ability to tap a plethora of information & services. The services provided over a mobile phone today have moved beyond their fundamental role of voice communications to a range of value added services.
65. In view of the growing and likely unprecedented expansion of value added services and their contribution in enhancing the life style & capability of customers, a suitable framework which will help to achieve the potential of application services is required.
66. With a view to bring out relevant issues related to growth of VAS, TRAI suo-motu initiated a consultation process through the Consultation Paper dated 21<sup>st</sup> July

2011 focusing on future looking regulatory framework for provisioning of Mobile Value Added Services/ Application services.”

**(iii) Consultation Paper on IMT – Advanced Mobile Wireless Broadband Services dated the 19<sup>th</sup> August 2011**

67. The Authority released a consultation paper on IMT- Advanced Mobile Wireless Broadband Services on 19<sup>th</sup> August 2011.
68. As the wireless industry is witnessing explosive growth in the demand for both voice and data services, the number of mobile telephone subscribers, as well as usage rates, have also grown considerably. The bandwidth intensive services and the rising number of users are placing increasing demands on mobile networks. As third generation (3G) systems are being deployed in India, many operators in the developed countries are focusing on deploying further advanced system networks, called IMT-Advanced, to cater to the growing requirement of data, speed and content delivery.
69. International Mobile Telecommunications-Advanced (IMT-Advanced) systems are mobile systems that include the new capabilities that go beyond those of IMT-2000. Such systems provide access to a wide range of telecommunication services including advanced mobile services, supported by mobile and fixed



networks, which are increasingly packet-based. These systems will facilitate higher bandwidth, higher data rate, lower authentication load, and will support higher level of user-level customization.

70. On 10<sup>th</sup> February, 2010, TRAI had issued a pre-consultation paper on this subject for seeking the comments of various stakeholders. The comments received from the stakeholders had been posted on TRAI's website. Considering the comments received and the International practices, this consultation paper has been prepared by TRAI. The key issues raised in the consultation paper are suitable spectrum bands, block size of spectrum to be auctioned, maximum spectrum permitted to bidder, eligibility criteria for bidding, rollout obligations, spectrum usage charges, QoS parameters, security issues and other related issues.

**(iv) Pre-consultation paper on "Priority call routing in Mobile networks for persons engaged in 'response and recovery' work during emergencies" dated the 8<sup>th</sup> November 2011**

71. During bomb-blasts in some of the cities in last couple of years, problems of congestion in the cellular mobile network were reported. In order to facilitate a mechanism wherein important functionaries engaged in 'response and recovery' work during emergencies get the calls on priority, the Authority issued Pre-Consultation

Paper on "Priority call routing in Mobile networks for persons engaged in 'response and recovery work' during emergencies" on 8<sup>th</sup> November 2011.

72. The pre-consultation paper mainly focused on the network congestion issues and is an attempt to understand, in consultation with the stakeholders, certain basic minimum arrangements that can be worked out and put in place to ensure that the network congestion bottlenecks are soothed out at least for personnel working in government and other organizations who are responsible for 'response and recovery' during such emergency situations. For the preparation of a consultation on this issue stakeholder's inputs/comments/views/papers were solicited on-

- a. any aspect, in general, of making Indian telecom networks resilient so as to be effective during disasters/emergency situations.
- b. In particular, the aspect of 'Priority call routing' in telecom networks for persons engaged in 'response and recovery' work during emergencies.

**(v) Consultation Paper on "Issues related to prescribing Minimum Channel Spacing, within a License Service Area, in FM Radio Sector in India" dated the 8<sup>th</sup> December 2011**

73. A consultation paper on "Issues related to prescribing Minimum Channel Spacing within a license Service Area, in FM Radio Sector in India" was issued



on 8<sup>th</sup> December 2011. The consultation paper discusses various issues such as minimum channel spacing among FM channels within a license service area in light of the factors such as selectivity of the FM radio receivers, capability of combiners to effectively combine closely spaced channels, multiplicity of transmitting sites within the service area & mode of funding in case of up-gradation/creation of transmission setups etc. is required.

**(vi) Consultation Paper on "Issues related to Implementation of Digital Addressable Cable TV Systems" dated the 22<sup>nd</sup> December 2011**

74. A consultation paper on "Issues related to Implementation of Digital Addressable Cable TV Systems" was issued on 22.12.2011. The consultation paper discusses various issues such as composition and Tariff of Basic Service Tier (BST), Retail Tariff, Prepaid billing, Interconnection issues, Revenue share between MSOs and LCOs, Quality of Service Standards & Redressal of Consumer Complaints etc pertaining to smooth transition to Digital Addressable system in India.

**(vii) Consultation Paper on "Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunications system (CTS)" dated the 26<sup>th</sup> December 2011**

75. In last decade, due to the proliferation of mobile telecommunications in all walks of life, the landscape of India's Telecom Network has changed significantly. However, similar growth has not been observed in Residential and Enterprise Intra-telecommunication / cordless telecommunications system (CTS) in the country. This has been attributed primarily to limited wireless options available in the market. For Intra-telecommunication requirements for residential and enterprises, wireless platform is the most widely used solution which also complements wireline networking solutions. The majority of wireless based PABX solutions available in the Indian market operates in 2.4 GHz de-licensed ISM band, which is also being used for other host of data applications (Wireless LAN etc).

76. On 26<sup>th</sup> December 2011, the Authority released a consultation paper on Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/ cordless telecommunications system (CTS). This consultation paper discusses the issues of current allocation of spectrum for CTS, requirement for identification of additional band of spectrum, possibility of delicensing of 1800-1900 or 1910-1920 MHz band for low power CTS applications and its coexistence issues with the existing cellular systems using adjacent band.

**(viii) Pre-consultation paper on Exit Policy for various telecom licences dated the 6<sup>th</sup> January 2012**

77. The Department of Telecommunications (DoT), vide its letter dated 10th October 2011 and 23rd December, 2011 had requested TRAI to recommend an exit policy for licensees of all types of licenses, who wish to exit from provisioning of telecom services under a license.
78. In this regard, Telecom Regulatory Authority of India (TRAI) released a pre-consultation paper on Issues relating to Exit-Policy for various telecom licences on 6<sup>th</sup> January 2012.
79. The issues which were addressed in the pre-consultation paper were:-
- Whether partial exit(surrender of spectrum only-in part or complete) from the business should be allowed?
  - What should be the terms and conditions for exit?
  - Desirability and feasibility of refund of part of entry fee;
  - Release of bank guarantees;
  - Policy on surrender of spectrum; Policy on refund in case of partial/full compliance or non-compliance of roll-out obligations;
  - Time frame for exit from the business/ service; Modus-operandi to shift the customers from one service

provider(who desires to exit from the business) to another service provider;

- Settlement of liabilities/claims of the service provider exiting from provisioning of telecom services under a licence.
80. TRAI released the pre-consultation paper to solicit the comments / views from all the stakeholders on issues, implications, advantages & disadvantages, to the individual licensees, to the Government Revenues and to the telecom sector as a whole on the exit policy for various telecom licenses.

**(ix) Consultation with Stakeholders on Draft, the Reporting System on Accounting Separation Regulations, 2012 dated the 16<sup>th</sup> January 2012**

81. The draft The Reporting System on Accounting Separation Regulations, 2012 was put up on the website of TRAI as Consultation Papers for the views/ suggestions/comments of the Stakeholders. The comments received were utilized while finalizing the Regulation subsequently.

**(x) Consultation on Draft Guidelines for Unified Licensing Regime dated the 16<sup>th</sup> January 2012**

82. The Authority in its recommendation on “Spectrum Management and Licensing Framework” dated 11<sup>th</sup> May 2010 had recommended that the future licences would not be bundled with spectrum.



The licences to be issued would be (a) Unified Licence covering various access services, NLD/ILD, Internet, IPI; (b) Class Licence covering VSAT services; (c) Licensing through Authorisation and (d) Broadcasting licences. Further, in its response to DoT vide its letter dated 03<sup>rd</sup> November 2011 the Authority had informed DoT that it is separately drawing up the detailed conditions of a Unified licence and shall furnish the guidelines through an appropriate consultation process. Based on the final guidelines for Unified Licence and Class Licence, the terms and conditions of the respective licences will be prepared.

83. Accordingly, draft guidelines for Unified Licence and Class Licence was prepared and issued on 16<sup>th</sup> January 2012 for consultations with the stakeholders.

**(xi) Pre-Consultation on “Allocation of Spectrum in 2G band in 22 Service Areas by Auction” dated 3<sup>rd</sup> February 2012**

84. In February, 2012, the Hon’ble Supreme Court had directed Telecom Regulatory Authority of India to make fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction.
85. Immediately on receipt of the Orders of the Hon’ble Supreme Court, the Authority issued a pre-consultation paper on 3<sup>rd</sup> February 2012 for the comments / suggestions of the stakeholders on the issues involved.

**(xii) Consultation Paper on Review of Policy of Forbearance in Telecom Tariff dated the 6<sup>th</sup> February 2012**

86. As per the existing regulatory framework, tariff for telecommunication services are under forbearance except for Rural Fixed Line Services, National Roaming Services and Leased Circuits. Over the last few years, the telecom tariffs were on a declining trend. However, recent trends as well as reports from the industry and analysts indicate a possible reversal of this trend. In addition, a suitable tariff framework for data services is also required to be evolved considering that Data Usage is becoming more and more popular. In this context, TRAI has decided to examine the need to review the existing regime of tariff forbearance.

**(xiii) Consultation on Draft Guidelines for Unified Licence / Class Licence and Migration of Existing Licences dated the 10<sup>th</sup> February 2012**

87. 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 be delinked from the licence. DoT had requested TRAI to recommend the Unified Licence guidelines including, *inter alia*, recommendations on entry/eligibility, PBG, FBG etc. TRAI was also requested to recommend modalities & guidelines for enabling existing UAS/CMTS/ISP/NLD/ILD/GMPCS licensees



including IP-I providers to migrate to National/Service Area level Unified Licence.

88. The draft guidelines for Unified and Class Licence were placed on TRAI website on 16<sup>th</sup> January 2012, for comments of stakeholders. In continuation of the same, draft guidelines for migration of existing Licences to the Unified licensing Regime were also issued on 10<sup>th</sup> February 2012 for comments of the stakeholders. While framing the guidelines for migration, the draft guidelines for Unified and Class Licence and issues raised therein have also undergone some modification. Therefore, for the sake of stakeholders' convenience, a comprehensive document consisting of the draft guidelines for Unified and Class Licence as well as draft guidelines for migration of existing Licences to the Unified licensing Regime was issued.

**(xiv) Consultation Paper on Auction of Spectrum dated the 7<sup>th</sup> March 2012**

89. In February 2012, the Hon<sup>ble</sup> Supreme Court had directed Telecom Regulatory Authority of India to make fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction.
90. Immediately on receipt of the Orders of the Hon<sup>ble</sup> Supreme Court, the authority issued a pre-consultation paper on 3<sup>rd</sup> February 2012. Based on the comments received, the Authority

prepared a Consultation Paper and issued the same on 7<sup>th</sup> March 2012.

