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ABCD

*Netambit Infosource & E-Services Pvt. Ltd.
Response Paper to TRAI Consultation Paper on
Review of Telecom Unsolicited Commercial
Communications Regulations
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1 Executive Summary

The National Do-Not-Call (NDNC) registry became operational in October 2007. Even though the process to register on the NDNC list should be relatively straightforward, only 66 million mobile phone subscribers, approximately 11% of the total subscribers in India, have registered so far. The low numbers of registrations can be attributed to lack of awareness of this facility and the ineffectiveness of the current system of registration. Even the small percentage of subscribers who have registered themselves on the NDNC list continue to receive unsolicited calls by the telemarketers offering a variety of products and services. These unsolicited calls are received from both registered and unregistered telemarketers. The low percentage of registered subscribers, existence of unregistered telemarketers and high number of complaints indicates that the NDNC framework in its current form is not achieving its desired objectives and needs a thorough evaluation and revamp.

Review of the NDNC implementation has revealed issues related to low customer awareness about this facility, poor user interface and difficulties in the subscriber registration process, problems faced by subscribers in registering complaints with telecom service providers, poor ratio of closure of complaints, absence of effective mechanism for redressal of customer grievance in case of receiving unsolicited calls, inefficiencies in scrubbing process for registered telemarketers, existence of unregistered telemarketers, lack of effective deterrents in the system for defaulters, absence of accountability of NDNC related issues within the telemarketers and service provider community etc.

In light of the complaints raised by subscribers, the Authority is seeking to move to a Do-Call Registry' in place of NDNC. We believe that issues being faced in NDNC can and should be resolved through detailed review and proper implementation and, if left unresolved, would continue to arise in any other alternative system that the Authority seeks to move to.

Additionally the society at large will stand to lose the larger benefits that the availability of a widespread mobile network in India can potentially facilitate. Companies in the business of banking, insurance, education, health, employment, VAS etc. through service organizations such as Business Process Outsourcing (BPOs) and telemarketing agencies are using the mobile medium which is one of the cheapest and cost effective medium to reach customers in rural and remote areas. This medium beside generating a lot of direct and indirect employment is being used to increase customer awareness, help push the Government of India's larger social and financial inclusion agenda, provide critical information related to financial products, education, jobs, health, weather etc. to an increasingly large customer base in rural and remote areas who till now have been bereft of such information and services due to lack of physical infrastructure and connectivity.

In light of all of the above, we request that the Authority conduct a detailed review of the current NDNC system to identify its drawbacks and provide recommendations for its effective implementation so that the facilitating environment that NDNC provides to various other industries to better reach out to the growing Indian mobile customer base can continue to thrive.

2 Responses to Questions in the Consultation Paper (Chapter 4 – Issues for Consultation)

4.1. What are the primary factors for poor effectiveness of Telecom Unsolicited Commercial Communications Regulations, 2007 (4 of 2007) in its present form? Give your suggestions with justifications.

The primary reasons for the poor effectiveness of the current NDNC registry mechanism are:

1. **Low level of awareness:** There are very few telecom subscribers in the country who are aware of the National Do Not Call (NDNC) service. This can be judged by the fact that only 10.59%¹ of the total subscribers have registered in the NDNC system. The balance 89.41% have to be integrated in the NDNC registration to ensure that the rules and regulations being laid down are followed by all telecom subscribers. The low level of NDNC registered subscribers can be attributed to the low levels of awareness about the existing mechanism of NDNC and the ineffectiveness of the current system of registration, both in terms of ease of use and assurance on effectiveness of complaint resolution.
2. **Ineffectiveness of the implementation of the NDNC registration list:** The subscribers, despite registering themselves on the NDNC list, continue to receive calls/SMSes from telemarketers. According to TRAI, till March 2010 there were a total of 3,40,231 complaints received against Unsolicited Commercial Communication (UCC). Most of these complaints were filed by people who had already registered on the NDNC list. The high level of complaints can be attributed to:
 - The high number of telemarketers who are unregistered and do not participate in the scrubbing process, and
 - The registered telemarketers who participate in scrubbing process but result in making unsolicited calls to registered subscribers either due to non-compliance and/or problems associated with the scrubbing process.
3. **High number of unregistered telemarketers:** In order to make the telemarketers accountable, they first have to be registered with DoT as part of National Do Not Call (NDNC). However, it has been noticed that a substantial number of telemarketers have not registered with DoT resulting in a large number of Unsolicited Commercial Communications. As on March 2010, there were only 27,292² telemarketers registered with the NDNC. Apart from these, there are several thousands of telemarketers who are not registered with the NDNC and choose not to follow any regulations set by the regulatory bodies. These unregistered telemarketers don't go through the scrubbing mechanism, resulting in subscribers who have registered for NDNC becoming a victim of Unsolicited Commercial Communication (UCC). Additionally, the non-registration of such a large number of telemarketers results in updation problems for the National Informatics Center (NIC).

