

**Response to TRAI Consultation Paper on Telecom
Infrastructure dated 14th Jan, 2011**

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Preface

GRNL welcomes TRAI's move to come out with a detailed consultation paper on issues related to Telecom Infrastructure at an opportune time. The Indian telecom industry having been driven by the wireless boom in the past few years is facing certain challenges due to decrease in tariffs and increased competition. The rural teledensity has also lagged behind due to lack of good telecom infrastructure in rural areas as service providers do not find it feasible to rollout independent infrastructure. Therefore, certain key policy changes and empowerment of key stakeholders like IP-1 players will definitely play a large role in achieving the teledensity targets. *(Please refer to Annexure B for details on our company)*

The tower industry driven by the IP-1 players have played a key role in the proliferation of telecom infrastructure over the past 5 years. We welcome the move of TRAI to increase the ambit of services being provided by IP-1 players to create active infrastructure independent of the service providers. However as a stakeholder, we feel that the making the coverage obligations stringent alone is not going to solve the issue as the rollout model currently being used by the operators is not fit for the rural areas.

GRNL strongly proposes the “**Netco model**” wherein an IP-1 can assume the role of an independent entity responsible for creating and operating a Multi standard Radio Access network to be shared by multiple licensed service providers. Such an entity will provide a huge focus on creation of shared rural telecom infrastructure to provide a low cost access to the service providers in those areas. Such entities engaged in the Netco model can be provided with certain special rights to provide independent network infrastructure.

To enable the IP-1 providers in playing a larger role and for the successful implementation of the Netco model, we would want TRAI to consider certain key points as mentioned below:

- a. Enabling the requisite change in policy to enable IP-1 players to create multi service active telecom infrastructure independent of the service providers including but not limited to Shared Radio Access Networks, Lit Fiber networks and Microwave based access backhaul networks
- b. Extending the various tax and import duty advantages to the IP-1 players in order for them to be more cost effective.
- c. Providing relief on access charges being imposed by developers for certain key locations like airports for provisioning of cost effective In Building System which may restrict development of good IBS at such locations
- d. Providing IP-1 with well defined subsidy/incentives aided by USOF

The above points along with the Netco model are detailed in our response to the specific queries in the consultation paper below.

Response to Issues raised by TRAI in the consultation paper

In Building Solutions

6.7 What methods would you propose for reduction of the number of towers?

Passive Infrastructure sharing has already resulted in lesser number of new towers created due to enhanced sharing and the tower companies avoiding overlap with each other.

Some approaches for further optimization of tower numbers are identified below:-

- a. The regulator through DoT can appoint a central agency which can review the existing towers in urban and suburban areas and can come up with a list of towers which are overlapping. The agency can then identify the fittest tower/towers for consolidating the overlapping sites into fewer sites. The redundant sites can then be decommissioned reducing the number of sites in the area. This will also result in lowering of operating expenditure for each operator as a by product of sharing advantages.
- b. A neutral party can host a shared Active Infrastructure site in suburban and rural areas with existing tower overlap which can then be used to consolidate the sites of multiple service providers onto the shared site. The approach has been detailed further in our response to query number 6.25 of the consultation paper.

6.8 In what ways do you think that IBS can be encouraged for better in Building coverage, better QoS and reduction in level of radiated power from Macro cell sites?

In Building systems often co-exist with the Macro sites are not a perfect substitute for Macro sites. The main emphasis on In Building Systems today is to provide quality coverage and capacity inside the buildings which will be essential for next generation wireless broadband (3G,WiMAX) services which cannot be effectively served by Macro sites due to technological limitations. Some ways in which IBS can be encouraged are:-

- a. The Government through the respective agency should make it mandatory for the builders/developers of a multi storey residential and commercial property to have the In Building System supporting multiple service providers installed from day one as an essential utility.
- b. Mandate conversion of existing In Building Systems owned by various service providers to be 3G capable which will ensure reduction in the number of 3G macro sites from a capacity perspective and will vastly improve the QoS inside such buildings benefiting the subscribers and service providers.

- c. Intervene and cap the charges being levied by agencies in charge of operating large venues of strategic importance such as airports and railway stations to make the provision of In Building Services more feasible due to the high cost involved.
- d. Encourage/Mandate the provision of Wireless Coverage using a shared street level Distributed Antenna System fed from a BTS Hub for large residential premises to decrease the level of radiated power near the residents. A typical architecture is depicted in the diagram below.

