



Telecom Regulatory Authority of India

(ISO 9001 : 2000 Certified Organisation)



ANNUAL REPORT 2009-10

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Annual Report 2009-10



Telecom Regulatory Authority of India

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Letter of Transmittal

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

It is my privilege to forward the 13th Annual Report of the Telecom Regulatory Authority of India to be laid before each House of Parliament. The report is for the year 2009-10. Included in this report is the information required to be forwarded to the Central Government under the provisions of the Telecom Regulatory Authority of India Act, 1997, as amended by TRAI (Amendment) Act, 2000.

The report contains an overview of the Telecom Sector and a summary of the key initiatives of TRAI on the regulatory issues with specific reference to the functions mandated to it under the Act. The Audited Annual Statement of Accounts of TRAI has also been included in the report.



(DR. J.S. SARMA)
CHAIRPERSON

Dated: 9th November 2010.





Contents

Sl.No.	Particulars	Page Nos.
	Overview	1 - 12
	PART - I	
	Policies and Programmes (Including Annexures)	
A.	Review of General Environment in the Telecom sector	13-22
B.	Review of Policies and Programmes	23-40
	Annexures to Part I	41-51
	PART - II	
	Review of working and operation of the Telecom Regulatory Authority of India	52 - 72
	PART - III	
	Functions of Telecom Regulatory Authority of India in respect of matters specified in Section 11 of Telecom Regulatory Authority of India Act	73 - 98
	PART - IV	
	Organizational matters of Telecom Regulatory Authority of India and Financial performance	
A.	Organizational matters of Telecom Regulatory Authority of India	99-108
B.	Audited Accounts of TRAI for the year 2009-10	109-138
C.	Audited Contributory Provident Fund Accounts of TRAI for the year 2009-10	139-160
	List of abbreviations used in the compilation	161-163





OVERVIEW

(I) MISSION

1. The mission of Telecom Regulatory Authority of India (TRAI) is to ensure that the interests of consumers are protected and at the same time to nurture conditions for growth of telecommunications, broadcasting and cable services in a manner and at a pace which will enable India to play a leading role in the emerging global information society.

(II) AIMS AND OBJECTIVES

2. The goals and objectives of TRAI are focused towards providing a regulatory regime that facilitates achievement of the objectives of the New Telecom Policy (NTP) 1999. The goals and objectives of TRAI are as follows:
 - ❑ Increasing tele-density and access to telecommunication services in the country at affordable prices.
 - ❑ Making available telecommunication services which in terms of range, price and quality are comparable to the best in the world.
 - ❑ Providing a fair and transparent policy environment which promotes a level playing field and facilitates fair competition.
 - ❑ Establishing an interconnection regime that allows fair, transparent, prompt and equitable interconnection.
 - ❑ Re-balancing tariffs so that the objectives of affordability and operator viability are met in a consistent manner.
 - ❑ Protecting the interest of consumers and addressing general consumer concerns relating to availability, pricing and quality of service and other matters.
 - ❑ Monitoring the quality of service provided by the various operators.





- Providing a mechanism for funding of net cost areas/public telephones so that Universal Service Obligations are discharged by telecom operators for spread of telecom facilities in remote and rural areas.
- Preparing the grounds for smooth transition to an era of convergence of services and technologies.
- Promoting the growth of coverage of radio in India through commercial and non-commercial channels.
- Increasing consumer choice in reception of TV channels and choosing the operator who would provide television and other related services.

of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. The Authority consists of a Chairperson, and not more than two whole time Members and not more than two-part time Members, to be appointed by the Central Government. The office of the Authority is at New Delhi.

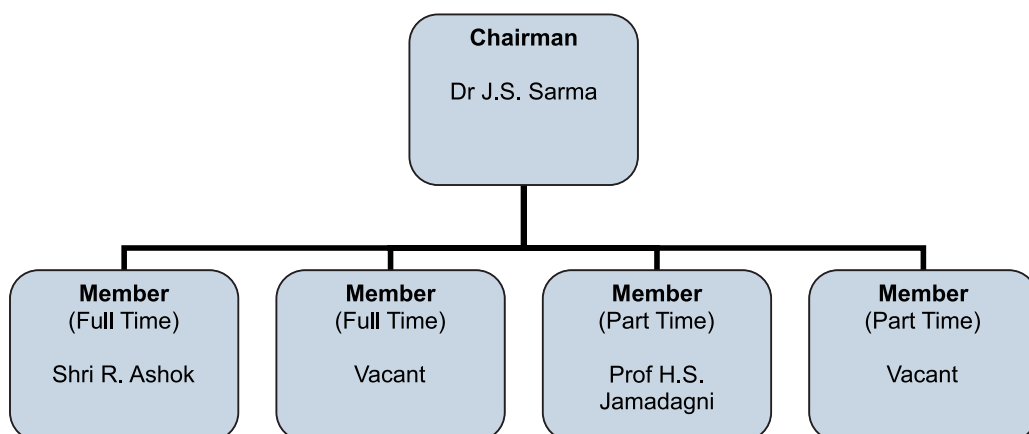
4. The Secretariat of TRAI is headed by the Secretary who works through ten functional Divisions – Mobile Network, Interconnection & Fixed Network, Converged Network & IT, Quality of Service, Broadcasting & Cable Services, Economic Regulation, Financial Analysis, Legal, Regulatory Enforcement & International Relation and Administration & Personnel.

(III) ORGANISATION

3. The Telecom Regulatory Authority of India is a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of TRAI Act, to acquire, hold and dispose

MOBILE NETWORK (MN) DIVISION

5. The MN Division handles issues relating to compliance of terms and conditions of various licenses issued to mobile operators; recommendations related to various



issues/aspects of mobile services; ensuring compliance of matters relating to Universal Service Obligations and efficient management of available spectrum for telecom services and preparation of Quarterly PMR pertaining to mobile services.

INTERCONNECTION & FIXED NETWORK (I&FN) DIVISION

6. The I&FN Division is responsible for determination of Interconnection Usage Charge, Access Deficit Charge and regular review thereof; monitoring of compliance of licence conditions of Basic, NLD and ILD services and handling of all interconnection issues; quarterly PMR pertaining to fixed line services; fixing terms and conditions of Interconnection and ensuring effective interconnection between various service providers. The I&FN Division is also responsible for monitoring of issues relating to interconnection in NGN and 3G.

CONVERGED NETWORK & IT (CN & IT) DIVISION

7. The CN&IT Division is responsible for dealing with technical issues relating to convergence in telecommunication and IT Sector. The CN&IT Division also handles issues relating to Internet, Internet Telephony & VoIP, Broadband, IPv6, CUG and IP-II segment and monitoring the performance of Internet Service Providers (ISP) including growth of Internet and

Broadband Services on periodical basis.

QUALITY OF SERVICE (QOS) DIVISION

8. The QoS Division is responsible for laying down the standards of quality of service to be provided by the service providers; ensure the quality of service and conduct periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication services. QoS Division is also responsible for maintaining register of interconnect agreements and of all such other matters as may be provided in the regulations. QoS Division also handles matters relating to Radio Paging, PMRTS and VSAT service. Generic consumer complaints are also attended to by the QoS Division.

BROADCASTING & CABLE SERVICES (B&CS) DIVISION

9. The B&CS Division is responsible for monitoring the interconnection, tariff, quality of service, licensing issues relating to broadcasting and cable services; examination of issues relating to modernization / digitalization of broadcasting services and introduction of new broadcasting services; monitoring and follow up of complaints.

ECONOMIC REGULATION (ER) DIVISION

10. The Economic Regulation Division advises the Authority in the matter of framing appropriate tariff policy for telecom services from time to





time; fixation of tariffs for various telecom services in India that are under tariff regulation which include tariff for Domestic Leased Circuits, International Private Leased Circuits and National Roaming in cellular mobile services. The Economic Regulation Division also advises the Authority on matters relating to fixation of cost based interconnection charges and on measures to promote competition in various segments of telecommunication services market in India. This Division also compiles "The Indian Telecom Services Performance Indicators Report" and publishes it on quarterly basis.

FINANCIAL ANALYSIS (FA) DIVISION

11. The FA Division is responsible for providing advice on all aspects relating to cost methodologies and costing of telecom services, accounting separation, and analysis of financial statements of service providers etc. Principal Advisor (FA) is Internal Financial Advisor of TRAI and renders advice to the Authority on all financial matters, income & expenditure accounts, financial auditing and scrutiny of financial transactions.

LEGAL DIVISION

12. The Legal Division is responsible for rendering legal advice to the Authority on all regulatory issues. The Division manages all litigation matters in which TRAI is a party.

ADMINISTRATION & PERSONNEL (A&P) DIVISION

13. The A&P Division is responsible for overall planning and coordination for appointments, establishment matters, training, press releases conferences, open house discussions etc. Advisor (A&P) in his capacity as Management Representative is also responsible for conducting and coordinating management review of Quality Management System under ISO 9001:2000 in TRAI.

REGULATORY ENFORCEMENT & INTERNATIONAL RELATIONS (RE & IR) DIVISION

14. Regulatory Enforcement & International Relation Division is responsible for enforcement of all the Regulations / Directions / Orders issued by TRAI. RE&IR Division also handles the international relations which includes coordination with all international organisations / bodies viz ITU, APT, World Bank, WTO, ADB, SATRC, OECD and other international regulatory bodies.

(IV) OVERVIEW OF ACTIVITIES

(A) TELECOM SECTOR

TELECOM STATISTICS

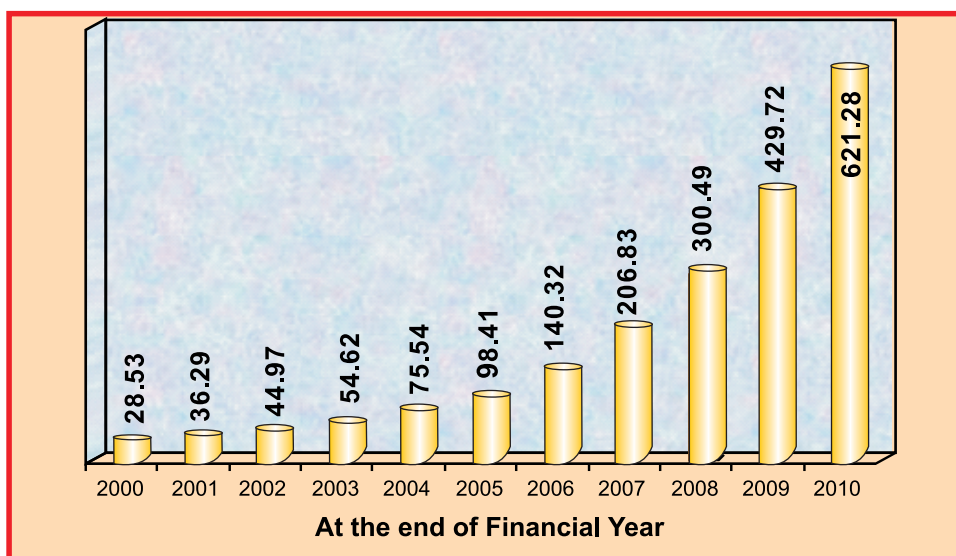
15. The telecommunication sector in India has been witnessing highest growth rates in the world and the trend continued in the year that is being reported on. The growth in the subscriber base is being caused

particularly by the unprecedented growth in mobile telephony. The growth is particularly impressive considering that during this period the entire world was affected by the global economic meltdown and recessionary trends. This high growth rate was achieved with the service providers' ability to offer innovative and low tariff plans. This growth has led to rapid expansion of the subscriber base. It has paved the way for extensive provision of modern communication services in rural areas, and has provided a strong boost to government revenues from growth in sales of services and equipment.

16. The overall telephone connection figure stood at 621.28 million at the end of the financial year 2009-10. Out of this the share of wireless subscribers stood at 584.32 million as compared to 391.76 million a year

before. The growth was 192.56 million or 49.15% year-on-year. The rural market has reached the 190.88 million mark as against 111.63 million in the previous year excluding CDMA which works out to a growth of about 71% over last year. It was reported that 32.67% of total wireless subscribers are now in rural areas. The total number of wireline connections were 36.96 million while in the rural areas it stood at 9.93 million. The wireline segment has been stagnating or declining in the last few years but a positive aspect is that the decline has reduced from -3.69% to -2.65%. During the last year, though BSNL and MTNL have registered decline, private operators have jointly had a growth of 11.51% increasing the connections from 5.04 million to 5.62 million. The growth of subscriber base during the past decade (2000-2010) is indicated below.

Growth of Subscriber base (in million) from 2000 to 2010



MAJOR ACHIEVEMENTS DURING THE FINANCIAL YEAR 2009-10

- ❑ The total wireless subscriber base {GSM, CDMA and WLL (F)} stood at 584.32 million on 31st March 2010.
- ❑ The number of wireline subscribers on 31st March 2010 was 36.96 million.
- ❑ On an average, more than 15 million telephone subscribers were added every month during the financial year.
- ❑ The total number of PCOs in the country as on 31st March 2010 was 4.59 million and the number of VPTs was 0.58 million.
- ❑ The overall teledensity at the end of March 2010 was 52.74% as compared to 36.98% ending March 2009.
- ❑ The rural teledensity at the end of March 2010 was 24.29% as compared to 14.93% at the end of March 2009.
- ❑ There were 16.18 million Internet subscribers on 31st March 2010 as compared to 13.54 million on 31st March 2009.
- ❑ Besides the internet subscribers mentioned above, there are 117.87 million wireless data subscribers who are accessing internet through wireless (GSM and CDMA) networks.
- ❑ The number of Broadband connections on 31st March 2010 was 8.77 million compared to 6.22 million as on 31st March 2009.



17. On the data front also there has been moderate growth. The broadband subscriber base increased from 6.22 million to 8.77 million and the internet subscribers from 13.54 million to 16.18 million. The gross usage of Internet Telephony was 122.96 million minutes.

TARIFFS

18. TRAI continued its approach of not involving itself in micro management of the market or resorting to intrusive economic regulation which has allowed the industry to evolve in a manner that has maximized benefits to the nation. The resulting competition has permitted market determined

low tariffs to prevail to the benefit of a huge base of customers. TRAI policies have encouraged the service providers to offer innovative plans suiting customers of all segments and usage profiles. The prepaid plans continued to grow in popularity and constitute about 96% of all subscribers. Subscriber have been given protection of committed tariff in lifetime plans, for 6 months in normal plans and also if service providers discontinue some plans. Entry of several new operators this year heated up an already competitive mobile telephony market. New players are pulling out all stops to gain foothold in the market. On the other hand the

incumbent operators are making all efforts to prevent erosion of market share. A major tariff related development in the year has been the introduction of per second billing. In the month of June, 2009, a new GSM operator introduced per second billing as a strategy to build-up market share at a rapid pace in the highly competitive market. This was well taken by the subscribers forcing the competitors to respond in a similar manner. Within a period of a few months, almost all mobile service providers introduced second based tariff plans for mobile subscribers in one form or the other.

REVENUES

19. The gross revenue of the telecom service sector for the year 2009-10 was Rs. 1,57,985 crores which is about 3.7% increase over the last year inspite of unprecedented recession in the market. Average Revenue Per User (ARPU) for full mobility service for GSM was Rs.131/- and for CDMA Rs.76 per month while the respective minutes of usage were 410 and 307.

REGULATORY INTERVENTIONS

20. TRAI carried out an elaborate study on the need to review the framework of spectrum management in the country and some of the lincencing conditions. A consultation paper was issued, several rounds of discussions were held with the stakeholders and experts, both from the industry and academia, to evolve

recommendations that would give further impetus to overall growth in this dynamic sector. The recommendations covering a wide range of issues including spectrum requirement and availability, capping of number of service providers, the amount of spectrum committed in the licence, roll-out obligations, treatment of excess spectrum, delinking of spectrum from licence, spectrum assignment and pricing facilitation measures to consolidate spectrum were sent to DOT in May 2010.

21. During the year, regulatory framework was put in place for all relevant aspects of Mobile Number Portability (MNP) such as laying down clear eligibility conditions for porting of mobile telephone numbers, defining the rights and obligations of various stakeholders, laying down the procedure to be followed by each player in the chain in processing number porting request etc. Two Licences were issued by DoT for provision of MNP services in two zones (11 circles each). For fixing the porting charge payable by subscribers, TRAI notified the Porting charge that are to be levied from subscribers and fixed the per port transaction charge at Rs.19/-. The country had a protracted debate on carrier selection. Following a renewed consultation, TRAI had recommended in August 2008 that NLD/ILD be allowed to issue calling cards so that subscribers of all





access service providers can choose their long distance carriers while making national and international calls. The recommendations have been accepted and the licence conditions were amended accordingly. Amendments in Intelligent Networks Regulations to guarantee customers smooth experience are underway.

22. TRAI worked towards sustenance of fixed networks, the mainstay for broadband proliferation in the country. While ending the ADC regime TRAI had proposed support to the tune of Rs 2000 crores every year for 3 years from USOF for sustenance of fixed line connections. This was the second year going and the broadband connections on copper increased from 5.36 million in March 2009 to 7.60 million in March 2010, which is 41.7 % of overall increase.

23. Interconnection among various networks remained constantly in focus of TRAI and TRAI has worked hard to maintain a conducive interconnection environment among the telecom operators for their benefit and that of consumers. The Interconnect Usage Charges (IUC) regime of TRAI has worked very smoothly. The cost based domestic fixed and mobile termination charges helped competition and customer welfare. The higher international termination has yielded higher inflow of funds into the country.

24. Looking at the growing belief that optical fiber backbone and access would be key to delivering true broadband experience, TRAI mooted the idea of taking fiber to the villages. The rural areas would require as much bandwidth as the urban if not more for telemedicine, tele-education, e-commerce, e-governance which would be a necessity for the people deprived of basic infrastructure. The idea has been widely appreciated.

QOS AND CONSUMER AFFAIRS

25. The Quality of Service regulation was reviewed in March 2009 to remove or modify some of the existing parameters and also to include some new parameters. A direction was issued to the access service providers in February 2010 to publish on their websites their performance with respect to the benchmarks. TRAI monitors Point of Interconnection (POI) congestion through monthly reports received from cellular mobile service providers. Follow up meetings were held for improving their performance with regard to quality of service. In order to ensure compliance with the terms and conditions of the licence and for protecting the interest of the consumers of the telecom sector, the Authority issued the direction regarding confidentiality of information of subscribers and privacy of communications in February 2010.

26. For an independent assessment of authenticity of information reported by service providers, implementation and effectiveness of Consumers Protection and Redressal of Grievances Regulations, 2007 and to ascertain customer perception of quality of service, TRAI engaged independent agencies. The reports submitted by these agencies have been published on TRAI website.
27. The Authority issued a direction to the service providers on 27th April 2009 and further an amendment direction dated 4th September 2009 regarding alternative procedure for providing value added services through pressing of key(s) in the mobile handset/telephone instrument and obtaining explicit consent of the consumers, before provisioning of Value Added Services (VAS).
28. It is a constant endeavour of TRAI to keep the consumer interest on top priority. In order to deal with issues related to congestion in broadband network, TRAI has reviewed the bandwidth capacity owned by all the internet service providers for ensuring better broadband connectivity and improved quality of service. Authority periodically reviews the status of 'contention ratios' being followed by the service providers.
29. Three Consumer Education Workshops were organized during

the year 2009-10. Meetings with consumer organizations and NGOs were organized to educate them about various action taken by TRAI to protect the interest of customers. The Committee on Utilization of Telecommunication Consumers Education and Protection Fund (CUTCEF) met four times to make recommendations to the Authority on organizing various consumer related activities utilizing funds from the Telecommunication Consumers Education and Protection Fund.

STUDIES AND WORKSHOPS

30. In order to keep abreast of all the developments in the telecom world, TRAI constantly does research and studies on the subjects of interest in Telecommunications and Broadcasting sectors. One area of study has been convergence that is bringing the drastic changes in traditional communication markets and business models. The traditional market boundaries of Telecommunication, Broadcasting and Entertainment industries are blurring. TRAI issued a Study Paper on 4th March, 2010 on 'Convergence and its Regulatory Impact' which examines the technologies, trends and regulatory impact. TRAI has undertaken a consultation process to discuss various issues related to mobile towers such as tower design, innovative technologies which will reduce the number of towers, improvement in tower appearance, easy RoW permission from



authorities concerned, ensuring radiation limits for public safety, pollution control etc.

31. An international workshop on “m-Applications” was conducted having World Bank as its knowledge partner. There was a huge response from Indian and foreign authors to the call for papers. TRAI examined all the papers and selected 28 papers on the basis of relevance to the subject and other criteria and selected authors were invited for presentations. A compendium on ‘m-Applications’ was also released at the end of the Workshop. TRAI intends to regularly conduct seminars and conferences on advanced topics.



REGULATORY ENFORCEMENT

32. The rules and regulations regarding by sending of UCC messages/ SMSs service providers and action thereof are governed by Telecom Unsolicited Commercial Communication Regulation (as amended). The Authority also held the meetings with the service providers to ensure effective implementation of the Telecom Unsolicited Commercial Communications Regulations.
33. For improving compliance of regulations/ orders issued by the Authority and carrying out enforcement related activities, a centralized compliance monitoring system has been developed. The

system maintains the status of compliance of show cause notices / directions / warnings / orders issued by TRAI from time to time for effective monitoring.

INTERNATIONAL COOPERATION

34. Coordination with all international organizations/ bodies viz. ITU, APT, World Bank, WTO, SATRC, OECD and other international regulatory bodies is a vital part of TRAI's functions. TRAI has paved way for increasing co-operation in the field of telecommunications and electronic communications regulation and in the spirit of the friendly relations with other international regulators/ agencies by entering into Memoranda.