**(xv) Consultation Paper 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 (BWA) spectrum dated the 15<sup>th</sup> March 2012**

91. The Authority issued a consultation paper 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 (BWA) spectrum".
92. Telecom Regulatory Authority of India (TRAI) received a reference from Department of Telecommunication (DoT) seeking TRAI's recommendations for amendment in the ISP Licence Agreement to incorporate the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access (BWA) spectrum.
93. DoT auctioned BWA spectrum during May-June 2010 in accordance with the terms and conditions mentioned in the NIA. The terms and conditions of the NIA related to licence conditions are to be included in the licence agreements of those ISPs, who have successfully obtained BWA spectrum through the auction process.



94. This consultation paper seeks comments of the stakeholders on the proposal that all the terms and conditions related to licence conditions, mentioned in the NIA may be incorporated in the licence agreements of the ISPs, who have successfully obtained BWA spectrum through the auction process.

**(xvi) Consultation Paper on Certain issues relating to the Telecom Consumers Protection Regulations, 2012 dated the 15<sup>th</sup> March 2012**

95. A consultation paper on certain issues relating to telecom consumer protection regulation 2012 was issued on 15<sup>th</sup> March 2012 for comments of the stakeholders. This relates to increase in the ceiling of processing fee on top-up vouchers from Rs.2/- to Rs.3/- as requested by the Associations of service providers and allowing a fourth category of vouchers (Combo Vouchers), as requested by the one of the association of service providers in addition to the three category of vouchers allowed under TCPR, 2012.

**(xvii) Consultation Paper on “Issues Related to Advertisements in TV Channels” dated the 16<sup>th</sup> March 2012**

96. A consultation paper on “Issues related to Advertisement in TV channels” was issued on 16.03.2012. The consultation paper discusses various issues related to advertisement in TV channels such

as the upper limit for the duration of advertisements on clock hour basis for Pay & FTA channels, scheduling of advertisement breaks in case of telecast of live sporting events, time gaps between consecutive advertisements breaks, part screen advertisements and audio level of advertisements viz-a-viz rest of the programmes.

**(xviii) Consultation Paper on Access Facilitation Charges and Co-location Charges at Cable Landing Stations dated the 22<sup>nd</sup> March 2012**

97. Submarine cables provide vital international telecommunication links between countries across the world. There is no effective substitute for submarine cables. Submarine cables terminate in the country through cable landing stations. Access to submarine cable landing stations is an essential input for telecommunication services including broadband requiring international connectivity. Provision of access at cable landing station involves costs for which owners of the cable landing station need to be fairly compensated. Cost based access facilitation charges and collocation charges would compensate owners of the cable landing stations for the costs incurred by them for providing access facilitation and other resources to other operators at the cable landing stations.

98. The consultation paper was floated on 22<sup>nd</sup> March, 2012 to obtain comments of the stakeholders on access



facilitation charges, collocation charges and related issues.

**(xix) Draft Response on Exit Policy for various telecom licenses dated the 26<sup>th</sup> March 2012**

99. The Telecom Regulatory Authority of India (TRAI) released a 'draft' response paper on issues relating to 'Exit-Policy for various telecom licences' on 26<sup>th</sup> March 2012.
100. TRAI had earlier issued a pre-consultation paper on 'Exit-Policy for various telecom licences' on 6<sup>th</sup> January 2012. The Comments/views from all the stakeholders were solicited till 24<sup>th</sup> January 2012 on issues like implications, advantages & disadvantages, to the individual licensees, to the Government revenues and to the telecom sector as a whole.
101. Based on the comments received from stakeholders and keeping in view the Hon'ble Supreme Court Judgement of 2<sup>nd</sup> February 2012 on petition no. 423/2010 and petition no. 10 of 2011, the Authority proposed to recommend to the Government that there is no need for separate Exit Policy and that the entry fee paid by the licensees will continue to be non-refundable. Present conditions in various licences with regard to surrender of licences, whereby licensee can surrender its licence by giving a notice of at least 60 calendar days in advance, shall continue to be applicable.

102. Further the working and operation of Telecom Regulatory Authority of India in the specific context of policy framework which has been discussed in the previous parts 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) & (B) RURAL TELEPHONE & EXPANSION OF TELEPHONE NETWORK**

103. TRAI has always been conscious of the need for expanding the telephone network in rural areas. As on 31<sup>st</sup> March 2012, the Wireless rural [Mobile and WLL (F)] market has reached the 323.27 million mark as against 273.54 million as on 31<sup>st</sup> March 2011. As per the Performance Indicator Report, 35.17% of total wireless subscribers are now in rural areas. The rural subscriber base is steadily increasing. Through the recommendations on "National Broadband Plan", TRAI has recommended for establishment of a National Broadband Network. This network will be an open access optical fibre network connecting all habitation with population of 500 and above. This Network will be established in two phases. The first phase covering all



cities, urban areas and Gram Panchayats will be completed by the year 2012. Phase II will be the extension of the network to all the habitations having population more than 500, to be completed by the year 2013. This network will be established at a cost of about Rs. 66,000 crore It will be financed by USO fund and the loan given/guaranteed by Central Government.

### (C) ENTRY OF PRIVATE SECTOR IN BASIC AND VALUE ADDED SERVICES

104. At present, there are a total of 279 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	240

### (D) TECHNICAL COMPATIBILITY AND EFFECTIVE INTERCONNECTION BETWEEN SERVICE PROVIDERS

105. 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.

106. Interconnection is the lifeline of telecommunications. Interconnection allows subscribers, services and networks of one service provider to be accessed by subscribers, services and networks of the other service providers. Interconnection Usage Charges (IUC) are charges payable by one telecom operator to the other for use of the latter's network either for originating, terminating or transiting/carrying a call. The regulatory framework for interconnection and interconnection usage charges was established through the various Regulations issued by TRAI. The prevailing IUC Regulation dated 9<sup>th</sup> March 2009 became effective on 1<sup>st</sup> April 2009.

107. 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) TELECOMMUNICATION TECHNOLOGY

108. Development of telecommunications technology has a profound impact on how regulatory practices evolve over time. Through research and analysis TRAI seeks to understand the drivers of change in telecommunications particularly convergence in various forms. Of special importance are the implications of new development on the network, services, markets and regulation. To develop useful knowledge base and share it with the industry, TRAI is publishing a monthly technology digest consisting of a fairly detailed coverage of an area of topical interest. TRAI also organises seminars and workshops on new developments in telecom technologies and issues study reports for the benefit of the industry. Some of the important activities undertaken in this regard are as follows:

### (i) Next Generation Network (NGN)

109. Next Generation Network (NGN) is an area of contemporary importance. TRAI accelerated its efforts in this area during the financial year. After tracking international developments, it decided to engage an international consultant with considerable international experience for assisting TRAI in making a consultation paper that could be used to elicit comments from the stakeholders for establishing appropriate policy and regulatory framework on NGN. A consultant was

appointed for consultancy services on 'Migration to Next Generation Networks (NGN)'. 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 and further work is being carried out on the subject.

### (ii) Publication of Technology Digest

110. Following its decision to identify and share technology trends with the industry, TRAI is publishing a monthly Technology Digest since July 2011. During the year 2011-12, the Technology Digests on following topics have been issued:

- (i) Cellular Backhaul Technologies, July 2011
- (ii) Machine to Machine Communication Standards, August 2011
- (iii) Advanced Antenna Systems, September 2011
- (iv) Next Generation Optical Access Networks, October 2011
- (v) Standardization of Cognitive Radio Systems, November 2011
- (vi) Voice Over LTE, December 2011
- (vii) LTE Femto Access Points, January 2012
- (viii) Free Space Optics in Next Generation Wireless Networks, February 2012



- (ix) MPLS Transport Profile: Next Generation Transport Networks, March 2012”

## (F) IMPLEMENTATION OF NTP 1999

111. The NTP 1999 *inter-alia* envisaged the following:

- Availability of affordable and effective communications for the citizens
- Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy;
- Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country.
- Strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities
- Achieve efficiency and transparency in spectrum management
- Spectrum to be utilised efficiently, economically, rationally and optimally.
- Considering the growing need of spectrum for communication services, there is a need to make adequate spectrum available. Appropriate frequency bands have historically been assigned to defence & others and efforts would be made towards relocating them so as to have optimal utilisation

of spectrum. Compensation for relocation may be provided out of spectrum fee and revenue share levied by Government

- To promote indigenous telecom equipment manufacture for both domestic use and export
- To take necessary steps so as to facilitate expeditious approvals for right-of-way clearances to all service providers

112. In order to achieve the above, TRAI has undertaken consultations and issued recommendations on the following major issues during the year 2011-12:

- (i) Comprehensive approach to tackle unsolicited commercial communications
- (ii) Telecom Equipment Manufacturing Policy
- (iii) Telecommunications Infrastructure Policy
- (iv) Green Telecommunication
- (v) Review of Interconnection Usage Charges
- (vi) Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements / cordless telecommunications system (CTS)
- (vii) Draft Guidelines for Unified Licence/ Class Licence and Migration of Existing Licences

## **(G) QUALITY OF SERVICE (QOS)**

113. 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:

### **(i) Objective assessment of Quality of Service through an Independent agency**

114. With a view to check the authenticity of information reported by the Basic, Cellular Mobile Telephone and Broadband Service Providers and to ascertain customer perception of quality of service, TRAI engaged independent agencies namely M/s IMRB International and M/s TCIL for conducting (1) an objective assessment of the quality of Service provided by Basic, Cellular Mobile Telephone Service and Broadband Service Providers and (2) engaged M/s Spectrum Planning, M/s MDRA, M/s VOICE and M/s Market Pulse for subjective customer satisfaction surveys for assessing the customers perception of the service and also to assess the implementation and effectiveness of Telecom Consumers Protection and Redressal of Grievances Regulations, 2007 on zonal basis. The reports submitted by these agencies are published on TRAI website for the

information of stakeholders and matters of concern arising out of audit/survey are taken up with service providers.

### **(ii) Review of the framework for controlling Unsolicited Commercial Communications (UCC)**

115. The new framework for addressing the problems of Unsolicited Commercial Communications notified through "The Telecom Commercial Customer Preference Regulations, 2010" has been fully implemented from 27<sup>th</sup> September 2011. As a result of implementation of these regulations the number of unwanted commercial calls / SMS has reduced drastically. For effective redressal of customer complaints relating to Unsolicited Commercial Communication (UCC), regulations have prescribed a framework in which action is to be taken by the service provider within seven days of lodging the complaint and the customer is to be informed about the action taken. Toll free number 1909 has been provided to facilitate customers to lodge complaints with their service providers through call or SMS.

