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TELECOM REGULATORY AUTHORITY OF INDIA

New Delhi, 28th July 2011

For Immediate release **Website :- www.trai.gov.in**

"Indian Telecom Services Performance Indicator Report" for the Quarter ending March 2011.

The TRAI today released the **"Indian Telecom Services Performance Indicator Report"** for the Quarter ending March 2011. This Report provides a broad perspective of the Telecom Services and presents the key parameters and growth trends for the Telecom Services as well as Cable TV, DTH & Radio Broadcasting services in India for the period covering January to March 2011, and is compiled on the basis of information furnished by the Service Providers.

Executive Summary of the Report is enclosed. The complete Report is available on TRAI's website www.trai.gov.in.

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Authorised to issue.

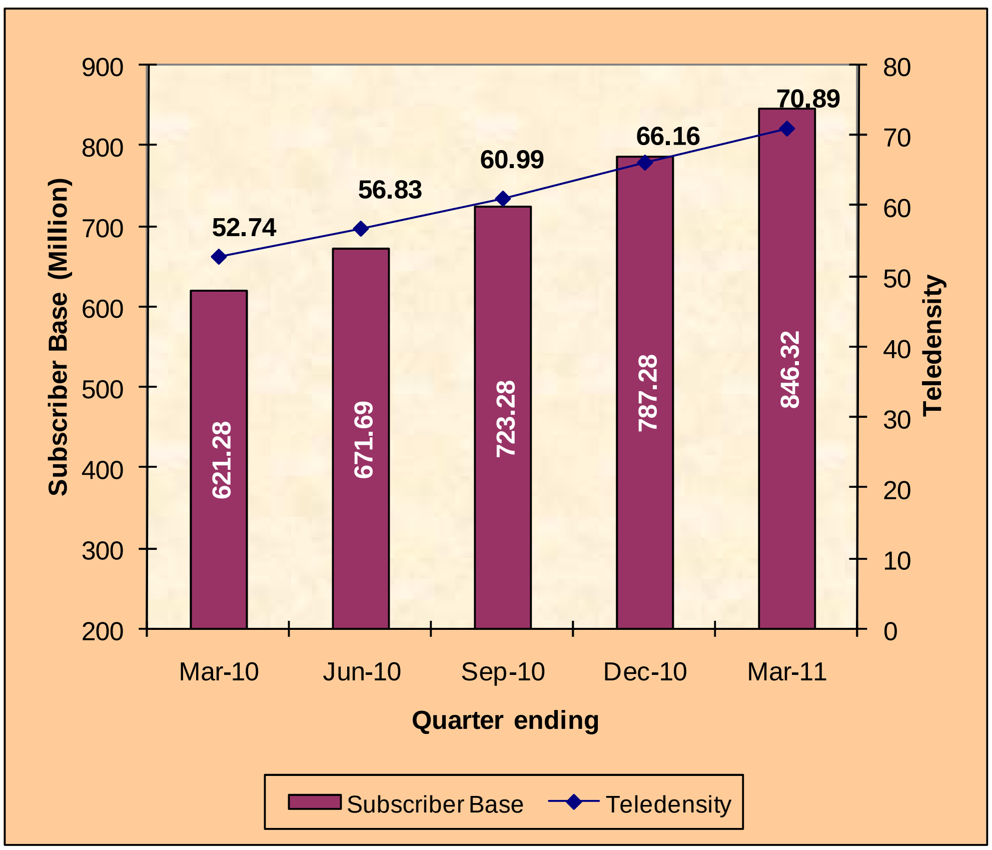
(Raj Pal)
Advisor (ER)

The Indian Telecom Services Performance Indicators
January - March 2011

Executive Summary

1. The number of telephone subscribers in India increased from 787.28 million in Dec-10 to 846.32 million at the end of Mar-11, registering a sequential growth of 7.50% over the previous quarter as against 8.85% during the QE Dec-10. This reflects year-on-year (Y-O-Y) growth of 36.22% over the same quarter of last year. The overall Teledensity in India has reached 70.89 as on 31st March 2011.