(B) BROADCASTING & CABLE SECTOR

INDUSTRY STATISTICS

35. The broadcasting and cable sectors have been undergoing a metamorphosis and the last five years have altered the dynamics of the market significantly. The Authority has embarked on the following three-pronged strategy to ensure growth of broadcasting and cable TV sector:
 - Encourage competition within and across different delivery platforms
 - Bring about addressability which will remove uncertainties about business models.

- Bring the consumer at the centre of the regulatory framework
36. Introduction and growth of viewing platforms like DTH and IPTV and digitization of the last mile have led to a more vibrant, diverse and competitive multi-platform market. From a scenario where 100% of the cable & satellite population was dependent on analog cable services, DTH commanded around 20% market share in 2009. Uptake of digital services is increasing and choice is becoming possible at the consumer end. The Authority aims to promote digitalization and addressability on all TV channel distribution platforms.
 37. There are 133 million TV homes in India, 500 million TV viewers and 68 million Cable TV subscribers. There are an estimated 60,000 cable operators and 6000 MSOs supporting these subscribers. Further, there are six Pay DTH operators having a subscriber base of 21.30 million by the end of March 2010. The number of channels grew to 521 in 2009-10. The number of private FM radio stations was 248.

REVENUES

38. In 2009, the revenue size of the Indian television industry was estimated at Rs. 25,700 crore. Of this, Rs. 16,900 crore (66%) is attributed to subscription revenue generated from consumers and the balance Rs. 8,800 crore (34%) comes from the advertising market. The last five

years have changed the dynamics of the market significantly.

REGULATORY INTERVENTIONS

39. Hon'ble Supreme Court had directed TRAI to undertake a de-novo exercise for determination of tariff and related issues for the cable TV services in the analog cable TV sector. Earlier TRAI had issued a consultation paper on tariff regulation in March 2009 for the TV services over the DTH platform and in Dec 2009, a supplementary paper to this consultation was issued. Based on recommendations of TRAI, Government issued in November 2009, policy guidelines for Head-end-In-The-Sky (HITS) operations for the addressable digital cable TV services using HITS platform and requested TRAI to review tariff and interconnection regulations for HITS platform. The Authority felt it appropriate to take up review of tariff for cable TV services in notified CAS areas also. Therefore, a comprehensive review of the tariff for all the broadcasting services viz. analog cable TV services (non CAS), and digital addressable services such as CAS, DTH, IPTV and HITS was carried out. The activities included data collection, multiple rounds of discussions with various stakeholders etc. The review resulted in issue of a tariff order for addressable TV system in July 2010 and submission of a report to the Hon'ble Supreme Court alongwith a draft tariff order on Non-addressable



Cable TV sector in July 2010. During the comprehensive tariff exercise, it came out very clearly that for the structured growth of the TV services in India, it is high time to upgrade the analog cable TV network into an addressable digital cable TV network. Recommendations alongwith a roadmap to achieve addressable digitalization was issued in August 2010.



40. In view of the exponential increase in the number of TV channels, the Government requested TRAI to offer its recommendations on the existing policy on uplinking / downlinking of TV channels. Accordingly, a Consultation paper on policy issues

on Uplinking / Downlinking television channels in India was issued on 15th March 2010 which culminated into submission of recommendations of the Authority to the Government in July 2010. Subsequent to the announcement of the new FDI policy, the Government requested TRAI to offer its recommendations on the existing foreign investment limits for the broadcasting sector. Accordingly, a Consultation paper on foreign investment limits for broadcasting sector was issued on 15th January 2010. The recommendations to the Government in this regard were issued in July 2010.



PART – I

POLICIES AND PROGRAMMES

- A) Review of General Environment in the Telecom Sector**
- B) Review of Policies and Programmes**

A) REVIEW OF GENERAL ENVIRONMENT IN THE TELECOM SECTOR

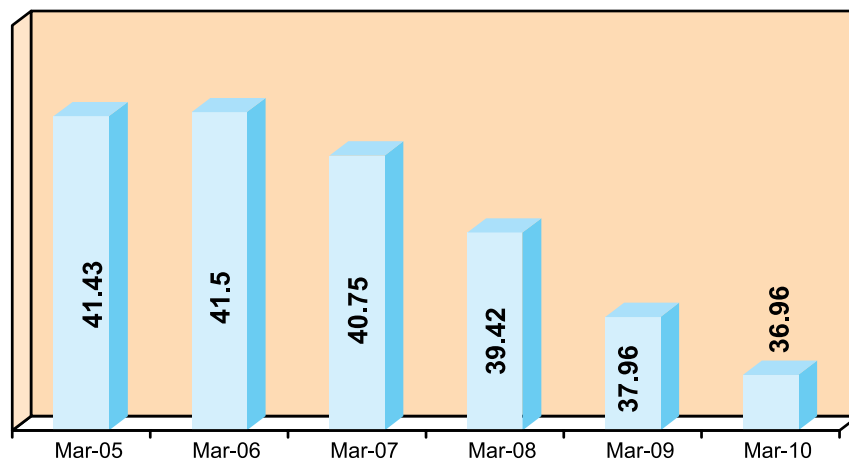
TELECOM SECTOR

1. In continuation with the growth pattern of previous years, this year also witnessed a phenomenal growth in the subscriber base in the telecom sector. Another landmark was also reached at the end of the financial year as the 600 million mark in total subscribership was reached, with mobile subscribers on their own surpassing the 500 million mark. The growth trend in subscriber base experienced since mid-1990s continues to be on an upward swing. The status of development of the various services of the telecom sector is outlined below:

A) WIRELINE

2. The subscriber base of Wireline subscribers as on 31st March 2010 was 36.96 million as compared to 37.96 million as on 31st March, 2009 registering a decrease of 1.00 million subscribers during the year 2009-10. Out of the 36.96 million wire line subscribers, 27.03 million are Urban wire line Subscribers and 9.93 million Rural Subscribers. The status of the wire line subscribers during the last six years are depicted in **Figure 1**.

Figure 1 : Wireline Subscriber (in million)

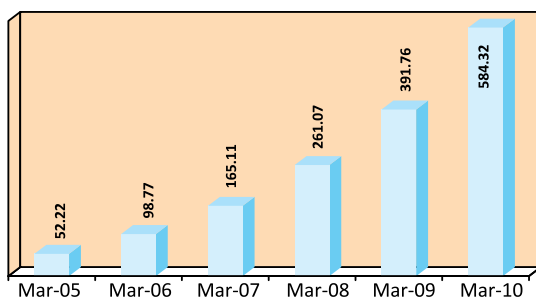




B) WIRELESS

3. The wireless subscriber base was 584.32 million as on 31st March 2010 in comparison to the subscriber base of 391.76 million as on 31st March 2009. It added 192.56 million subscribers in the financial year 2009-10 registering an annual growth rate of about 49.15%. The total subscriber base of wireless services has grown from 52.22 million in March, 2005 to 584.32 million in March, 2010 as depicted in **Figure 2**.

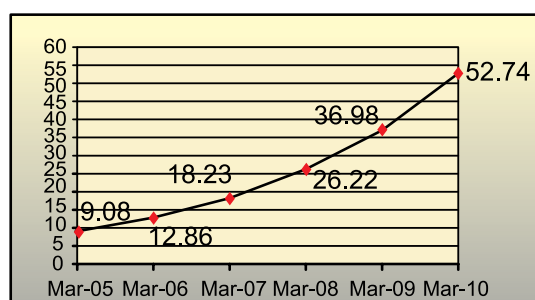
Figure 2 : Wireless Subscriber (in million)



C) TELEDENSITY

4. The tele-density at the end of March, 2010 reached the mark of 52.74 as compared to 36.98 at the end of previous year recording an increase of nearly 15.76. The trend of growth of teledensity since March 2005 is depicted in **Figure 3**.

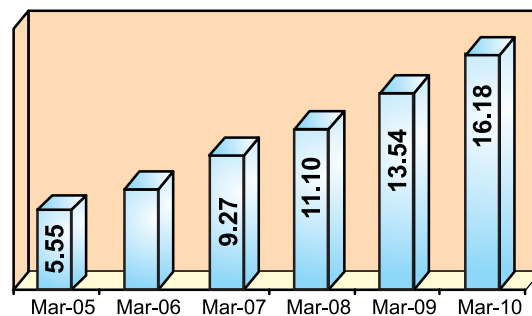
Figure 3 : Growth of Teledensity



D) INTERNET SUBSCRIBERS

5. The Internet subscriber base in the country as on 31st March 2010 stood at 16.18 million as compared to 13.54 million as on 31st March 2009, registering an annual growth rate of about 19.49%. Subscriber base for the last six years is depicted in **Figure 4**.

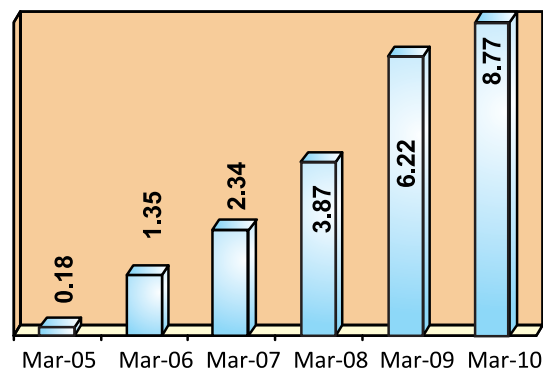
Figure 4 : Internet Subscribers (in million)



E) BROADBAND SUBSCRIBERS

6. The total Broadband subscriber base has reached 8.77 million as on 31st March, 2010 as compared to 6.22 million as on 31st March 2009 thereby registering a net addition of 2.55 million broadband subscribers during the financial year 2009-10 with growth rate of 41%. Subscriber base for the last six years is depicted in **Figure 5**.

Figure 5 : Broadband Subscribers (in million)



F) TRENDS IN TELECOM TARIFFS

7. Telecom Regulatory Authority of India, through appropriate regulatory policies and measures has succeeded in facilitating competition and thereby achieving affordable tariffs with sustained growth. TRAI has put in place a transparent subsidy mechanism to implement policies and meet social objectives. This policy has succeeded in providing the financial sustainability of the operators, promoting efficiency in the sector and meeting the social objectives. The results are evident from the phenomenal growth in subscriber base and the decline in tariffs. The Indian consumer has immensely benefited from the substantial decline in tariffs that resulted from regulatory measures of TRAI.
8. The huge economic and social benefits to the country in a span of about ten years are clear proof that the light-handed approach towards regulating the industry was the correct approach. The approach of the Authority to forbear from micro managing the market or resorting to intrusive economic regulation has allowed the industry to evolve in a manner that has maximized the benefits to the nation.
9. Consumers have benefited from substantial decline in tariffs that resulted from regulatory measures

of TRAI. Recent years have witnessed sharp decline in telecom tariff in India particularly in Mobile, National Long Distance and International Long Distance segments. The tariff decline started with the notification of Telecommunication Tariff Order in 1999 by the Regulator and continued thereafter. Few years ago a Local Call from Mobile was charged at around Rs.15/- per minute. Similar charges were also payable for incoming calls received by the Mobile Subscribers. Today it has come down to the level of 60 paise per minute for outgoing calls with absolutely no charge for incoming calls. A one minute inter-state call that used to cost more than Rs.37/- in pre-TTO 1999 period can be currently made for almost at the price of a local call virtually meaning death of distance. Similarly the tariff for a call to American continent from India has come down from Rs.75 to less than Rs.7/- per minute within the same span of time. There are large numbers of options available for the subscribers to choose from depending upon their usage profile. There are schemes offered by most operators wherein the subscriber is assured connectivity for life without having to pay any fixed recurring charge. The tariff regulation of TRAI even resulted in the customers having the unique option to avail a particular tariff for the entire



licensing period without apprehensions of any tariff hike.

10. This year witnessed hyper price competition primarily due to entry of several new operators in the already competitive mobile telephony market. Substantially reduced call rates and innovative tariff schemes were triggered as part of attempts by new players to gain a foothold in the market. The mobile telephony market in the country being highly competitive, it was imperative for the incumbent operators to respond in equal measure in order to prevent erosion of market share. The fear of large scale churn, particularly in the context of ensuing implementation of mobile number portability also compelled the operators to come up with attractive tariff schemes as well as improved quality of service for the existing subscribers. The result of all these is that services have become more and more affordable, giving further positive push to the already expanding mobile subscriber base.

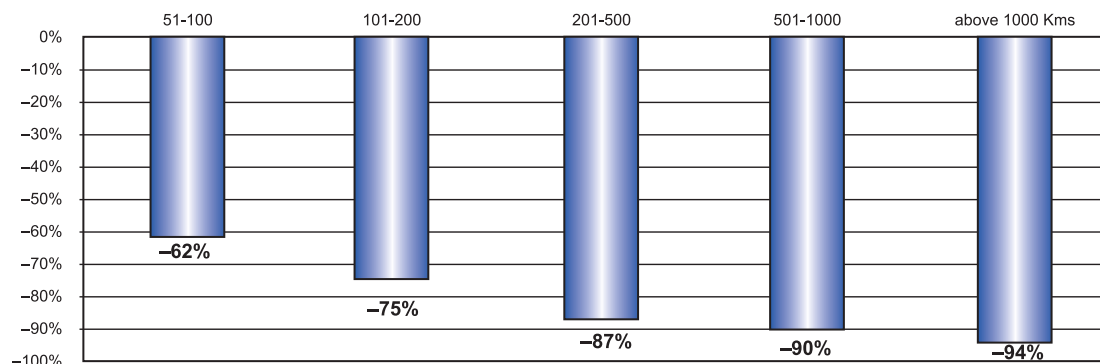
11. A major tariff related development in the year has been the introduction of Per Second based Billing. Pulse rate for mobile calls had been generally 60 seconds, though there were isolated instances in the past where few operators implemented

a different pulse rate. In the month of June, 2009, a new GSM operator introduced per second billing as a strategy to build-up market share at a rapid pace in the highly competitive market. This was well taken by the subscribers forcing the competitors to respond in similar manner. Within a period of few months, almost all mobile service providers introduced second based tariff plans for mobile subscribers in one form or the other. The tariff for Local/STD calls generally seen in the second based tariff plan are 1 paisa/ 1.20 paisa per second. The introduction of per second billing plans with lower call rates made the existing minute based plans with higher call charges irrelevant thereby forcing the reduction in call charges in the per minute plans as well, making them comparable with the per second billing plans. Several operators therefore came up with tariff plans with reduced per minute charges, which is generally at the level of 50 paise/60 paise per minute for Local/STD calls. Some operators offered these reduced rates as lifetime validity plans while some other operators chose to offer the lower rates as a scheme/option available for 365 days.

12. The reduction in tariff for Long Distance Services and International Long Distance Services can be seen in the following **Figures 6 & 7**.

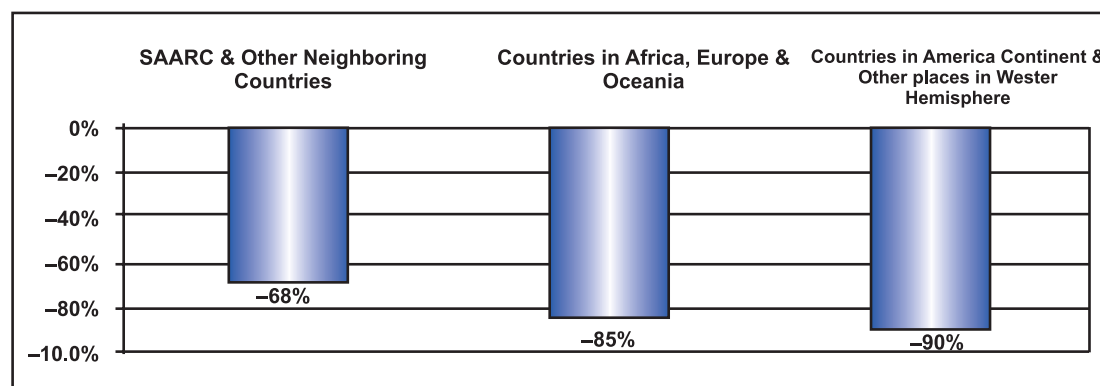


Figure 6 : National Long Distance service - Percentage decline in tariffs during the period prior - 1/5/99 to 31/3/10



Note: The Percentage decline shown above takes into account the current STD rate of Rs.1.20 for 2 minutes in BSNL's General Plan. The decline would be even more if the comparison is made with India One Plan where the STD rate is Re. 1 for 2 minutes irrespective of the distance slab.

Figure 7 : International Long Distance Service - Percentage decline in tariffs during the period prior - 1/5/99 to 31/3/10



Note: The Percentage decline would be even more if the comparison is made with India One Plan where the ILD charges are Rs.6 / Rs.8 / Rs.10 per minute instead of Rs.9.60 / Rs.12 per minute respectively.

G) THE INDIAN TELECOM SERVICES PERFORMANCE INDICATORS

13. TRAI publishes a quarterly report on "The Indian Telecom Services performance Indicators". This Report presents the key parameters and growth trends for Telecom & Broadcasting Services and QoS related parameters. This report

provides a broad perspective on the Telecom Services to serve as a reference document for various stakeholders, research agencies and analysts. For the Year 2009-10, TRAI has come out with 4 quarter's reports. Snapshot covering the key parameters for the 4 quarters is shown in **Table 1**.



Table 1: Performance Indicator

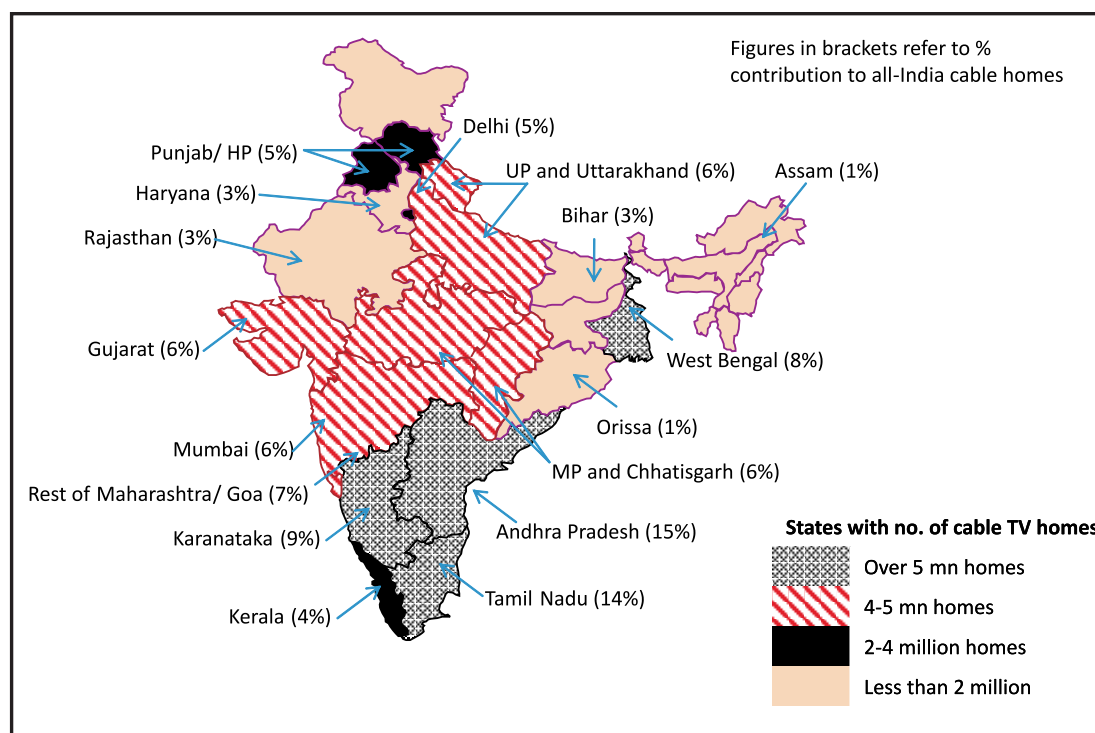
	Quarter ending June2009	Quarter ending Sept. 2009	Quarter ending Dec. 2009	Quarter ending March 2010
Telecom Subscribers (Wireless +Wireline) in Millions				
Total Telephone Subscribers	464.82	509.03	562.16	621.28
Urban Subscribers	328.55	357.22	387.63	420.47
Rural Subscribers	136.27	151.82	174.53	200.81
Wireless Subscribers	427.29	471.73	525.09	584.32
Wireline Subscribers	37.53	37.31	37.06	36.96
Teledensity				
Total Teledensity	39.86	43.50	47.88	52.74
Urban Teledensity	95.05	102.79	110.96	119.73
Rural Teledensity	16.61	18.46	21.16	24.29
Internet & Broadband Subscribers (in Million)				
Total Internet Subscribers	14.05	14.63	15.24	16.18
Broadband Subscribers	6.62	7.21	7.82	8.77
Broadcasting & Cable Services				
Total Number of Registered Channels with I&B Ministry	447	472	485	503
Number of Pay Channels	136	138	142	147
DTH Subscribers (in Millions)	15.17	17.34	19.1	21.3
Number of Set Top Boxes in CAS areas	816,192	734,016	745,953	762,238
Telecom Financial Data (Rs. Crores)				
Gross Revenue during the quarter	39,108.33	38,854.65	39,756.64	40,265.12
Adjusted Gross Revenue (AGR)	29,732.52	29,115.30	29,125.67	28,829.53

BROADCASTING AND CABLE SECTOR

14. The last five years have changed the dynamics of the market of Broadcasting and Cable Sector significantly. 66% (Rs.16,900 crores) of the revenue of Indian Television Industry is attributed to subscription revenue from

consumers and 34% (Rs.8,800 crores) comes from advertisement market. The market has become a multi-platform with introduction of DTH, IPTV and Digitalization of the last mile in Cable TV Sector. Uptake of digital services is increasing and choice is becoming possible at the consumer end.