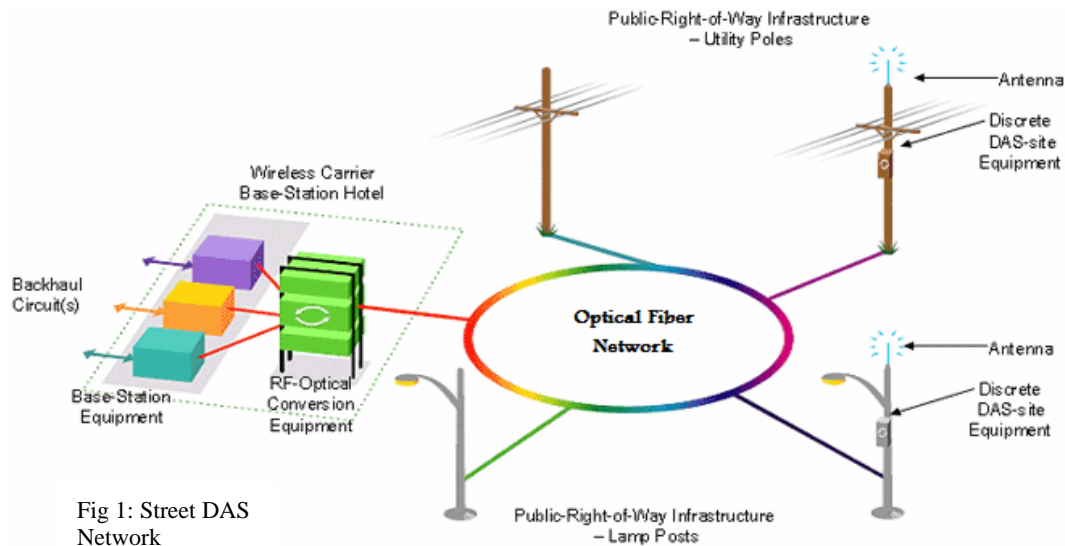


Fig 1: Street DAS Network Architecture

6.9 How can sharing of IBS among service providers be encouraged? Does TRAI need to issue any guidelines in this regard?

Sharing of In Building Systems though prevalent amongst the service providers is done in a very haphazard manner and with a view to capture a location for commercial advantage. Some of the ways in which we feel sharing of IBS can be encouraged are as follows:-

- a. Mandating the wireless service providers to open up their In Building Sites for sharing by other service providers on mutually agreeable commercial terms.
- b. We feel increasing the role of IP-1 providers in this area will ensure rollout of quality In Building Systems across cities and will allow every service provider to freely share the same based on mutually agreed commercial terms.
- c. Allocation of Government building which meet the IBS requirement criteria to independent parties for creation of quality shared IBS infrastructure.
- d. Allowing IP-1 to import, setup and operate specialized Active In Building Coverage Solutions such as **Fiber Optic based Active DAS** and **Grid Femtocells** independent of the operators.

Distributed Antenna Systems

6.10 Do you agree that innovative technologies such as Distributed Antenna System (DAS) can be effectively utilized to reduce number of towers and migrate towards tower less cities?

DAS is mostly utilized today for In Building Coverage and complements the macro sites. Due to the unplanned nature of most of our cities, towers are the most cost effective way of providing coverage to the subscribers.

However, a modest beginning in that direction can be made by utilizing a Street DAS system in planned colonies and commercial premises with planned Fiber deployment which allows the coverage to be provided using regular light poles reducing the visual pollution considerably. The Street DAS is fed by a BTS Hub which is kept away from the subscribers which are only subjected to low power from the DAS completely avoiding any health hazards due to radiation. *(Please refer to Figure 1 for a typical street DAS architecture)*. Once the model is perfected, it can be replicated in heritage zones and other dense areas with Fiber availability.

The DAS system is capable of accommodating most of the current wireless services and can also cater to most of the upcoming wireless network technologies.

6.11 What are the impediments in adoption of new technologies such as DAS and how these can be removed?

DAS for In Building deployments is pretty much prevalent today but a large scale deployment of innovative wireless coverage solutions such as DAS will require the following actions to be taken by the regulator with the help of concerned authorities.

- a. Mandating builders of large properties with multi storey buildings to deploy DAS for In Building and Campus coverage from day one as an essential utility.
- b. Allowing IP-1 providers to play a larger role by allowing them to import and setup equipments required for active DAS independent of the service providers

Infrastructure Sharing

6.24 Should sharing of Mobile towers be mandated?

The sharing of existing mobile towers should be encouraged in whatever way possible. One effective way of ensuring enhanced sharing on mobile towers is to come up with a **Zoning policy** in areas with a sufficient number of towers which will ensure that new players rolling out any wireless service in the area use existing towers only.

The industry can also setup a third party owned and managed tower database which can queried before setting up of new towers by avoiding overlap amongst players reducing the number of towers and enhancing sharing on existing towers.