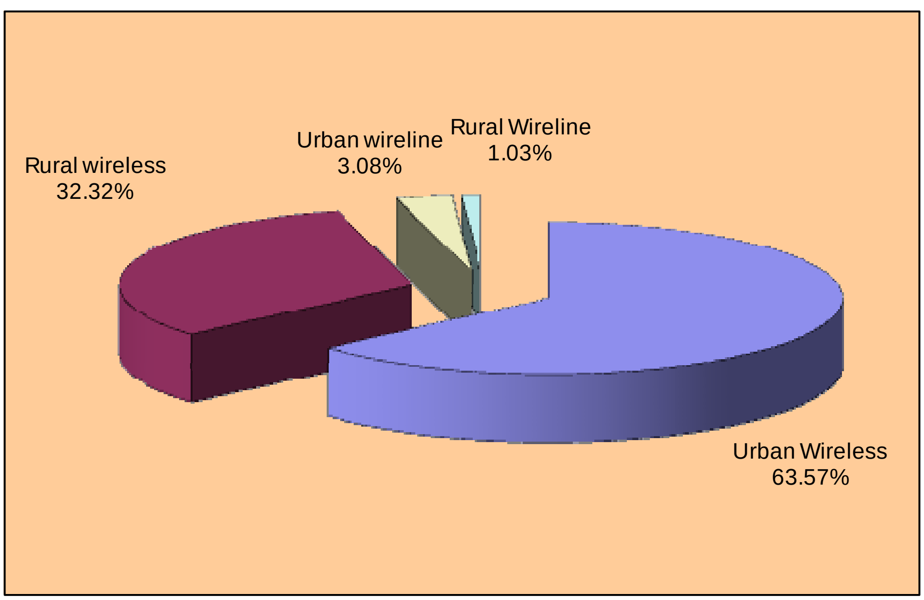
Trends in Telephone subscribers and Teledensity in India



2. Subscription in Urban Areas grew from 527.50 million at the end of Dec-10 to 564.08 million at the end of Mar-11, taking the Urban Teledensity from 147.88 to 157.32. Rural subscription increased from 259.78 million to 282.23 million, and the Rural Teledensity increased from 31.18 to 33.79. The share of Rural subscribers has increased to 33.35% in total subscription from 33.00% at the end of Dec-10.

3. About 61.96% of the total net additions have been in Urban areas as compared to 63.17% in the previous quarter. Rural subscription recorded a decline in rate of growth during the quarter. It declined from 9.98 % in Dec-10 to 8.65% in QE Mar-11. Rate of growth for Urban subscription also declined from 8.30% in QE Dec-10 to 6.93% in QE Mar-11.

Composition of Telephone Subscribers



4. With 59.40 million net additions during the quarter, total wireless (GSM + CDMA) subscriber base registered a growth of 7.90% over the previous quarter and increased from 752.19 million at the end of Dec-10 to 811.59 million at the end of Mar-11. The year-on-year (Y-O-Y) growth over the same quarter of last year is 38.89%. Wireless Teledensity increased from 63.22 to 67.98.