Figure 8 : Distribution of Cable TV Homes in different parts of the Country



15. The above figure (**Figure 8**) provides the distribution of cable TV homes in different parts of the country.

16. The **Table 2** gives the major highlights of the broadcasting sector:-

Table 2: Major Highlights of Broadcasting Sector

Number of TV Homes in the country (estimated)	133 million
Number of TV viewers (estimated)	500 million
Number of Cable TV subscribers (estimated)	68 million
Number of pay DTH Subscribers as on 31 st March 2010	21.30 million
Number of Cable operators (estimated)	60,000
Number of Multi System Operators (estimated)	6,000
Number of pay DTH Operators	6
Number of Channels as on 31 st March 2010	503
Number of Pay Channels as on 31 st March 2010	147
Number of FM Radio Stations (excluding All India Radio) as on 31 st March 2010	248
Number of Licensed Community Radio Stations as on 31 st March 2010	100
Number of Operational Community Radio Stations as on 31 st March 2010	57
Number of Set Top Box installed in CAS notified areas of Delhi, Kolkata, Mumbai and Chennai as on 31 st March 2010	7,62,238



Table 3: Growth of Television Channels permitted for down-linking

Year ending December	Number of Channels
2001	45
2002	69
2003	92
2004	119
2005	134
2006	173
2007	247
2008	406
2009	485
2010 (till 31 st March 2010)	521

17. Growth of Television channels permitted for down-linking in India is shown in **Table 3**.
18. TRAI has embarked on a three-pronged strategy to ensure growth of broadcasting and cable TV sector:
 - (a) Focus on the consumer as the centre of the regulatory framework, as it is learnt from the Telecom sector that consumer centric initiatives were mainly responsible for the remarkable growth of that sector.
 - (b) Encourage competition within and across different delivery platforms such as cable TV, DTH, IPTV, Mobile TV etc.
 - (c) Ensure addressability which will remove capacity constraints and uncertainties in business models.

B) REVIEW OF POLICIES AND PROGRAMMES

19. The main guiding policy for the telecom sector is the New Telecom Policy (“NTP”) 1999. The objectives of the policy are as follows:-
- (i) Access to telecommunications is of utmost importance for achievement of the country’s social and economic goals. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the telecom policy.
 - (ii) Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country’s economy,
 - (iii) Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country,
 - (iv) Create a modern and efficient telecommunications infrastructure taking into account the convergence of IT, media, telecom and consumer electronics and assist emergence of India as an IT superpower,
 - (v) Convert PCOs, wherever justified, into Public Tele-info Centres having multimedia capability like ISDN services, remote database access, and assist emergence of community information systems etc.,
 - (vi) Transform the telecommunications sector in a time bound manner to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players,
 - (vii) Strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities,
 - (viii) Achieve efficiency and transparency in spectrum management,
 - (ix) Protect defence and security interests of the country,
 - (x) Enable Indian telecom companies to become truly global players.



20. The specific targets mentioned in the NTP 1999 are:

- (i) Make telephone available on demand by the year 2002 and sustain the position thereafter so as to achieve a tele-density of 7 by the year 2005 and 15 by the year 2010,
- (ii) Encourage development of telecom in rural areas making it more affordable by modifying the tariff structure suitably and making rural communication obligatory for all fixed service providers,
- (iii) Increase rural tele-density from the current level of 0.4 to 4 by the year 2010 and provide reliable transmission media in all rural areas,
- (iv) Achieve telecom coverage of all villages in the country and provide reliable media to all exchanges by the year 2002,
- (v) Provide Internet access to all district headquarters by the year 2000,
- (vi) Provide high speed data and multimedia capability using technologies including ISDN to all towns with a population greater than 2 lakh by the year 2002.

21. TRAI's contribution in the implementation of policies and programmes particularly in the areas of (a) Rural Telephone Network; (b) Expansion of Telephone Network; (c) Entry of Private Sector in both Basic and Value Added Services; (d) Technical Compatibility and Effective Interconnection between

Service Providers; (e) Telecommunication Technology; (f) Implementation of National Telecom Policy; (g) Quality of Service; and (h) Universal Service Obligation are discussed in the following paragraphs.

A) RURAL TELEPHONE NETWORK

22. TRAI has always given emphasis to development of telecommunications services in the rural areas. During various consultations and separately in meetings with the service providers TRAI has deliberated on the issue of proliferation of services in rural areas. The position with regard to wireless, wireline and Internet / broadband services is given below.

(I) WIRELESS

23. As on 31st March 2010, the Wireless rural [Mobile and WLL (F)] market has reached the **190.88** million mark as against **111.63** million as on 31st March 2009. Service providers' reports indicate that 32.67% of total wireless subscribers are now in rural areas. The rural subscriber base is steadily increasing. The rural wireless subscriber base since March 2007 is indicated in **Figure 9**. The

Figure 9: Rural Wireless Subscriber Base (in million)

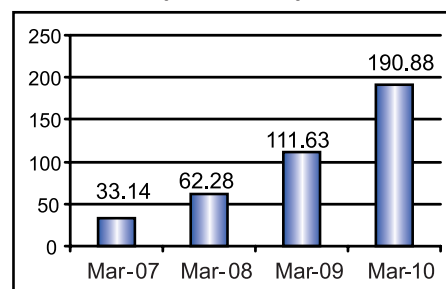


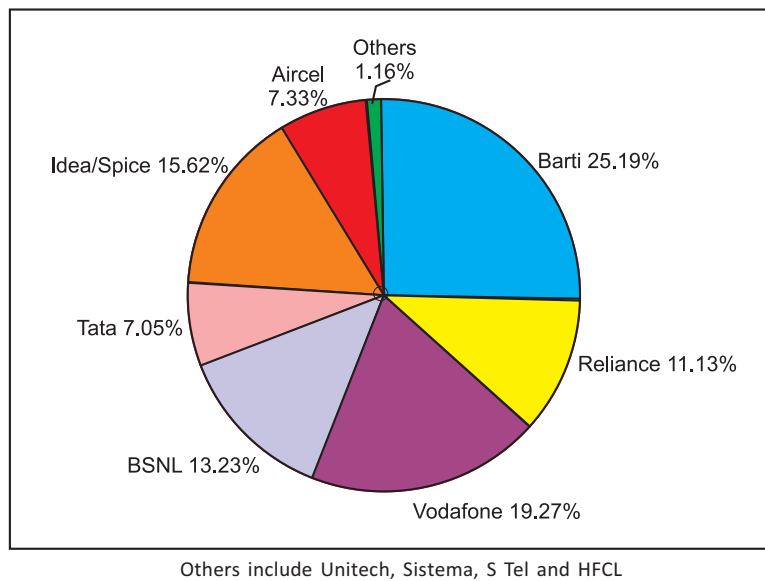
Table 4: Service Provider-wise Rural Wireless Subscribers and Market Share

Sl. No.	Wireless Group	Total Wireless Subscribers (in millions)		Rural Wireless Subscribers (in millions)		Market Share of Wireless Rural Subscribers (in %)	
		March-10	March-09	March-10	March-09	March-10	March-09
1	Bharti	127.62	93.92	48.09	29.53	25.19	26.46
2	Reliance	102.42	72.67	21.25	15.13	11.13	13.55
3	Vodafone	100.86	68.77	36.79	22.33	19.27	20.00
4	BSNL	69.45	52.14	25.26	19.09	13.23	17.10
5	Tata	65.94	35.12	13.45	2.66	7.05	2.38
6	Idea/Spice	63.82	43.02	29.82	17.24	15.62	15.45
7	Aircel	36.86	18.48	14.00	5.63	7.33	5.05
8	MTNL	5.09	4.48	0.00	0.00	0.00	0.00
9	Unitech	4.26	-	1.40	-	0.73	-
10	Sistema	3.78	0.39	0.54	0.001	0.28	0.00
11	Loop	2.84	2.16	0.00	0.00	0.00	0.00
12	S Tel	1.01	-	0.27	-	0.14	-
15	HFCL	0.33	0.60	0.001	0.004	0.00	0.00
13	Videcon	0.03	-	0.00	-	0.00	-
14	Etisalat	0.00	-	0.00	-	0.00	-
	Total	584.31	391.76	190.88	111.63	100.00	100.00

service provider wise rural wireless subscriber base & their market shares

are shown in **Table 4** above and **Figure 10** below.

Figure 10: Market Share of Rural Wireless Subscribers March 2010



(II) WIRELINE

24. The rural wireline subscriber base is decreasing (**Figure 11**). As on 31.3.2010, the rural wireline subscriber base stood at **9.93** million and service providers' reports indicate that 26.87% of total wireline subscribers are in rural areas. The service provider wise wireline rural subscriber base & their market share are shown in **Table 5** and **Figure 12**.



Figure 11: Wireline Rural Subscriber Base (in million)

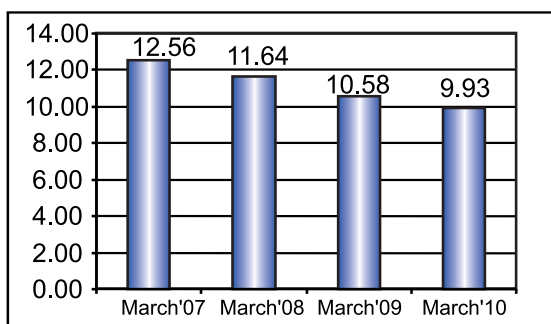
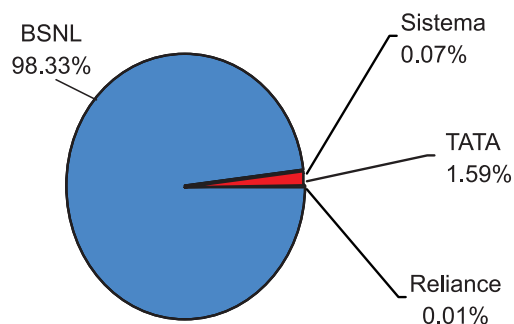


Figure 12: Market Share of Rural Wireline Subscribers as on March 2010



(III) INTERNET / BROADBAND

25. A country wide network is required to provide robust and resilient broadband service. This will enable provision of broadband services in rural and remote areas of the country so that benefits of broadband can reach to masses. TRAI has deliberated on various impediments and steps required to boost broadband penetration. This

Table 5: Service Provider-wise Rural Wireline Subscribers and Market Share

Sl. No.	Wireline Group	Total Wireline Subscribers (in million)		Rural Wireline Subscribers (in million)		Market Share of Wireline Rural Subscribers (in %)	
		March' 10	March' 09	March' 10	March' 09	March' 10	March' 09
1	BSNL	27.83	29.35	9.76	10.55	98.33	99.65
2	MTNL	3.50	3.57	0.00	0.00	0	0
3	Bharti	3.07	2.73	0.00	0.00	0	0
4	HFCL	0.17	0.16	0.00	0.00	0	0
5	Sistema	0.05	0.13	0.007	0.009	0.07	0.08
6	TATA	1.16	0.92	0.158	0.027	1.59	0.26
7	Reliance	1.18	1.11	0.001	0.001	0.01	0.01
	Total	36.96	37.96	9.93	10.58	100.00	100.00

has resulted in initiation of a consultation process on 'National Broadband Plan' in 2010-11.

B) EXPANSION OF TELEPHONE NETWORK

(I) WIRELESS SERVICES

26. The Wireless subscriber base was 584.32 million as on 31st March 2010 in comparison to the subscriber base of 391.76 million as on 31st March, 2009. It added 192.56 million subscribers in the financial year 2009-10 registering an annual growth rate of about 49.15%. The total subscriber base of wireless services has grown from 52.22 million in March, 05 to 584.32 million in March 2010. Out of 584.32 million subscribers at the end of the financial year 2009-10, 478.68

27. The subscriber base of individual wireless service providers (both GSM and CDMA) from March 2005 to March, 2010 along with their percentage growth over the financial year 2008-09 is given in **Annexure I** at the end of this part of the Report. The market share of different mobile operators as on 31st March 2010 is displayed in **Figure 14**. The list of licensed wireless service providers in various service areas is given in **Anexure II** at the end of this part of the Report.

Figure 13: Subscriber base of Wireless Operators (in million) as on 31st March 2010

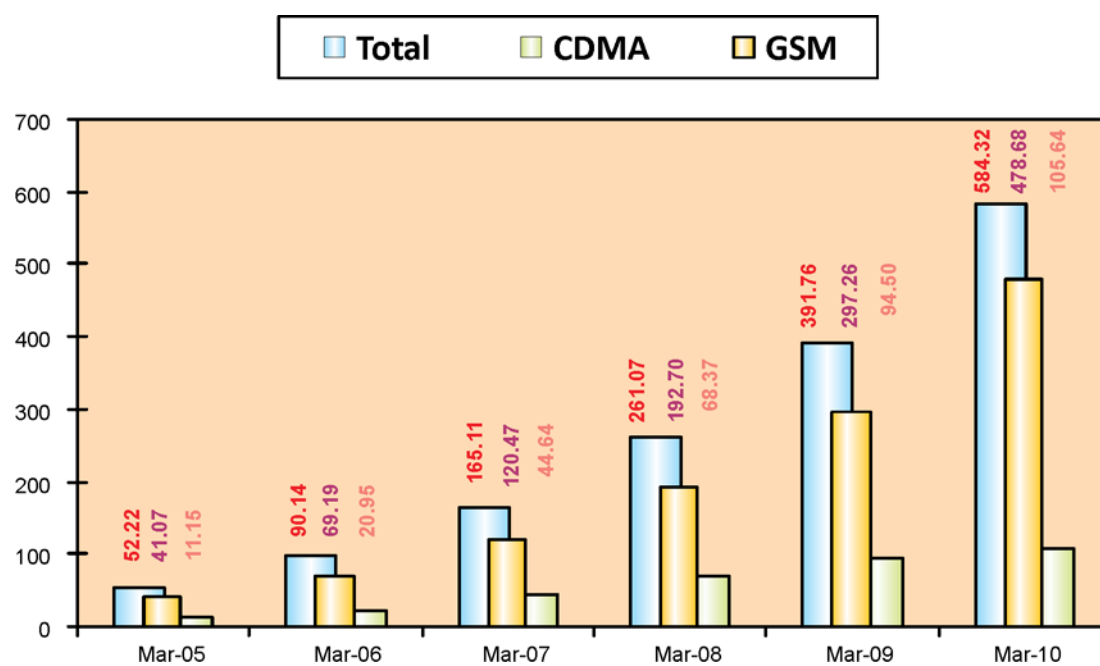
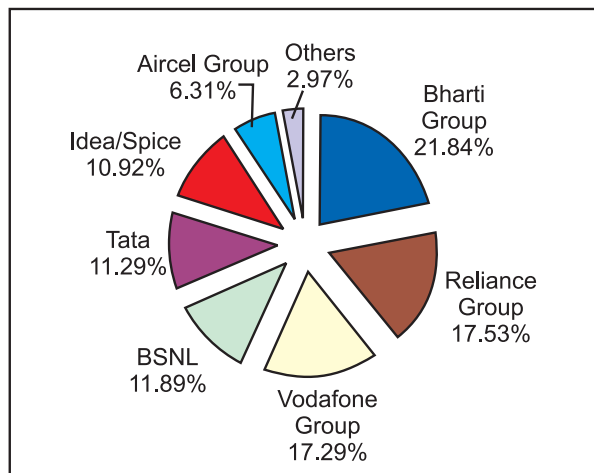


Figure 14: Market share of Wireless Service Providers (as on 31st March 2010)



Others includes MTNL, Unitech, Sistema, Loop, S Tel, HFCL, Videocon & Etisalat

28. In the wireless segment subscriber base of GSM services reached the 478.68 million subscriber mark at the end of March 2010, as compared to 297.26 million as at the end of March 2009. It added around 181.42 million subscribers during the year, registering an annual growth of 61.03%.

29. In terms of subscriber base and market share of GSM services, M/s Bharti with 127.62 million subscriber base remains the largest GSM operator followed by M/s Vodafone, M/s Idea/Spice, and M/s BSNL with subscriber base of 100.86 million, 63.82 million and 63.31 million respectively. The market share of various GSM operators as on 31st March 2010 is displayed in **Figure 15**.

Figure 15: Market share (%) of GSM Operators as on 31st March 2010.

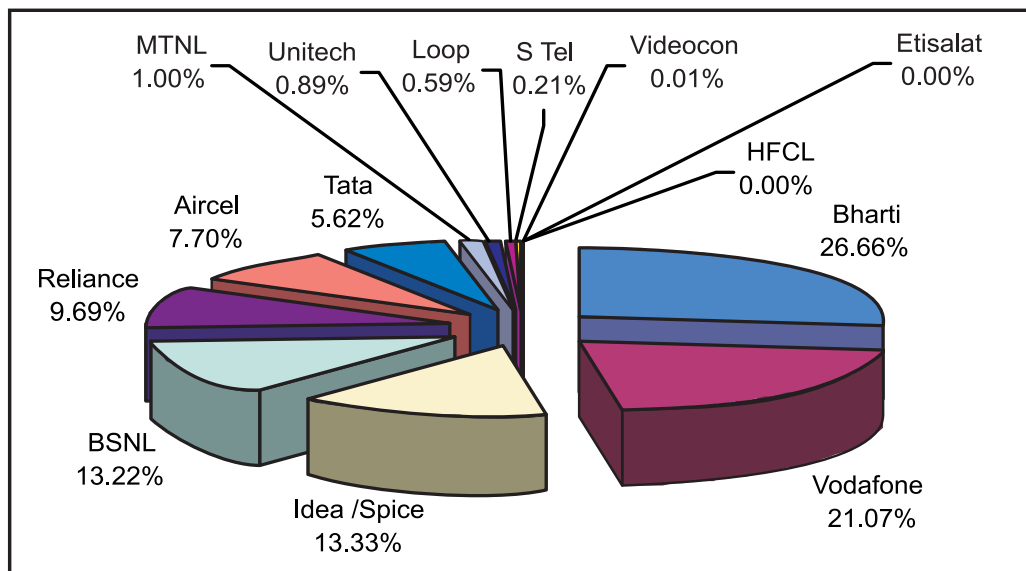
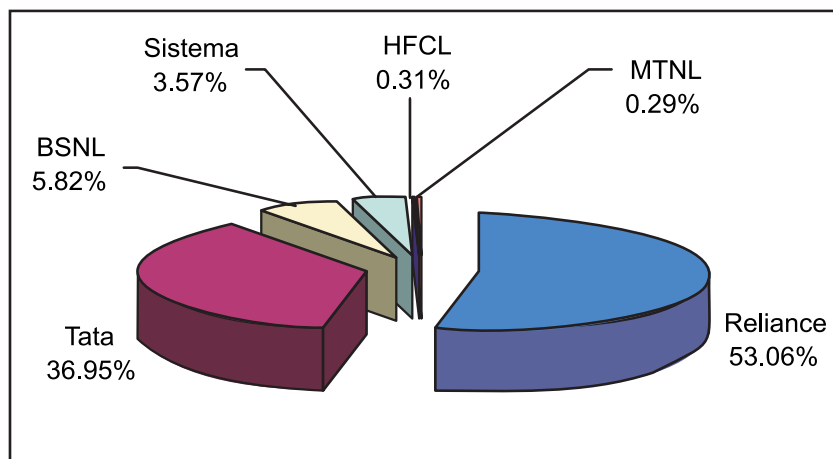


Figure 16: Market share (%) of CDMA Operators as on 31st March 2010.

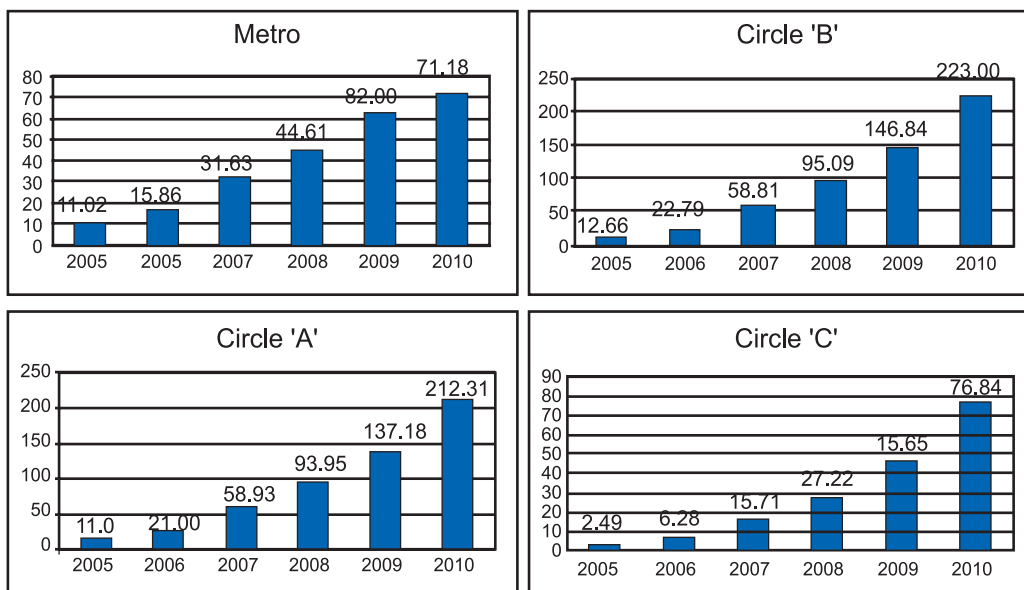


30. In CDMA Services, in terms of subscriber base and market share, M/s Reliance with 56.05 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s BSNL with subscriber base of 39.03 million, and 6.14 million respectively. The market share of different CDMA operators as on 31st March 2010 is shown in **Figure 16**.