¹ TRAI Consultation Paper number 08/2010

² TRAI Consultation Paper number 08/2010

4. **Time consuming scrubbing process:** In the current NDNC framework, the telemarketer sends their database to the NDNC registry which scrubs the lists and sends it back to the telemarketer. Since the frequency of scrubbing is not as often as the registration of new subscribers on the NDNC list, it also results in registered subscribers to get unsolicited calls. The other option is for NDNC to share the list with the registered telemarketers so that the onus of using the scrubbed list lies with the telemarketer.
5. **NDNC registration process is not user-friendly:** The user-interface for the NDNC registration process both at the NDNC site as well as operator's site is not user friendly. In some cases, the registration process does not work on some operator sites. Due to this, the users are not motivated to register on the system. TRAI should provide user-interface specifications to streamline the process.
6. **Negative word-of-mouth:** The few subscribers, who do register on these sites, still continue to get calls/SMSes from the telemarketers which results in higher levels of dissatisfaction and distrust in the current NDNC system. The negative word-of-mouth dissuades new subscribers to register on the NDNC list.
7. **Complicated complaint mechanism:** The complaint mechanism specifies that one can only complain to the telecom provider itself and not to NDNC. The process is confusing for a user and thus, discourages him/her to escalate the issue. Even if the user does register a complaint with the telecom provider, the complainant gets a response in 25 days while the complaint is filed within 15 days of receipt of UCC. There is no system of accountability or responsibility towards the aggrieved subscriber in the current process. Accountability at both operator and subscriber end needs to be fixed.
8. **Low penalties for violators:** The current penalties for violators are not high enough to act as a deterrent. Additionally, the fine that can be imposed on the provider for non-compliance with regulations is not followed strictly. There is no specified procedure for recovery. In the revised system, we suggest that TRAI should follow the international precedents and increase the fines imposed on the violators. We recommend that the fines could be in the range of Rs.2,000-5,000 with a ballooning clause for repeat violators. Imposing higher fines on the telemarketers for violating the NDNC list would act as a deterrent for future.
9. **Service Providers do not take requisite action against the defaulting telemarketers:** The service providers hesitate to take action against the defaulting telemarketers as they are high revenue subscribers. Service Providers should be mandated to impose penalties on such errant Telemarketers basis stipulated guidelines provided by the Authority.
10. **Lack of accountability towards the distressed subscribers:** The system of accountability on how the aggrieved subscriber will be compensated is not clear. A process could be set up for the aggrieved subscriber to receive part or whole of the penalty amount. This could also help in greater number of customers to register with NDNC.

11. **Low number of content aggregators' are part of the NDNC system:** Currently, the mechanism for scrubbing of databases for bulk SMSes is not as stringent as for phone calls. The number of content aggregators who are part of the current NDNC framework are very low and efforts need to be made to get all the content aggregators registered.

4.2. Do you feel that there is need to review the existing regulatory regime of Unsolicited Commercial Call (UCC) to make it more effective? What needs to be done to effectively restrict the menace of Unsolicited Commercial Communications (UCC)?