6.25 Should sharing of active infrastructure, created by themselves or infrastructure providers, be allowed?

Sharing of active infrastructure is the way forward for the industry currently suffering from reduced profits due to lowering of tariffs and intense competition. Active sharing in the access network is priority one as the same can be achieved faster and lead to maximum savings. The sharing of active infrastructure will bring the cost further down by allowing the operators to share certain cost components which were not shareable earlier in the case of passive sharing. The following table lists the costs (circled) which can be shared in the case of a BSS network compared to current scenario of passive sharing.

Cost component	Op 1	Op 2	Op n
Passive CAPEX	NA	NA	NA
Passive Opex	NA	NA	NA
Separate Space from Passive Infra Provider	X	X	X
Active Infrastructure CAPEX	X	X	X
Managed Services fee	X	X	X
Energy expenses for individual BTS	X	X	X

Fig 2: Cost Components of Mobile Access Network

Though sharing of active infrastructure by service providers amongst themselves will help, this can be utilized as an effective tool to allow multiple operators to gain coverage in lesser viable areas at a low cost through the **Netco Model**.

With reference to the total coverage obligations proposed by DoT in Section 5 of the consultation paper, government can effectively utilize IP-1 players which have access to a large number of suburban and rural towers to create an independent **shareable Radio Access Network** which can then be given out to multiple service providers at a fraction of the individual setup cost. We welcome therefore propose the Netco model (Fig 3) wherein a neutral player such as an IP-1 provider is given the status of a Netco and is responsible for creation of Shared Radio Access Networks capable of hosting multiple

operators and technologies. The Radio Access capacity created will then be leased out to multiple service providers on mutually agreeable commercial model. This will help the proliferation of multiple services in rural areas and choice of service providers for subscribers.

The Netco will be an entity responsible for creation of Radio Access and Fiber Access Infrastructure independent of the operators but only for use by an operator or licensee. The Netco at no point of time will be allowed to own the end subscriber.

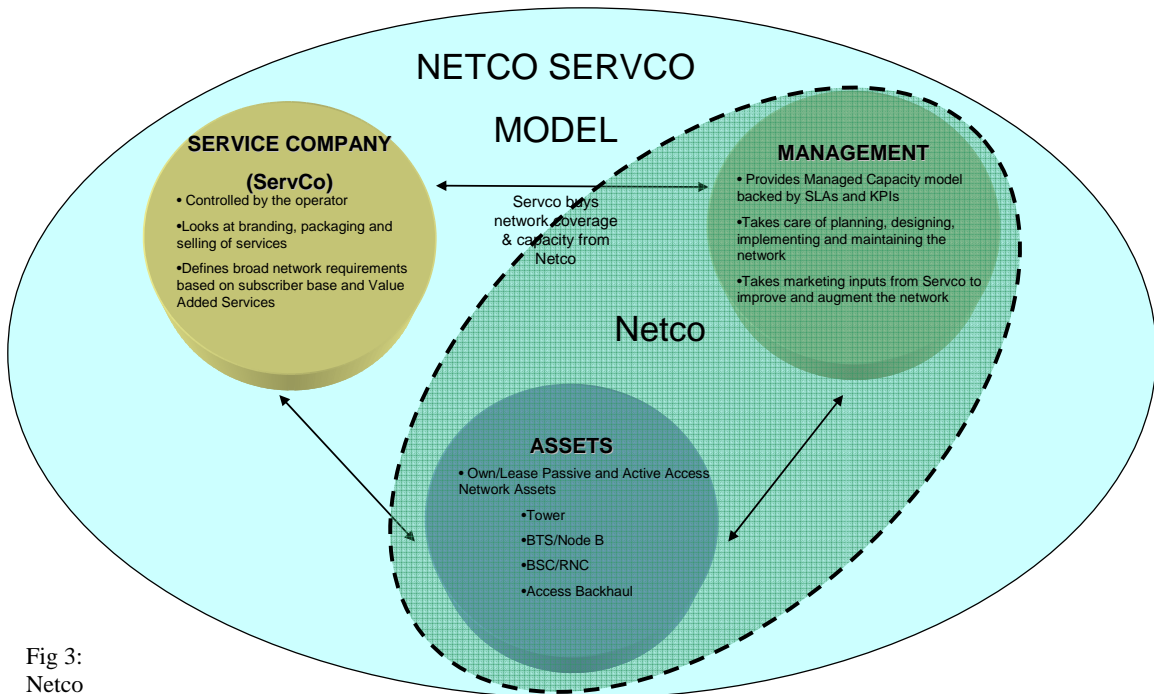


Fig 3:
Netco
Model

The Netco model can result in Opex savings of around 40% for the service providers compared to the rollout model in use today. This will allow it to play a major role in proliferation of services in underserved areas helping us achieve the teledensity targets.