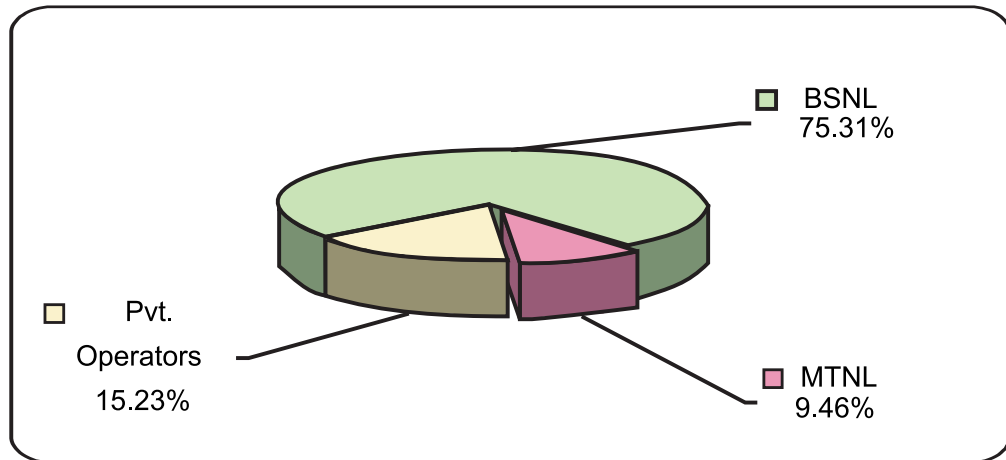
31. The subscriber base for Wireless services in various categories of service areas for the period March, 2005 to March, 2010 is indicated graphically in **Figure 17**.

32. The addition of wireless subscribers and annual growth rates for different categories of service areas during the financial years, 2007-08, 2008-09 and

Figure 17: Subscriber Base for Wireless Services in Metros and Circles from March, 2005 to March, 2010 (Figures in Million)



**Figure 18 : Total Market Share of Wireline
Subscribers as on 31 March 2010**



2009-10 is indicated in **Annexure III** at the end of this report. The total subscriber base for wireless services has registered an annual growth of 49.15% with the maximum growth of 68.32% observed in 'C' Circles during 2009-10.

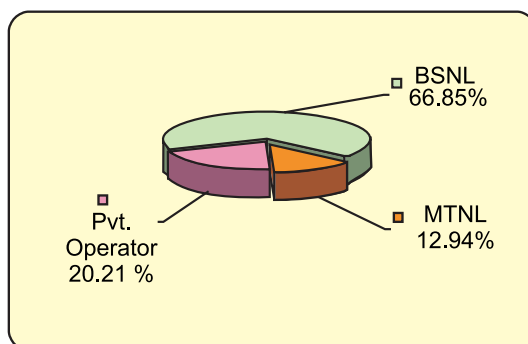
while all the five private operators together have 15.23% share. The share of private operators has increased from 13.29% as on 31st March 2009 to 15.23% as on 31st March 2010. The market share of total fixed lines is shown in the **Figure 18**.

(II) WIRELINE SERVICES

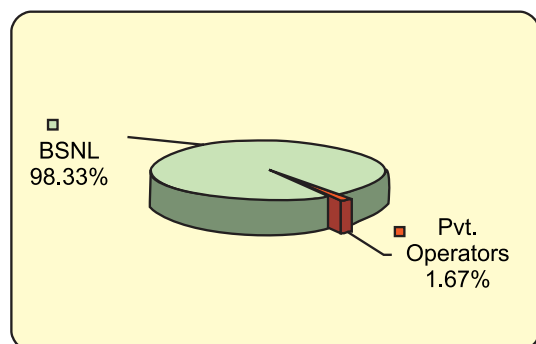
33. As on 31st March 2010, the total subscriber base of fixed (wireline) lines stood at 36.96 million. The incumbents BSNL and MTNL have 75.31% and 9.46% market share respectively in the subscriber base,

34. As on 31st March 2010 the total urban wireline subscribers were 27.03 million and rural wireline subscribers were 9.93 million. The market share of wireline service providers in Urban and Rural areas is depicted in **Figure 19** and **Figure 20**.

**Figure 19 : Market Share of Urban Wireline
Subscribers as on 31st March 2010**



**Figure 20: Market Share of Rural Wireline
Subscribers as on 31st March 2010**



35. As on 31st March 2010 besides BSNL and MTNL 5 Unified Access Service Licencee (UASL) are providing fixed

line services. The total equipped capacity and service provider wise connections are shown in **Table 6** below:

Table 6: Service Provider wise Equipped switching capacity

Sl. No.	Name of the Service Provider	Service Area	Equipped Capacity	Working Connections
1.	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	4,58,35,336	2,78,30,560
2.	Mahanagar Telephone Nigam Ltd.	Delhi and Mumbai	53,77,710	34,96,754
3.	Bharti Airtel Ltd. & Bharti	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan Tamil Nadu including Chennai, UP(E) and UP(W) including Uttaranchal. Hexacom Ltd.	1,00,64,000	30,66,859
4.	HFCL Infotel Ltd.	Punjab	3,28,835	1,73,407
5.	Reliance Communications	Andhra Pradesh, Bihar, Ltd. Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamil Nadu, UP(E), UP (W) and West Bengal.	24,64,000	11,77,412
6.	Sistema Shyam Teleservices Ltd.	Rajasthan	5,12,000	49,416
7.	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamil Nadu including Chennai, UP(E), UP(W) including Uttaranchal and West Bengal.	1,47,49,230	11,62,276

Source: from reports submitted by service providers



PUBLIC CALL OFFICES (PCOS)

36. As on 31st March 2010, the total number of Public Call Offices (PCOs) was 4.59 million as against 6.20 million as on 31st March 2009. The number of PCOs provided by BSNL, MTNL and Private Operators is indicated in **Table 7**.

Table 7: Public Call Offices in the Country

S. No.	Name of Service providers	2009-10 (March'10)
1	BSNL	16,72,178
2	MTNL	1,95,430
3	Pvt. Operators	27,27,093
	Total	45,94,701

VILLAGE PUBLIC TELEPHONES (VPTS)

37. As on 31st March 2010, the total number of village public telephones (VPTs) provided by the service providers, who are also providing fixed line services was 5.76 lakh as against 5.60 lakh as on 31st March 2009. The **Table 8** provides the total number of VPTs provided by the service providers, who are also providing Fixed Line Services.

Table 8: Village Public Telephones in India

S. No.	Name of Service providers	2008-09 (March'09)	2009-10 (March'10)
1	BSNL	5,49,294	5,65,276
2	MTNL	-	-
3	Private Operators	11,245	10,914
	Total	5,60,539	5,76,190

NATIONAL NUMBERING PLAN

38. Growth of the network in terms of subscribers has been stupendous. One fallout of this has been exhaustion of the numbering resources made available by the National Numbering Plan (NNP) 2003. NNP 2003 was designed to take care of the numbering requirements for about 30 years timeframe. The situation has changed rapidly since 2003. While the fixed line connections showed a decline, the mobile segment exhibited unprecedented growth. The anticipated 450 million connections by 2030 had already been achieved in 2009 and it is expected that the 1 billion mark would be crossed before the end of 2014. In view of the fact that some of the assumptions made in drawing up the NNP 2003 were no longer applicable, the plan fell short of meeting the developments and required review. The plan has been reviewed and recommendations sent to the Government.

(III) INTERNET / BROADBAND SERVICES

39. Internet services were launched in the country on 15th August, 1995. In November, 1998 the Government opened up the sector for providing Internet services by private operators. A liberal licensing regime was put in place with a view to increase Internet penetration across the country. Though large number of ISPs have been issued licenses to



provide Internet services, top 20 ISPs provide Internet service to 98.58% subscribers. The growth of Internet and Broadband is still slow in the country and far below the government's target of 40 million & 20 million subscribers of Internet & Broadband respectively by the year 2010. New services like IPTV, Internet Telephony, Video on Demand (VoD) are becoming popular.

BROADBAND TECHNOLOGIES

40. As per Broadband Policy 2004, Broadband is defined as an "always on" data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 256 Kbps to an individual subscriber from the Point of Presence (POP) of the service provider intending to provide Broadband service where such individual Broadband connections are aggregated and the subscriber is able to access these interactive services including the Internet through this POP.

INTERNET TELEPHONY

41. Internet Telephony is a product of technological innovation of Internet Protocol (IP) to provide voice services. Subsequent to the recommendations of TRAI, Government issued new guidelines on 24th August, 2007 for Grant of License for Operating Internet Services. All the ISPs who have

acquired licenses as per the new guidelines are eligible to provide Internet Telephony. Prior to this DoT had granted permission to 125 ISPs to offer Internet Telephony services. As per the reports submitted to TRAI, 32 ISPs are providing Internet Telephony service currently. These ISPs are listed in **Table 9** at the next page.

INTERNET PROTOCOL TV (IPTV)

42. Internet Protocol TV (IPTV) is a new method of delivering and viewing television programs using an IP network and high speed broadband technology. It is fast becoming a popular value added service in many countries. The fast development of telecom technologies, enormous capabilities of the IP platform and increasing digitalization in the broadcasting sector is driving services like IPTV. New policy guidelines and amendments in terms & conditions of license agreement for the provision of IPTV have been issued by the Ministry of Information & Broadcasting and the Department of Telecommunication, respectively based on the recommendations of TRAI.

NEXT GENERATION NETWORK

43. Though at present networks are virtually separated and provide fixed services, mobile services and internet services, the future



Table 9: Internet Service Providers as on 31st March 2010

S. No.	Name of ISP
1	Apna Telelink Ltd.
2	Asianet Satellite Communications Ltd.
3	Blazenet Ltd.*
4	Broadband Pacenet (I) Pvt. Ltd
5	City Online Services Ltd.
6	CJ Online Pvt. Ltd.*
7	Cordia LT Communications Pvt Ltd
8	Data Infosys Ltd.
9	delDSL Internet Pvt Ltd
10	Digital2Virtual ISP Pvt. Ltd.
11	Dishnet Wireless Ltd
12	Fast Lynx Internet Service Pvt Ltd
13	IKF Technologies Ltd
14	Karuturi Telecom Private Limited(Estel Communications Pvt. Ltd).*
15	Mahanagar Telephone Nigam Ltd.
16	Manipal Ecommerce Ltd.
17	My Own Infotech Pvt. Ltd
18	Narmada Cyberzone Pvt Ltd
19	Nettlinx Ltd.
20	Opto Network Pvt. Ltd.
21	Pulse Telesystems Pvt. Ltd.
22	Sify Technologies Ltd.
23	Swastik Netvision Telecom P Ltd*
24	Swiftmail Communications Ltd.
25	Tata Communications Internet Services Limited (VSNL Internet Services Ltd)(DIL Internet Ltd)
26	Tata Communications Limited
27	Tata Teleservices (Maharashtra) Ltd. (Hughes Telecom)
28	Trak Online Net India Pvt.Ltd
29	Trikon Electronics Pvt. Ltd.
30	VIVA Communications Pvt Ltd (Mylai Karpagambal Information Systems (P) Ltd)
31	World Phone Internet Services Pvt Ltd
32	You Broadband & Cable India Private Limited (YOU Telecom India Pvt. Ltd).



convergence will happen on a common platform known as Next Generation Networks (NGN). Using NGN, it will be possible to provide various services on single IP backbone. TRAI has issued Consultation Paper on “NGN Regulation issues” and the matter was deliberated with various stakeholders.

C) ENTRY OF PRIVATE SECTOR IN BOTH BASIC AND VALUE ADDED SERVICE

44. Duopoly in the GSM based cellular mobile telephony segment was introduced in 1994 / 1995, with two private service providers being licensed in each service area. The Government retained the right to enter as the third operator. The Government granted third mobile licence to MTNL in 1997 for Delhi and Mumbai service areas and BSNL in the year 2000 for all service areas except Delhi and Mumbai. A fourth Cellular Mobile Service provider was introduced in 2001 through a multi stage bidding process.
45. The Unified Access Service (UAS) licensing regime was introduced in November 2003. It permitted an access service provider to offer both fixed and/or mobile services under the same licence.
46. Since introduction of UAS licensing regime, many new UAS licences have been issued by the Government of India. Presently the total number of CMTS/UAS licensees in a service area ranges from 12 to 14.

47. Progressive regulatory policies and measures for increasing competition have ensured multiplicity of service providers for all types of telecommunication services in all service areas. In the earlier days of liberalization, separate licences for basic and cellular mobile services were issued. Subsequent to issue of Unified Access Service License guidelines in November 2003, all new entrants obtained UASL for providing telecom access services in the country. At present, there are two basic (wireline) service providers viz. Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL). However, there are 226 private operators having Unified Access Service Licences who can provide both wireless and wireline services. In the last 5 years NLD / ILD licensees have increased to 29 and 24 from 4 and 5 respectively.

48. Liberal licensing policy of the government to provide Internet/ broadband services has brought in private players into the sector. Both Government and Regulator have played a role in bringing in level-playing field in the sector. There are currently 374 private companies who provide Internet / broadband services.

D) TECHNICAL COMPATIBILITY AND EFFECTIVE INTERCONNECTION BETWEEN SERVICE PROVIDERS

49. A thriving telecom sector has led to emergence of multiple service





providers offering a variety of services. To facilitate seamless telecommunication across networks, it is necessary that different networks interconnect. Interconnection enables a subscriber of one service provider to access subscribers, networks and services of other service providers thereby increasing competition. The TRAI has a framework in place and interacts with service providers to ensure effective interconnection.

50. Establishment of interconnection requires collocation of equipment of service providers in each others' premises. TRAI carried out consultations on collocation charges on the basis of the consultation paper on 17th March, 2010. Regulatory framework in this regard is under preparation.

E) TELECOMMUNICATION TECHNOLOGY

51. Cellular Mobile service providers in the country are at present primarily providing voice services along with some value added services and supplementary services such as Short Message (SMS), mobile Internet, E-mail, chatting, mobile games, conferencing etc. Most of the operators are also providing data services through General Packet Radio Services (GPRS), Enhanced Data for GSM Evolution (EDGE) or EVDO technologies. PSU operators have already deployed 3G & BWA network and providing 3G & BWA Services, whereas for private

operators 3G auction was conducted from 9th April, 2010 to 19th May, 2010. All the 71 blocks of 2X5 MHz each, that were put up for auction across the 22 service areas in the country were auctioned. 3G auctions were followed by BWA auctions wherein also the 44 blocks of 20 MHz each were auctioned. Private operators are expected to roll out their network which will enhance competition in the provision of 3G and BWA services.

52. The National Telecom Policy 99 speaks of convergence of both markets and technologies. However this convergence now allows operators to use their facilities to deliver some services reserved for other operators, necessitating a relook into the existing policy framework. The new telecom policy framework is also required to facilitate India's vision of becoming an IT superpower and develop a world class telecom infrastructure in the country. Among other things one of the important areas that TRAI is working on is Next Generation Networks (NGN) as a means to implement convergence. In its earlier efforts, TRAI has narrowed down three areas of possible intervention: Licencing, Quality of Service and Interconnection. This work would be taken further through interaction with the industry.

TECHNOLOGIES PROVIDING INTERNET SERVICES

53. There are number of technologies which provide Internet services in the country such as DSL, Cable modem, Ethernet LAN, Fibre, Wireless, Leased line etc. Using these technologies many new services like IPTV, Internet Telephony, Video on Demand (VoD) are being provided.

INTERNET ACCESS USING WIRELESS MOBILE TECHNOLOGY

54. Mobile Internet technologies are becoming popular as more people are adopting a nomadic life style. The policy initiatives undertaken by TRAI related to releasing of BWA spectrum are helping these technologies to expand.

BROADBAND TECHNOLOGIES

55. TRAI is constantly watching the growth of broadband subscribers in the respective technologies. The Digital Subscribers Line (DSL) is the most preferred technology by the service providers to offer Broadband services in the country and this sector is growing rapidly. Other technologies used for providing Broadband services are Cable modem, Ethernet LAN, Fibre, Wireless, Leased line etc.

INTERNET TELEPHONY

56. Internet Telephony is an innovative method of voice service using Internet Protocol. TRAI monitors the growth of Internet telephony market every quarter by observing

the trend in the Internet telephony minutes.

INTERNET PROTOCOL TV (IPTV)

57. Subsequent to the recommendations of TRAI, new policy guidelines and amendments in terms & conditions of license agreement for the provision of IPTV, have been issued by Ministry of Information & Broadcasting and Department of Telecom respectively, which has helped IPTV market.

F) IMPLEMENTATION OF NATIONAL TELECOM POLICY (NTP)

58. NTP '99 envisaged availability of affordable & effective connections for the citizen, with inter-alia, the following broad objectives:-

- (i) Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy;
- (ii) Create a modern and efficient telecommunications infrastructure taking into account the convergence of IT, media, telecom and consumer electronics and thereby propel India into becoming an IT superpower;
- (iii) Transform in a time bound manner, the telecommunications sector to a greater competitive



environment in both urban and rural areas providing equal opportunities and level playing field for all players;

(iv) Make available telephone on demand by the year 2002 and sustain it thereafter so as to achieve a teledensity of 7 by the year 2005 and 15 by the year 2010;

(v) Achieve telecom coverage of all villages in the country and provide reliable media to all exchanges by the year 2002.

59. The Authority issued various directions, regulations and consultation papers during the year keeping in view the guidelines enunciated by the NTP, '99. The Authority also worked on formulating its recommendations on 'Spectrum Management and licensing framework'. The details of these directions, regulations and consultation papers are given in Part II.

G) QUALITY OF SERVICE

60. TRAI is mandated to lay down the parameters of quality of service to be provided by the various service providers and to ensure the quality of service. Accordingly, TRAI had issued Regulation on Quality of Service for Basic and Cellular Mobile Services prescribing QoS benchmarks. The Authority reviewed the Quality of Service regulations of 2005 and notified the Standards of Quality of Service of

Basic Telephone Service (wireline) and Cellular Mobile Telephone Service Regulations, 2009 on 20th March 2009, which has come into effect from 1st July 2009. In these regulations the benchmarks for some of the existing Quality of Service parameters have been modified, some new Quality of Service parameters have been introduced and some of the Quality of Service parameters have been taken out of Quality of Service regulations.

61. Performance of Basic and Cellular Mobile service are monitored against the benchmarks prescribed by TRAI vide Regulation on Quality of Service for Basic & Cellular Mobile Services through quarterly performance monitoring report (PMR) received from service provider. TRAI also monitors Point of Interconnection (POI) congestion through monthly reports received from cellular mobile service providers (CMSPs). Follow up meetings with the service providers were held for improving their performance with regard to quality of service. TRAI also monitors the level of congestion at the POI between various Service Providers on Monthly basis. This parameter signifies the ease by which a customer of one network is able to communicate with a customer of another network. This parameter also reflects as to how effective is the interconnection between two



networks. The benchmark was notified by the TRAI.

62. In order to facilitate information to all stakeholders about the quality of service performed by access service providers TRAI had issued direction to all access service providers on 8th February 2010, to publish on its website its performance with respect to the benchmark of Quality of Service parameter in three separate formats on quarterly basis.
63. TRAI receives Performance Monitoring Reports, service area-wise, on monthly and quarterly basis from Basic and Cellular Mobile Telephone service providers and these are analyzed for assessing their performance with regard to Quality of Service benchmarks. In order to have separate information relating to Quality of Service prevailing in some of the major cities in the Country, TRAI has recently initiated collection of data from the service providers for 42 cities having more than one million population.
64. During the year 2009-10, TRAI had reviewed the framework for obtaining the explicit consent of the consumer for provision of Value Added Services (VAS) and in this regard, the Authority had issued two directions on 27th April 2009 and 4th September 2009.

H) UNIVERSAL SERVICE OBLIGATION (USO)

65. The Government of India has established Universal Service Obligation Fund (USOF) headed by an Administrator, based on recommendation of TRAI on USO to Government on 3.10.2001. TRAI in its recommendations on "Growth of Telecom Services in Rural India" dated 3rd October, 2005 suggested that subsidy based on individual connections (DELs, VPTs, etc.) should be shifted to network infrastructure expansion based approach. TRAI recommended that mobile services should also be brought under the ambit of USO Fund and sharing of infrastructure may receive support from USO. Subsequently, the Indian Telegraph (Amendment) Act, 2006 was passed on 29th December 2006 to bring inter alia mobile services and Broadband connectivity within the ambit of Universal Services. Further, Department of Telecommunications (DoT) launched a scheme for extending financial support from USOF for setting up of Infrastructure for mobile services in rural and remote areas of the Country. For successful implementation of this scheme, TRAI forwarded its suggestions to DoT. TRAI had issued its recommendations on "An approach to rural telephony - Suggested measures for an accelerated growth" on 19th March, 2009. In these recommendations certain measures



were recommended inter alia regarding funding from Universal Service Obligation Fund. The details of these measures have been discussed in Part-II.

66. Presently, the following stream heads are being supported by the USO Fund:-

- (i) Stream-I: Provision of Public Telecom and Information Services
- (ii) Stream-II – Provision of household telephones in rural and remote areas as may be determined by the Central Government from time to time

(iii) Stream-III: Creation of infrastructure for provision of Mobile Services in rural and remote areas

(iv) Stream-IV: Provision of Broadband connectivity to villages in a phased manner

(v) Stream-V: Creation of general infrastructure in rural and remote areas for development of telecommunication facilities

(vi) Stream-VI: Induction of new technological developments in the telecom sector in rural and remote areas.