There is definitely a need to review the existing regulatory regime to make it effective. However, the consideration to move to a National Do Call Registry (NDC) would be counter-intuitive as the process and implementation issues being faced in the NDNC regime will continue to remain unresolved resulting in similar low subscriber participation and provider non-compliance. The need is for a more stringent NDNC framework specified by TRAI that clearly lays out the responsibility, accountability and the processes for all the stakeholders of NDNC such as operators, telemarketers and subscribers to achieve the desired objectives.

1. **Increase in conversion of non-registered telemarketers to registered telemarketers:** Controlling the activities of the non-registered telemarketers poses a significant challenge for the regulating bodies. The telecom companies, by keeping a track on the calling patterns of their users, such as by observing instances where multiple calls or bulk SMSes are being sent from a single number on a repeated basis, can help identify errant telemarketers and notify the authorities to further inspect the source of these calls and ensure that these telemarketers are registered with DoT. With this proposed system, wherein the telecom companies take up the responsibility in assisting DoT to identify the non-registered telemarketers, the number of telemarketers under the umbrella of DoT would increase and the overall trouble of unsolicited commercial communication would be curbed to a great extent.

Additionally, TRAI could make efforts to work with their counterpart Regulatory organizations such as Reserve Bank of India(RBI), Insurance Regulatory and Development Authority(IRDA)etc. who oversee Industries such as Banking, Insurance etc. to ensure that they use only Registered Telemarketers.

2. **Improvement of the scrubbing process:** Due to the issues related to the frequency of updating the NDNC list on the system and the time lost in the scrubbing process for the lists received from the registered marketers, we suggest that the responsibility of scrubbing should be with the telemarketers. NDNC could share the list with the registered telemarketers so that the onus of using the scrubbed list lies with the telemarketer. Subsequently, if there are any violators, they should be heavily penalized.
3. **Increase in the financial penalties levied on violators:** In the revised system, we suggest that we should follow the international precedents and increase the fines imposed on the violators substantially. We recommend that the fines could be in the range of Rs.2,000-5,000 with a ballooning clause for repeat violators. Imposing higher fines on the telemarketers for violating the NDNC list would act as a deterrent for future. Additionally, the authorities should ensure that the fine gets deposited with the actual aggrieved customer, in part or whole, which will result in a higher level of trust

with the revised system and the regulatory authorities. However, if imposing higher penalties is not currently under the purview of TRAI, then they should work towards ensuring that the right to impose a stiffer penalty comes under their mandate as they are entrusted with the subscriber grievances.

4. **Service providers to monitor and regulate the activities of telemarketers:** The service providers should monitor the complaints received against the telemarketers and should impose penalties on them on the basis of guidelines specified by TRAI. A centralized list with the name of these telemarketers should be maintained so that the service providers can refer to it at the time of new customer acquisition.
5. **Increasing the number of content aggregators in the NDNC system:** For effectively controlling the bulk SMSes being sent by the content aggregators, there should be a revision of the current NDNC framework to include steps to increase the number of registered content aggregators. The database for contacting customers through SMSes should undergo the same scrubbing process as that used for contacting through voice calls.
6. **Introduction of a separate number series:** Introduction of separate number series for the registered telemarketers would result in an improved control mechanism for unsolicited commercial communication. Since a separate number series results in ease of differentiating the telemarketing numbers from the regular numbers, it would be easier for customers to identify telemarketing calls/SMSes, which they can choose to, block or ignore. Additionally, the telecom companies can observe and regulate the usage of these separate number series. Blocking the number series completely, for customers who have registered on the NDNC system, would be most efficient and convenient.
7. **Telemarketers will assist individuals to get registered on the NDNC system:** The new system proposed could specify that telemarketers could register a non NDNC subscriber on their behalf if the subscriber wishes for assistance in doing so. This new system would help the customers who do not have access to internet or who are not aware of the NDNC mechanism to register on the NDNC list in an efficient and cost-effective manner. Currently, it is illegal for the telemarketers to register on behalf of their customers, but once given the legal access by the authorities, this step would greatly improve the number of people registering on the NDNC system, further helping the authorities to control the UCC problem.
8. **Encourage the use of auto dialers:** Auto-dialer is a system wherein the telemarketers call customers on the basis of a specified subscriber list uploaded on the switch. In the usage of auto-dialers, the scrubbing process is more effective and curbs individual agents from making random calls. Hence, telemarketers should be encouraged to use auto-dialers as it will increase the effective implementation of the current NDNC framework. By involving the telecom companies and increasing the level of penalties imposed on the unregulated use of violators, the UCC menace could be reduced.
9. **Improve the complaint mechanism:** The current system to handle the complaints of customers should be refined and strengthened to make it a more user-friendly and