116. In order to further deter the sending of promotional SMSs, the Authority has prescribed 'a promotional SMS charge' of Re. 0.05 (five paisa only) payable by an Originating Access Provider to the Terminating Access Provider for each promotional SMS sent by a registered telemarketer from the network of the



Originating Access Provider to the network of the Terminating Access Provider on 25.10.2011

117. The Authority received representations from some of the service providers and consumers to increase the limit of 100 SMS per day per SIM. The Authority considered these representations and decided to increase the limit of one hundred 100 SMS per day per SIM to 200 SMS per day per SIM on 01<sup>st</sup> November 2011.
118. The Authority received representations from various stakeholders stating that certain categories of SMSs sent in response to the request received from a subscriber may also be included in the definition of the Transactional messages in this regard amendment to Direction dated 25<sup>th</sup> October, 2011 regarding Transactional messages was issued on 23<sup>rd</sup> December 2011.
119. The Authority received representations from Telecom Consumers stating that despite their having registered under National Customer Preference Register established under the Regulations, they have received unsolicited commercial SMS. On examination of complaints it was found that such commercial SMSs are being routed through the internet from servers located outside the country. The Authority in order to stop such violations, issued a direction on blocking of bulk international SMSs dated 28<sup>th</sup> January 2012. Implementation of these directions has

resulted in stopping such practices circumventing the regulation.

120. The Authority also received representations from some of the stakeholders that it is not possible to send Machine to Machine and Person to Machine SMS, exceeding the prescribed limit, which are sent by them to initiate process or application for their operational requirement; therefore, the Authority issued directions dated 25<sup>th</sup> January 2012 to all Access Providers to exclude from the limit of two hundred SMS per day per SIM, all machine to machine and person to machine messages, where machine is not a mobile handset and no manual intervention is required at the receiving end.

### (iii) Consumer Education

121. During the year 2011-12, Consumer Education Workshops and meetings were organized by the Authority to educate Consumer Advocacy Groups (CAGs) about various actions taken by it to protect the interest of customers and for their capacity building. Authority also approved holding of District/Block level Consumer Education Workshops during the year 2011-12 by the consumer Advocacy Groups (CAGs) registered with TRAI. Details of the programmes are as under:
  - a) The consumer education workshops were held region wise starting with 1<sup>st</sup> at Hyderabad on 13.5.2011, 2<sup>nd</sup> at Nagpur on 1.8.2011, 3<sup>rd</sup> at Ranchi on



**Participants at the Consumer Advocacy Group (CAG) Workshop (Southern Region) held at Hyderabad on 13<sup>th</sup> May, 2011.**

- 23.9.2011, 4<sup>th</sup> at Aizawl on 3.11.2011, 5<sup>th</sup> at Jaipur on 26.12. 2011, 6<sup>th</sup> at Guwahati on 30.1.2012, 7<sup>th</sup> at Goa on 16.2.2012 and 8<sup>th</sup> at Thiruvananthapuram on 27.2.2012.
- b) A Meeting of all the CAGs was held on 27<sup>th</sup> May, 2011 at Shimla to discuss various telecom consumer centric issues.
- c) 231 District / Block level Consumer Education Workshops sanctioned to 26 CAGs out of which they have organised 194 workshops in various districts/ blocks across the country.
122. During the year 2011-12, monthly newsletters conveying important activities/initiatives taken by the Authority and other developments in telecom sector continued to be circulated to all CAGs.
123. TRAI has been issuing various Regulations and Orders to protect the interests of consumers of telecom services from time to time. An updated handbook containing the important Regulations, Directions and Orders was compiled by the Authority for information of all stakeholders and the updated version is available in the website of TRAI.
- (H) UNIVERSAL SERVICE OBLIGATION (USO)**
124. In its recommendations on “Recommendations on Issues related to Telecommunications Infrastructure Policy” issued in April 2011, the Authority recommended:-
- a. In future, application of USO fund should be restricted to



- (i) Provision of telecommunication facility in habitations having a population of less than 500; and
  - (ii) To lay optical fibre cable from District to Block head quarters and Block headquarters to villages so as to fulfil the backhaul bandwidth requirement for the provision of broadband and facilitate broadband growth in the rural areas.
  - (iii) Any other use, if a commitment has already been agreed upon.
- b. Applications like e-Health, e-Banking, e-Commerce, e-Education, e-Governance, e-Entertainment etc. are required to be developed and customized for the local needs.
  - c. The installation of towers and related equipment in rural areas serves the purpose of local population and to some extent business organisations. Hence the requirement for land conversion (around 400 Square metre of land) for setting up tower in rural areas by the

telecom service providers should be dispensed with.

- d. State Electricity Boards should provide power supply to rural BTSs on priority basis.

## I) INTERNATIONAL RELATIONS

### 125. Visit of International Delegations to TRAI:

- i. Mr. Akitaka Saiki, Ambassador of Japan visited TRAI on 07 April 2011 for bilateral discussion with Chairman TRAI.
- ii. Dr. Chintan Vaishnav, Researcher, Massachusetts Institute of Technology (MIT) had visited TRAI from 11-15 July 2011 to Identify areas of mutual interest.
- iii. A six members delegation headed by Mr. Dasho Kinley, Secretary, Ministry of Information and Communications, Bhutan visited TRAI on 23<sup>rd</sup> August 2011 for bilateral discussion with Chairman TRAI.



- iv. Ms. Neelie Kroes, Vice President of the European Commission and Commissioner (Minister) along with the delegation had a meeting with Authority on 25 November 2011.
  - v. A ten member Bangladesh delegation led by Sh. S.M.Shawkat Ali, Joint Secretary, Ministry of Posts & Telecommunications, Dhaka, Bangladesh visited TRAI on 15<sup>th</sup> December 2011 for bilateral discussion with TRAI.
  - vi. A delegation from India Business Council for USIBC visited TRAI on 15 December 2011 for bilateral discussion with Chairman TRAI.
  - vii. A Fifteen Member Bangladesh Delegation led by Mr.Hasanul Haq Inu, Chairman, Standing Committee on Ministry of Post and Telecommunication visited TRAI on 18<sup>th</sup> January 2012 for bilateral discussion with Chairman TRAI.
  - viii. Mr.Pham Hong Hai, Director General, Viet Nam Telecommunication Authority (VNTA) visited TRAI on 8<sup>th</sup> February 2012 for bilateral discussion with Chairman TRAI.
  - ix. A Twelve Member Swedish Delegation led by Mr.Jan Rxendal, Chairman of Swedish Export Credit Guarantee Board (EKN), Sweden visit TRAI on 19<sup>th</sup> March 2012 for bilateral discussion with Chairman TRAI.
  - x. Mr. Farooq Ahmed Awan, Federal Secretary of Information Technology & Telecommunication, Pakistan and Mr.Naeem Anwar, Minister (Trade) visited TRAI on 24<sup>th</sup> March 2012 for bilateral discussion with Chairman TRAI. (Photographs are not available).
  - xi. A Four Member Delegation from Greece led by Dr.Leonidas Kanellos, EETT President and BEREC's Vice Chairman visited TRAI on 28<sup>th</sup> March 2012 for bilateral discussion with Chairman TRAI (Photographs are not available)
  - xii. A forty three Member Youth Delegation from Saudi Arabia, led by Dr.Yousef Terad Al Saadon, Deputy Minister of Foreign Affairs for Economic and Cultural Affairs of Saudi Government visited New Delhi, India on 29<sup>th</sup> March 2012 for discussion on Communications and Information Technology. The meeting of the delegation with TRAI officers was arranged by MEA in Conference Room of Jawahar Bhawan (opposite National Museum) New Delhi. The delegation was addressed by Principal Advisor (MS) and Advisor (MN). A presentation was made on TRAI role, functions, etc which was followed by Question answer session.
126. **Memorandum of Understanding**
- A Joint Declaration/ Memorandum of Understanding was signed between Telecommunication Regulatory Commission, Sri Lanka (TRCSL) and





Dr. J.S. Sarma, Chairperson, TRAI and Mr. Anusha Palpita, Director General of Telecommunications Regulatory Commission (TRCSL), Sri Lanka during the signing of the Memorandum of Understanding between TRAI and TRCSL on 17<sup>th</sup> January 2012 at Colombo, Sri Lanka.

Telecom Regulatory Authority of India on 17<sup>th</sup> January 2012 during the visit of the Hon'ble Minister of External Affairs to Sri Lanka.

#### 127. International Events

- i. TRAI had organized International Workshop in collaboration with Asia Pacific Telecommunity (APT) on



Group Photo of the participants at the TRAI-APT International Workshop on 'Regulatory Framework for Emerging Telecom Environment' held in New Delhi from 6<sup>th</sup> to 8<sup>th</sup> September 2011



'Regulatory Framework for emerging telecom environment' from 6-8 September 2011 at New Delhi. The workshop was inaugurated by Hon'ble MoC & IT, Sh.Kapil Sibal. APT Secretary General Mr. Toshiyuki YAMADA and CMDs/ CEOs of all the major Telecom Service Providers participated in the

event. There was participation of 41 international delegates and speakers from 26 countries. The total number of participants (domestic and international) was around 150.

- ii. TRAI had hosted 2<sup>nd</sup> meeting of the South Asian Telecommunications Regulators' Council (SATRC) Working



Group meeting on 'Policy and Regulation' from 28-29 December 2011 at TRAI Office in New Delhi. There was participation of seven member countries (viz. Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka)

iii. TRAI had organized ITU training/ workshop on 'Converged IP Network technologies' in partnership with the Pusan National University Korea, an ITU Asia-Pacific Center for Excellence (CoE) from 15-17 February 2012 at New Delhi.

iv. TRAI had organized 2<sup>nd</sup> ITU Asia-Pacific Regulators' Roundtable (RR) which was held from 30-31 March 2012 in Hyderabad. There was participation from Regulators/ Service Providers in Africa and Asia Pacific Region (20 countries in all). namely, Afghanistan, Australia, Bangladesh, Bhutan, Brunei, Fiji, Kiribati, Korea, Maldives, Mongolia, Myanmar, Nepal, New Zealand, Papua New Guinea, Sierra Leone, Singapore, Sri Lanka, Vanuatu, Viet Nam and ITU Thailand.



**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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1. 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**

2. Section 11 (2) of the TRAI 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. 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 2011-12 are discussed in the following paragraphs.

3. 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.
4. Presently, tariff for telecom services is under forbearance, except rental, free call allowances and local call tariffs in the case of fixed line rural subscribers, roaming services in mobile telephony and for leased circuit. Service Providers have the flexibility to offer any tariff,

subject to certain regulatory principles, including IUC compliance. As per the Telecommunication Tariff Order dated 9.3.1999, forbearance means where the Authority have, for the time being forborne from fixing tariff for any telecommunication service or part thereof and a Service Provider shall be at liberty to fix any tariff for such telecommunication services.

5. The Authority's Telecommunication Tariff Order (TTO) 1999, implemented w.e.f. 1<sup>st</sup> April 1999 has been used as an instrument to achieve regulatory goals and to promote competition in the telecom sector, providing protection to consumer interests and to serve as a signal to promote investment. The Authority floated a consultation paper on certain issues relating to telecom consumer protection regulation 2012 which was issued on 15<sup>th</sup> March 2012. This relates to increase in the ceiling of processing fee on top-up vouchers from Rs. 2/- to Rs. 3/- as requested by the Associations of service providers and allowing a fourth category of vouchers (Combo Vouchers), as requested by the one of the association of service providers in addition to the three category of vouchers allowed under TCPR, 2012.
6. In order to further improve transparency in telecom tariff offers for facilitating the telecom subscribers to choose their tariff plans that best meet



their needs, the Authority issued on 16<sup>th</sup> January 2012, as amended vide direction dated 3<sup>rd</sup> April 2012, to all Access Service Providers on protection of tariff plans.