PART – I

ANNEXURES

ANNEXURE I

Subscriber Base of Wireless (GSM and CDMA) Services from 2004-05 to 2009-10

(Subscriber base in millions)

Service Providers	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	%age growth over 2008-09 in 2009-10
Bharti	10.98	19.58	37.14	61.98	93.92	127.62	35.87%
Reliance	10.45	17.31	28.01	45.79	72.67	102.42	40.94%
Vodafone	7.8	15.36	26.44	44.13	68.77	100.86	46.66%
BSNL	9.9	17.65	30.99	40.79	52.15	69.45	33.17%
Tata	1.09	4.85	16.02	24.33	35.12	65.94	87.76%
Idea	5.07	7.37	14.01	24.001	38.89	63.82	48.35%
Spice	1.44	1.93	2.73	4.21	4.13		
Aircel	1.76	2.61	5.51	10.61	18.48	36.86	99.46%
MTNL	1.08	2.05	2.94	3.53	4.48	5.09	13.62%
Unitech					0	4.26	
Sistema	0.03	0.03	0.10	0.11	0.60	3.78	530.00%
Loop	2.58	1.34	1.07	1.29	2.16	2.84	31.48%
S Tel					0	1.01	
HFCL	0.05	0.06	0.15	0.30	0.39	0.33	-15.38%
Videocon					0	0.03	
Etisalat					0	0.0004	
Total	52.23	90.14	165.11	261.07	391.76	584.32	49.15%

Source: Service Provider

Data includes WLL (F) subscribers.



List of Wireless Service Providers Service Area wise as on 31st March 2010

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

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





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

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





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

Sl.No.	Category	Service Area	Access Service Provider
			Unitech Wireless (West) Pvt. Ltd*
			Loop Telecom Pvt. Ltd*
			Sistema Shyam Teleservices Ltd*
			Essar Spacotel Pvt. Ltd (Vodafone)
			Allianz Infratech (P) Ltd*
			Reliance Infocomm
			Tata Teleservices
17		WB&A&N	Reliance Telecom
			BSNL
			Bharti
			Vodafone
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd*
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt. Ltd*
			Loop Telecom Private Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
18	C circle	HP	Bharti
			Reliance Telecom
			BSNL
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Essar Spacotel Pvt. Ltd (Vodafone)
			Videocon Telecommunications Ltd*
			Unitech Wireless (North) Pvt. Ltd*
			S Tel Ltd
			Loop Telecom Private Ltd*
			Sistema Shyam Teleservices Ltd*
			Reliance Infocomm
			Tata Teleservices
19		Bihar	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacotel Pvt. Ltd (Vodafone)
			Aditya Birla Telecom Ltd (Idea)
			Videocon Telecommunications Ltd*





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

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

Note * Services not yet Started

Single License for Tamil Nadu & Chennai

Source DOT/Service Providers

ANNEXURE-III

Additional Wireless Subscribers added and annual growth rate in different circles during 2007-08, 2008-09 and 2009-10

(Nos. in million)

Circles	No. of Subscribers added during Apr,07 to Mar,08	% Growth during the year 2007-08	No. of Subscribers added during Apr,08 to Mar,09	% Growth during the year 2008-09	No. of Subscribers added during Apr,09 to Mar,10	% Growth during the year 2009-10
Metro	13.18	41.67%	17.28	38.56%	9.09	14.64%
Circle 'A'	35.02	59.43%	43.23	46.01%	75.13	54.77%
Circle 'B'	36.28	61.69%	51.75	54.42%	77.15	52.54%
Circle 'C'	11.48	72.94%	18.43	67.71%	31.19	68.32%
All India	95.96	58.12%	130.69	50.06%	192.56	49.15%

Source: Quarterly Reports of Service Providers



PART – II

REVIEW OF WORKING AND OPERATION OF THE TELECOM REGULATORY AUTHORITY OF INDIA



Visit of Cabinet Secretary to TRAI on 4th July 2009

REVIEW OF WORKING AND OPERATION OF THE TELECOM REGULATORY AUTHORITY OF INDIA

1. Part I of the Report has given a review of the general environment prevailing in the telecom sector including broadcasting and cable services and has highlighted the policies and programmes of the Government during 2009-10. The main thrust of TRAI's functioning is to create conditions for efficient competition and growth in the telecom sector including broadcasting and cable services together with better quality at affordable prices, in order to meet the objectives of New Telecom Policy, 1999 (NTP' 99). In line with the mandate given under the TRAI Act, TRAI has played a catalytic role in the development of the telecom, broadcasting and cable services. It has been its endeavour to provide an environment, which is fair and transparent, encourages competition, promotes a level-playing field for all service providers, protects the interest of consumers and enables technological benefits to one and all.
2. The Government of India issued a Notification dated 9th January, 2004 by which broadcasting and cable services have been brought within the ambit of telecommunication services in terms of section 2(k) of the Telecom Regulatory Authority of India Act, 1997 as amended by the TRAI (Amendment) Act, 2000. With this notification, the 'carriage' part of broadcasting and cable services has come under the purview of TRAI.
3. Under the TRAI Act, 1997, TRAI is mandated, inter-alia, to ensure compliance of the terms and conditions of license, lay down the standards of quality of service to be provided by the service providers and ensure the quality of service, specify tariff policy and





recommend conditions for entry of new service providers as well as terms and conditions of license to a service provider. TRAI's scope of work also includes consideration and decisions on issues relating to monitoring of tariff policy, commercial and technical aspects of interconnection, principles of call routing and call handover, free choice and equal ease of access for the public to different service providers, resolution of conflicts that may arise due to market developments and diverse network structures for various telecom services, need for up-gradation of the existing network and systems, and development of forums for interaction amongst service providers and interaction of the Authority with consumer organizations. The Government issued an order dated 9th January, 2004 under section 11(d) of the TRAI Act, which mandated TRAI to make recommendations regarding terms and conditions on which the "Addressable Systems" shall be provided to the customers and the parameters for regulating maximum time for advertisements in pay channels as well as other channels. This order also entrusted to TRAI, the function of specifying the standard norms for, and periodicity of revision of rates of pay channels, including interim measures.

4. To formulate policies and recommendations, TRAI interacts

with various stakeholders such as the service providers, their organizations, Consumer Advocacy Groups / Consumer Organizations and other experts in this field. It has developed a process, which allows all the stakeholders and the general public to participate in policy formulation by offering their views whenever sought for. This process involves holding Open House Meetings arranged in different parts of the country, inviting written comments on e-mail and through letters, and having interactive sessions with stakeholders and experts to obtain different views and clarifications on policy issues. The Regulations / Orders issued by TRAI also contain an Explanatory Memorandum which explains the basis on which the decisions are taken. The participative and explanatory process adopted by TRAI has received wide acclaim.

5. TRAI also interacts with the consumer organizations / Non-Government Organizations (NGO) in the telecom and broadcasting sector to obtain their views. It has a system of registering consumer organizations / NGOs connected with telecom functions and of interacting with them at regular intervals. TRAI has registered 41 (forty one) consumer organizations as on 31st March 2010 from all over the country and is constantly adopting measures for strengthening the consumer organizations. It also organizes

Seminars and Workshops with the participation of International Experts on various technical issues and invites stakeholders, consumer organizations and other research institutes to attend these seminars.

6. Details of Tariff Orders / Regulations / Directions / Consultation Papers issued by TRAI during the year 2009-10 are given below.

(I) TARIFF ORDER

7. During the year 2009-10, TRAI notified the "The Telecommunication Tariff (Forty-Ninth Amendment) Order, 2009 (1 of 2009) dated the 20th November 2009" for fixing the porting charge payable by subscribers. Porting charge levied from subscribers cannot exceed the per port transaction charge specified in the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge Regulations, 2009. Currently this is Rs.19/- per porting request.

(II) REGULATIONS

8. During the year 2009-10 TRAI issued the following Regulations:
 - (i) The Telecom Mobile Number Portability Regulations, 2009 (No. 8 of 2009) dated the 23rd September 2009
 - (ii) The Telecom Mobile Number Portability Per Port Transaction Charge and Dipping Charge Regulations, 2009 (No. 9 of 2009) dated the 20th November 2009

- (iii) The Telecom Mobile Number Portability (Amendment) Regulations, 2010 (No. 1 of 2010) dated the 28th January 2010.

The details of the above Tariff Order and Regulations have been furnished in **Part III** of this compilation.

(III) DIRECTIONS

9. TRAI also issued following directions to the Service Providers during the year 2009-10 for compliance of its orders / Regulations:

- (i) Direction dated 27th April 2009 and Amendment dated 4th September 2009 to all Access Service Providers on provision of value added service to customers;
- (ii) Direction dated 29th July 2009 to DTH operators, IPTV Service Providers and HITS operators regarding compliance of amended procedure for filing of details of interconnect agreements;
- (iii) Direction dated 29th July 2009 to Broadcasters regarding compliance of amended procedure for filing of details of interconnect agreements;
- (iv) Direction dated 10th August 2009 to Service Providers to submit compliance reports on benchmarks of quality of service parameters;
- (v) Direction dated 8th February 2010 to Service Providers for



publishing information relating to performance with respect to Quality of Service benchmark on the website of service providers;

(vi) Direction dated 10th February 2010 to Cellular Mobile Service Providers and Unified Access Service Providers relating to Unique Porting Code; and

(vii) Direction dated 26th February 2010 to Cellular Mobile Service Providers and Unified Access Service Providers regarding confidentiality of information of subscribers and privacy of communications.

10. The details of the above directions are discussed below.

(i) **DIRECTION ON PROVISION OF VALUE ADDED SERVICES TO CUSTOMERS DATED 27TH APRIL 2009 AND AMENDMENT DATED 4TH SEPT. 2009.**

11. TRAI had received complaints from consumers regarding provision of value added services without explicit consent. Examination of these complaints revealed that customers are induced to press star key in the handset to download the caller tunes through pre-call announcement (before connecting the call) and that there is likelihood of consumers subscribing to such services, accidentally or unintentionally by pressing the * (star) key in the handset, thus subscribing to the service without explicit consent. TRAI also received complaints from consumers from

time to time, alleging activation of value added services, such as caller ring back tunes, background music, etc., and charging for these value added services by the service providers without their explicit consent. Examination of these complaints revealed that the consumers are being induced through Out Bound Dialer (OBD) calls during which caller ring back tunes, background music etc are played and the customer is asked to press a particular key as per his choice of the tune played. Examination of these complaints also revealed that there would be chances of accidental or unintentional activation of value added services through this method.

12. To address the above issues the Authority issued a direction to all access service providers on 27th April 2009. An amendment to this direction was issued on 4th September 2009 providing for an alternative procedure for providing value added services through pressing of key(s) in the mobile handset/telephone instrument and obtaining explicit consent of the consumers. The salient features of these directions are given below:

a) Pressing of any key during pre-call announcement as in the case of Press * to Copy Hello Tunes or during Out Bound Dialer (OBD) call does not amount to explicit consent for value added service. The service provider shall subsequently convey to the



- customer in writing or through SMS or Fax or e-mail all the details of the offer of value added services and seek and obtain the explicit consent of the customer.
- b) No chargeable value added service shall be activated through pressing of any key in the mobile handset/telephone set as in the case of Press star to copy Hello Tunes or during Out Bound Dialer (OBD), unless the explicit consent of the customer is obtained by means of a customer originated call/SMS to specified number or an interactive session to a specified number or a request made by the customer in writing or by fax or e-mail.
- c) As an alternative to the above procedure, for obtaining the explicit consent of the customer the service provider could implement a double confirmation procedure. This double confirmation procedure provides for pressing of '*' and '9' key, instead of one key. The alternative procedure of double confirmation process provided in the amendment would not only obviate multistage activation process and resultant delay in the provision of value added services to the customers but also protect the customers against unintended or accidental activation of such value added services.
- d) Music or video related value added services, such as caller ring back tune, background music, wall paper etc, shall not be provided, even if it is provided free of charge, without taking the explicit consent of the consumer in the above manner.
13. The service providers are required to intimate the subscriber, at least three days before the due date of renewal of a subscribed value added service, the due date for renewal, the charges for renewal and the toll free telephone number for un-subscribing of such value added service.
- (ii) **DIRECTION TO DTH OPERATORS, IPTV SERVICE PROVIDERS AND HITS OPERATORS REGARDING COMPLIANCE OF AMENDED PROCEDURE FOR FILING OF DETAILS OF INTERCONNECT AGREEMENTS DATED 29TH JULY 2009**
14. Direction dated 29th July 2009 was issued to all DTH operators, IPTV service providers and HITS operators to furnish to the Authority by 31st July of each year a copy of each of the agreements or contracts or memoranda of understanding entered into with the broadcasters signed by the parties which remained valid on the 30th June of that year or during part of the period from 1st July of the previous year till the 30th June of that year.



(iii) DIRECTION TO BROADCASTERS REGARDING COMPLIANCE OF AMENDED PROCEDURE FOR FILING OF DETAILS OF INTERCONNECT AGREEMENTS DATED 29TH JULY 2009

15. Direction dated 29th July 2009 was issued to Broadcasters regarding compliance of amended procedure for filing of details of interconnect agreements directing all the broadcasters, for the year ending 30th June 2009 and onwards, to follow prescribed procedure for filing the details of interconnection agreements with the Authority. Annual reporting is required to be done by 31st July of each year containing details of interconnect agreements as updated up to the 30th of June of that year.



(iv) DIRECTIONS DATED 10TH AUGUST 2009 TO SERVICE PROVIDERS TO SUBMIT COMPLIANCE REPORTS OF BENCHMARKS OF QUALITY OF SERVICE PARAMETERS

16. TRAI through its Direction dated 10th August 2009 has mandated the service providers as to the manner and periodicity by which they have to submit their compliance to the Quality of Service Benchmarks laid down by the Authority.

(v) DIRECTION FOR PUBLISHING INFORMATION RELATING TO PERFORMANCE WITH RESPECT TO QUALITY OF SERVICE BENCHMARK ON THE WEBSITE OF SERVICE PROVIDERS DATED 8TH FEBRUARY 2010.

17. In order to facilitate information to all stakeholders about the quality of

service performed by access service providers TRAI had issued direction to all access service providers on 8th February 2010, to publish on their website their performance with respect to the benchmark of Quality of Service parameters in three separate formats on quarterly basis.

(vi) DIRECTION RELATING TO UNIQUE PORTING CODE DATED 10TH FEBRUARY 2010.

18. TRAI issued a Direction dated 10th February 2010 specifying the format and validity for Unique Porting Code to be used by the Service Providers in the implementation of Mobile Number Portability. Through this direction the SMS text to be used by the subscribers for getting Unique Porting Code from his service provider was also prescribed.

(vii) DIRECTION DATED 26TH FEBRUARY 2010 TO CELLULAR MOBILE SERVICE PROVIDERS AND UNIFIED ACCESS SERVICE PROVIDERS REGARDING CONFIDENTIALITY OF INFORMATION OF SUBSCRIBERS AND PRIVACY OF COMMUNICATIONS

19. Under the licence conditions it is the responsibility of the licensee to maintain the confidentiality of information of the customers and this responsibility is subject only to the provisions contained in the terms and conditions of the respective licence agreements (as regards monitoring of security agencies etc.). Accordingly, the service providers are bound to

ensure confidentiality of customer information and protection of privacy of communications.

20. It has been noticed by the Authority that allegations of breach of confidentiality of information of the subscribers and privacy of communications are being raised by the customers before different courts and consumer forums and also before the Authority by some consumers and consumers groups which indicate that the service providers have not taken adequate steps to put in place a foolproof mechanism for ensuring confidentiality of information of the subscribers and privacy of communication.

21. In order to ensure compliance with the terms and conditions of the licence and for protecting the interest of the consumers of the telecom sector, the Authority issued the direction regarding confidentiality of information of subscribers and privacy of communications dated 26th February 2010.

(IV) CONSULTATION PAPERS

22. The brief details of the consultation papers issued by TRAI during the year 2009-10 are as under:

(i) **CONSULTATION PAPER ON DETERMINATION OF PORT TRANSACTION CHARGE, DIPPING CHARGE AND PORTING CHARGE FOR MOBILE NUMBER PORTABILITY:**

The above consultation paper was issued on 22nd July 2009. After due

completion of the consultation process with various stake holders, TRAI notified the "The Telecommunication Tariff (Forty-Ninth Amendment) Order, 2009 (1 of 2009) dated the 20th November 2009" for fixing the porting charge payable by subscribers. Porting charge levied from subscribers cannot exceed the per port transaction charge specified in the order.

(ii) **CONSULTATION PAPER ON OVERALL SPECTRUM MANAGEMENT AND REVIEW OF LICENSE TERMS AND CONDITIONS :**

The above consultation paper was issued on 16th October 2009 covering issues relating to licensing, spectrum assignment and spectrum pricing. TRAI also conducted Open House Discussions during November-December 2009. Based on the inputs received during the consultation process, study of best international practices and its own analysis, TRAI submitted its recommendations to the Government in May, 2010.

(iii) **SUPPLEMENTARY CONSULTATION PAPER ON TARIFF RELATED ISSUES FOR DTH SERVICES:**

The above consultation paper was issued on 24th December 2009. This paper dealt with certain aspects of tariff dispensation for basic and add-on packages in case of DTH services. This consultation finally resulted in issue of a Tariff Order for Addressable TV Systems in July, 2010.



(iv) **CONSULTATION PAPER ON FOREIGN INVESTMENT IN BROADCASTING SECTOR :**

Subsequent to the announcement of the Consolidated FDI policy, the Government requested TRAI to offer its recommendations on the existing foreign investment limits for the broadcasting sector. Accordingly, a Consultation paper on foreign investment limits for broadcasting sector was issued on 15th January 2010. This consultation process finally resulted in Recommendations which were submitted to the Government in June 2010.



(v) **CONSULTATION PAPER ON 'EFFICIENT UTILIZATION OF NUMBERING RESOURCES' :**

The above consultation paper was issued on 20th January 2010. This consultation was to review efficient utilization of numbering resources to facilitate competition and promote efficiency in the operations of telecommunication services. The recommendations in this regard have been submitted to Government in August 2010.

(vi) **CONSULTATION PAPER ON POLICY ISSUES ON UPLINKING / DOWNLINKING TELEVISION CHANNELS IN INDIA**

In view of the exponential increase in the number of TV channels, the Government requested TRAI to offer its recommendations on the existing policy on uplinking / downlinking of TV channels. Accordingly, a

consultation paper on policy issues on Uplinking / Downlinking television channels in India was issued on 15th March 2010. The consultation paper sought views on various issues such as to analyze maximum number of satellite TV channels possible, desirability to cap the number of channels and/or Teleports/DSNG uplinking facility, need for mandating particular technology and measures to ensure only serious players in the field. This consultation process finally resulted in Recommendations which were submitted to the Government in July 2010.

(vii) **CONSULTATION PAPER ON COLLOCATION CHARGES**

The above consultation paper was issued on 17th March 2010. The main purpose of this consultation paper is to examine the issues involved in collocation with a view to frame guidelines that will help service providers to mutually negotiate and agree on reasonable terms and charges for collocation for establishment of effective interconnection.

(viii) **CONSULTATION PAPER ON TARIFF ISSUES RELATED TO CABLE TV SERVICES IN NON-CAS AREAS**

The above consultation paper was issued on 25th March 2010. This paper discussed the various methodologies for regulation of wholesale and retail tariff. This Consultation Process resulted in

submission of a report to the Hon'ble Supreme Court alongwith a draft Tariff Order on Non-addressable Cable TV Sector in July 2010.

23. In the process of providing its recommendations, framing of regulations or tariff orders and issue of directions during the financial Year 2009-10, the Authority conducted a total of 09 (Nine) Open House Meetings in different parts of the country, which were attended by representatives of service providers, their associations, NGOs / Consumer Organizations in the telecom sector, telecom experts and the consumers. The Authority held 3 (Three) Regional Workshops – one each at Mysore (June 2009); Bhubaneswar (November 2009); and Indore (December 2009) aimed at generating awareness amongst the Consumer Organizations about the initiatives taken by the Government and Telecom Regulatory Authority of India to protect their interests. A meeting of all the consumer organizations and NGOs was held in New Delhi on 18th September, 2009 to obtain their valuable suggestion on consumer issues.
24. Some of the specific measures taken by TRAI in respect of (a) Rural Telephone Network; (b) Entry of Private Sector in basic and value added service; (c) Technical Compatibility and effective interconnection with service providers; (d) Telecommunication Technology; (e) Implementation of

National Telecom Policy; (f) Quality of Service; (g) Universal Service Obligation; (h) Broadcasting and Cable Sector; and (i) Cooperation with International Regulators are elaborated below.

a) **RURAL TELEPHONE / BROADBAND NETWORK**

25. TRAI has always been conscious of the need for expanding the telephone network in rural areas. While phasing out the Access Deficit Charges (ADC) in October 2008, TRAI had given the slogan “aao rural telephony aur aage badhaen.” The service providers were enthused to lower the entry barrier of rural customers by announcing subsidy for rural subscribers to the tune of Rs 50 on initial charges and Rs 75 on airtime for 50 million new rural customers from 1st May 2008. By 31st March 2010 the number of rural subscribers who have been added to the network through these subsidies stood at about 27 million.
26. While phasing out ADC, TRAI also recommended to DoT that fixed line service providers should be provided support for sustenance of fixed wirelines installed before 1st April 2002 through USOF. This amount should be Rs 2000 crore per year for a period of 3 years effective from 1st April 2008 and payable quarterly in advance. This support has to be reviewed in the third year for further continuation. This support was



considered necessary looking at the importance of fixed line infrastructure for broadband and also because it is a physical asset created at substantial cost. The recommendations were accepted by the Department of Telecom.

27. Broadband penetration in rural areas is still low. Just 5% of the present broadband connections are in rural areas as compared to about 31% of total mobile connections. The primary cause of low penetration is due to non-availability of required transmission media connectivity up to villages. Presently about 7,50,000 route km of optical fibre network is available in India. The connectivity is available only up to block headquarters. It is very important to extend Optical Fibre Cable (OFC) connectivity up to villages.