effective. Customers should be assured of a revert on their complaint within stipulated period to increase participation and confidence in the system.

4.3 Do you perceive do call registry to be more effective to control Unsolicited Commercial Communications as compared to present NDNC registry in view of discussions held in para 2.4 to 2.9? Give your suggestions with justification.

The Do-Call Registry will not be more effective to control Unsolicited Commercial Communications as compared to present NDNC registry because the issues with the current NDNC framework will still exist. Issues such as:

1. The unregistered telemarketers will continue to call mobile users even though they haven't registered themselves on the Do-Call Registry. The current problems faced due to the activities of the unregistered telemarketers will continue to exist.
2. The complaint mechanism will continue to be ineffective. Due to the dissatisfaction of the mobile subscribers, caused by the unregistered telemarketers, the current issues with the complaint process will continue. The user-interface for filing a complaint will still not be user-friendly. Further, the process to ensure that a fine is imposed on the violators will continue to be a time-consuming process.

Since the current issues with the NDNC framework will continue even if the 'Do-Call Registry' is introduced, we suggest that the authority's efforts should be to streamline and strengthen the NDNC process.

Additionally, telemarketers use voice calling and SMSes which is the cheapest and most effective means of marketing to reaching rural and remote customers and has wide reaching social benefits detailed as below:

Positive Impact on the stakeholders:

1. **Industries:** Several industries such as banking, insurance, real estate and education have witnessed an exponential increase in growth due to the support of telemarketing. As stated above, the large base of telecom-subscribers form a huge market for insurance and credit card companies, telecom companies and telemarketers. Several B2C direct marketing companies and financial services providers, who act as distribution agents for banks and insurance companies, have greatly benefited from the growth in the telemarketing sector.

According to Mobile Marketing Association (MMA), the mobile-marketing industry, which largely involves push SMSes, is a Rs.200-crore industry and would be adversely impacted if the current NDNC system is shelved.

CII estimates that India's life insurance industry is likely to grow by around 10 per cent in 2010 over the previous year, mainly due to increased efficiency but also due to expansion in small towns and villages. This expansion in the life insurance industry can be partly attributed to the increase in the level of awareness of the people living in the rural areas due to the high level of mobile penetration and telemarketing efforts.

2. Service Organisations: Service organizations such as members of Business Process Outsourcing (BPOs) companies, Value Added Services (VAS) providers and umbrella organizations such as Business Process Industry Association of India (BPIAI) and Mobile Marketing Association (MMA) have used the telemarketing tools extensively to expand their business. Telemarketing, for these companies, is an unbeatable tool which is being used for generating leads. The increasing level of professionalism exhibited by these marketers and the expert management of these service organizations has led to an improvement in the rate of lead generations.

3. Employees: The telemarketing sector provides a large number of employment opportunities in India. The training and skill development at these companies and organizations has helped to prepare a large workforce and has enabled them to earn a source of living, thereby, contributing to India's impressive economic growth.

According to NASSCOM estimates, the projected number of direct employment opportunities by the BPO industry will touch approximately 2 million³ by the year 2012, with indirect job creation estimated at 8 million. Part of these is focused at the Indian domestic market, which has contributed to a very positive impact on India's economy.