7. The Authority vide its direction dated 26<sup>th</sup> March 2012, all the Access Service Providers, inter alia, have been directed that advertisements published by them - are transparent and non-misleading and unambiguous; disclose all material information in unambiguous manner; contain the website address and customer care number of the telecom access service provider; and the advertisements issued in vernacular languages contain all the mandatory disclosures in the same vernacular language. Further, the service providers have been mandated to maintain an advertisement register which must include a specimen of every tariff related advertisements and carry out internal audit to ensure that they are complying with all aspects of this Direction and to report compliance to the Authority on half yearly basis.
8. As per the existing regulatory framework, tariff for telecommunication services are under forbearance except for Rural Fixed Line Services, National Roaming Services and Leased Circuits. Over the last few years, the telecom tariffs were on a declining trend. However, recent trends as well as reports from the industry and

analysts indicate a possible reversal of this trend. In addition, a suitable tariff framework for data services is also required to be evolved considering that Data Usage is becoming more and more popular. In this context, TRAI has decided to examine the need to review the existing regime of tariff forbearance.

9. TRAI continued to monitor the retail tariffs on a regular basis; as per the reporting requirements, the service providers have been filing tariff with TRAI within seven days of implementation. Thousands of tariffs are filed with TRAI under this requirement and they are monitored by the TRAI. Though the service providers have been mandated to implement the tariff only after conducting a self check, TRAI examines the tariffs filed as well as those displayed in public domain by service providers with a view to ensure their consistency with regulatory guidelines.
10. Detailed analysis is also being carried out after obtaining the revenue and subscriber data from all the operators on quarterly basis. The results of the analysis are published through quarterly reports on "The Indian Telecom Services Performance Indicators". These periodical reports provide an update on growth trend for the telecom services in the country and present a broad perspective on the telecom services to serve as reference documents for



various stakeholders. Besides this, the representations and complaints received from consumers and their organizations as well as media reports also give indication of possible inconsistencies of the prevailing tariff in the market with the regulatory guidelines. These complaints are examined in detail to find out the corrective measures in this regard.

11. 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. The ARPU's 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 going to be replicated in the cable TV sector also.
12. One of the most significant developments in the DTH sector has been a steady decline in the cost of the STB's. Over the past four years the cost of STB's have come down from an average of Rs.4,000/- to around Rs.1,000/- and the trend is likely to

continue. This has made the once supposed to be the elitist service in the sector quite affordable for the common man.

13. 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 is consumer specific rather than defined by the service providers. It is already observed in the market that within the maximum of the minimum subscription amount of Rs. 150/-, which an operator can prescribe, as per the said tariff order, they are already offering different monthly packs, ranging from Rs. 90/- per month per subscriber for 132 channels pack to Rs. 150/- per month per subscriber for 186 channels pack. Notably, these packs also include a sizable number of pay channels. Thereby making available considerable choice of channels to the consumers.
14. The time line for implementation of digital addressable cable TV systems has been announced. It is expected that with the availability of multitude of digital addressable platforms, the consumer will be further empowered. The consumer will have lot more choice

available both in terms of platforms as well as services such as HD, 3D channels, triple play including broadband and other value added services and interactive services apart from large number of TV channels to choose from. This will further promote competition in the sector which is expected to ensure availability of services at reasonable rates.

**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**

15. 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 Services. Recommendations given by TRAI to Government during 2011-12 are given below.

- (i) Recommendations dated 12<sup>th</sup> April 2011 on Issues related to Telecommunications Infrastructure Policy
- (ii) Recommendations dated 12<sup>th</sup> April 2011 on "Telecom

Equipment Manufacturing Policy"

- (iii) Recommendations dated 12<sup>th</sup> April 2011 on Approach towards Green Telecommunications
- (iv) Recommendations dated 4<sup>th</sup> May 2011 on DoT's reference on TRAI recommendations on "National Broadband Plan"
- (v) Revised Recommendations dated 3<sup>rd</sup> June 2011 of TRAI to the reference dated 18.05.2011 of the Ministry of Information & Broadcasting on recommendations of TRAI on Foreign Investment Limits for Broadcasting Sector
- (vi) Reconsideration of views/ recommendations of TRAI in respect of the roll out obligations of UAS Licensees dated 14<sup>th</sup> July 2011
- (vii) Recommendations dated 3<sup>rd</sup> November 2011 on Spectrum Management and Licensing Framework- Response of the Authority on DoT reference no. 20-281/2010-AS-I (Vol.II) (Pt.) dated 10.10.2011
- (viii) Extension of Support from USO fund towards the Rural Direct Exchange Lines (R-DEL) on expiry of the current subsidy support dated 5<sup>th</sup> March 2012



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

### **C) ENSURING TECHNICAL COMPATIBILITY AND EFFECTIVE INTER-CONNECTION**

17. 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.

18. Interconnection is the lifeline of telecommunications. Interconnection allows subscribers, services and networks of one service provider to be accessed by subscribers, services and networks of the other service providers. Interconnection Usage Charges (IUC) are charges payable by one telecom operator to the other for use of the latter's network either for originating, terminating or transiting/carrying a call.

### **(D) REGULATING ARRANGEMENT AMONGST SERVICE PROVIDERS OF SHARING THEIR REVENUE DERIVED FROM PROVIDING TELECOMMUNICATION SERVICE.**

19. 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**

20. 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**

21. This function is discharged by TRAI through a multi pronged approach. One of these approaches is through analysing reports received from the Service Providers. Another approach is through feedback / representations received from consumers / consumer organizations, experts etc. In certain cases, TRAI on its own initiative has taken action for ensuring compliance of terms and conditions of license. Action taken by TRAI in brief are as below :

- (i) Direction dated the 24<sup>th</sup> May 2011 on rejections of request for porting on the ground of “contractual obligation” and “outstanding payment dues”
- (ii) Direction dated the 4<sup>th</sup> November 2011 on rejections of request for porting on the ground of "contractual obligation" by M/s Vodafone
- (iii) Direction dated 21<sup>st</sup> February 2012 regarding cancellation / withdrawal of MNP request by Donor Operators

#### **G) STEPS TAKEN TO PROTECT THE INTEREST OF THE CONSUMERS OF TELECOMMUNICATIONS SERVICES**

22. With a view to check the authenticity of information reported by the Basic, Cellular Mobile Telephone and Broadband Service Providers and to ascertain customer perception of quality of service, TRAI engaged independent agencies namely M/s IMRB International, M/s VOICE, M/s TCIL and M/s Market Pulse for conducting (1) an objective assessment of the quality of Service provided by Basic, Cellular Mobile Telephone Service and Broadband Service Providers and (2) Subjective customer satisfaction surveys for assessing the customers perception of the service and also to assess the implementation and effectiveness of Telecom Consumers Protection and Redressal of Grievances Regulations, 2007 on zonal basis. The reports submitted by these agencies are published on TRAI website for the information of stakeholders and matters of concern arising out of audit/survey are taken up with service providers. During the year, the Authority also notified the following Regulations to protect the interests of the consumers:

- (i) Telecom consumers complaint redressal Regulations, 2012 dated 05 Jan 2012
- (ii) Telecom Consumers Protection Regulations, 2012 (2 of 2012) dated 06 Jan 2012

23. During the year 2011-12, Consumer Education Workshops and meetings



were organized by the Authority to educate Consumer Advocacy Groups (CAGs) about various actions taken by it to protect the interest of customers and for their capacity building. Authority also approved holding of District/Block level Consumer Education Workshops during the year 2011-12 by the consumer Advocacy Groups (CAGs) registered with TRAI. Details of the programmes are as under:

Workshop	Venue	Date
1 <sup>st</sup>	Hyderabad	13.5.2011
2 <sup>nd</sup>	Nagpur	1.8.2011
3 <sup>rd</sup>	Ranchi	23.9.2011
4 <sup>th</sup>	Aizawl	3.11.2011
5 <sup>th</sup>	Jaipur	26.12.2011
6 <sup>th</sup>	Guwahati	30.1.2012
7 <sup>th</sup>	Goa	16.2.2012
8 <sup>th</sup>	Thiruvananthapuram	27.2.2012

a) The consumer education workshops were held region wise starting with

b) A meeting of all CAGs was held on 27<sup>th</sup> May, 2011 at Shimla to discuss various telecom consumer centric issues.



- c) 231 District / Block level Consumer Education Workshops sanctioned to 26 CAGs out of which they have organised 194 workshops in various districts/ blocks across the country.
24. During the year 2011-12, monthly newsletters conveying important activities / initiatives taken by the Authority and other developments in telecom sector continued to be circulated to all CAGs.
25. TRAI has been issuing various Regulations and Orders to protect the interests of consumers of telecom services from time to time. An updated handbook containing the important Regulations, Directions and Orders was compiled by the Authority for information of all stakeholders and the updated version is available in the website of TRAI.
- H) STEPS TAKEN TO FACILITATE COMPETITION AND PROMOTE EFFICIENCY IN THE OPERATION OF TELECOMMUNICATION SERVICES SO AS TO FACILITATE GROWTH IN SUCH SERVICES**
26. TRAI has always endeavoured to establish policies that are contemporary, in tune with the state of development, simple and 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.

27. To facilitate competition and promote efficiency in the operation of telecom sector, TRAI notified the following Regulations.
- (i) The Telecom Commercial Communications Customer Preference Regulations, 2010 which came into force with effect from 27<sup>th</sup> September, 2011
- (ii) Telecom consumers complaint redressal Regulations, 2012 dated 5<sup>th</sup> January, 2012
- (iii) Telecom Consumers Protection Regulations, 2012 dated 6<sup>th</sup> January, 2012
28. 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**
29. During the period, in order to decide representations from Associations, the



Authority invited comments of the stakeholders by issuing a consultation paper on "Certain issues relating to the Telecom Consumers Protection Regulations, 2012" on 15<sup>th</sup> March, 2012.

30. On the issue of increasing ceiling on administrative and processing fee, the following specific questions were raised in the said consultation paper:

- Is there sufficient justification to increase the ceiling on processing fee on Top up vouchers from Rs. 2/- to Rs. 3/-, as requested by the associations of service providers?
- If yes, should the above increase in processing fee be allowed only in respect of paper voucher?

#### **J) STEPS TAKEN TO ENSURE EFFECTIVE COMPLIANCE OF UNISVERSAL SERVICE OBLIGATION (USO)**

31. In its recommendations on "Recommendations on Issues related to Telecommunications Infrastructure Policy" issued in April 2011, the Authority recommended:-

- a. In future, application of USO fund should be restricted to
  - i. Provision of telecommunication facility in habitations having a population of less than 500; and

- ii. To lay optical fibre cable from District to Block head quarters and Block headquarters to villages so as to fulfil the backhaul bandwidth requirement for the provision of broadband and facilitate broadband growth in the rural areas.

- iii. Any other use, if a commitment has already been agreed upon.

- b. Applications like e-Health, e-Banking, e-Commerce, e-Education, e-Governance, e-Entertainment etc. are required to be developed and customized for the local needs.