6.31 Please give your comments on any related matter not covered above.

We welcome TRAI’s move to increase IP-1 provider’s role in the industry by proposing to bring the IP-1 providers under the license regime and expanding the ambit of services. However, we feel that TRAI should consider and take up the following points with the respective authorities before finalizing the same.

- a. The IP-1 provider should be brought at a level with the Wireless Service providers with respect to the taxation benefits available under section 80IA and Section 10(23G) of the Income Tax Act (*Please refer to Annexure A for details*).

- TRAI should work with the concerned authorities to expand the definition of an **“Infrastructure facility”** in the relevant sections of the Act to encompass IP-1 business. This will ensure that the IP-1 players remain cost effective and will be able to raise funds at a lower cost in turn leading to larger infrastructure deployments.
- b. TRAI should work extensively with the stakeholders for charting out a clear a cut process for active, equipment import and operation policy including the security clearance from respective agencies to be laid down which clearly specifies the rights of the IP-1 with respect to creation of independent Active network infrastructure. This will help IP-1 providers to speed up the creation of proactive network infrastructure inviting multiple service providers to share the same. TRAI should also work with DoT and security agencies to identify the obligations of each party (Service Provider and IP-1) towards network security which is an important point to be addressed.
 - c. The various forms of subsidy available to the service providers for the import of Active network equipment should be extended to the IP-1 players which will help them to create cost effective infrastructure which in turn will lower the service delivery cost for the operators.
 - d. There should be a clear cut process defined for an IP-1 wherein it can avail subsidies from USOF for creation of Telecom Infrastructure in underserved areas. This will incentivise the IP-1 providers to proactively plan and create independent infrastructure in rural areas with a larger focus and invite multiple service providers to share the same resulting in immense cost advantages and helping government achieve the teledensity targets.

Annexure A Section 80IA and 10(23G) of the Income Tax Act

80-IA. Deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc.

(1) Where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any business referred to in sub-section (4) (such business being hereinafter referred to as the eligible business), there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of profits and gains derived from such business for ten consecutive assessment years.

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking or the enterprise develops and begins to operate any infrastructure facility or starts providing telecommunication service or develops an industrial park or develops or develops and operates or maintains and operates a special economic zone referred to in clause (iii) of sub-section (4) or generates power or commences transmission or distribution of power:

Provided that where the assessee develops or operates and maintains or develops, operates and maintains any infrastructure facility referred to in clause (a) or clause (b) or clause (c) of the Explanation to clause (i) of sub-section (4), the provisions of this sub-section shall have effect as if for the words "fifteen years", the words "twenty years" had been substituted.

(2A) Notwithstanding anything contained in sub-section (1) or sub-section (2), the deduction in computing the total income of an undertaking providing telecommunication services, specified in clause (ii) of sub-section (4), shall be hundred per cent. of the profits and gains of the eligible business for the first five assessment years commencing at any time during the periods as specified in sub-section (2) and thereafter, thirty per cent. of such profits and gains for further five assessment years.

(3) This section applies to an undertaking referred to in clause (iv) of sub-section (4) which fulfils all the following conditions, namely:-

(i) it is not formed by splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of an industrial undertaking which is formed as a result of re-establishment, re-construction or revival by the assessee of the business of any such industrial undertaking as is referred to in [section 33B](#), in the circumstances and within the period specified in that section;

(ii) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

Explanation 1.-For the purposes of clause (ii), any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or plant previously used for any purpose, if the following conditions are fulfilled, namely:-

(a) such machinery or plant was not, at any time previous to the date of the installation by the assessee, used in India;

(b) such machinery or plant is imported into India from any country outside India; and

(c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of the installation of machinery or plant by the assessee.

Explanation 2.-Where in the case of an industrial undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent. of the total value of the

machinery or plant used in the business, then, for the purposes of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with.

(4) This section applies to-

(i) any enterprise carrying on the business any infrastructure facility which fulfils all the following conditions, namely:-

(a) it is owned by a company registered in India or by a consortium of such companies;

(b) it has entered into an agreement with the Central Government or a State Government or a local authority or any other statutory body for (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining a new infrastructure facility;

(c) it has started or starts operating and maintaining the infrastructure facility on or after the 1st day of April, 1995:

Provided that where an infrastructure facility is transferred on or after the 1st day of April, 1999 by an enterprise which developed such infrastructure facility (hereafter referred to in this section as the transferor enterprise) to another enterprise (hereafter in this section referred to as the transferee enterprise) for the purpose of operating and maintaining the infrastructure facility on its behalf in accordance with the agreement with the Central Government, State Government, local authority or statutory body, the provisions of this section shall apply to the transferee enterprise as if it were the enterprise to which this clause applies and the deduction from profits and gains would be available to such transferee enterprise for the unexpired period during which the transferor enterprise would have been entitled to the deduction, if the transfer had not taken place.