Due to the large number of employment opportunities provided by the telecommunications industry, both directly and indirectly, consistent development of this sector is critical for the growth of the Indian economy.

4. Customers: As mentioned above, India has become the second largest telecommunication market⁴ in terms of subscriber base after China. It is also the fastest growing market the world⁵. The large customer base of the telecommunications sector is being used as a powerful tool to spread awareness about the new products and services launched and latest developments in technology.

The core target market for telemarketers in the future is the new customers from the Indian semi-urban and rural areas. Various industries and service organizations are looking to use the expanding mobile phone network as a medium for increasing knowledge and spreading awareness to the people who live in the remote and far flung areas. Telemarketing serves as an extremely cost-effective means to reach to the customers in the distant and secluded areas of India.

As per TRAI's reports, the rural subscription registered a hike of 11.4% in the rate of growth for the quarter ended September, 2009 and 15 percent for the quarter ended December, 2009. In comparison, the urban growth registered a negligible decline with 8.7 percent growth for the quarter ended September 2009 as compared to 8.5 percent for the quarter ended December 2009⁶ thus, highlighting the growing reach of mobile medium in rural India.

³ Nasscom – Everest India BPO Study - Roadmap 2012 - Capitalizing on the Expanding BPO Landscape - 2008⁴ Press Release date April 27, 2010

⁵ IBEF Telecom Sector Description Updated February 2010

⁶ TRAI Performance Indicator Report for the quarter ended December 31 2009

Currently, approximately 80%⁷ of the Indian population is without life, health and non-life insurance coverage. The life insurance penetration is 4% and the non-life cover is even lower at 0.6%. The per capita spend on life and non-life insurance is just about Rs2,000 and Rs300, respectively, as compared with a global average of at least Rs18,000 and Rs13,000. Insurance companies, through telemarketers, could use the widespread and growing mobile network in the rural areas as a medium to educate the Indian population about the advantages of insurance.

The banking sector in the rural India is also not as prevalent. Out of 650,000 villages in India, only 5.2% have bank branches⁸. Rural India has 39.7% of the overall bank network. At present, very few people from the low-income bracket level have access to formal banking system. But the real challenge for the regulatory bodies is not to increase the number of banks or accounts opened, but to ensure that the Indian banks use technology to lower transaction costs for small loans and deposits. These banks should develop innovative products using mobile telephony to spread and achieve financial inclusion.

“The number of mobile phones currently is more than the number of borrowers from the banking system. There is a clear need to increase the outreach and scale up operations at existing outlets.”

-Governor, Reserve Bank of India

Therefore, the Indian subscriber, both in urban and rural India will significantly benefit from the combined usage of mobile phones and new innovative products and services which will help them to increase their understanding of the various insurance and banking services.

II Financial Inclusion:

Financial inclusion is the delivery of banking services at affordable costs to vast sections of disadvantaged and low income groups. The term "financial inclusion" has gained importance since the early 2000s, as a result of findings about financial exclusion and its direct correlation to poverty. Financial inclusion is now a common objective for many central banks among the developing nations.

In India, financial Inclusion has been a priority policy for the Reserve Bank of India (RBI). It is seen as a tool for inclusive growth which will ensure equality of opportunity for all. RBI's focus has been to facilitate the process of ensuring that the entire range of appropriate financial products and services is available to underprivileged sections of the society at an affordable cost. Financial products and services such as insurance (especially medical and life insurance), pension for old age and investment schemes, and access to financial markets, micro credit, entrepreneurial credit and savings facility should be available to all citizens of the country, irrespective of their monetary or location constraints.

RBI took the initiative of using technology as the driving force for low-cost inclusion. The recent developments in the banking technology and expansion of telecommunication network in India has provided the perfect launch pad for extending banking outposts to remote locations without having to open bank branches in the area. The objective is to enable the branch to go where the customer is present using technology, instead of the other way around.

