



17th December 2012

Telecom Regulatory Authority of India,
Mahanagar Door Sanchar Bhawan,
Jawahar Lal Nehru Marg, Old Minto Road,
New Delhi – 110002

Kind Attention: Mr. A. Robert J. Ravi, Advisor (CI & QoS)

Subject: Tata Teleservices' response to consultation Paper on Review of "The Quality of Service (Code of practice for Metering & billing Accuracy) Regulations, 2006"

Dear Sir,

With reference to the Consultation Paper dated 27th November, 2012 on the above mentioned subject, we are of the view that the present Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006, is well framed to take care of all the issues in Metering & Billing Accuracy.

Further, TRAI's proposal for imposing 'financial disincentive' in case any QOS benchmark is not met does not seem to be consistent with the TRAI Act, 1997. Also, TRAI powers to enforce its regulations and orders are clearly enumerated in Section 12 and 13 i.e. powers to investigate, power to seek information and power to issue Directions.

TRAI had mandated an audit of Metering & Billing systems of the operators through its Regulation dated March, 2006 when there were about 6-7 UASL/CMTS operators with a small subscriber base and today we have about 14 operators having pan India operations providing CDMA, GSM, 3G and Wireline services with 935.18 million subscribers as on October 2012. Please note that the operators have increased from 6/7 to 14 and the subscribers from 140.32 million to 935.18 million from 2006 to 2012. However the timelines for submitting the Audit report & ATR are still kept as 30th June and 30th September respectively by TRAI. We would like to submit that the subscriber base has become more than six times and tariffs have gone down. Therefore, accordingly the data records for this huge subscriber base have also increased exponentially.

We would like to further submit that, in cases where TRAI finds delays in submission of the Audit reports or incorrect ATRs by the operator/s then there should be a discussion with the defaulting operator to understand issues/challenges faced by the operator. If TRAI does not get a satisfactory answer then they may take an appropriate action against the defaulting operator accordingly.

Tata Teleservices point-wise reply is as follows:

- 1. What are your views imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justifications.***

TTL: - As a process the metering and billing audit can only begin after the Auditors submit their requirements with details of sampling. The time required for extracting the data takes much longer due to the fact that the information required is spread over the year and the data is already

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archived. Even then the operator ensures that the data is given on time to the Auditors. We feel that the Operators are meticulously adhering to the reporting requirement of TRAI. Minor delays in submission of Audit Report should not be construed as violation of Regulation requiring imposition of harsh financial disincentives. Delay in reporting is not harming the interest of the end customer and thus warrants no financial disincentive. The case for financial disincentives arises only when any harm has been caused to subscribers due to willful violation by service providers.

We would like to submit that the completion of audit and submission of audit reports is a combined effort of Auditor as well as Auditee and the delay in reports is also dependant on the processes and resources deployed by the auditors. Further, auditing of metering and Billing systems for Wireline, GSM and CDMA systems is an extensive process and it is not fair to attribute the delay purely on part of telecom operator and penalize for the same.

In cases of exigency, there should be provisions in the Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006 to provide additional time to submit the Audit Reports and Action Taken Reports. This is due to the fact that even in the Companies Act, 1956 also for special reasons, the Registrar of Companies (ROC) has been empowered to grant extension of time, up to a maximum period of three months under the provisions of Companies Act. Similar provisions can be made part of the Accounting Separation regulations by the Authority.

We, therefore recommend TRAI not to impose financial disincentive for delay in submitting audit reports for metering and billing system.

- 2. What are your views on imposing financial disincentives for delay in submission of Action Taken Report s on audit observations of the metering and billing system and for providing false information or incomplete information and what should be quantum of such financial disincentives? Please give your comments with justification.***

TTL: - With the current Telecom environment in the country, all operators are keen to address any gaps in their processes to provide better services to its subscribers to ensure their loyalty. The Metering & Billing Audit only helps us find those gaps and we proactively address those. However, sometimes it takes a longer time as different systems have to be integrated and tested before implementing the suggested modifications. Further, the impacted subscriber base needs to be calculated which can be spread over various billing plans and then the refunds need to be calculated for this entire base. The operators are ensuring that the same is completed within the TRAI set timelines.

In view of the above, we do not agree with imposing the financial disincentive for delay in submitting ATR for Metering and Billing Audit.



3. ***What are your views on the proposal for audit of the CDRs for at least twice a year –three months CDR pertaining to first half year and three months CDR pertaining to second half year? Please give your comments with justification.***

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4. ***What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by the service providers on such audit observations and financial disincentives on delayed refund of such overcharged amounts? Please give your comments with justifications.***

TTL: - The current system of yearly Metering and Billing Audit is working fine and we see no merit in having Metering and Billing Audit twice a year as this will unnecessarily increase burden on service providers and would also require additional manpower to conduct the activity twice a year. Please note that the present Metering and Billing audit is a mammoth task that requires continues efforts of at least 4-6 months from both auditor and operator side.

The CDR audit is followed by another enormous exercise of live call testing at all circle levels for GSM and CDMA technologies separately. This involves huge efforts in terms of activation of new SIMs with provisioning of selected tariff plans till the bill generation and extraction of the rated CDRs. Hence, we believe that two audits in the one calendar year would not be feasible both for GSM and CDMA. We, therefore, suggest that the present practice of one metering and billing audit in a year should continue.

We would like to inform you that sometimes delays in refunds happen on account of the magnitude of the data mining required. The operator does not have any malafide intention to delay the refund; it is purely on account of the time required to handle the data.

We suggest that TRAI should exempt the operators from the refund requirement in case the overcharging incidents in terms of revenue as well as in terms of number are less than benchmarks set up in the TRAI metering and billing regulation.

Further, TRAI may suggest timeline for refund in case of overcharging which should be slightly more than maximum permissible time for refund of security deposits. We suggest TRAI should set a maximum time line of 120 days for refund of excess amount. As maximum time line is proposed for refund of excess charges, we suggest that there should not be any requirement for monthly progress reports and no financial disincentives on delayed refunds on such overcharged amounts.

5. ***Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification.***

TTL: - The operators are currently also undertaking thorough analysis of each of the audit observations and are addressing and rectifying the non compliance and furnishing a detailed comment on each audit observation to the auditors. Such detailed comment is only finalised after



going into several rounds of discussions with the auditors. Therefore, we are of the view that there is no case for financial disincentives on the same.

6. ***Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider? Please give your inputs.***

TTL: -. No, we do not agree with the proposal. We recommend that it should be the discretion of the service provider to appoint the auditor from the TRAI enlisted panel.

7. ***What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.***

TTL: -. We do not agree with the proposal. We are of the view that the remuneration be decided and fixed between the service provider and the auditor.

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

TTL: - We recommend the current process to continue.

We sincerely hope that our views will be given due cognizance. We would be grateful to address any further query in this regard.

Thanking you and assuring you of our best attention always.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Anand Dalal', written over a circular stamp or watermark.

Anand Dalal
Senior Vice President – Corporate Regulatory Affairs
Tata Teleservices Limited
And
Authorized Signatory
For Tata Teleservices (Maharashtra) Limited