Explanation.-For the purposes of this clause,
"infrastructure facility" means,-

(a) a road including toll road, a bridge or a rail system;

(b) a highway project including housing or other activities being an integral part of the highway project; and

(c) a water supply project, water treatment system, irrigation project, sanitation and sewerage system or solid waste management system;

(d) a port, airport, inland waterway or inland port;

(ii) any undertaking which has started or starts providing telecommunication services whether basic or cellular, including radio paging, domestic satellite service, network of trunking, broadband network and internet services on or after the 1st day of April, 1995, but on or before the 31st day of March, 2003;

(iii) any undertaking which develops, develops and operates or maintains and operates an industrial park or special economic zone notified by the Central Government in accordance with the scheme framed and notified by that Government for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2006:

Provided that in a case where an undertaking develops an industrial park on or after the 1st day of April, 1999 and transfers the operation and maintenance of such industrial park to another undertaking (hereafter in this section referred to as the transferee undertaking) the deduction under sub-section (1), shall be allowed to such transferee undertaking for the remaining period in the ten consecutive assessment years in a manner as if the operation and maintenance were not so transferred to the transferee undertaking;

(iv) an undertaking which,-

(a) is set up in any part of India for the generation or generation and distribution of power if it begins to generate power at any time during the period beginning on the 1st day of April, 1993 and ending on the 31st day of March, 2006;

(b) starts transmission or distribution by laying a network of new transmission or distribution lines at any time during the period beginning on the 1st day of April, 1999 and ending on the 31st day of March, 2006:

Provided that the deduction under this section to an undertaking under sub-clause (b) shall be allowed only in relation to the profits derived from laying of such network of new lines for transmission or distribution.

(5) Notwithstanding anything contained in any other provision of this Act, the profits and gains of an eligible business to which the provisions of sub-section (1) apply shall, for the purposes of determining the quantum of deduction under that sub-section for the assessment year immediately succeeding the initial assessment year or any subsequent assessment year, be computed as if such eligible business were the only source of income of the assessee during the previous year relevant to the initial assessment year and to every subsequent assessment year up to and including the assessment year for which the determination is to be made.

(6) Notwithstanding anything contained in sub-section (4), where housing or other activities are an integral part of the highway project and the profits of which are computed on such basis and manner as may be prescribed, such profit shall not be liable to tax where the profit has been transferred to a special reserve account and the same is actually utilised for the highway project excluding housing and other activities before the expiry of three years following the year in which, such amount was transferred to the reserve account; and the amount remaining unutilised shall be chargeable to tax as income of the year in which such transfer to reserve account took place.

(7) Where the assessee is a person other than a company or a co-operative society, the deduction under sub-section (1) from profits and gains derived from an undertaking shall not be admissible unless the accounts of the undertaking for the previous year relevant to the assessment year for which the deduction is claimed

have been audited by an accountant, as defined in the Explanation below sub-section (2) of [section 288](#), and the assessee furnishes, along with his return of income, the report of such, audit in the prescribed form duly signed and verified by such accountant.

(8) Where any goods or services held for the purposes of the eligible business are transferred to any other business carried on by the assessee, or where any goods held for the purposes of any other business carded on by the assessee are transferred to the eligible business and, in either case, the consideration, if any, for such transfer as recorded in the accounts of the eligible business does not correspond to the market value of such goods as on the date of the transfer, then, for the purposes of the deduction under this section, the profits and gains of such eligible business shall be computed as if the transfer, in either case, had been made at the market value of such goods as on that date:

Provided that where, in the opinion of the Assessing Officer, the computation of the profits and gains of the eligible business in the manner hereinbefore specified presents exceptional difficulties, the Assessing Officer may compute such profits and gains on such reasonable basis as he may deem fit.

Explanation.-For the purposes of this sub-section, "market value", in relation to any goods or services, means the price that such goods or services would ordinarily fetch in the open market.

(9) Where any amount of profits and gains of an undertaking or of an enterprise in the case of an assessee is claimed and allowed under this section for any assessment year, deduction to the extent of such profits and gains shall not be allowed under any other provisions of this Chapter under the heading "C.-Deductions in respect of certain incomes", and shall in no case exceed the profits and gains of such eligible business of industrial undertaking or enterprise, as the case may be.

(10) Where it appears to the Assessing Officer that, owing to the close connection between the assessee carrying on the eligible business to which this section applies and any other person, or for any other reason, the course of business between them is so arranged that the business transacted between them produces to the assessee more than the ordinary profits which might be expected to arise in such eligible business, the Assessing Officer shall, in computing the profits and gains of such eligible business for the

purposes of the deduction under this section, take the amount of profits as may be reasonably deemed to have been derived therefrom.