⁷ India Micro Finance Business News, Financial inclusion in India : Some Key Statistics – August 29, 2010

⁸ India Micro Finance Business News, Financial inclusion in India : Some Key Statistics – August 29, 2010

"Given the penetration levels of mobile telephony in India, this could become an important medium for achieving financial inclusion in the country,"

- RBI, Annual Monetary Policy release in April 2010

.Moving away from NDNC and implementing the proposed 'Do-Call' system, combined with past experience of low subscriber registration on NDNC, could prove as a serious blow to the above explained intent of various Government of India initiatives of achieving greater financial inclusions using mobile phones as a medium.

III A Tool to Create Awareness:

The channel of telemarketing is most effective in creating awareness especially amongst the people living in the semi-urban and rural areas. Direct telemarketing also helps in making the illiterate population of India (the current literacy rate in India is 64.84%), become more aware and knowledgeable about the various developments taking place in sectors such as banking, insurance and technology. The government initiative of financial inclusion has been able to reach the rural areas of the country due to the help of telemarketing. Telemarketing has been one of the most effective, inexpensive and fast way of getting access and reaching the grassroots level of India.

With the help of telemarketing, people living in the rural areas, who are ignorant of the various insurance schemes available, are now aware of the concept and benefits of life insurance. Even though the growth in conversion is not as high, the increase in the level of awareness and understanding of the improvement in the goods and services being offered is extensive.

Even if customers do not make an immediate purchase, they will be amenable to buying the product or service in the near future due to the increase in the level of knowledge and awareness.

IV Other Benefits of Telemarketing:

The innovative products and services being offered by companies in collaboration with telemarketers has helped to enhance the efficiency and quality of services being offered. Benefits such as:

1. Job Search: Nowadays numerous job search sites work in partnership with mobile service providers to provide services to users to help them apply and search for jobs on their mobile phones. By sending regular job alerts, the users of mobile phones have access to a large database of employment opportunities.
2. Flight Alerts: Similarly, most of the airlines send flight alerts to their passengers to inform them about the delays in the flight schedules. These flight alerts have greatly contributed towards improving the efficiency in the airline industry and passenger ease.
3. Information about better service providers: Competitive firms send information regarding the better schemes they have to offer to the customers. This service is helping the customers to be completely aware of the services being offered by all the players in

the market resulting in a decline in ignorance levels leads to better and more informed decision making.

4. Useful messages from the police/emergency services: In the time of emergencies, the medium of mobile phones could be used to reach out to a large number of people to warn them about the situation and ensure the safety of the citizens.

Summarizing above, the analysis with respect to the positive impact of telemarketing on Government initiatives, various industries, service organizations, their employees and the customers, we recommend that the current system of “National Do Not Call” registry should continue. Nevertheless, due to the high number of complaints, especially from the registered subscribers, it is evident that the current UCC framework has not been successful and the issues need in-depth examination and re-consideration. The current system is not very effective and efficient, and has a significant scope for further improvement. (Refer to response to Question 4.2 for suggested changes to the current NDNC framework.

4.4 Do you perceive the need to control telecom resources of telemarketers to effectively implement provisions of Unsolicited Commercial Communications and to encourage them to register with DoT? What framework may be adopted to restrict telecom resources of defaulting telemarketers?

The steps that can be adopted to restrict telecom resources of defaulting telemarketers are:

1. The Service providers should be mandated to monitor and regulate the activities of telemarketers: The service providers should monitor the complaints received against the telemarketers and if found to violate the NDNC mechanism, they should impose a penalty on the telemarketers specified by the Authority. A centralized list with the name of these telemarketers should be maintained by DoT and shared with the service providers, so that they refer to it at the time of new customer acquisition.
2. Additionally, DoT/TRAI should set up a process to conduct spot checks to ensure that the database, which is being used by the telemarketers and content aggregators, has been appropriately scrubbed.

4.5 Do you agree that maximum number of calls as well as SMS per day from a telephone number (wireless as well as wireline) can be technically controlled to force telemarketers to register with DoT? What other options you see will help to effectively control telemarketers?