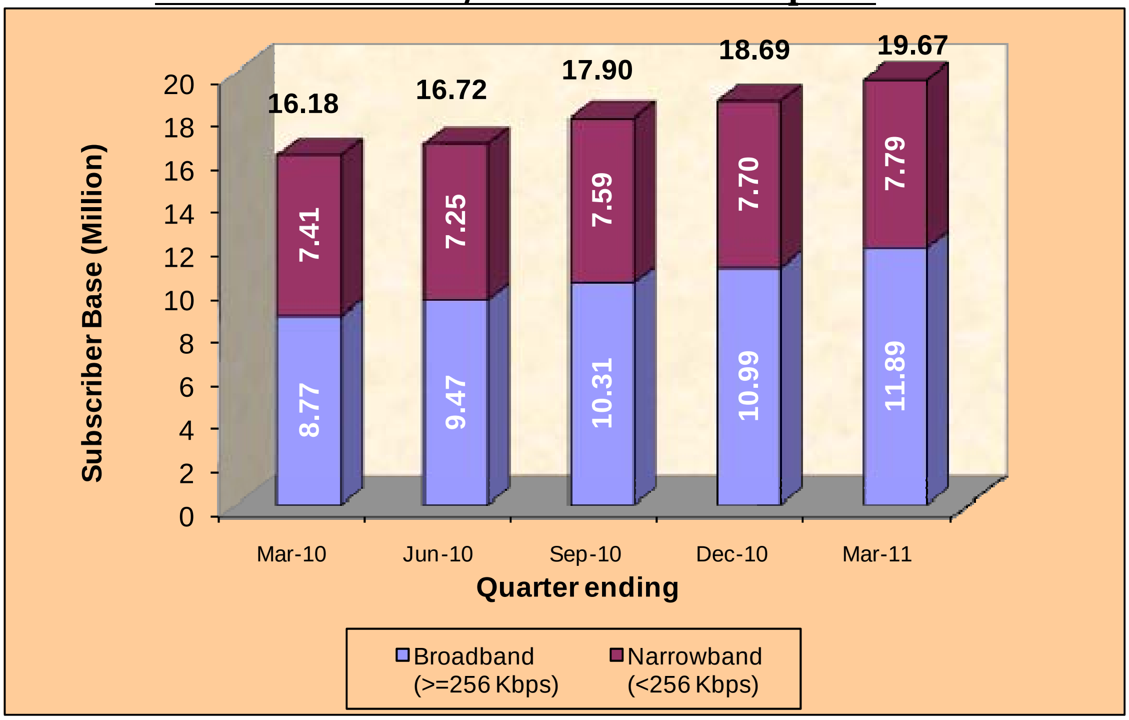
5. Wireline subscriber base further declined from 35.09 million at the end of Dec-10 to 34.73 million at the end of Mar-11, bringing down the wireline Teledensity from 2.95 at the end of Dec-10 to 2.91 at the end of Mar-11.

6. Internet subscribers increased from 18.69 million at the end of Dec-10 to 19.67 million at the end of Mar-11, registering a quarterly growth rate of 5.29%. Top 10 ISPs together hold 94.76% of the total Internet subscriber base.

7. Number of Broadband subscribers increased from 10.99 million at the end of Dec-10 to 11.89 million at the end of Mar-11, registering a quarterly growth of 8.17% and Y-O-Y growth of 35.49%.

8. Share of Broadband subscription in total Internet subscription increased from 58.8% in Dec-10 to 60.4% in Mar-11. 86.09% of the Broadband subscribers are using Digital Subscriber Line (DSL) technology.

Trends in Internet/Broadband subscription



9. Average Revenue Per User (ARPU) for GSM service declined by 4.52%, from ₹105 in QE Dec-10 to ₹100 in QE Mar-11, with Y-O-Y decrease of 23.7%.

10. MOU per subscriber for GSM service declined by 2.96%, from 360 in QE Dec-10 to 349 in QE Mar-11. The Outgoing MOUs (169) declined by 2.56% and Incoming MOUs (180) by 3.34%.

11. ARPU for CDMA – full mobility service declined by 3.79%, from ₹68 in QE Dec-10 to ₹66 in QE Mar-11. ARPU for CDMA has declined by 13.81% on Y-O-Y basis.

12. MOU per subscriber for CDMA-full mobility service declined by 2.65% from 270 in QE Dec-10 to 263 in QE Mar-11. The Outgoing MOUs (132) declined by 3.39% while Incoming MOUs (131) declined by 1.90%.