- c. The installation of towers and related equipment in rural areas serves the purpose of local population and to some extent business organisations. Hence the requirement for land conversion (around 400 Square metre of land) for setting up tower in rural areas by the telecom service providers should be dispensed with.

#### **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.

32. Details of advice tendered by TRAI to the Central Government in the matters relating to development of telecommunication and broadcasting cable sectors are given below
- (i) Recommendations dated 12<sup>th</sup> April 2011 on Issues related to Telecommunications Infrastructure Policy
  - (ii) Recommendations dated 12<sup>th</sup> April 2011 on "Telecom Equipment Manufacturing Policy"
  - (iii) Recommendations dated 12<sup>th</sup> April 2011 on Approach towards Green Telecommunications
  - (iv) Recommendations dated 4<sup>th</sup> May 2011 on DoT's reference on TRAI recommendations on "National Broadband Plan"
  - (v) Revised Recommendations dated 3<sup>rd</sup> June 2011 of TRAI to the reference dated 18.05.2011 of the Ministry of Information & Broadcasting on recommendations of TRAI on Foreign Investment Limits for Broadcasting Sector
  - (vi) Reconsideration of views/ recommendations of TRAI in respect of the roll out obligations of UAS Licensees dated 14<sup>th</sup> July 2011
  - (vii) Recommendations dated 3<sup>rd</sup> November 2011 on Spectrum Management and Licensing Framework- Response of the Authority on DoT reference no. 20-281/2010-AS-I (Vol.II) (Pt.) dated 10.10.2011
  - (viii) Extension of Support from USO fund towards the Rural Direct Exchange Lines (R-DEL) on expiry of the current subsidy support dated 5<sup>th</sup> March 2012
33. The details of these Recommendations are given in Part II of the Report.
- L) MONITORING OF THE QUALITY OF SERVICES AND DETAILS OF PROMOTIONAL SURVEY OF SUCH SERVICES BY THE SERVICE PROVIDERS**
34. 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 in accordance with the above directions. 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.



35. 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 has been taken up with the service provider for remedial action in a time bound basis.

36. 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.

37. 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 benchmark 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  
AND FINANCIAL PERFORMANCE**





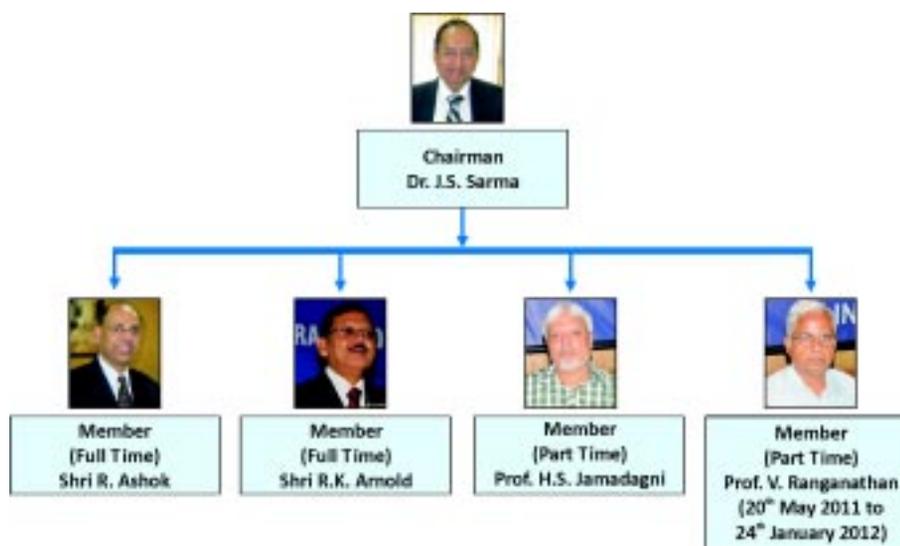
# A) ORGANIZATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA

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1. 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

2. 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.

### (b) SECRETARIAT OF TRAI

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

(i) Administration, Human Resources (HR) & Regulatory Enforcement (RE); (ii) Broadband & Policy Analysis; (iii) Broadcasting & Cable Services; (iv) Broadcasting & Policy Analysis; (v) Consumer Affairs & International Relation; (vi) Economic Regulation; (vii) Financial Analysis and Internal Finance; (viii) Interconnection and Fixed Network; (ix) Legal Affairs; (x) Mobile Network; (xi) Mobile Spectrum; (xii) Quality of Service; (xiii) Technology Development, Research and Analysis.

#### Administration, HRM and Regulatory Enforcement Division

- Administration & HRM and RE Division is responsible for all administrative and personnel functions which include planning and control of human resource development in TRAI as well as for enforcement of all the Regulations/

Directions/Orders issued by TRAI. Admn. & HRM and RE Division has the responsibility of management and control of activities of General Administration Section, Public Relation Section, RE Section, OL Section, MR Section and RTI Section. On Regulatory Enforcement front, it is responsible for enforcement of all Regulations/ Directions/Orders issued by TRAI.

#### Broadband & Policy Analysis (BB&PA) Division

- BB&PA Division is responsible for dealing with technical issues relating to convergence in telecommunication and IT Sectors. The Division handles issues relating to Broadband, Internet, Internet Telephony & VoIP, IPv6, IPTV and monitoring of performance of Internet Service Providers (ISPs) including subscribers growth on quarterly and monthly basis. The Division is responsible for IT needs of office including creation and maintenance of IT infrastructure. The Division also handles various policy related issues in Telecommunications.

#### Broadcasting & Policy Analysis (B&PA) and Broadcasting & Cable Services (B&CS) Division

- B&CS Division is responsible for advising the Authority, for laying down the overall regulatory framework for the broadcasting and cable TV sector 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 (CA) & International Relation (IR) Division**

7. Consumer Affairs 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 CA 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 CA division include organization 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. IR Division 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.

### **Economic Regulation (ER) Division**

8. Economic Regulation 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 Economic Regulation 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.

### **Financial Analysis (FA) & Internal Finance Advice (IFA) Division**

9. FA&IFA 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. Principal Advisor (FA) is 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.

### **Interconnection & Fixed Network (I&FN) Division**

10. I&FN 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. I&FN 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.

### **Legal Division**

11. 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.

### **MOBILE NETWORK (MN) DIVISION**

12. Mobile Network 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 and support to ITU/APT Study Group activities.

### **MOBILE SERVICES (MS) DIVISION**

13. The MS 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.



## Quality of Service (QoS) Division

14. QoS 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. QoS Division is also responsible for maintaining register of interconnect agreements and of all such other matters as may be provided in the regulations. QoS Division also handles matters relating to Radio Paging, PMRTS and VSAT service.

## Technology Development, Research & Analysis (TDRA) Division

15. 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 Technology Development, Research & Analysis 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. Through research TRAI would seek to understand the drivers of change in telecommunications particularly 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 publishes a Monthly Technology Digest consisting of a fairly detailed coverage of an area of topical interest and a Quarterly Technology journal as a reference material for some of the finest papers published in international telecommunications journals. The division also handles Next Generation networks and matters.

### (c) HUMAN RESOURCES

#### (i) Staff strength of TRAI (as on 31<sup>st</sup> March, 2012)

16. A staff of 190 (as on 31<sup>st</sup> March, 2012) is handling the work in the Secretariat, 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.
17. As on 31<sup>st</sup> March, 2012 the Staff strength of the TRAI was as follows :



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	03
5.	SR. RESEARCH OFFICER	37	28
6.	PPS	02	02
7.	TECHNICAL OFFICER	12	09
8.	SECTION OFFICER	19	16
9.	PS	14	07
10.	LIBRARIAN	1	--
11.	ASSISTANT	48	41
12.	PA	18	17
13.	STENO'D'	01	--
14.	JR. HINDI TRANSLATOR	01	--
15.	LDC	07	06
16.	DRIVERS	15	14
17.	PCM OPERATOR	02	02
18.	DESPATCH RIDER	01	01
19.	ATTENDANTS	08	06
	<b>TOTAL</b>	<b>239</b>	<b>190</b>

#### Details of Secretary, Pr. Advisors / Advisors Level

Sl. No.	Name of the Officer / Designation	
1.	Sh. Rajeev Agrawal Secretary	
2.	Sh. R.K. Mishra Principal Advisor (Administration & HRM and RE)	

Sl. No.	Name of the Officer / Designation	
3.	Sh. Sudhir Gupta Principal Advisor (Mobile Network)	
4.	Sh. Lav Gupta Principal Advisor (Technology Development)	

Sl. No.	Name of the Officer / Designation	
5.	Mrs. Anuradha Mitra Principal Advisor (Financial Analysis & Internal Finance)	
6.	Sh. N. Parameswaran Principal Advisor (Consumer Affairs & International Relations)	
7.	Sh. Wasi Ahmad Advisor (Broadcasting & Cable Services)	
8.	Sh. Raj Kumar Upadhyay Advisor (Broadband & Policy Analysis)	
9.	Sh. Sanjeev Banzal Advisor (Mobile Network)	
10.	Sh. Arvind Kumar Advisor (Interconnection and Fixed Network)	
11.	Sh. Amit Mohan Govil Advisor (Legal)	
12.	Sh. Raj Pal Advisor (Economic Regulation)	

Sl. No.	Name of the Officer / Designation	
13.	Sh. A. Robert Jerard Ravi Advisor (Quality of Services)	

18. 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 frequent 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.

## ii) Recruitment

19. 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.

### iii) Training

20. 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. Since special programmes need to be identified or designed and run to meet the specific needs of TRAI, the Authority is working closely with a number of institutes and organizations such as Indian Institute of Management (IIM), National Productivity Council (NPC), Institute of Secretariat and Training Management (ISTM), Advance Level Telecom Training Centre (ALTTC) etc. In addition, TRAI also sponsors its officers for international training under the 'Institutional Capacity Building Project' for further developing their expertise within the organization.

21. 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. Sixty Three officers / officials of TRAI were also deputed for training programmes conducted by ten different training institutions within the country.



22. 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

23. In order to keep pace with the developments taking place globally, the Authority has deputed members of its staff for international events, meetings and symposia and to gather valuable feedback / inputs for its own policy





formulation as well to keep abreast of the latest development in the fields of technology. TRAI's participation in fifty deliberations at international level during the year 2011-12 has contributed to the international efforts being focused on issues, which are currently major regulatory concerns in India but have also helped in keeping TRAI officials aware of International practices.

#### e) OFFICE ACCOMMODATION

24. 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**

25. 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**

26. 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 2011-12 was Rs. 44.18 crores (approx) out of this, Rs.6.75 crores was incurred during 2011-12 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.
27. TRAI is of the view that in order to perform effectively as an independent regulator, it should be funded from a minor 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) OPENING OF TRAI REGIONAL OFFICES**

28. Authority has approved for opening of 10 (Ten) Regional Offices of TRAI at different locations. The locations of Regional Office with License – Service Areas covered are as follows:



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

29. The role and functions of the above Regional Offices (RO) are:
- (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.