(11) The Central Government may, aftermaking such inquiry as it may think fit, direct, by notification in the Official Gazette, that the exemption conferred by this section shall not apply to any class of industrial undertaking or enterprise with effect from such date as it may specify in the notification.

(12) Where any undertaking of an Indian company which is entitled to the deduction under this section is transferred, before the expiry of the period specified in this section, to another Indian company in a scheme of amalgamation or demerger-

(a) no deduction shall be admissible under this section to the amalgamating or the demerged company for the previous year in which the amalgamation or the demerger takes place; and

(b) the provisions of this section shall, as far as may be, apply to the amalgamated or the resulting company as they would have applied to the amalgamating or the demerged company if the amalgamation or demerger had not taken place.

Chapter III of the Income-tax Act, 1961

Chapter II of the Income-tax Act contains a number of provisions in sections 10 to 13A which exclude various kind of incomes from the purview of taxation.

Section 10 enumerates a number of incomes at one place, which are otherwise incomes, but which are not to be included in the income for the purpose of taxation under the Income-tax Act provides that the agricultural income will be considered for the purpose of determining the rate of tax levied on non-agricultural income.

Section 10A exempts the income of any newly established undertaking in a free trade zone.

Section 10B exempts the income of any newly established 100% export oriented undertaking.

Section 11 exempts the income of any charitable or religious trust or institution. Section 12 deems voluntary contributions to a charitable or religious trust or institution as the income from property held under the trust and, thus, exempts the contributions received by any charitable or religious trust or institution.

Section 13A exempts the income of political parties.

Incomes enumerated in section 10 can be classified under two broad heads, namely that :

- (A) Incomes which are not to be included in the income without any further consideration, and
- (B) Incomes which are not to be included in the income on satisfaction of some further condition or conditions.

A. The incomes enumerated below are exempt from tax

- 1 .Agricultural income Section 10(1)
(This incomes has to be considered for determining the rate of tax applicable to the other income)
2. Any sum received by an individual as a member of a Hindu undivided family from income of the family or from the income of the impartible estate of the family. Section 10(2)
3. Share of profit of a person from a firm, which is separately assessed and where he is a partner. (This clause was introduced by the Finance Act, 1992, w.e.f. 1.4.1993, consequent upon taxation of the income of a firm separately at a flat rate)Section 10(2A)
4. Any receipts which are of casual and non-recurring nature, to the extent mentioned below :
 - (i) not exceeding rupees two thousand five hundred in respect of winning from races including horse races,
 - (ii) rupees five thousand in any other case.Section 10(3)
5. Any payment made under the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985 or any scheme framed thereunder. Section 10(10BB)
6. Any scholarship granted to meet the cost of education.Section 10(16)
7. Any payment, whether in cash or kind, by way of any award instituted in public interest by the Central Government or any State Government or by any other body approved by the Central Government in this behalf. Section 10(17A)
8. Annual value of one palace occupied by a former ruler. Section 10(19A)
9. Income of a local authority under the heads “Income from House Property”, “Capital Gains”, “Income from other sources” or income from supply of commodity or service within its jurisdiction or income from supply of water or electricity in its jurisdiction or outside its jurisdiction.Section 10(20)
10. Any income of an authority constituted under a law for satisfying the housing need or for planning, development or improvement of cities, towns or villages. Section 10(20A)
11. Any income of an authority established in a state, whether known as

Khadi and Village Industries Board or by any other name of the development of khadi and village industries in the state. Section 10(23BB)

12. Any income by way of property income and income from other sources of a registered trade union or an association or registered trade unions. Section 10(24)
 13. Income in the form of interest on securities or the capital gains on transfer of the securities received by a person on behalf of a statutory provident fund or any income received on behalf of recognized provident fund, approved superannuation fund, approved gratuity fund etc. Section 10(25)
 14. Income of Employee's State Insurance Fund. Section 10(25A)
 15. Any income of a corporation established by the Central Government or any State Government for promoting the interests of the members of a minority community. Section 10(26BB)
- B. The incomes enumerated below are exempt from tax subject to fulfillment of certain conditions
1. Any interest received by a non-resident from specified securities or bonds, and any income received as premium on redemption of such bonds.
 2. Any interest received by an individual on moneys standing to his credit in Non-resident (External) Account maintained by him with any bank in India in accordance with the Foreign Exchange Regulation Act. Section 10(4)(i)
 3. Any interest from notified Savings Certificates received by an Indian citizen or an individual of Indian origin, being a non-resident, provided that the certificates have been subscribed to in convertible foreign exchange remitted from outside India in accordance with the provisions of Foreign Exchange Regulation Act. Section 10(4B)
 4. The value of leave travel concession provided to an individual and his family by an employer or a former employer in connection with his proceeding on leave to any place in India, or for proceeding to any place in India on retirement or termination of his services. Section 10(5)
 5. Any tax paid by the employer of an individual, being a non-resident technician for a period of 48 months. Section 10(5B)
 6. Any passage moneys or the value of concessional passage received by a foreign national from his employer for himself, spouse and children from proceeding outside India on leave or retirement. Section 10(6)(i)
 7. Any remuneration received by a foreign diplomat or a member of his staff. Section 10(6)(ii)
 8. Remuneration received by a foreign citizen as an employee of a foreign enterprise if his stay in India does not exceed 90 days. Section 10(6)(vi)
 9. Any income by way of salary received by a non-resident foreign citizen as a member of ships' crew provided his total stay in India in that