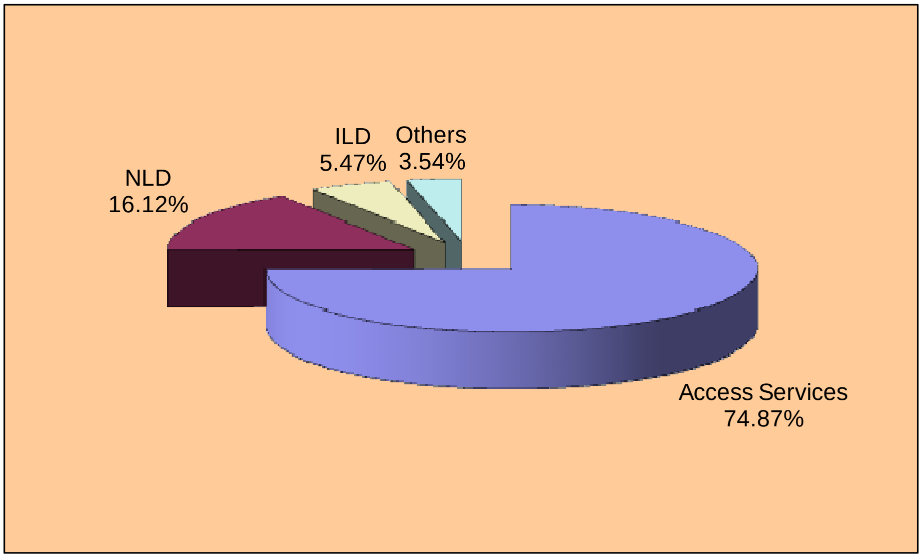
13. Gross Revenue (GR) and Adjusted Gross Revenue (AGR) of Telecom Sector for the QE Mar-11 has been ₹45,513.05 Crore and ₹31,470.63 Crore respectively. There has been an increase of 6.05% and 5.16% in GR and AGR respectively as compared to previous quarter. The year-on-year (Y-O-Y) growth in GR and ARG over the same quarter in last year has been 13.03% and 9.16% respectively. Pass-through charges accounted for 30.85% of the GR for the quarter ending Mar-11. The quarterly and the year-on-year (Y-O-Y) growth rates of pass-through charges for QE Mar-11 are 8.09% and 22.80% respectively.

14. Average licence fee as percentage of AGR is 8.23% in QE Mar-11 as against 8.35% in previous quarter. The quarterly and the year-on-year (Y-O-Y) growth rates of the average licence fee for QE Mar-11 are 3.58% and 7.60% respectively.

15. Access services contributed 74.87% of the total revenue of telecom services. In Access services GR, AGR, License Fee & Spectrum charges increased by 2.91%, 1.08%, 0.45% & 5.52% respectively in the quarter ending Mar-11 vis-à-vis previous quarter.

16. Average Revenue per User (ARPU) for Access Services based on AGR declined from ₹107 in QE Dec-10 to ₹100 in QE Mar-11.

Composition of Gross Revenue



17. The performance of wireline service providers, in terms of various Quality of Service (QoS) parameters, in comparison to that in the previous quarter is summarized as under:

Parameters showing Improvement in QoS	**Parameters showing deterioration in QoS**	**Parameters showing no change in QoS**
• Fault incidences per 100 subs/month • % Fault repaired within 3 days • MTTR • Resolution of billing/charging/Credit & validity complaints • Time taken for refund of deposits after closures • Call Completion Rate (in local network).	• % Fault repaired by next working day • Metering & billing credibility – Post paid • Period of applying credit/ waiver/ adjustment to customer's account from the date of resolution of complaints • Accessibility of call centre/ customer care • %age of calls answered by the operators (voice to	• Answer to seizure Ratio (ASR) • "% Fault repaired within 5 days (for rural & hilly areas") • Point of Intrconnection (POI) Congestion (No. of PoIs not meeting benchmark)

	voice) within 60 sec. • Termination / Closure of service 100% within 7 days	

18. The performance of wireless service providers in terms of QoS during the quarter vis-à-vis that in previous quarter is depicted as under:

Parameters showing Improvement in QoS	**Parameters showing deterioration in QoS**
• Worst affected BTSs due to downtime • Connection with good voice quality • Call Drop Rate • Worst affected cells having more than 3% TCH drop (call drop) rate • Metering and billing credibility - post paid • Metering and billing credibility - pre paid • Accessibility of call centre/ customer care • %age of calls answered by the operators (voice to voice) within 60 sec. • %age requests for Termination / Closure of service complied within 7 days • Time taken for refund of deposits after closures	• BTSs Accumulated downtime (not available for service) • Call Set-up Success Rate (within licensee's own network) • SDCCH/ Paging Chl. Congestion • TCH Congestion • Point of Interconnection (POI) Congestion (No. of POIs not meeting the benchmark) • Resolution of billing/ charging/ validity complaints • Period of applying credit/ waiver/ adjustment to customer’s account from the date of resolution of complaints