28. TRAI has conducted an internal study and worked out the cost implications for providing Optical Fibre connectivity up to village level. It is estimated that an expenditure of Rs.34,380 crore will be required for laying 11.46 lakh km optical fibre to provide connectivity to 3.74 lakh villages (having population of 500 and above). This broadband network would enable provision of e-governance services including e-education, e-health etc to the rural masses. The study conducted by TRAI has culminated in a consultation paper on the 'National Broadband

Plan'. Consultations with all the stakeholders are going on at present.

b) ENTRY OF PRIVATE SECTOR IN BASIC AND VALUE ADDED SERVICES

29. DoT vide their reference dated 7th July 2009, sought TRAI's recommendations on the recommendations/comments of the Committee on "Allocation of Access (GSM/CDMA) Spectrum and Pricing" of May 2009. In addition, TRAI was also requested to furnish its recommendations on the terms and conditions of existing UAS/CMTS licence for extending validity of these licences perpetually or otherwise vis-à-vis 2G spectrum (GSM and/or CDMA) allocated and/or 3G spectrum owned by existing licensees, as the case may be. In separate references dated 7th July 2009 and 22nd July 2009, DoT had also sought TRAI's clarification/recommendation on auctioning of all spectrum other than 800, 900 and 1800 MHz bands and on the policy of no capping on the number of Access Service providers in each service area in terms of pending applications for grant of new UAS licenses received from 26th September 2007 to 1st October 2007.
30. Since all the issues referred to above were inter-related and inter linked, TRAI issued a consultation paper covering issues related to licensing, spectrum assignment and spectrum pricing on 16th October 2009.

31. The spectrum related issues included identification of spectrum bands for commercial usage, assessment of demand for spectrum and its availability, ensuring efficient utilization of available spectrum, policy for refarming of spectrum, Licensing related issues including need for limiting the number of access service providers in a service area, de-linking of spectrum from license, Terms and conditions of existing UAS/CMTS license for extending validity of these licenses perpetually or otherwise, Spectrum assignment mechanisms, spectrum pricing, spectrum consolidation methods including merger & acquisitions, spectrum trading/sharing, technological advance, etc.

32. In order to achieve greater transparency, the Authority conducted open house discussions which were held in Delhi during November – December 2009. Based on the inputs received during the consultation process, study of best international practices & its own analysis, the Authority submitted its recommendations to the Government in May 2010.

c) TECHNICAL COMPATIBILITY AND EFFECTIVE INTER-CONNECTION BETWEEN SERVICE PROVIDERS

33. To facilitate seamless telecommunication across networks, it is necessary that different networks interconnect. The licence condition also prescribes that all

access providers should interconnect with each other and with national and international long distance operators' networks.

34. Interconnection is the lifeline of telecommunications. Interconnection allows subscribers, services and networks of one service provider to be accessed by subscribers, services and networks of the other service providers. Interconnection Usage Charge (IUC) are charges payable by one telecom operator to the other for use of the latter's network either for originating, terminating or transiting/carrying a call. The regulatory framework for interconnection and interconnection usage charges was established through the various Regulations issued by TRAI.

d) TELECOMMUNICATION TECHNOLOGY

35. TRAI follows a technology-neutral approach. It, however, aims to provide conditions under which service providers are able to adopt modern and efficient technologies and can address the constraints imposed by the legacy network and practices benefitting the customers. Some important steps taken in this direction are given below.

(i) UCC/NDNC REGISTRY

36. In order to curb the Unsolicited Commercial Communication (UCC), TRAI had notified the Telecom





Unsolicited Commercial Communications Regulations, 2007 (4 of 2007) dated 5th June 2007. Consequently the National Do Not Call Registry (NDNC) had been established which is primarily a national database containing list of telephone numbers of all such subscribers who do not want to receive the UCC. The Telecom Unsolicited Commercial Communications Regulations, 2007 was amended on 17th March, 2008 and 21st March, 2008.

37. It is noticed that all the Telemarketers are not registered with DoT and large number of complaints are being received by the service providers against both registered and unregistered Telemarketers. Further, it is observed that the subscribers do not take initiative to get registered with NDNC and a large number of subscribers, despite having registered with NDNC, do not complain to their service providers even on receipt of UCC. This indicates that the Regulation on UCC has achieved limited results.

38. Hence, a need was felt to explore alternatives to address the problem of unsolicited commercial communications such as enactment of new legislation or amendment in Indian Telegraph Act to deal with unsolicited commercial communication, setting up of a National Do Call Registry, and a need for strengthening of enforcement mechanism.

(ii) MOBILE NUMBER PORTABILITY

39. DoT issued guidelines on Mobile Number Portability on 1st August, 2008. The guidelines envisage two Number Portability zones (Zone 1 & Zone 2) consisting of 11 Licensed Service Areas.

40. Licences were issued to M/s Syniverse Technologies(I) Pvt. Ltd for Zone 1 (North and West India) and M/s MNP Interconnection Telecom Solutions(I) Pvt. Ltd. for MNP Service Zone 2 (East and South India) on 2nd March 2009.

41. TRAI issued "Telecommunication Mobile Number Portability Regulations 2009(8 of 2009) on 23rd Sept. 2009. These regulations seek to provide a framework governing all relevant aspects of MNP such as laying down clear eligibility conditions for porting of mobile telephone numbers, defining the rights and obligations of various stakeholders, laying down the procedure to be followed by each player in the chain in processing number porting request etc.

42. On 20th Nov. 2009, TRAI issued the Telecommunication Mobile Number Portability per Port Transaction Charge and Dipping Charge Regulations, 2009 (9 of 2009). These Regulations provides three types of charge viz. Per Port Transaction Charge, Dipping Charge and Porting Charge. The per-Port Transaction Charge has been prescribed at Rs. 19/-. The Dipping Charge is left

to mutual negotiation between the telecom service providers and MNP service providers. Porting Charge is the amount payable by the subscriber to the Recipient Operator which shall not be more than the Per Port Transaction Charge i.e. Rs.19/-

43. The Government extended the time for implementation of MNP services from 31st December 2009 to 31st March, 2010 for all circles considering the preparedness of Operators at that time. Accordingly, TRAI issued the Telecommunication Mobile Number Portability (Amendment) Regulations, 2010 (1 of 2010) dated 28th January 2010

(iii) NEXT GENERATION NETWORK

44. One of the important areas that TRAI is working on is Next Generation Networks (NGN). Networks for fixed, mobile and data have been developed as separate silos and future will see their convergence to offer reduction in cost and expansion of range of services to the operators. Subscribers would be able to get their preferred services from any access provider at reasonable costs. This would be made possible through NGN. In its earlier efforts TRAI has narrowed down three areas of possible intervention: Licencing, Quality of Service and Interconnection. This work would be taken further through interaction with the industry.

e) IMPLEMENTATION OF NATIONAL TELECOM POLICY (NTP)

45. New Telecom Policy, 1999 (NTP-99) has provided TRAI with the requisite policy framework envisaged by the Government. Telecom Regulatory Authority of India Act, 1997 empowers the Authority to notify Regulations on issues relating to Interconnection, Quality of Service etc. The Act also empowers the Authority to make Recommendations either suo-moto or on a request from Licensor on matters specified therein. TRAI also notifies Telecom Tariff Orders. Some of the important issues on which consultation process / Recommendations were made / initiated by TRAI during 2009-10 are as under:

- (i) Telecommunication Mobile Number Portability
- (ii) Determination of Port Transaction Charge / Dipping Charge / Porting Charge for Mobile Number Portability
- (iii) Spectrum Management and licensing framework
- (iv) Tariff related issues for DTH services
- (v) Foreign Investment in Broadcasting Sector
- (vi) Efficient utilization of Numbering Resources
- (vii) Review of Up-linking / Down-linking policy
- (viii) Review of Collocation Charges for establishment of Effective Interconnection



(ix) Tariff Issues related to Cable TV Services in Non-CAS Areas

f) QUALITY OF SERVICE (QOS)

46. TRAI has taken many initiatives to improve the Quality of Service of Telecommunications and Internet and Broadband Services. Some of these are given below:



(i) OBJECTIVE ASSESSMENT OF QOS THROUGH AN INDEPENDENT AGENCY

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

(ii) PUBLICATION OF QOS PERFORMANCE IN NEWSPAPERS:-

48. In order to disseminate information relating to Quality of Service

performed by service providers, provisions have been made in the Standards of Quality of Service of Basic (Wireline) and Cellular Mobile Telephone Services Regulations, 2009 for publication of performance of service providers for key parameters of quality of service. Accordingly, the service area wise performance of the service providers for key parameters of quality of service standards have been published in both English and regional languages in leading newspapers during 2009-10.

(iii) MEETINGS WITH SERVICE PROVIDERS FOR ENSURING QUALITY OF SERVICE.

49. For effectively ensuring the compliance of the QoS regulations with respect to the benchmarks for various parameters prescribed by TRAI, TRAI has been closely monitoring the performance of Service Providers against the Quality of Service benchmarks laid down in the regulations. Wherever deficiencies with respect to the benchmarks have been noticed, the matter has been taken up with the concerned service providers. In addition TRAI has held meetings with the senior management of the service providers in July 2007, May 2008 and July 2009 for addressing deficiencies in achieving quality of service benchmarks. In these meetings, time bound action plans for removing the deficiencies in achieving the benchmarks were called for and TRAI had monitored its implementation.

50. TRAI has been monitoring implementation of the quality of service regulations issued in March 2009. Based on monitoring of the performance of service providers under the new regulations, TRAI had written letters to the cellular mobile telephone service providers on 4th February 2010 calling for explanation for failure to achieve the quality of service benchmarks and for a time bound action plan to achieve the quality of service benchmarks. Subsequently, based on the reports of the independent agencies engaged by TRAI for audit and assessment of quality of service, letters were sent to CEOs/CMDs of all access service providers on 5th July 2010, seeking action plan indicating timelines to comply with the various QoS parameters as prescribed in different regulations. The implementation of action plan submitted by the service providers is being monitored by TRAI.

51. The rules and regulations regarding sending of UCC messages/ SMSs by service providers and action thereof are governed by Telecom Unsolicited Commercial Communications Regulations (as amended). The Authority also held meetings with the service providers to ensure effective implementation of the Telecom Unsolicited Commercial Communications Regulations.

(iv) INITIATIVES FOR IMPROVING QOS OF INTERNET AND BROADBAND SERVICES

52. As per the Guidelines issued by TRAI on 2nd March, 2009, all the service providers who are providing Internet/broadband services were instructed to provide information to the subscribers regarding 'Contention Ratios' adopted by them in tariff plans, manual of practice, through call centres and on their web-sites. As a follow-up measure, these service providers were requested on 26th August 2009 to submit a report regarding the steps taken by them for ensuring better quality of service. As a result all the service providers who are providing Internet/Broadband have published the 'Contention Ratios' being followed by them which helps the subscribers to take informed decisions while subscribing to any Internet/Broadband Services.

g) UNIVERSAL SERVICE OBLIGATION

53. The Authority in its recommendations dated 19th March 2009 on "An approach to Rural Telephony – Suggested measures for an accelerated growth" has suggested following salient measures to accelerate the growth of rural telephony with the help of the Universal Service Obligation (Fund) subsidy.

- (1) The USOF Administrator should be empowered effectively in terms of administrative,



financial powers and ultimate decision making.

- (2) The USOF should concentrate on planning and monitoring of the implementation of the scheme.
- (3) The USOF should determine the subsidy support for setting up mobile towers in different regions and any IP-I/CMTS/UASL operator, who sets up the tower in the designated SDCAs and share it, should be paid subsidy depending on the number of operators sharing the tower.
- (4) The USOF may devise a scheme to call expression of Interest from IP-I/NLD/UAS licensees to provide optical fibre from the USOF subsidized towers to nearest block headquarter. USOF shall give subsidy @ maximum Rs. one lakh per KM per sharing (to be distributed over a period of three years) provided the licensee shares the tower with at least one access service provider.
- (5) The charges for Very Small Aperture Terminals (VSATs) (except transponder charges) may be borne by USOF initially for a period of three years for all the VSATs installed in rural areas.
- (6) The USOF should negotiate with the Department of Posts so as to facilitate the following activities
 - (i) Working as sales outlet of telecom service providers

- (ii) Bill Collection centers based on mutually agreed commission
- (iii) subscriber verification
- (iv) Telecom service providers can offer some commission for bringing in new subscribers

h) BROADCASTING AND CABLE SECTOR:

(i) REVIEW OF TARIFF

54. During the year, a comprehensive review of the tariff for all the broadcasting services viz., analog cable TV services (non CAS), and digital addressable services such as CAS, DTH, IPTV and HITS was carried out. The activities included data collection, multiple rounds of discussions with various stakeholders etc. These activities have been carried over to year 2010-11.
55. A Consultation Paper on policy issues related to Tariff for Cable TV services in Non CAS areas was issued on 25th March 2010. This paper discussed the various methodologies for regulation of wholesale and retail tariff. Also the issues of a-la-carte, carriage and placement fee, and tariff for commercial subscribers were discussed in the consultation paper.
56. A supplementary consultation paper on tariff related issues for DTH services was issued on 24th December 2009. This supplementary



paper specifically dealt with certain aspects of Tariff related issues as applicable to tariff dispensation for basic and add-on packages in case of DTH services. This supplementary consultation paper was in continuation of the consultation paper issued on "DTH Issues relating to Tariff Regulation & New Issues under Reference" dated March 06, 2009.

57. TRAI issued the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 on 21st July 2010. The tariff order covers all digital addressable systems such as DTH, HITS, IPTV, and digital addressable Cable TV.

(ii) **REVIEW OF FDI**

58. Subsequent to the announcement of the consolidated FDI policy, the Government requested TRAI to offer its recommendations on the existing foreign investment limits for the broadcasting sector. Accordingly, a Consultation Paper on foreign investment limits for the broadcasting sector was issued on 15th January 2010.

(iii) **REVIEW OF UPLINKING / DOWNLINKING POLICY**

59. In view of the exponential increase in the number of TV channels, the Government requested TRAI to offer its recommendations on the existing policy on uplinking / downlinking of TV channels. Accordingly, a consultation paper on policy issues

on Uplinking / Downlinking television channels in India was issued on 15th March 2010.

i) **COOPERATION WITH INTERNATIONAL REGULATORS**

60. TRAI has taken initiatives for signing memorandums with other international regulators/ bodies to increase technical and institutional cooperation in the field of telecommunications. This co-operation between regulatory bodies is carried out by means of the following:

- (i) Exchange of information and documentation
- (ii) Bilateral consultations
- (iii) Organization of technical workshops, seminars, study visits and training sessions
- (iv) Dissemination of best practices in the field of telecommunications and electronic communications regulation
- (v) Missions of experts and joint working groups in telecommunication services and technologies, and
- (vi) Other means of co-operation as deemed appropriate.

61. Co-operation in the following main areas are encouraged, subject to relevant Acts and Rules of the two countries:

- (i) Regulation of telecommunications and electronic communications markets, including:





- (a) Telecom Market liberalization and challenges to regulatory frameworks
 - (b) Legal and regulatory frameworks for the telecommunications industry including: licensing regime, interconnection regulation, price regulation, competition policy, infrastructure sharing regulation & other regulatory issues.
 - (c) Telecom services planning policies and role of regulators.
 - (d) Universal service programs (regulations and implementation)
 - (e) Frequency spectrum regulations
 - (f) Triple play services regulations, including CATV and IPTV regulations
 - (g) Technological developments and New Technologies;
 - (h) Regulatory and Competition Policy (including Universal services of telecommunications and Mobile Number Portability);
 - (i) Convergence of Telecom and Broadcasting;
 - (j) Other areas as may be mutually agreed
62. The MOUs have already been signed with the following:
- (a) NTRA Egypt
 - (b) EETT Greece
 - (c) MIC Japan
 - (d) Centre for South Asia, Stanford University, C.A., U.S.
 - (e) ANATEL Brazil



**Chairman, TRAI and Minister for Internal Affairs & Communication, Japan
signing the MoU on 6th January 2010 at New Delhi**

PART – III

FUNCTIONS OF TELECOM REGULATORY AUTHORITY OF INDIA IN RESPECT OF MATTERS SPECIFIED IN SECTION 11 OF TELECOM REGULATORY AUTHORITY OF INDIA ACT



**Chairman, TRAI inaugurating the SATRC Workshop
organized by TRAI on 12th October 2009 at New Delhi**



**Delegates who attended SATRC Workshop
on 12th October 2009 at New Delhi**

FUNCTIONS OF THE TELECOM REGULATORY AUTHORITY OF INDIA IN RESPECT OF MATTERS SPECIFIED IN SECTION 11 OF THE TRAI ACT

1. The Authority, in pursuance of achieving the objectives of New Telecom Policy 1999, has notified a number of decisions on tariffs, provided its recommendations on several matters either suo moto or on matters referred to it by the Government, notified Regulations to carry out purposes of the Act, taken action to enforce licence terms and conditions and initiated work on several issues. By discharging various recommendatory & regulatory functions, TRAI has contributed to growth of telecom services in terms of increased number of service providers, consumer growth and a vast network providing telecom services across the length and breadth of the country. These continued measures have resulted in overall benefits to the consumer in terms of choice of services, reduced tariff of telecom service, better quality of service etc. Some of the specific functions carried out by TRAI in respect of various matters specified in Section 11 of the TRAI Act are given below.
 - a) **TELECOMMUNICATION RATES BOTH WITHIN INDIA AND OUTSIDE INDIA INCLUDING THE RATES AT WHICH MESSAGES SHALL BE TRANSMITTED TO ANY COUNTRY OUTSIDE INDIA**
2. Section 11 (2) of the TRAI Act, 1997 as amended by TRAI (Amendment) Act 2000 empowers the Authority to notify in the Official Gazette the rates at which Telecommunication Services within India and outside India shall be provided. Further, the function of specifying



norms for fixation of rates for Pay Channels as well as fixation of rates for Cable Services is also assigned to TRAI. Details of action taken by TRAI in Telecom Sector and Broadcasting & Cable Sector during 2009-10 are discussed in the following paragraphs.



I. TELECOM SECTOR

3. Section 11(2) of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, empowers the Authority to notify in the Official Gazette the rates at which telecommunication services within India and outside India shall be provided, including the rates at which the messages shall be transmitted to any country outside India. It also provides that the Authority may notify different rates for different persons or class of persons for similar telecommunication services. Besides specifying the tariff regime applicable to various services, TRAI is also required to ensure that tariffs prevailing in the market are consistent with the specified tariff regime. For this purpose, the Authority monitors the rates at which the service providers provide the various telecom services.
4. Presently, tariff for telecom services is under forbearance, except rental, free call allowances and local call tariffs in the case of fixed line rural subscribers, roaming services in

mobile telephony and for leased circuit. Service Providers have the flexibility to offer any tariff, subject to certain regulatory principles, including IUC compliance. As per the Telecommunication Tariff Order 1999, dated 9th March 1999, the Authority have, for the time being forborne from fixing tariff for any telecommunication service or part thereof and a Service Provider shall be at liberty to fix any tariff for such telecommunication services.

5. The Authority's Telecommunication Tariff Order (TTO) 1999, implemented w.e.f. 1st April 1999 has been used as an instrument to achieve regulatory goals and to promote competition in the telecom sector, providing protection to consumer interests and to serve as a signal to promote investment. During the year 2009-10, the Authority has issued the Telecommunication Tariff (Forty-Ninth Amendment) Order, 2009, details of which are given below.

The Telecommunication Tariff (Forty Ninth Amendment) Order 2009 dated 20th November 2009

6. Mobile Number Portability (MNP) allows the subscribers to retain their existing mobile telephone number when they move from one Access Provider to another irrespective of the mobile technology or from one cellular mobile technology to another of the same Access Provider,

in a licensed service area. The facility of retention of existing mobile telephone number despite moving to a new telecom service provider helps in increasing competition between the service providers and acts as a catalyst for the service providers to improve their quality of service. In this direction, the Telecom Regulatory Authority of India (TRAI) has issued the Telecommunication Tariff (Forty-Ninth Amendment) Order, 2009 on 20th November, 2009 for fixing the porting charge payable by subscribers. Porting charge levied from subscribers cannot exceed the per port transaction charge specified in the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge Regulations, 2009. Currently this is Rs.19/- per porting request.

MONITORING OF TARIFF

7. Tariff regulation for the telecommunication services in India was initiated with the notification of a Telecom Tariff Order in the year 1999. This order provided the broad and long term policy framework for telecommunication services in the country. The tariff reforms initiated vide this order aimed to provide a consistent and transparent framework for regulating tariffs which provided clear signals to the investors on the direction of tariff policy reform. The tariff policy acknowledged the fact that competition is the alternative and

preferable way of achieving cost based tariffs. Under competition, not only are tariffs cost oriented, there is also a greater focus on introduction of new technologies and products.

8. TRAI through appropriate regulatory policies and measures facilitating competition, has succeeded in achieving affordable tariffs and has also put in place a transparent subsidy mechanism for implementation of policies to meet social objectives. The policy has succeeded in providing financial sustainability to regulated operators, promoting efficiency in the sector and meeting social objectives. The results are evident from the phenomenal growth in subscriber base and the decline in tariffs. The Indian telecommunications network is the fastest growing network in the world and currently the second largest in terms of size and also in usage.
9. The Telecommunication Tariff Order (TTO), 1999 makes it mandatory for service providers to report to the Authority all new tariff plans and changes made to the existing tariff plans within seven days from the date of implementation. The tariff reports received from the telecom service providers are scrutinized carefully to check for their consistency with the provisions of TTO, 1999 and other regulatory requirements.