previous year does not exceed 90 days. Section 10(6)(viii)

- 10 .Any remuneration received by a foreign national as an employee of a foreign government deputized in India for training in a government establishment or concern or a public sector undertaking. Section 10(6)(xi)
11. Any tax paid on behalf of a foreign company on income by way of Royalty or fees for technical services. Section 10(6A)
- 12 . Any tax paid on behalf of a non-resident or a foreign company by the Government or India concern on income under an approved agreement Section 10(6B)
13. Any tax payable on behalf of a foreign state or a foreign enterprise in respect of the dry lease of an aircraft under an approved agreement. Section 10(6BB)
14. Income arising to specified foreign companies from services provided in or outside India in respect of projects connected with the security of India Section 10(6C)
15. Any allowance or perquisites granted by the Government of India to its employees rendering services outside India. Section 10(7)
16. Any sum received by an individual, who is assigned duties in India, from a foreign government by way of remuneration in connection with an y sponsored co-operative technical assistance program with government of a foreign state and income of family members of such employee accruing or arising outside India. Section 10(8) and Section 10(9)
17. Any remuneration or fees, paid out of funds made available to an international organization, received by a non-resident/non-Indian citizen consultant or the remuneration paid by such a consultant to any individual. Section 10(8A)
18. Any remuneration received by a consultant referred to in clause (8A) in connection with a technical assistance programme or project in accordance with the agreement between the Central Government and an agency, or the remuneration paid by the consultant to any individual. Section 10(8B)
19. Any sum received as Death-cum-Retirement gratuity as prescribed. Section 10(10)
20. Any payment in commutation of pension subject to the limits specified. Section 10(10A)
21. Any payment as leave encashment in respect of earned leave paid to the retiring employees. Section 10(10AA)
22. Any amount received as retrenchment compensation by a workman under the Industrial Disputes Act. Section 10(10B)
23. Any amount by way of compensation received from a public sector company at the time of voluntary retirement, not exceeding rupees five lakhs. Section 10(10C)

24. Any sum received on life insurance policy, not being a Key man insurance policy, including any sum received as bonus. Section 10(10D)
25. Any payment from provident fund. Section 10(11)
26. Accumulated balance in a recognized provident fund. Section 10(12)
27. Any payment from an approved superannuation fund. Section 10(13)
28. House rent allowance subject to certain limits. Section 10(13A)
29. Special allowance or benefit granted to an employee to meet expenses incurred wholly and exclusively in performance of the duty. Section 10(14)
30. Any income received by a public financial institution as exchange rise premium in certain cases. Section 10(14A)
31. Any interest from or premium received on redemption of certain exempted securities. Section 10(15)
32. Any income by way of daily allowance or constituency allowance received as a Member of Parliament or State Legislature and any other allowance not exceeding Rs.600/- per month. Section 10(17)
33. Any income of an approved scientific research association. Section 10(21)
34. Any income of a notified news agency Section 10(22B)
35. Any income of an approved sports association Section 10(23)
36. Any income other than income from property or income received for rendering any specific service or income by way of interest or dividends of professional bodies approved by the Central Government.
37. Any income received by an person on behalf of any Regimental Fund or non-public fund established by the armed forces of the Union for the welfare of the past and present members of such forces or their dependents. Section 10(23AA)
38. Any income of a fund established for welfare of employees. Section 10(23AAA)
39. Any income of pension fund set up by LIC. Section 10(23AAB)
40. Any income of a public charitable trust or a registered society, approved by Khadi and Village Industries Commission, existing solely for the development of Khadi or Village Industries.
41. Any income of any body or authority established, constituted or appointed under any statute for the purpose of administration of public, religious or charitable trusts or endowments or societies for religious or charitable purpose. Section 10(23BBA)
42. Any income of the European Economic Community derived in India by way of interest, dividends or capital gains from specified investments. Section 10(23BBB)
43. Any income of SAARC Fund for Regional Projects, set up under the Colombo Declaration. Section 10(23BBC)
44. Any income received by any person on behalf of specified national

funds and approved public charitable trust or institution, and any income of a university or an educational institution financed mainly by the Government or a hospital mainly financed by the Government, and existing not for profit. Section 10(23C)