#### **i) RIGHT TO INFORMATION ACT**

30. 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.
31. During the year 2011-12, 603 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 TO TRAI**

32. 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 for valid period upto November, 2013. To evaluate the implementation and effectiveness of Quality Management System (QMS) in TRAI, BIS has conducted surveillance audits once every year and two renewal audits since December, 2004. The quality-auditors have found the QMS functioning satisfactory and had recommended the continuance of the license issued by the BIS.
33. Conducting internal quality audit on a quarterly basis has also ensured the continual improvement in the system. TRAI has 53 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. The last Management review meeting was held in the month of December, 2011.

#### **k) LOGO OF TRAI**

34. New Logo for TRAI was finalized in March 2012. The logo was designed by Sh. Himesh Singh a student of IIT,



Kanpur. In the logo, Consumers and service providers are represented in the form of a circle. TRAI is represented in the form of strips. Strips depict the strong hands of TRAI, which protects interests of consumers and service providers.



## I) IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

35. 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 other documents are issued in bilingual form.
36. 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. & HRM) and RE. 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, four meetings of OLIC were held on 27<sup>th</sup> June 2011; 28<sup>th</sup> September 2011; 30<sup>th</sup> December 2011; and 27<sup>th</sup> March 2012.

37. 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> to 14<sup>th</sup> September, 2011 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, 2011.

Chairman, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 22<sup>nd</sup> September 2011. The "Hindi Pakhwara" proved successful in promoting and propagating the maximum use of Hindi in official work during the entire month of September 2011.

38. 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 four 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.

39. 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, two Hindi workshops were organized in TRAI on 17<sup>th</sup> to 18<sup>th</sup> August 2011 and 9<sup>th</sup> November 2011.

40. 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.8 and 9) 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.





## B) AUDITED ACCOUNTS OF TRAI FOR THE YEAR 2011-12

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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 2012

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as on 31 March 2012 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:

**Grants in aid**

Out of the grants in aid (Non-Plan) of ₹38.79crore {including unspent balance of ₹ 0.89 crore (Non Plan) out of the earlier year's grants in aid } received during the year, TRAI could utilise a sum of ₹ 36.71 crore (Non Plan), leaving a balance of ₹ 2.08 crore (Non Plan) as unutilised grant as on 31 March 2012.

Further, out of the grants in aid (Plan) of ₹ 6.15 crore {including unspent balance of ₹ 0.15 crore (Plan) out of the earlier year's grant (Plan) lying with TRAI} received during the year, TRAI could utilise a sum of ₹ 5.50 crore (Plan), leaving a balance of ₹ 0.65 crore (Plan) as unutilised grant as on 31 March 2012.

- 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 2012; 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**

Sd/-

(Revathi Bedi)

Director General of Audit (P&T)

Place: Delhi

Date: 04 October 2012



## 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 organisation 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 organisation) however, w.e.f. 3/5/2012 Internal auditor is reporting to the Secretary, TRAI instead of head of Finance based on the observation of the audit in the last SAR.*

### (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 31-03-2012**

(Amount-Rs.)

	Schedule	NON-PLAN		PLAN	
		Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
CORPUS/CAPITAL FUND	1	(4,30,03,291)	(2,10,72,360)	24,06,55,674	14,81,92,501
RESERVES AND SURPLUS	2				
EARMARKED/ENDOWMENT FUNDS	3				
SECURED LOANS AND BORROWINGS	4				
UNSECURED LOANS AND BORROWINGS	5				
DEFERRED CREDIT LIABILITIES	6				
CURRENT LIABILITIES AND PROVISIONS	7	11,92,62,176	10,74,53,040	4,26,56,706	2,52,17,504
<b>TOTAL</b>		<b>7,62,58,885</b>	<b>8,63,80,680</b>	<b>28,33,12,380</b>	<b>17,34,10,005</b>
<b>ASSETS</b>					
FIXED ASSETS	8	2,40,77,623	2,54,01,358	1,50,668	2,02,114
INVESTMENTS-FROM EARMARKED/ ENDOWMENT FUNDS	9				
INVESTMENTS-OTHERS	10				
CURRENT ASSETS,LOANS,ADVANCES ETC	11	5,21,81,262	6,09,79,322	28,31,61,712	17,32,07,891
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
<b>TOTAL</b>		<b>7,62,58,885</b>	<b>8,63,80,680</b>	<b>28,33,12,380</b>	<b>17,34,10,005</b>
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25				

Sd/-  
Pr. Advisor (FA/ IFA)

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 31-03-2012**

(Amount-Rs.)

	Schedule	NON-PLAN		PLAN	
		Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
<b>INCOME</b>					
Income from Sales/Services	12				
Grants/Subsidies	13	35,00,00,000	29,00,00,000	16,00,00,000	13,00,00,000
Fee/Subscriptions	14				
Income from Investments(Income on Invest from earmarked /endow. Funds transferred to Funds	15				
Income for Royalty ,Publication etc	16				
Interest Earned	17	4,67,929	3,17,827		
Other Income	18	19,242	1,67,385		
Increase(decrease) in stock of Finished goods and works-in-progress	19				
<b>TOTAL (A)</b>		<b>350487171.</b>	<b>29,04,85,212</b>	<b>16,00,00,000</b>	<b>13,00,00,000</b>
<b>EXPENDITURE</b>					
Establishment Expenses	20	16,93,21,278	12,98,22,824		
Other Administrative Expenses etc	21	19,93,09,389	20,71,38,686	6,75,45,381	7,34,13,506
Expenditure on Grants,Subsidies etc	22				
Interest	23				
Depreciation(Net Total at the year end-corresponding to Schedule 8)		57,38,718	58,13,356	51,446	51,446
<b>TOTAL (B)</b>		<b>37,43,69,385</b>	<b>34,27,74,866</b>	<b>6,75,96,827</b>	<b>7,34,64,952</b>

	Schedule	NON-PLAN		PLAN	
		Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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		(2,38,82,214)	(5,22,89,654)	9,24,03,173	5,65,35,048
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25				

Sd/-  
Pr. Advisor (FA/ IFA)

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 31-03-2012**

**SCHEDULE 1 - CORPUS/CAPITAL FUND**

(Amount-Rs.)

	NON - PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
Balance as at the beginning of the year	(2,10,72,360)	2,84,12,319	14,81,92,501	9,16,57,453
Add:/Less Contributions towards Corpus/Capital Fund	19,51,283	2,804,975	60,000	
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	(2,38,82,214)	(5,22,89,654)	9,24,03,173	5,65,35,048
<b>BALANCE SHEET AS AT THE YEAR-END</b>	<b>(4,30,03,291)</b>	<b>(2,10,72,360)</b>	<b>24,06,55,674</b>	<b>14,81,92,501</b>

**SCHEDULE 2 - RESERVES AND SURPLUS**

(Amount-Rs.)

	NON - PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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		PLAN	
					Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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					NIL	NIL	NIL	NIL
- 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	Previous Year	Current Year	Previous Year
	2011-12	2010-11	2011-12	2010-11
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	Previous Year	Current Year	Previous Year
	2011-12	2010-11	2011-12	2010-11
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
	2011-12	2010-11	2011-12	2010-11
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
	2011-12	2010-11	2011-12	2010-11
<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	9,03,000	21,86,000	48,00,000	6,00,000
2) For Telemarketers Registration fees	96,000	6,70,000		
3) For Customer Education Fees	1,28,88,337	97,76,062		
4) Penalty from telemarketers	52,33,705			
<b>TOTAL (A)</b>	<b>1,91,21,042</b>	<b>1,26,32,062</b>	<b>48,00,000</b>	<b>6,00,000</b>
<b>B. PROVISIONS</b>				
1. For Taxation				
2. Gratuity	1,50,06,101	1,25,17,450		
3. Superannuation/Pension				
4. Accumulated Leave Encashment	1,81,20,507	1,42,53,725		
5. Trade Warranties/Claims				
6. Other(Specify)				
Provisions for expenses	6,70,14,526	6,80,49,803	3,78,56,706	2,46,17,504
<b>TOTAL (B)</b>	<b>10,01,41,134</b>	<b>9,48,20,978</b>	<b>3,78,56,706</b>	<b>2,46,17,504</b>
<b>TOTAL (A+B)</b>	<b>11,92,62,176</b>	<b>10,74,53,040</b>	<b>4,26,56,706</b>	<b>2,52,17,504</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 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
<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 belongng to the entity	-	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES	64,85,438			64,85,438	28,39,312	4,27,363		32,66,675	32,18,763	36,56,126
5. FURNITURE, FIXTURES	1,82,89,829	4,01,207		1,86,91,036	92,40,192	14,41,272		1,06,81,464	80,09,572	90,49,636

(Contd...)

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

**(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	1,08,51,038	5,80,119	10,000	1,14,21,157	80,28,805	6,92,606	4,117	87,17,294	27,03,863	28,22,233
7. COMPUTER/ PERIPHERALS	2,60,65,018	32,27,924		2,92,92,942	2,10,62,292	23,97,590		2,34,59,882	58,33,060	50,02,726
8. ELECTRIC INSTALLATIONS	62,22,948	59,492		62,82,440	16,93,474	6,17,775		23,11,249	39,71,191	45,28,974
9. LIBRARY BOOKS	35,89,997	1,52,124		37,42,121	32,38,835	1,62,112		34,00,947	3,41,174	3,51,162
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS										
<b>TOTAL OF CURRENT 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>2,54,10,857</b>
<b>PREVIOUS YEAR</b>	<b>6,85,02,947</b>	<b>69,83,874</b>	<b>39,82,553</b>	<b>7,15,04,268</b>	<b>4,42,72,107</b>	<b>58,13,356</b>	<b>39,82,553</b>	<b>4,61,02,910</b>	<b>2,54,01,358</b>	<b>2,42,30,840</b>
<b>B.CAPITAL WORK-IN-PROGRESS</b>										
<b>TOTAL</b>										

**Sd/-  
Dy. Advisor**





SCHEDULE 8 - FIXED ASSETS PLAN

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK				As at the beginning of the year	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		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 belongng to the entity	-	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES										

(Contd...)