We do not recommend implementing this limit even though it might be technically possible to specify the maximum number of calls and SMSes per day from a telephone number (wireless as well as wireline),. A service provider would not want to limit the usage of calls/SMSes since it is the main source of revenue generation. But there are other ways to ensure that the service providers assist the regulatory authorities to get a higher number of telemarketers to register with DoT and follow the NDNC framework.

The control mechanisms that we suggest are:

1. **Service providers to study the pattern of the calls/SMSes made and report exceptions to the authority:** The telecom companies can assist the regulatory bodies to increase the number of non-registered telemarketers to register with them. By observing instances where multiple calls or bulk SMSes are being sent from a single number on a continuous basis. The service providers, by studying this pattern, should be able to differentiate the retail clients from the telemarketers and send an updated list of the telemarketers to DoT. This will assist DoT to ensure that the unregistered telemarketers can get registered.
2. **Introduction of a separate number series:** We do understand that allocating a separate number series may result in inefficient utilization of telecom numbering resources, but since telemarketing is a growing channel for communication and the telecommunication industry is a growing community, it would probably make economic sense to introduce a separate number series for the telemarketers. The separate number series will result in ease of differentiating the telemarketing numbers from the regular numbers, and thus, make it easier for customers to identify telemarketing calls/SMSes, which they can choose to block or ignore. Additionally, the telecom companies can observe and regulate the usage of these separate number series. Blocking the number series completely, for customers who have registered on the NDNC system, would be most efficient and convenient.

4.6 Do you envisage that second screening at SMSC as proposed in para 2.12.3 will effectively control unsolicited SMSs? Give your comments with justification

We suggest that for effectively controlling the bulk SMSes being sent by the content aggregators, there should be strengthening of the current NDNC framework to include steps to increase the number of registered content aggregators and ensure that the database for the sending SMSes undergoes the same scrubbing process as that for making voice calls. Assuming it gets implemented and executed in right earnest, the need for second screening at SMSC would not arise.

4.7. What changes do you suggest in existing provisions to control the Unsolicited Commercial Communications effectively? Give your suggestion with justification.

Refer to response to Question 4.2

4.8 Do you agree that present panel provisions to charge higher tariff from telemarketers are resulting in undue enrichment of service providers? What penalty framework do you propose to effectively control UCC without undue enrichment of service providers?

We suggest the following changes to the current penalty framework to effectively control UCC without undue enrichment of service providers:

1. We suggest that 50% of the penalty should go to the aggrieved subscriber and 50% should be contributed towards an awareness fund, which will help increase the knowledge level of subscribers with respect to the NDNC framework.
2. The revised system should follow the international precedents and the fines imposed on the violators should be increased substantially. We recommend that the fines could be in the range of Rs.2,000-5,000 with a ballooning clause for repeat violators. Imposing higher fines on the telemarketers for violating the NDNC list would act as a deterrent for future. Imposing higher fines on the telemarketers for violating the NDNC list would act as a deterrent for future. However, if imposing higher penalties is not currently under the purview of the regulating authorities, then they should work towards ensuring that the right to impose a stiffer penalty is brought under their purview.

4.9 Do you feel that present UCC complaint booking mechanism is effective? What more can be done to enhance its effectiveness? (Reference Para 2.13.8)

As per TRAI, there were 55,167 customer complaints received For NDNC Violations, for which the following action was taken:

- 1) Higher tariff of Rs. 500/ Rs. 1000 charged from Telemarketers for 10,073 complaints
- 2) Telephone Lines of Telemarketers disconnected for 9927 complaints

Even in this illustration it seems that approximately 40% of the complaints did not have a formal closure, which gives us a reason to believe that the current UCC complaint booking mechanism has potential to be further strengthened to ensure results in an effective complaint resolution system. The issues with the current system along with the steps that can be taken to improve the process are:

1. **Low level of awareness:** There are very few telecom subscribers in the country who are aware of the process that they need to follow to file a complaint. Only a fraction of subscribers file a complaint directly or with the service provider. Efforts should be made to increase the level of awareness of the subscribers.
2. **High number of unregistered telemarketers and content aggregators:** The implementation of the complaint process is more difficult for unregistered telemarketers and content aggregators. Efforts should be made to ensure that more telemarketers register with DoT and become a part the NDNC system
3. **Complicated complaint mechanism:** The complaint mechanism specifies that one can only complain to the telecom provider itself and not to the NDNC. The process is confusing for a user and thus, discourages him/her to escalate the issue. Even if the user does register a complaint with the telecom provider, the complainant will get a response in 25 days even though the complaint is filed within 15 days of receipt of UCC. There is no system of accountability or responsibility towards the aggrieved subscriber in the current process.
4. **Complaint interface is not user-friendly:** The user-interface for the complaint system to report grievances is not user friendly. Due to this, the users are not motivated to

register on the system. The users should be made aware of the process and should be provided with assistance by the service providers through their call centers.

4.10. Do you feel that there is a need to enact legislation to control the Unsolicited Commercial Calls? Give your suggestion with justification. (Reference Para 2.13.9)

We suggest that the current NDNC framework should be strengthened by revising the existing regulatory regime of Unsolicited Commercial Communication. Detailed guidelines should be provided to the various stakeholders, such as to the service providers and telemarketers, which have detailed processes covering registry of subscribers on the NDNC list, logging and resolving complaints, to ensure efficient process implementation.

If the current NDNC framework is strengthened, there would be no need to enact a legislation to control the Unsolicited Commercial Calls as the problems faced in the current system are due to unclear process specifications and poor implementation.

4.11. Do you agree that definition in para 2.14.1 correctly define Unsolicited Commercial Communications in Do Call registry environment? Give your suggestions with justification. (Reference Para 2.14.2)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

4.12. Do you feel that proposed framework to register on NDCR will be user friendly and effective? What more can be done to make registration on NDCR more acceptable to customers as well as service providers? (Reference Para 3.7)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

4.13. In your opinion what are the various options which may be adopted for setting up and operating the NDC registry in India? Among these suggested options which options do you feel is the most appropriate for implementation and why? Give your suggestion with justification. (Reference Para 3.8.3)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

4.14. Do you agree that present NDNC registry can effectively be converted to NDC registry? What measures need to be taken to make it more effective? (Reference Para 3.8.4)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

4.15. In view of the discussion held in para 3.9, which option of charging and funding model do you suggest for procuring the data from National Do Call Registry by

telemarketers? What should be the various provisions you want to incorporate in suggested model? Give your suggestion with justification. (Reference Para 3.9.5)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

4.16. What measures do you suggest to protect data of NDC registry? Give your suggestions with justification. (Reference Para 3.10.2)

As explained in the response to question 4.2, the current NDNC framework should be strengthened and do not recommend the implementation of the NDC registry.

3 **About NetAmbit**⁹

NetAmbit is an Indian Financial Services distribution company. Founded in the year 2000, it was initially a provider of web capabilities to several internet portals. In the year 2003, with the mushrooming of the financial industry and simultaneous deregulation of the sector, NetAmbit established itself as a financial services company in India. Over time the company modified its business goals along with the changing times to initiate its entrance to the 'Direct Marketing' model of operations which has remained its mainstay to date. This model is now generically referred to as the 'NetAmbit Model' in the financial industry.

NetAmbit's highly profitable business model has several strong distribution channels which retail a range of different products. With over 3500 workstations, 300 field agents, 34 branches and hundreds of business associates, NetAmbit caters to a large section of insurable population in India.

With humble beginnings, the company started with just 11 employees to grow to over 3500 across over 100 locations across the country as of today. Currently, it is one of the fastest growing privately held players in the industry with more than a 100% growth rate, year-on-year.

NetAmbit's vision is to provide Indians with convenient access to financial solutions.

Through their services, they aim to provide security and safety to people across the country, distribute the finest products and services and set new benchmarks in customer satisfaction.

With its unique, proven, profitable and highly scalable model, NetAmbit is set to emerge as an even more formidable force in the financial sector in the years to come.

⁹ www.netambit.com