45. Any income of a registered Mutual Fund or a fund set up by a public sector bank or a public financial institution. Section 10(23C)
46. Any income of a notified Exchange Risk Administration Fund. Section 10(23E)
47. Any income by way of dividends or long-term capital gains of a venture capital fund or a venture capital company from investment in a venture capital undertaking. Section 10(23F)
48. any income by way of dividend, interest or long-term capital gains of an infrastructure fund or an infrastructure company from investment in shares or long-term finance of an infrastructure facility. Section 10(23G)
49. Any income of a member of schedule tribe, residing in Nagaland, manipur, Tripura, Arunachal Prades, Mizoram and Ladakh from any source in those areas or income by way of dividends or interest on securities. Section 10(26)
50. Any income of a statutory Central or State corporation or a body or an institution, financed by the government formed for promoting the interests of members of scheduled castes, scheduled tribes or other backward classes.
51. Any income of co-operative society formed for promoting interest of members of scheduled castes or scheduled tribes. (Section 10(27))
52. Any income of a marketing authority from letting of godowns or warehouses. Section 10(29)
53. Income by ay of subsidy from Tea Board for replanting or replacement of tea bushes or for the purpose of rejuvenation or consolidation of areas used for cultivation of tea in India. Section 10(30)
54. Income by way of subsidy received from the respective Board by the planters or rubber, coffee or cardamom. Section 10(31)
55. Income of a minor child, whose income is includible under Section 64(1A) in the income of the parent, upto Rs.1,500/-. Section 10(32)
56. Any income by way of dividends distributed by an Indian company. Section 10(33)

Section 10A : Any income of a newly established industrial undertaking in a free trade zone. Section 10(A)

Section 10B : Any income f a newly established hundred percent export oriented undertaking. Section 10(B)

1. Any income derived from property held under a trust for charitable or religious purposes to the extent to which it is applied for such purposes in India. If such income is set apart or accumulated for such purposes, then if such income does not exceed 25% of the income from the property. Section 11(1)(a)
2. Any income derived from property held under a trust in part for charitable or religious purposes to the extent to which it is applied for such purposes in India., If such income is set apart or accumulated for such purposes, then if such income does not exceed 25% of the income from the property. The exemption is available if the trust was created before 1.4.1952. Section 11(1)(b)
3. Any income derived from property held under a trust for charitable purposes to the extent to which it is applied for such purposes outside India provided that it promotes international welfare in which India is interested. Section 11(1)(c)
4. Voluntary contributions received by a trust or an institution towards its corpus. Section 11(1)(d)
5. Voluntary contributions received by a trust created wholly for charitable or religious purposes will be deemed to be the income derived from property held for charitable or religious purposes. Thus, such contributions will be exempt as provided in Section 11. Section 12

Section 13A : Income of a political party under the head 'Income from House Property' or 'Income from other sources' or any income from voluntary contributions. Section 13A

Annexure B (Global Rural Netco Limited – Company Overview)

Global Rural NetCo Ltd. (GRNL) registered as an Infrastructure Provider - Category 1, was established in 2009 by drawing key individuals from various Global Group companies with immense Domain expertise in the field of telecom infrastructure provisioning and strong Project Management Skills.

GRNL's mission is to provide Active Telecom Infrastructure sharing services to the service providers and it is the first company in India to explore the shared Radio Access Network concept from a neutral provider perspective. The entity has 3 separate divisions; (a) IBS, which provides the In-building telecom coverage as a Neutral Host provider using Active and Passive DAS systems for use by multiple service providers (b) Transmission, in which it has rolled out Dark Fiber network rolled out in specific parts of the country which is shared by multiple service providers on IRU basis (c) RAN, where it is trying to promote the shared Radio Access Network concept which is the immediate future of infrastructure sharing in India.

The company has around **200 IBS locations** under its portfolio with a combination of Active and Passive DAS systems. The company is also exploring various advanced options like Grid Femto architecture which can be used to provide specialized In Building coverage and also cost effective rural 3G coverage.

On the **Dark Fiber** front, the company owns around 2200 kilometers of Dark Fiber route in the state of Bihar & Jharkhand. It has proactively designed and invested in the network which covers some underserved routes in the state and is currently being utilized by most of the leading service providers in the state. The network is also future proof with 4 ducts on each route which will ensure easy expansion in case required.

The company has extensively explored the concept of **Shared Radio Access networks** or the Netco model and is currently in advanced discussions with many leading service providers. This will enable low cost access for the service providers to attack currently

non feasible areas with independent coverage resulting in larger choice for the subscriber and will also help achieve larger coverage in lesser time frame.