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

**(Amount-Rs.)**

DESCRIPTION	GROSS BLOCK			DEPRICIATION				NET BLOCK		
	Cost/ valuation as at begining 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
5. FURNITURE, FIXTURES										
6. OFFICE EQUIPMENT										
7. COMPUTER/PERIPHERALS										
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS	3,64,407	-	-	3,64,407	1,62,293	51,446	-	2,13,739	1,50,668	2,02,114
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS	-				-			-		
<b>TOTAL OF CURRENT 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>PREVIOUS YEAR</b>	<b>3,64,407</b>	<b>-</b>	<b>-</b>	<b>3,64,407</b>	<b>1,10,847</b>	<b>51,446</b>	<b>-</b>	<b>1,62,293</b>	<b>2,02,114</b>	<b>2,53,560</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 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
<b>A. CURRENT ASSETS:</b>				
1. Inventories				
a) Stores and Spares				
b) Loose 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)	89,739	90,640		
4. Bank Balances:				
a) With Scheduled Banks				
- On Current Accounts TRAI General fund	2,26,93,590	1,19,06,421	1,12,98,897	20,93,027
- On Current Accounts Registration Fees	96,000	6,70,000		
- Penalty from telemarketres	52,33,705			
- On Savings Account Customer education fees	1,28,88,337	97,76,062		
b) With non-Scheduled Banks				
- On Current Accounts				
- On Deposit Accounts				
- On Savings				
5. Post Office-Savings Accounts				
<b>TOTAL (A)</b>	<b>4,10,01,371</b>	<b>2,24,43,123</b>	<b>1,12,98,897</b>	<b>20,93,027</b>

**Sd/-  
Dy. Advisor**



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

**(Amount-Rs.)**

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
<b>B. LOANS, ADVANCES AND OTHER ASSETS</b>				
1. Loans				
a) Staff	31,54,631	33,83,771		
b) Other Entities engaged in activities/objectives similar to that of Entity				
c) Others (TA, LTC and Festival Advances to Officers & Staff)	18,21,142	2,30,700	4,91,015	1,14,864
2. Advance and other amounts recoverable in cash or in kind or for value to be received:				
a) On Captial Account	26,00,000	3,16,00,000	27,10,00,000	17,10,00,000
b) Prepayments				
c) Others	10,78,544	11,72,165	3,71,800	
3. Income Accrued				
a) On Investments from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances	20,37,939	16,58,643		
d) Others (includes income due unrealised Rs.)				
4. Claims Receivable	4,87,635	4,90,920		
<b>TOTAL (B)</b>	<b>1,11,79,891</b>	<b>3,85,36,199</b>	<b>27,18,62,815</b>	<b>17,11,14,864</b>
<b>TOTAL (A+B)</b>	<b>5,21,81,262</b>	<b>6,09,79,322</b>	<b>28,31,61,712</b>	<b>17,32,07,891</b>

**Sd/-  
Dy. Advisor**

## SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
(Irrevocable Grants & Subsidies Received)				
1) Central Government	35,00,00,000	29,00,00,000	16,00,00,000	13,00,00,000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
<b>TOTAL</b>	<b>35,00,00,000</b>	<b>29,00,00,000</b>	<b>16,00,00,000</b>	<b>13,00,00,000</b>

Sd/-  
Dy. Advisor



## SCHEDULE 14 - FEES/SUBSCRIPTIONS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2011-12	2010-11	2011-12	2010-11
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
	2011-12	2010-11	2011-12	2010-11
(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	Previous Year	Current Year	Previous Year
	2011-12	2010-11	2011-12	2010-11
1. Income from Royalty	-	-	-	-
2. Income from Publications	-	-	-	-
3. Others (specify)	-	-	-	-
<b>TOTAL</b>	-	-	-	-

**SCHEDULE 17 - INTEREST EARNED**

**(Amount-Rs.)**

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2011-12	2010-11	2011-12	2010-11
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	4,67,929	3,17,827	-	-
b) Others	-	-	-	-
4) Interest on Debtors and Other Receivables	-	-	-	-
<b>TOTAL</b>	<b>4,67,929</b>	<b>3,17,827</b>	-	-

Note-Tax deducted at source to be indicated

**Sd/-  
Dy. Advisor**



**SCHEDULE 18 - OTHER INCOME**

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
1. Profit on Sale/disposal of Assets				-
a) Owned assets		1,12,600		-
b) Assets acquired out of grants, or received free of cost				-
2. Export Incentives realized				-
3. Fees for Miscellaneous Services				-
4. Miscellaneous Income	19,242	54,785		-
<b>TOTAL</b>	<b>19,242</b>	<b>1,67,385</b>		<b>-</b>

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

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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>

**SCHEDULE 20 - ESTABLISHMENT EXPENSES**

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
a) Salaries and Wages	13,65,48,216	10,74,54,388	-	-
b) Allowances and Bonus	2,77,221	2,71,678	-	-
c) Contribution to Provident Fund	36,70,657	33,35,995	-	-
d) Contribution to Other Fund (specify)			-	-
e) Staff Welfare Expenses	3,86,123	3,21,738	-	-
f) Expenses on Employees Retirement and Terminal Benefits	1,77,78,906	1,02,20,440	-	-
g) Others (LTC, Medical to Officers & Staff and OTA to Staff)	1,06,60,155	82,18,585	-	-
<b>TOTAL</b>	<b>16,93,21,278</b>	<b>12,98,22,824</b>	<b>-</b>	<b>-</b>

**Sd/-  
Dy. Advisor**

**SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC**

**(Amount-Rs.)**

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
a) Purchases				
b) Labour and processing expenses				
c) Cartage and Carriage Inwards				
d) Electricity and power	9,75,604	13,72,422		
e) Water charges				
f) Insurance	1,11,615	1,69,647		
g) Repairs and maintenance	23,76,159	34,03,255		
h) Excise Duty				
i) Rent, Rates and Taxes	11,76,43,636	11,07,42,133		
j) Vehicles Running and Maintenance	33,17,004	22,41,168		
k) Postage, Telephone and Communication Charges	80,82,217	74,52,217		
l) Printing and Stationery	76,92,856	52,94,186		
m) Travelling and Conveyance Expenses	1,96,56,912	1,65,18,050		
n) Expenses on Seminar/Workshops	9,99,980	39,02,739		
o) Subscription Expenses	5,55,793	5,36,808		
p) Expenses on Fees				
q) Auditors Remuneration	1,04,200	1,12,700		
r) Hospitality Expenses	23,07,647	18,93,672		
s) Professional Charges	2,15,39,180	2,87,60,976		
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	42,41,263	1,38,17,357		
z) Others				
(i) Others (Payment to Security, Housekeeping etc.)	97,05,323	1,09,21,356		
(ii) Expenditure on Capacity Building			6,75,45,381	7,34,13,506
SATRC meeting expenses and fees				
<b>TOTAL</b>	<b>19,93,09,389</b>	<b>20,71,38,686</b>	<b>6,75,45,381</b>	<b>7,34,13,506</b>

**Sd/-  
Dy. Advisor**



**SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC**

**(Amount-Rs.)**

	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
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 31-03-2012**

(Amount-Rs.)

RECEIPTS	NON-PLAN		PLAN		PAYMENTS	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11		Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
<b>I. Opening Balance</b>					<b>I. Expenses</b>				
a) Cash in hand	90,640	92,415			a) Establishment Expenses (corresponding to Schedule 20)	16,05,35,326	12,56,42,776		
i) In current accounts	1,19,06,421	1,70,86,623	20,93,027	48,98,572	b) Administrative expenses (corresponding to Schedule 21)	20,09,79,878	21,00,19,432	5,42,46,179	5,83,15,108
ii) In deposit accounts					<b>II. Payments made against funds for various projects</b>				
iii) Savings accounts					(Name the fund or project should be shown along with the particulars of payments made for each project)				
iv) in current accounts Registration fees	6,70,000				<b>III. Investments and deposits made</b>				
iv) Savings accounts Customer Education Fees	97,76,062				a) Out of Earmarked/Endowment funds				
<b>II. Grants Received</b>					b) Out of Own Funds( investments-Others)				
a) From Government of India	37,90,00,000	33,50,00,000	6,00,00,000	5,50,00,000	<b>IV. Expenditure on Fixed Assets &amp; Capital Work-in-progress</b>				
b) From State Government					a) Purchase of Fixed Assets	42,44,890	76,00,448		
c) From other sources(details) (Grants for capital & revenue exp to shown sperately)					b) Expenditure on Capital Work-in-progress				
<b>III. Income on Investments from</b>					<b>V. Refund of surplus money/ Loans</b>				
a) Earmarked/Endow Funds					a) To the Government of India				
b) Own Funds(Oth Investment)					b) To the State Government				
<b>IV. Interest Received</b>									
a) On Bank depositis									

(Contd...)





RECEIPTS	NON-PLAN		PLAN		PAYMENTS	NON-PLAN		PLAN	
	Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11		Current Year 2011-12	Previous Year 2010-11	Current Year 2011-12	Previous Year 2010-11
b) Loans & Advances	88,633	4,363			c) To other providers of funds (Consumer Protection Fund)				
c) Miscellaneous					d) To DoT for registration fees for telemarketers	6,70,000			
<b>V. Other Income(Specify)</b>					e) To DoT for customer education fees	97,56,000			
To Miscellaneous Income	19,242	54,785			<b>VI. Finance Charges(Interest)</b>				
<b>VI. Amount Borrowed</b>					<b>VII. Other Payments(Specify)</b>				
<b>VII. Any other receipts (give details)</b>					Loans and advances and security deposits	26,64,302		7,47,951	90,437
To Fees					<b>VIII. Closing Balances</b>				
To Security Deposits		16,36,000	42,00,000	6,00,000	a) Cash in hand	89,739	90,640		
To Sale of Assets	5,883	1,12,600			b) Bank Balances				
To loans and advances & security deposits	96,906	12,72,931			1) In current accounts TRAI General fund	2,26,93,590	1,19,06,421	1,12,98,897	20,93,027
To Registration Fees	96,000	6,70,000			ii) In current accounts Registration fees	96,000	6,70,000		
To Customer Education Fees	1,28,68,275	97,76,062			2) In deposit accounts				
To penalty from customers	52,33,705				i) Savings accounts Customer Education Fees	1,28,88,337	97,76,062		
					ii) Savings accounts penalty from telemarketers	52,33,705			
<b>TOTAL</b>	<b>41,98,51,767</b>	<b>36,57,05,779</b>	<b>6,62,93,027</b>	<b>6,04,98,572</b>		<b>41,98,51,767</b>	<b>36,57,05,779</b>	<b>6,62,93,027</b>	<b>6,04,98,572</b>

Sd/-  
Pr. Advisor (FA/ IFA)

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., 2011-12 - 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 31.03.2012 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 2011-12 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. Fixed assets include:-**

Out of four vehicles purchased from DoT for Rs. 14, 71,692/- during 1997-98, two cars were transferred to TDSAT in October, 2000. The cost of these two cars was Rs. 7,35,846/- and



accumulated depreciation on date of transfer was Rs. 2,48,211. The amount of WDV of such cars on the date of transfer was Rs. 4,87,635/- which has been debited to claims recoverable from TDSAT/DOT. The matter is pending with DoT.

#### 5. Grants

During the accounting year i.e. 2011-12 the grants sanctioned for transfer to TRAI General Fund under Non – Plan head was Rs. 35.00 crore against which a sum of Rs.37.90 crores was received as grant from DoT. A sum of Rs. 26 Lakh 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. 16.00 crore against which a sum of Rs. 6.00 crore was received as grant from DoT. A sum of Rs. 27.10 crore receivable from DoT has been shown in Schedule-11.

#### 6. 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 Tele-Marketers and Financial Disincentive Accounts. During the financial year ending on 31-03-2012 a sum of Rs.96,000/- , Rs.1,28,68,275/- & Rs.52,33,705/- has been received in account of Registration Fee , Customer Education Fee & penalty on telemarketers respectively. This amount has been shown in Schedule 7 -Current liabilities & provisions under the head Other liabilities.

#### 7. 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 .

#### 8 Transactions in Foreign Currencies

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction

#### 9 Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31<sup>st</sup> March, 2012 and the Income and Expenditure Account for the year ended on that date.

Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (FA/ IFA)	Secretary	Member	Chairperson





# C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNT OF TRAI FOR THE YEAR 2011-12

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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 2012

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2012 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 2012; 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/-**

**(Revathi Bedi)**

**Director General of Audit (P&T)**

**Place: Delhi**

**Date: 04 October 2012**



## 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 2012)

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-2012**

(Amount-Rs.)