19. Total Number of channels registered with Ministry of I&B increased from 604 in Dec-10 to 652 at the end of Mar-11. There are 155 pay TV channels in existence, as reported by 24 broadcasters/their distributors, as on QE Mar-11.

20. Maximum number of TV channels being carried by any of the reported MSOs is 310 whereas in the conventional analogue form, maximum number of channels being carried by the reported MSOs is 100 channels.

21. Apart from All India Radio, Prasar Bharti – a public broadcaster, there are 245 private FM Radio stations in operation at the end of Mar-11.

22. Besides the free DTH service of Doordarshan, there are 6 private DTH licensees, offering their services to the DTH subscribers. As on 31.3.2011, their reported subscriber base is 35.56 million.

23. Number of Set Top Boxes (STBs) installed in CAS notified areas of Delhi, Mumbai, Kolkata and Chennai increased from 7,86,422 in Dec-10 to 8,04,837 at the end of Mar-11.

Snapshot

(Data As on 31st March 2011)	
Telecom Subscribers (Wireless +Wireline)	
Total Subscribers	846.32 Million
% change over the previous quarter	7.50%
Urban Subscribers	564.08 Million (66.65%)
Rural Subscribers	282.23 Million (33.35%)
Market share of Private Operators	85.11%
Market share of PSU Operators	14.89%
Teledensity	70.89
Urban Teledensity	157.32
Rural Teledensity	33.79
Wireless Subscribers	
Total Wireless Subscribers	811.59 Million
% change over the previous quarter	7.90%
Urban Subscribers	538.05 Million (66.30%)
Rural Subscribers	273.54 Million (33.70%)
GSM Subscribers	698.37 Million (86.05%)
CDMA Subscribers	113.22 Million (13.95%)
Market share of Private Operators	88.01%
Market share of PSU Operators	11.99%
Teledensity	67.98
Urban Teledensity	150.06
Rural Teledensity	32.75
Wireline Subscribers	
Total Wireline Subscribers	34.73 Million
% change over the previous quarter	-1.03%
Urban Subscribers	26.04 Million (74.97%)
Rural Subscribers	8.69 Million (25.03%)
Market share of Private Operators	17.39%
Market share of PSU Operators	82.61%
Teledensity	2.91
Urban Teledensity	7.26
Rural Teledensity	1.04
Village Public Telephones (VPT)	0.58 Million
Public Call Office (PCO)	3.33 Million

Internet & Broadband Subscribers	
Total Internet Subscribers	19.67 Million
% change over the previous quarter	5.29%
Broadband Subscribers	11.89 Million
Broadcasting & Cable Services	
Total Number of Registered Channels with I&B Ministry	652
Number of Pay Channels	155
Number of private FM Radio Stations	245
DTH Subscribers registered with Pvt. SPs	35.56 Million
Number of Set Top Boxes in CAS areas	804,837
Telecom Financial Data (for the QE Mar-11)	
Gross Revenue during the quarter	₹ 45,513.05 Crore
% change in GR over the previous quarter	6.05%
Share of Public sector undertaking's in GR	18.00%
Adjusted Gross Revenue (AGR)	₹ 31,470.63 Crores
% change in AGR over the previous quarter	5.16%
ARPU for Access Services	₹ 100
Revenue & Usage Parameters (for the QE Mar-11)	
Average Revenue Per User (ARPU) GSM	₹ 100
Average Revenue Per User (ARPU) CDMA	₹ 66
Minutes of Usage (MOU) GSM	349 Minutes
Minutes of Usage (MOU) CDMA	263 Minutes
Minutes of Usage for Internet Telephony	153.92 Million