II. BROADCASTING AND CABLE SECTOR

10. During the period 2009-10, for the Broadcasting & Cable Sector the following Consultation Papers relating to Tariff were issued. Further, activities such as data-collection, interaction with stakeholders on planned consultation papers etc were also initiated during the period 2009-10 which resulted in issue of Consultation Papers in 2010-11. The four Consultation Papers issued on this subject are as under:

- (i) Supplementary Consultation paper on Tariff related issues for DTH services dated 24th December 2009
- (ii) Consultation paper on Issues Interconnection and Tariff Issues related to HITS services dated 6th April 2010
- (iii) Consultation paper on issues related to Tariff for Cable TV services in CAS notified areas dated 22nd April 2010
- (iv) Consultation paper on Tariff for Cable TV services in Non CAS areas dated 25th March 2010

Brief details of action taken based on the above Consultation Papers are given below:

(i) ISSUE OF TARIFF ORDER FOR ADDRESSABLE TV SYSTEM:-

11. A supplementary consultation paper on Tariff related issues for DTH services was issued on 24th December 2009. This

supplementary paper specifically dealt with certain aspects of the tariff dispensation for basic and add-on packages in case of DTH services. This supplementary consultation paper was in continuation of the consultation paper issued on "DTH Issues relating to Tariff Regulation & New Issues under reference" dated March 06, 2009. The consultation paper sought views of stakeholders on issues such as the need for package differentiation, their definition, need for package based wholesale price formulation, a-la-carte service provisioning and related issues at the retail level. Further, Consultation Papers were also issued on Interconnection and Tariff Issues on HITS services on 6th April 2010 and for Cable TV Services in CAS Notified areas on 22nd April 2010. These consultations finally resulted in issue of a Tariff Order by TRAI for all Addressable TV Systems in July 2010 which includes DTH, HITS, IPTV and Addressable Digital Cable TV Systems. TRAI has already written to Ministry of Information and Broadcasting to make suitable changes in Rule 10 of the Cable Television Network Rules, 1994 in order to make this Tariff Order applicable to notified CAS Areas also.

(ii) ISSUE OF TARIFF ORDER FOR CABLE TV SERVICES IN NON ADDRESSABLE TV SYSTEMS:-

12. A Consultation Paper on policy issues related to Tariff for Cable TV



services in Non CAS areas was issued on 25th March 2010. This paper discussed the various methodologies for regulation of wholesale and retail tariff. Also the issues of a-la-carte, carriage and placement fee, tariff for commercial subscribers were discussed. Prior to issuing the consultation paper, extensive activities including data collection, multiple rounds of discussions with various stakeholders etc were undertaken. The Hon'ble Supreme Court had directed TRAI to undertake a de-novo tariff exercise for Non-CAS areas. Accordingly, a report was submitted to the Hon'ble Supreme Court along with a draft Tariff Order on Non-addressable Cable TV Sector in July 2010. Further directions of the Hon'ble Supreme Court are awaited.

b) RECOMMENDATIONS ON (I) THE NEED AND TIMING OF THE NEW SERVICE PROVIDERS; (II) THE TERMS AND CONDITIONS OF LICENSE TO A NEW SERVICE PROVIDER; AND (III) REVOCATION OF LICENCE FOR NON-COMPLIANCE OF TERMS AND CONDITIONS OF LICENCE

13. Under Section 11 (1) (a) of the TRAI Act 1997, the Authority is required to make recommendations either suo moto or on a request from the licensor, i.e., Department of Telecommunications or Ministry of

Information & Broadcasting in the case of Broadcasting and Cable Services. Some of the measures initiated by TRAI in this regard during 2009-10 are given below.

NEXT GENERATION NETWORKS (NGN) – LICENSING ISSUES.

14. Increasing demand of value added services and convergence advocate promoting concept of Next Generation Network (NGN). Telecom operators in India have already initiated their move towards NGN by implementing IP based core network. The migration to NGN is likely to be in stages and will require huge investment by telecom operators. In addition to huge investment, there may be regulatory and technological issues, which need to be addressed.

15. NGN-eCO (Expert Committee) which was constituted having representatives from various sectors of the stakeholders, submitted its report to Authority. The expert committee had identified three core issues related to NGN which are Licensing, Interconnection and Quality of Service (QoS). With an objective to develop a suitable regulatory framework for smoother and faster march towards NGN, a consultation paper on 'Licensing Issues relating to Next Generation Networks' was issued on 27th January, 2009. A holistic view on the NGN will be taken after the consultation process on other two



issues i.e. Interconnection and Quality of Service is completed.

c) **ENSURING TECHNICAL COMPATIBILITY AND EFFECTIVE INTER-CONNECTION**

16. Some of the measures taken by TRAI for ensuring Technical Compatibility and effective interconnection in respect of Telecom and Broadcasting & Cable Sectors are enumerated below.



I. **TELECOM SECTOR**

17. Interconnection is the lifeline of telecommunications. Interconnection allows subscribers, services and networks of one service provider to be accessed by subscribers, services and networks of the other service providers. Interconnection Usage Charge (IUC) are charges payable by one telecom operator to the other for use of the latter's network either for originating, terminating or transiting/carrying a call. The regulatory framework for interconnection was first established through the Regulation issued by TRAI in May 1999, titled "The Telecommunication Interconnection (Charges on Revenue Sharing) Regulation 1999" specifying certain principles for determining interconnection charges and revenue sharing arrangements. Subsequently, TRAI has considered it important to specify an IUC regime

that would give greater certainty to the Inter-operator settlements and facilitate interconnection agreements. The Authority notified an Interconnection Usage Charges (IUC) Regulation on 24th January 2003, which contained inter alia charges for origination, transit and termination of calls in a Multi-Operator environment. This IUC Regulation has introduced the regime of Calling Party Pays (CPP) which is perhaps the biggest factor in growth of telecom services in India. By introduction of CPP regime all incoming calls could be received free of charge. This regulation was superseded by regulation dated 29th October 2003. In this regulation TRAI prescribed identical termination charges for all types of calls and therefore simplified the implementation of the regime. A common termination charge facilitated moving towards similar tariff levels for calls from/to different access providers and reduced imposition of cost items on certain types of calls merely on account of regulatory policy. Today the IUC Regulation in vogue is the regulation dated 9th March, 2009 fixing Termination charge for all types of domestic voice calls at 20 paise/ minute, for incoming international calls 40 paise/minute, and ceiling on carriage of domestic long distance calls at 65 paise/ minute. Origination charge has not been specified as it would be residual from tariff after payment of

- other charges. Transit /Carriage charge from Level-II Trunk Automatic Exchange to Short Distance Charging Area (SDCA) to be 15 paise per minute and for Intra SDCA transit charge to be less than 15 paise per minute.
18. The termination charges in India are the lowest in the world. The cost based IUC Regime introduced by TRAI has helped the service providers for downwards revision in their respective tariffs from time to time in the most competitive manner which has resulted in exponential growth in the telecom sector. As a result of sustained efforts of TRAI, the Indian telecom sector has grown to become the world's second largest market after China. It has surpassed the number of connection in US in March, 2008. The number of lines has grown from 14.88 million in 1997 to 671.69 million in June, 2010
 19. Establishment of interconnection requires installation of equipment by the interconnection seeker in the premises of the interconnection provider. This is referred to as collocation. Collocation may require facilities that include land, building space, apparatus and plants, environment conditioning services, security, site maintenance, electrical installations, backup power, fire detection and fire fighting systems. Considering their importance TRAI had included collocation facilities and their charges in the Reference Interconnection Offer Regulation, 2002. This regulation envisages that wherever it is possible, physical collocation should take place of the apparatus and plant owned or leased by one party and used for interconnection at the premises of the other party. Wherever such collocation has been mutually agreed, required accommodation and auxiliary infrastructure shall be made available for this purpose within the time schedule for interconnection. When a party uses the premises and facilities of the other party, such as power etc. it shall pay a rent to the other party.
 20. A consultation paper was issued in March 2010 to generate a discussion on guidelines such that the fixation of infrastructure charges by service providers is not done arbitrarily and is based on use of sound criteria. The main purpose of the consultation paper is to examine the issues involved in collocation with a view to frame guidelines that will help service providers to mutually negotiate and agree on reasonable terms and charges for collocation for establishment of effective interconnection.
 21. International Telecommunication Facilities at Cable Landing Stations are a bottleneck facility. TRAI issued regulations in this regard in 2007. These regulations provide for non-discriminatory, fair and open access at the cable landing stations. As per these regulations Cable Landing Station Owners (CLSOs) were required to submit, within thirty days





from the date of commencement of these regulations, Cable Landing Station Reference Interconnect Offer (CLS RIO) containing the terms and conditions of Access Facilitation and co-location facilities for submarine cables at its cable landing stations. CLS RIO approved by the Authority were to be published within 15 days of approval. Subsequently the cable landing station owners submitted their RIO containing tariffs for approval. While other RIOs were approved earlier, BSNL submitted its CLS-RIO when their CLS was commercially operational and the Authority approved their Tuticorin Cable Landing station on 22nd May 2009. These RIOs have helped the businesses using international bandwidth.

November 2009, policy guidelines for Head-end-In-The-Sky (HITS) operations that will enable all the cable operators in the country to have access to digital and addressable TV channels. Subsequent to the announcement of the policy on HITS in November 2009, the Government of India requested TRAI to review tariff and interconnection regulations for HITS. These activities have got carried over to 2010-11.

d) REGULATING ARRANGEMENT AMONGST SERVICE PROVIDERS OF SHARING THEIR REVENUE DERIVED FROM PROVIDING TELECOMMUNICATION SERVICE.

II. BROADCASTING AND CABLE SECTOR

22. Based on recommendations of TRAI, Government had issued in

23. In the case of normal calls the originating service provider bills the customer and collects revenue. The call, however, involves work done in

Existing Interconnection Usage Charge	
Origination Charge	Under Forbearance
Termination Charge	Uniform for all types of domestic calls viz fixed to fixed, fixed to mobile, mobile to fixed and mobile to mobile 20 Paise / minute
Termination charge for 3G voice calls	Same as 2G voice calls
Termination charge for incoming international calls	40 paise per minute
Domestic Carriage charge	Ceiling of Rs 0.65 per minute
International Carriage Charge	Under Forbearance.
IUC for SMS	Under forbearance. However, these charges should be transparent, reciprocal and non-discriminatory.

the network of the terminating service provider and the long distance service provider in carrying the call if it is a long distance call. The originating service provider would have to share the revenue with other service providers who help in completion of the call. For a fair cost-based distribution TRAI has established an IUC regime that governs inter-operator payments. The table at the previous page indicates these charges.

e) TIME PERIOD FOR PROVIDING LOCAL AND LONG DISTANCE CIRCUITS OF TELECOMMUNICATION BETWEEN DIFFERENT SERVICE PROVIDERS

24. To provide a framework to ensure transparency, predictability and reasonableness and allow provision of DLC/local lead in a non-discriminatory manner, TRAI issued DLC Regulations on 14th September 2007. These regulations cover DLC and local Lead provided on any media i.e. copper, fiber, wireless etc. and using any transmission technology. These Regulations make it obligatory for all service providers who have the capacity of copper, fiber or wireless, and who have been allowed under the licence to provide DLC, to share it with other service providers. To analyse the benefits of the DLC Regulation and to assess the effectiveness of the regulations in the context of its stated purpose, a

f) ENSURING COMPLIANCE OF THE TERMS AND CONDITIONS OF LICENSE

25. This function is discharged by TRAI through a multi pronged approach. One of these approaches is through analysing reports received from the service providers. Another approach is through feedback / representations received from consumers / consumer organizations, experts etc. In certain cases, TRAI on its own initiative has taken action for ensuring compliance of terms and conditions of license. Brief details of action taken by TRAI are elaborated below.

(i) DIRECTION REGARDING CONFIDENTIALITY OF INFORMATION OF SUBSCRIBERS AND PRIVACY OF COMMUNICATIONS DATED 26TH FEB, 2010.

26. In order to protect consumer interest, TRAI vide its Direction dated 26th February 2010 on "Confidentiality of Information of Subscribers and Privacy of Communications" has directed all service providers (CMPSS/UASL) to ensure compliance with the terms and conditions of the licence on the following:-

letter was sent to service providers in May 2009. From the analysis of the responses received it is observed that since the release of DLC regulations, the provision of DLCs / local leads have been streamlined.





- (a) to ensure confidentiality of information as provided in the license conditions;
- (b) to put in place an appropriate mechanism so as to prevent breach of confidentiality of information of the subscribers and privacy of communication, and
- (c) to furnish to the Authority, within fifteen days of issuance of this Direction, the details of steps taken by the service provider to safeguard the confidentiality of information of subscribers and privacy of communications.

(ii) **EXAMINATION OF SERVICES OFFERED BY VARIOUS SERVICE PROVIDERS**

27. Tariff filed by the various services providers are examined in TRAI from technical and licensing angle to ensure that services offered by the service providers are in compliance with the licensing conditions.

g) STEPS TAKEN TO PROTECT THE INTEREST OF THE CONSUMERS OF TELECOMMUNICATIONS SERVICES

28. Some of the measures taken to protect the interest of Consumers of Telecommunication Services are given below.

(i) **AUDITING OF METERING AND BILLING SYSTEM**

29. TRAI had issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006 on 21st March, 2006. This was with a view

to (i) bring uniformity and transparency in the procedures being followed by service providers with regard to metering and billing; (ii) prescribe standards relating to accuracy of measurement, reliability of billing; (iii) measure the accuracy of billing provided by the Service Providers from time to time and to compare them with the norms so as to assess the level of performance; (iv) minimize the incidences of billing complaints; and (v) to protect the interest of consumers of telecommunication services. The Regulation mandates the service providers to arrange audit of their Metering and Billing System on an annual basis through any one of the auditors notified by TRAI and to furnish to TRAI an audit certificate thereof not later than 30th June of every year. The Regulation also provides that the service providers have to take corrective action on the inadequacies, if any, pointed out by the Agency in the Certificate and to file with TRAI an Action Taken Report thereon not later than 30th September of every financial year. The audit for year 2009 -10 has been completed. The audit has helped the service providers to address billing problems detected during the audit.

(ii) **CONSUMER EDUCATION AND CAPACITY BUILDING OF CONSUMER ORGANIZATIONS**

30. The Telecom Regulatory Authority of India has issued several orders, regulations and directions aimed at

the growth of the Telecommunication Sector as well as protection of the interests of the consumers. However, during the course of half-yearly interactions with the Consumer Advocacy Groups (CAGs) registered with TRAI, it transpired that most of these organisations as well as consumers are not aware of the initiatives taken by Government and TRAI to protect their interests. The Authority had therefore, initiated a programme of holding consumer education workshops in different regions aimed at generating awareness amongst the consumer organisations and consumers about these initiatives taken since 2007. During the year 2009-10, three such workshops had been held. The first workshop was held at Mysore in June 2009, the second at Bhubaneswar in November 2009 and the third at Indore in December, 2009. Similar workshops are planned in other parts of the country. TRAI also plans to engage the CAGs which have gained sufficient knowledge and awareness about the initiatives to conduct district/block level workshops for the benefit of the consumers. The service providers have also been advised to hold open house sessions/similar workshops in their respective service areas.

(iii) **PERIODIC MEETING WITH THE REGISTERED CONSUMER ORGANIZATIONS AND NGOS**

31. A meeting of all the consumer organizations and NGOs registered

with TRAI was held in New Delhi on 18th September, 2009 to obtain their valuable suggestions on consumer issues.

(iv) **CONSTITUTION OF THE COMMITTEE ON TELECOMMUNICATION CONSUMERS EDUCATION AND PROTECTION FUND (CUTCEF)**

32. In pursuance of the Telecommunication Consumers Education and Protection Fund Regulations, 2007 dated 15th June 2007, a Committee on Telecommunication Consumers Education and Protection Fund (CUTCEF) consisting of representatives of consumer organization / NGOs registered with TRAI and service providers was constituted on 31st August 2007. During the year 2009-10, the Committee met four times to make recommendations to the Authority on organising various consumer related activities by utilizing funds from the Telecommunication Consumers Education and Protection Fund.

(v) **TELECOM CONSUMERS GRIEVANCE MONITORING SYSTEM (TCGMS)**

33. Telecom Regulatory Authority of India (TRAI) is in the process of developing Telecom Consumers Grievance Monitoring System (TCGMS), which will facilitate the consumers of telecommunication services to reach their respective service providers, in case they have a grievance. The system is a multi-user web based application





deployed on Internet Data Centre of National Informatics Center (NIC). The application will be accessible through web browsers to all the stakeholders, i.e., consumers, nodal officers and appellate authorities of service providers in different service areas all over the country. The system is in the final stages of development/testing and is likely to be launched shortly.

h) **STEPS TAKEN TO FACILITATE COMPETITION AND PROMOTE EFFICIENCY IN THE OPERATION OF TELECOMMUNICATION SERVICES SO AS TO FACILITATE GROWTH IN SUCH SERVICES**

34. TRAI has always endeavoured to establish policies that are contemporary, in tune with the state of development, simple and pragmatic. They have had desired impact on competition, infrastructure, revenue and customer welfare. It has been conscious of the fact that regulatory certainty is important for formulation of appropriate business strategies, promoting competition and thereby giving customer the fruits of innovation. TRAI has carried out the job of increasing competition and easing entry of competitive service providers in all seriousness. Measures in the form of recommendations / regulations / tariff orders/directions etc have proved to be key for growth of the industry.

35. Gradual opening up of all segments of the telecommunications market has given rise to multiplicity of interconnections. In such a situation the types and number of interconnections become large making the interconnection scenario rather complex. The situation is further complicated by the number of licensees for each service within a service area. New entrants in telecommunications markets have little to offer in negotiations. To remove these barriers to competition, to pave the way for effective interconnection arrangements among various co-operating and competing service providers and provide greater certainty to the settlements among them TRAI has time to time issued various regulations/ determinations/ directions that meet industry's expectations, reflect market conditions and support the overall objective of telecom growth in the country.

36. Some of the important steps taken by the TRAI during 2009-10 to facilitate competition and promote efficiency in the operation of telecommunications services are detailed in the following paragraphs.

(1) **TELECOMMUNICATION MOBILE NUMBER PORTABILITY REGULATIONS, 2009 DATED 23RD SEPTEMBER 2009.**

37. Mobile Number Portability (MNP) allows the subscribers to retain their existing mobile telephone number when they move from one Access

Provider to another irrespective of the mobile technology or from one cellular mobile technology to another of the same Access Provider, in a licensed service area. The facility of retention of existing mobile telephone number despite moving to a new telecom service provider helps the subscriber maintain contacts with his friends/clientele. Introduction of MNP also helps in increasing competition between the service providers and acts as a catalyst for the service providers to improve their quality of service.

38. These regulations seek to provide a framework governing all relevant aspects of MNP by :-

- (a) laying down clear eligibility conditions for porting of mobile telephone numbers;
- (b) defining rights and obligations of various stake holders, i.e., the Donor Operator, the Recipient Operator, the MNP Service provider;
- (c) laying down the procedure to be followed by each player in the chain in processing number porting request;
- (d) specifying clear time limits for completion of various steps by each player in the chain i.e. the Donor Operator, Recipient Operator and the MNP service provider; and
- (e) envisaging least disruption of service to the consumer

Salient features of the MNP under these regulations are as follows:

- (i) MNP facility shall be available only within a given licensed service area.
- (ii) A subscriber holding a mobile number is eligible to make a porting request only after 90 days of the date of activation of his mobile connection. If a number is already ported once, the number can again be ported only after 90 days from the date of the previous porting.
- (iii) The subscriber who wishes to port his mobile number should approach the Recipient operator (the operator to whom the subscriber wants to port his number). The Subscriber may be required to pay porting charges, if any, to the Recipient Operator.
- (iv) The subscriber making the porting request is required to have cleared all the bills issued prior to the date of porting request. He shall give an undertaking that he has already paid all billed dues to the Donor Operator as on the date of the request for porting and that he shall pay dues to the Donor Operator pertaining to the mobile number till its eventual porting and that he understands and agrees that in event of non-payment of any such dues to the Donor Operator, the ported



mobile number shall be liable to be disconnected by the Recipient Operator.

- (v) A subscriber may withdraw his porting request within 24 hours of its submission to the Recipient Operator. However, the porting charges shall not be refundable.

- (vi) The regulation envisage a maximum time period of 4 days for the completion of porting process in all licensed service areas except in the case of J&K, Assam and North East licensed service areas where the maximum time allowed is 12 days.

- (vii) Access Providers are required to implement All Call Query method.

- (viii) The Originating operator shall be responsible to route the call to correct terminating network.

(2) **TELECOMMUNICATION MOBILE NUMBER PORTABILITY (AMENDMENT) REGULATIONS, 2010, DATED 28TH JANUARY 2010.**

- 39. The Telecom Regulatory Authority of India issued the Telecommunication Mobile Number Portability Regulations, 2009 (8 of 2009) dated 23rd September, 2009 laying down the basic business process framework for implementation of mobile number portability in the country.

- 40. Considering the preparedness of service providers at that time and the

process involved, the Government decided to extend the time for implementation of Mobile Number Portability from 31st December, 2009 to 31st March 2010, for all circles.

- 41. Accordingly, the Telecommunication Mobile Number Portability Regulations, 2009 has been amended.

(3) **DIRECTION RELATING TO UNIQUE PORTING CODE DATED 10TH FEBRUARY 2010.**

- 42. TRAI issued a Direction dated 10th February 2010 specifying the format and validity for Unique Porting Code to be used by the Service Providers in the implementation of Mobile Number Portability. Through this direction, the SMS text to be used by the subscribers for getting Unique Porting Code from his service provider, was also prescribed.

(4) **INTRODUCTION OF INTERCONNECTION USAGE CHARGE (IUC) REGIME AMONGST THE TELECOM OPERATORS IN INDIA**

- 43. The regulations governing Interconnection Usage Charge specify the regime for inter-operator settlements. It gives greater certainty to the Inter-operator settlements and facilitates interconnection agreements.

(5) **DOMESTIC LEASED CIRCUITS**

- 44. The regulations governing Domestic Leased Circuits provide a framework



to ensure transparency, predictability and reasonableness in provision of DLC/local lead and allow provision of DLC/local lead in a non-discriminatory manner. These regulations increase competition and are beneficial for both service providers and end-users.