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
TRAI - CPF MEMBERS' ACCOUNT	1	55671067.00	55969295.00
RESERVES AND SURPLUS	2		-
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>55671067.00</b>	<b>55969295.00</b>
<b>ASSETS</b>			
FIXED ASSETS	8		-
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9		-
INVESTMENTS - OTHERS	10	48100924.79	49937216.00
CURRENT ASSETS, LOANS, ADVANCES ETC	11	7570142.21	6032079.00
MISCELLANEOUS EXPENDITURE - on account of Diminution on Value of Investments (to the extent not written off or adjusted)			-
<b>TOTAL</b>		<b>55671067.00</b>	<b>55969295.00</b>
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

Sd/-  
**Sh. J.S. Bhatia**  
 Jt. Advisor (Accounts)  
 Ex - Officio Trustee

Sd/-  
**Sh. S.D. Sharma**  
 Dy. Advisor (HR &OS)  
 Ex - Officio Trustee

Sd/-  
**Sh. S.B. Singh**  
 Jt. Advisor (Legal)  
 Trustee

Sd/-  
**Smt. Poonam Khurana**  
 P. A. (B&CS)  
 Trustee

Sd/-  
**Sh. R.K. Mishra**  
 Pr. Advisor (A&P)  
 Ex - Officio President

**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT  
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/ YEAR ENDED 31-MAR-2012**

(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	-	-
Income for Royalty, Publication etc	16	-	-
Interest Earned	17	3580777.64	2632661.20
Other Income	18	881468.57	1012005.80
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	-
<b>TOTAL (A)</b>		<b>4462246.21</b>	<b>3644667.00</b>
<b>EXPENDITURE</b>			
Establishment Expenses	20	67348.00	-
Other Administrative Expenses etc	21	427.00	50.00
Expenditure on Grants, Subsidies etc	22	-	-
Interest	23	4366788.00	3627507.00
Diminution Value of Investments in Mutual Funds		27683.21	17110.00
Depreciation (Net Total at the year end-corresponding to Schedule 8)			
<b>TOTAL (B)</b>		<b>4462246.21</b>	<b>3644667.00</b>

(Contd...)





<b>Balance being excess of Income over Expenditure (A-B)</b>		<b>0.00</b>	<b>0.00</b>
Transfer to Misc Expenditure to the extent not written off - on account of Diminution Value of Investments			-
Transfer to / from General Reserve			-
Balance being Surplus/ (Deficit) carried to Corpus/Capital Fund		0.00	0.00
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25		

**Sd/-**  
**Sh. J.S. Bhatia**  
**Jt. Advisor (Accounts)**  
**Ex - Officio Trustee**

**Sd/-**  
**Sh. S.D. Sharma**  
**Dy. Advisor (HR &OS)**  
**Ex - Officio Trustee**

**Sd/-**  
**Sh. S.B. Singh**  
**Jt. Advisor (Legal)**  
**Trustee**

**Sd/-**  
**Smt. Poonam Khurana**  
**P. A. (B&CS)**  
**Trustee**

**Sd/-**  
**Sh. R.K. Mishra**  
**Pr. Advisor (A&P)**  
**Ex - Officio President**

**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-2012**

**SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT**

(Amount-Rs.)

	Current Year	Previous Year
Balance as at the beginning of the year	55969295.00	45396949.00
Add: Contributions towards Members' Account	-298228.00	10572346.00
Add/(Deduct): Balance of net income/ (expenditure) transferred from the Income and Expenditure Account		
<b>BALANCE AS AT THE YEAR-END</b>	<b>55671067.00</b>	<b>55969295.00</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:		N.A.
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>		

**Sd/-**  
**Dy. Advisor**





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

(Amount-Rs.)

	FUND-WISE BREAKUP				Current Year	Previous Year
	Fund WW	Fund XX	Fund YY	Fund 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>		

**SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS**

(Amount-Rs.)

	Current Year	Previous Year
<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		
<b>TOTAL (A)</b>		N.A.
<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			DEPRICIATION				NET BLOCK		
	Cost/ valuation as at begining 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
<b>A. FIXED ASSETS:</b>										
1. LAND										
a) Freehold										
b) Leasehold										N.A.
2. BUILDINGS										
a) On Freehold Land										
b) On Leasehold Land										
c) Ownership Flats/Premises										
d) Superstructures on land not belongng to the entity										
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 begining 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		
2. Other approved Securities	14422323.79	14450007.00
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (Fixed Deposits in Banks/PSU)	33678601.00	35487209.00
<b>TOTAL</b>	<b>48100924.79</b>	<b>49937216.00</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)	-	-
- On Savings Account	2264876.41	825953.40
b) With non-Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts	-	-
- On Savings Account	-	-
5. Post Office-Savings Accounts		
<b>TOTAL (A)</b>	<b>2264876.41</b>	<b>825953.40</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	4424214.04	4194119.41
c) On Loans and Advances		
d) Others (includes income due unrealised Rs.)		
4. Claims Receivable - (0.19 - 417 + 881468.57)	881051.76	1012006.19
<b>TOTAL (B)</b>	<b>5305265.80</b>	<b>5206125.60</b>
<b>TOTAL (A+B)</b>	<b>7570142.21</b>	<b>6032079.00</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

#### Investment from Earmarked Fund

(Amount-Rs.)

	Current Year	Previous Year
(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>		

### 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	540463.49	311139.00
b) With Non-Scheduled Banks		
c) With Institutions	2836697.14	2225275.20
d) Others		
2) On Savings Account		
a) With Scheduled Banks	203617.01	96247.00
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>3580777.64</b>	<b>2632661.20</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	1012005.80
<b>TOTAL</b>	<b>881468.57</b>	<b>1012005.80</b>

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

	Current Year	Previous Year
a) Closing stock	/	N.A.
- Finished Goods		
- Work-in-progress		
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 - DLIS Rs. 67,348/-	67348.00	-
<b>TOTAL</b>	<b>67348.00</b>	<b>-</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 (specify) - Bank Charges (428 - 1 = Rs. 427/-)	427.00	50.00
<b>TOTAL</b>	<b>427.00</b>	<b>50.00</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) - Interest Payable to Members	4366788.00	3627507.00
<b>TOTAL</b>	<b>4366788.00</b>	<b>3627507.00</b>

Sd/-  
Dy. Advisor

**TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT**  
**RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MAR-2012**

(Amount-Rs.)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
<b>I. Opening Balance</b>			<b>I. Expenses</b>		
a) Cash in hand		-	a) Establishment Expenses (corresponding to Schedule 20)	67348.00	-
b) Bank Balances			b) Administrative Expenses (corresponding to Schedule 21)	428.00	50.00
i) In current accounts		-			
ii) In deposit accounts		-			
iii) Savings accounts	825953.40	1174760.44			
<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. Investments and Deposits made</b>		
<b>III. Income on Investments from</b>			a) Out of Earmarked/ Endowment funds		
a) Earmarked/ Endow Funds			b) Out of Own Funds		
b) Own Funds (Oth Investment)			(Investments - Others)	9500000.00	14835361.00
			(investments - Flexi Account)	1511861.00	
<b>IV. Interest Received</b>			<b>IV. Expenditure on Fixed Assets &amp; Capital Work-in-progress</b>		
a) On Bank Deposits - (Sch. A)	579248.01	329716.00	a) Purchase of Fixed Assets		

(Contd...)





**RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MAR-2011 (Contd...)**

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
b) Loans, Advances etc.			b) Expenditure on Capital Work-in-progress		
c) Miscellaneous - (Sch. B)	2771436.00	959729.96			
<b>V. Other Income (Specify)</b>			<b>V. Refund of surplus money/Loans</b>		
To Miscellaneous Income			a) The Government of India		
			b) The State Government		
			c) Other providers of funds		
<b>VI. Amount Borrowed</b>			<b>VI. Finance Charges (Interest)</b>		
<b>VII. Any other Receipts (Give Details)</b>			<b>VII. Other Payments (Specify)</b>		
Fees			Final Payments	4820969.00	4052420.00
Capital Fund			Advances and Withdrawals	15158680.00	6484120.00
Sales of Publication					
Sale of Assets			<b>VIII. Closing Balances</b>		
Contribution from Members	10816224.00	10553240.00	a) Cash in hand		
Contribution from TRAI	3604801.00	3331417.00	b) Bank Balances		
Transfer of Balances	0.00	2986267.00	i) In current accounts		
Repayment of Advances	893608.00	610455.00	ii) In deposit accounts		
Maturity of FDs/ Encashment of Mutual Funds	11308608.00	5537959.00	iii) Savings accounts		
Interest Shortfall Recovered from TRAI Gen. Fund	1012006.00	714360.00	(7,38,009.40 + 15,006.01)	753015.41	825953.40
Excess Contribution from TRAI	417.00	-			
<b>TOTAL</b>	<b>31812301.41</b>	<b>26197904.40</b>	<b>TOTAL</b>	<b>31812301.41</b>	<b>26197904.40</b>

Sd/-  
Sh. J.S. Bhatia  
Jt. Advisor (Accounts)  
Ex - Officio Trustee

Sd/-  
Sh. S.D. Sharma  
Dy. Advisor (HR & OS)  
Ex - Officio Trustee

Sd/-  
Sh. S.B. Singh  
Jt. Advisor (Legal)  
Trustee

Sd/-  
Smt. Poonam Khurana  
P.A. (B&CS)  
Trustee

Sd/-  
Sh. R.K. Mishra  
Pr. Advisor (A&P)  
Ex - Officio President

## 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., 2011-12. There is no change in Method of Accounting from the preceding year.
- iii) Investments depicted in Schedule 10 (Investments - Others) including Other Approved Securities amounting to Rs. 1,44,22,323.79 and Others (FDs in Banks/ PSUs) amounting to Rs. 3,36,78,601.00 are Long-term investments as these are being held for more than one year from the date on which they have been made.

## 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 As per approval of Competent Authority, the shortfall of Interest, if any, between Interest Earned on Investments made and Interest Payable to Subscribers, will be borne out of the TRAI General Fund. Accordingly, in this year, a sum of Rs. 8,81,051.76/- recoverable from TRAI General Fund has been accounted for.
- 3 In compliance with the requirements of Accounting Standards (AS) - 13 issued by the Institute of Chartered Accountants of India (ICAI) and as suggested by the Audit party in the SAR of the financial year 2008-09, a sum of Rs. 27,683.21/- as Diminution Value in some Mutual Fund Investments as on 31-03-2012 has been duly accounted for in the Books of Accounts.

Sd/- Sh. J.S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee	Sd/- Sh. S.D. Sharma Dy. Advisor (HR & OS) Ex - Officio Trustee	Sd/- Sh. S.B. Singh Jt. Advisor (Legal) Trustee	Sd/- Smt. Poonam Khurana P.A. (B&CS) Trustee	Sd/- Sh. R.K. Mishra Pr. Advisor (A&P) Ex - Officio President
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## 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
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
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
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
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
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
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
USIBC	U.S. - India Business Council
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