(6) **ISSUE OF CALLING CARDS BY NLDOs AND ILDOs**

45. To provide the choice of long distance carrier to the consumer, TRAI recommended that license conditions of the NLD and ILD license may be amended to allow NLDOs / ILDOs to have direct access to consumers only for provision of national and international voice telephony services, respectively, through calling cards. TRAI's Recommendations have been accepted by the DoT and the necessary amendments in NLD and ILD Licenses have also been carried out.

(7) **ACCESS TO ESSENTIAL FACILITIES AT CABLE LANDING STATIONS**

46. Cable landing stations are bottleneck facilities. To bring in competition in the international leased line segment, TRAI brought in a regulation which allowed ILDOs and ISPs with international gateway facilities to contract bandwidth on international cables from consortiums directly and use the bandwidth through the cable landing stations, within the country, owned by third parties in a fair and non-discriminatory manner

(8) **USE OF NUMBERING RESOURCES**

47. Importance of numbering as a regulatory instrument has lately increased significantly with adequate, fair and transparent access to numbers becoming an essential part of ensuring a competitive telecommunications market. In taking measures to facilitate competition and promote efficiency in the operation of telecommunications services so as to facilitate growth in such services the Authority needs to set the rules governing diverse competitive issues with numbering implications. Services like intelligent network services, selection of long distance operators through calling cards, emergency services, number portability and special services have numbering implications interwoven with inter-operability and charging issues. It is also important to see that the allocation and assignment criteria do not provide commercial advantage to one service against other competing services. Substantial revision of the numbering plan is complex, time consuming and expensive. It therefore makes sense to use the resources optimally in a managed and controlled manner. During the last few years there has been a very rapid growth all around and particularly in the field of cellular mobile services. Resultantly, TRAI had to review efficient utilization of numbering resources and take



decisions on certain related issues for sustainable growth of telecommunication services. Recommendations in this regard have been sent to the Department of Telecommunications.

(9) SEMINAR ON FUTURE TELECOM SCENARIO AND REGULATIONS

48. The development in the telecom sector has contributed significantly in the overall economic growth of our country. There has been unprecedented growth in the telecom development in the country in the past decade. Subscribers' growth and demand has pushed Indian telecom industry to evolve constantly. The mobile revolution, wide acceptance of IP networks, convergence of Networks, devices & services, ever changing user habits and increasing popularity of social networking sites etc are shaping telecom future. This will not only impact the service requirements and business models of service providers but may require considerable shift in policy and regulatory framework.

49. Telecom Regulatory Authority of India (TRAI) organized a seminar on "Future Telecom Scenario and Regulations" from 22nd to 23rd, February 2010 at Delhi to deliberate on various issues related to policy, technology, regulations etc in this ever changing telecom environment. The two days seminar was structured into five sessions with each having a

focus on issues which are Vision 2015, Technology Evolution & Challenges, Application & Content Development, Rural Communications & Challenges and Licensing & Regulatory issues.

(10) NATIONAL FORUM ON MOBILE APPLICATIONS FOR INCLUSIVE GROWTH AND SUSTAINABLE DEVELOPMENT

50. Mobile networks have now become country's largest distribution platform, promising to deliver information and public services to the masses through innovative applications. The mobile platforms world over are being used to provide financial and banking services, agriculture information, health services, telemedicine and e-education in rural and remote areas. The initiatives to provide various services using mobile applications have already started in India. M-Applications potential can be leveraged to boost social and economic activities, governance, and enhance government citizen interaction. For this transformation to be inclusive and beneficial for the under-privileged and rural populations, innovative and new models of public private partnership need to be formulated and deployed.

51. In order to stimulate and accelerate developments of mobile applications, it was decided to



organize a National Forum to deliberate on the next generation reforms for leveraging the potential of mobile/wireless technologies and new media for information enabled inclusive growth and sustainable development. The main objectives of this Forum were to:

- (a) Discuss various options and business model to accelerate the development and use of mobile applications across key social and economic sectors.
 - (b) Share experiences on formulating innovative public private partnership models for accelerating economic and social development enabled by advanced convergence opportunities.
 - (c) Discuss International scenario and case studies to help India leapfrog for effectively using mobile governance.
52. The preparations for organizing this National Forum had started in December, 2009 and the Forum was successfully organized on 7th & 8th April 2010 in New Delhi.
53. Through this Forum, TRAI wanted to provide opportunity for e-Government stakeholders, researchers, industry representatives and practitioners to present innovative ideas, policy papers and case studies related to the domain. Therefore the conference committee invited

academic & practitioner papers, case studies on a wide range of innovative and scholarly approaches including theoretical and empirical papers employing qualitative, quantitative and critical methods. The final selected papers were categorized into different verticals such as m-Health, m-Governance, m-Commerce/Banking, Rural Specific Mobile Applications, m-Education, m-Application case studies. The selected papers were compiled into a Compendium and published on the TRAI's website.

i) **LEVY OF FEES AND OTHER CHARGES AT SUCH RATES AND IN RESPECT OF SUCH SERVICES AS MAY BE DETERMINED BY REGULATIONS**

54. The Telecom Regulatory Authority of India (TRAI) had issued the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge Regulations, 2009 (9 of 2009) on 20th November 2009. The Regulations provide three types of charges viz. Per Port Transaction Charge, Dipping Charge and Porting Charge. They are:-

- (a) 'Per Port Transaction charge' means the charge payable by the Recipient Operator (the operator, where the subscriber is willing to port his number), to the Mobile Number Portability Service Provider for processing the porting request of a mobile number.





(b) 'Dipping charge' means the charge payable by an Access Provider or an International Long Distance Operator, to the Mobile Number Portability Service provider for dipping of each message;

(c) 'Porting charge' means such charge as may be payable by the subscriber to the Recipient Operator, for porting his mobile number.

55. Through the Telecommunication Mobile Number Portability Per Port Transaction charge and Dipping Charge Regulations, 2009 (9 of 2009) and the Telecommunication Tariff (Forty-Ninth Amendment) Order, 2009, the Authority fixed the Per Port Transaction Charge and set the ceiling limit for the porting charge to be paid by the subscriber. Following shall be the applicable charges:-

- (i) The Per Port Transaction charge shall be Rs.19/-(Rs Nineteen only).
- (ii) The Dipping charge is left to mutual negotiation between the telecom service providers and the respective MNP service providers.
- (iii) Porting charge i.e. the amount to be paid by the subscriber shall not be more than the per port transaction charge i.e. Rs 19/-. The operators are free to charge any amount less than or equal to this charge.

j) DETAILS OF ADVICE RENDERED TO THE CENTRAL GOVERNMENT IN THE MATTER RELATING TO DEVELOPMENT OF TELECOMMUNICATION TECHNOLOGY AND ANY OTHER MATTER RELATABLE IN TELECOMMUNICATION INDUSTRY IN GENERAL.

56. Details of advice tendered by TRAI to the Central Government in the matters relating to development of telecommunication and broadcasting cable sectors are given below

I. TELECOM SECTOR

(i) USE OF LEVEL '95' FOR MOBILE SERVICES

57. Initially the usage of 95 was restricted for dialing from adjacent Short Distance Charging Area (SDCA) within the Licensed Service area. With the amendment dated 7th May 2007, the use of sub level 95 was allowed for dialing from one SDCA to another SDCA within the licenced service area and also outside the Licensed Service area of the Service Provider provided that the tariff is same as that of intra SDCA tariff. TRAI recommended that level '95' can be spared - this would make available 100 million numbers for mobile services. With the amendment dated 9th February 2009, it was decided not to use sublevel 95 for accessing long distance calls with effect from 23rd February 2009. Subsequently in 2009-10 various

mobile operators have been allocated MSC codes starting from level '95'. This step has made availability of 100 million additional mobile numbers.

(ii) **CALLING CARDS FOR STD / ISD CALLS**

58. To provide the choice of long distance carrier to the consumer TRAI vide its recommendations dated 20th August 2008 on "Provision of Calling Cards by Long Distance Operators" has recommended that License conditions of the NLD and ILD license may be amended to allow NLDOs / ILDOs to have direct access to consumers only for provision of national and international voice telephony services, respectively, through calling cards. In August 2009, the TRAI's Recommendations have been accepted by the DoT and the necessary amendments in NLD and ILD Licenses have also been carried out.

(iii) **EFFICIENT UTILIZATION OF NUMBERING RESOURCES**

59. Number resources have always played a central role in telecommunications and have acquired an important economic dimension with the liberalization of the telecommunications sector. Correspondingly significance of numbering as a regulatory instrument has also increased considerably with adequate, fair and transparent access to numbers becoming an essential part of

ensuring a competitive telecommunications market. To facilitate competition and promote efficiency in the operation of telecommunications services TRAI has reviewed efficient utilization of numbering resources. In this regard TRAI has carried out consultation on the basis of the consultation paper dated 20th January 2010. Recommendations in this regard have been sent to DoT.

II. **BROADCASTING AND CABLE SECTOR**

60. During the year 2009-10, for faster development of digitalization with addressability in the Cable TV sector, the TRAI recommended to the government to reduce customs duty on the digital head end equipment for the budget relating to 2010-11. In the Central Budget for 2010-11, the Government has provided a concessional customs duty of 5 per cent with exemption from special additional duty to the initial setting up of digital head end.

k) **MONITORING OF THE QUALITY OF SERVICE BY THE SERVICE PROVIDERS:**

61. TRAI monitors performance of services rendered by the Service Providers through various reports as per the details given below.

i) **BASIC AND CELLULAR MOBILE SERVICES.**

62. TRAI monitors the performance of Basic and Cellular Mobile service





against the benchmarks prescribed by TRAI through quarterly performance monitoring report (PMR) received from service providers in accordance with the above directions. TRAI also monitors POI congestion through monthly reports received from cellular mobile service provider (CMSP). Follow up meetings with the service providers were held for improving their performance with regard to quality of service.

ii) BROADBAND SERVICE

63. TRAI monitors the performance of Broadband service providers against the benchmarks prescribed by TRAI vide Regulation on Quality of Service of Broadband Service dated 6th October 2006. The quarterly reports submitted by Broadband service providers are analyzed for assessing their performance with regard to the QoS benchmark. Wherever deficiencies in meeting the quality of service benchmark are noticed, the matter has been taken up with the service provider for remedial action on a time bound basis.

iii) MONITORING OF QUALITY OF SERVICE PARAMETERS OF ISPS:

64. TRAI notified Regulation on Quality of Service of Dial-up And Leased Line Internet Access Service in December, 2001, fixing benchmarks for Internet Dial-up Access that were required to be achieved by ISPs within 6 months. Accordingly, ISPs

are required to comply with the benchmarks as per the QoS Regulations. TRAI receives quarterly Performance Monitoring Reports from ISPs and these are analyzed for assessing their performance with regard to Quality of Service benchmarks.

iv) NETWORK / POINT OF INTER-CONNECTION (POI) REPORTS

65. TRAI is monitoring the level of congestion at the POI between various Service Providers on monthly basis. This parameter signifies the ease by which a customer of one network is able to communicate with a customer of another network. This parameter also reflects how effective is interconnection between two networks. The benchmark notified by TRAI in the QoS Regulations for this parameter is <0.5%. The POI Congestion Report analysis for the month of January, February, and March 2010 shows that the performance of the CMSPs with respect to the congestion on POIs has deteriorated in the month of March 2010 as compared with the performance in Dec'09. During the period Cellular Mobile Telephone Subscriber base increased from 525.09 million in December 2009 to 584.32 million in March 2010. The number of POIs having congestion increased from 61 in December 09 to 82 in March 2010.

I) OTHER MATTERS

(i) INTERNATIONAL WORKSHOP

66. Telecom Regulatory Authority of India (TRAI) hosted a three day workshop on 'Regulatory Challenges in Emerging Telecom Scenario' from 12th to 14th October, 2009 in BSNL Conference Room at Janpath Road, New Delhi for the South Asian Telecommunications Regulators' Council (SATRC) countries. The workshop was inaugurated by Dr. J.S. Sarma, Chairman, SATRC. About 30 officers at working level from nine SATRC Member Countries (viz. Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka) and APT, Thailand participated in the event. This workshop was conducted under SATRC Action Plan 2008-2009.

(ii) VISIT OF INTERNATIONAL DELEGATIONS TO TRAI

ITU Delegation visit – 22nd September 2009.

67. A meeting of the Authority with Mr. Sami Al-Basheer Al Morshid, Director ITU-D and Dr. Kim, Head ITU Regional Office for Asia & Pacific was held on 22nd September 2009.

Bangladesh Delegation - 23rd December 2009

68. Three member delegation headed by Mr. Md. Nazrul Islam, Joint Secretary, Ministry of Posts and Telecommunication, Bangladesh

visited TRAI on 23rd December 2009 for bi-lateral discussions.

Japan Delegation - 29th December 2009

69. Vice Minister for Policy Coordination, MIC Japan, Mr. Akira Terasaki visited TRAI on 29th December 2009 for bilateral discussions.

USIBC Delegation – 14th January 2010

70. A delegation from U.S. India Business Council (USIBC) consisting of executives from top ICT companies visited TRAI on 14th January 2010 to discuss issues related to ICT sector and continue a constructive relationship with TRAI.

China Delegation – 27th January 2010

71. Mr. Cao Kangtai, Minister of Legislative Affairs Office of the State Council of P.R. China with a 5 member Chinese delegation visited TRAI to understand Indian Telecommunication market & to exchange views on the telecom regulating system in the two countries on 27th January 2010.

Bhutan Delegation – 8th February 2010

72. A delegation from Royal Government of Bhutan (RGoB) headed by Mr. Lyonpo Nandlal Rai, Minister of Information & Communication of RGoB visited TRAI for a meeting with the Authority on 8th February 2010.



NTRA Egypt Delegation – 16 to 17 March 2010

73. Two Member delegation from NTRA, Egypt visited TRAI from 16 to 17 March 2010 to discuss the issue of IMEI numbers in mobile instruments.

Stanford University, California Delegation – 22nd March 2010

74. Seminar on 'Emerging Technologies' was held in collaboration with Centre for South Asia (CSA), Stanford University, California in TRAI on 22nd March 2010.

(iii) PARTICIPATION IN INTERNATIONAL EVENTS

- (a) Chairman TRAI was a panelist in the **ITU Telecom World 2009 Forum** session on 'Using ICT as a stimulus: stories from around the world' on 6th Oct 2009 at Geneva.
- (b) Key note address was delivered by Chairman TRAI at a Session on "National Broadband Strategy" on 22nd October 2009 at **Supercomm 2009** held in Chicago, USA.
- (c) Chairman TRAI was a moderator in one of the sessions of **Global Symposium for Regulators (GSR)** on 'Market entry in a converged world: new Licensing Approaches' in Beirut, Lebanon from 10th to 12th November 2009.
- (d) During Oct.2008 – Nov.09, Chairman TRAI was Chairman, South Asian Telecommunications Regulators' Council (SATRC). Chairman chaired the Plenary Session in the **11th SATRC Meeting** in Colombo, Sri Lanka, on

24th Nov 2009, wherein the SATRC Chairmanship was handed over to Chairman, Telecom Regulatory Commission of Sri Lanka.

- (e) Chairman TRAI attended the **GSMA Ministerial Programme, Mobile World Congress** held at Barcelona, Spain from 15th to 17th February 2010
- (f) On invitation of Ms. Madhabi Puri Buch, Managing Director & CEO, ICICI Securities, Chairman TRAI delivered keynote address at **ICICI Securities Ninth Annual Investor Conference** on 'India Unlimited' and also made an interactive discussion with the participants during the conference held from 8th to 9th March 2010 at Singapore.

(iv) MEMORANDUM OF UNDERSTANDING BETWEEN TRAI AND OTHER AUTHORITIES/ ORGANIZATIONS SIGNED/RENEWED DURING 2009-10

- (a) A Memorandum was signed between the Telecom Regulatory Authority of India and the Ministry of Internal Affairs and Communications, Japan on 6th January 2010 at Le Meridien, New Delhi. The Memorandum was signed by Dr. J.S. Sarma, Chairman, TRAI and H.E. Mr. Kazuhiro HARAGUCHI, Hon'ble Minister for Internal Affairs and Communications, Japan.
- (b) MoU between NTRA, Egypt and TRAI renewed for next three years w.e.f. 29th March 2010 at Barcelona, Spain on 15th February 2010.
- (c) MoU between TRAI and Stanford University, California was signed on 22nd March 2010.





Visit of Bangladesh delegation to TRAI on 23rd December 2009



Visit of Chinese delegation to TRAI on 29th January 2010





Visit of Bhutaneese delegation to TRAI on 8th February 2010



MoU with Stanford University signed on 22nd March 2010

PART – IV

ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA AND FINANCIAL PERFORMANCE



The Authority at the 'Hindi Pakhwara' prize distribution function organized in TRAI on 19th November 2009



'In-House' Magazine 'TRAI DARPAN' being released

A) ORGANIZATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA

1. This section provides information on organizational matters of TRAI relating particularly to organization, funding, human resources covering the areas of recruitment, training and seminars and some general issues.

a) ORGANIZATION

2. The Telecom Regulatory Authority of India was established under the Telecom Regulatory Authority of India Act, 1997 enacted on 28th March, 1997. The TRAI (Amendment) Act, 2000 led to reconstitution of the Authority. It now consists of one Chairperson, two whole-time Members and two part time Members.
3. The Secretariat of TRAI is headed by the Secretary and works through ten functional divisions – Administration & Personnel (A&P); Broadcasting & Cable Services (B&CS); Converged Network & Information Technology (CN&IT); Economic Regulation (ER); Financial Analysis (FA); Interconnection & Fixed Network (I&FN); Legal; Mobile Network (MN); Quality of Service (QoS); Regulatory Enforcement & International Relations (RE/IR).
4. A staff of 177 (as on 31st March 2010), as detailed in the next page, is handling the work in the Secretariat, which performs the tasks assigned to it by the Authority in the discharge of its functions.





S.No.	Name of Post	Sanctioned Strength	Actual in Position as on 31 st March 2010
1.	Secretary	1	1
2.	Principal Advisor / Advisor	14	9
3.	Joint Advisor / Deputy Advisor	35	21
4.	Senior Research Officer	37	25
5.	Officers in Stenographic Cadre	19	16
6.	Technical Officer / Section Officer	31	25
7.	Other Staff	100	80
	TOTAL	237	177

5. To adapt to the changing environment and prepare for the challenges of the future, the Authority considered the restructuring of Secretariat of TRAI. Accordingly, the existing organizational structure was reviewed during the year with a view to bring more focus to the roles and responsibilities of existing divisions and suggest creation of new divisions in the areas that need strengthening. The sanctioned posts as on 31st March 2010 is based on the restructuring approved by the Authority. The restructuring of the organization as approved by the Authority is under implementation.

came on deputation to TRAI from various Ministries and Departments. As on 31st March 2010, the total number of officers and staff borne on the cadre of TRAI was 110. The remaining 67 officers and staff out of the total strength of 177 are on deputation from Ministries / Autonomous Bodies / Public Sector Undertakings. In terms of the regulations governing TRAI, the conditions of service of officers and employees of the Authority including pay, allowances and other matters are similar as applicable to officers and employees of Central Government. With this remuneration package, the Authority is not able to attract independent talent from the open market for appointment to different posts in TRAI. Even it has become difficult to attract officers from Ministries / Government owned telecom companies on deputation to TRAI as there are no additional

b) HUMAN RESOURCE MANAGEMENT

(i) RECRUITMENT

6. The Authority has constituted its own cadre of officers and staff by way of absorbing the officials who

incentives which could be offered to them. TRAI being a specialized body requires officials with expertise in different areas of telecommunication and therefore needs to attract persons not only from Government / Public Sector Undertakings but also from market. For this purpose, the terms and conditions of service in TRAI must be competitive with the prevailing market terms and conditions.

7. In terms of the guidelines issued by Department of Pension and Pensioners Welfare (DoP&PW), appointment of central government servant in central autonomous bodies shall be on immediate absorption basis only. Since a large number of posts in TRAI is required to be managed by officers on deputation basis from Ministries, a proposal was sent to DoP&PW seeking exemption from application of rule of immediate absorption for certain selective posts. DoP&PW has since granted necessary approval in terms of which all posts of the level of Deputy Advisor and above have been exempted from the rule of immediate absorption for a period of five years. Exemption has also been granted in respect of specified number of posts below the level of Deputy Advisor.

(ii) **TRAINING**

8. TRAI has given utmost importance to its Human Resource Development programme and arranged

appropriate training with a view to enhance expertise of its officers and staff so as to ensure operational efficiency and faster decision making. This initiative has proved to be useful in preparation of consultation papers and analysis of the feedback and responses received thereon and also for conducting of Open House Discussion meetings. In selecting / designing training programmes / workshops, TRAI's endeavour is to impart diverse skills for macro level policy framing and handling of techno-economic operating details relevant for implementation and monitoring of the policies. Since special programmes need to be identified or designed and run to meet the specific needs of TRAI staff to address the diverse specialised needs of their task, the Authority is working closely with a number of institutes and organizations such as Indian Institute of Management (IIM), National Productivity Council (NPC), Institute of Secretariat Training and Management (ISTM) etc. In addition, TRAI has also sponsored its officers for international training under the 'Institutional Capacity Building Project' for further developing their expertise within the organization.

9. Officials of TRAI were deputed for international training programmes during the year conducted by (i) United States Telecommunications Training course Institute (USTTI) and





(ii) International Telecommunication Union Asia Pacific Centre for Excellence. Officials of TRAI were also deputed for training programmes conducted by different training institutions within the country. The officials have received valuable inputs through these trainings and the inputs have enriched their skills in their respective area of regulatory work.

10. TRAI also has in place a system of in-house training and workshops, where distinguished national and international experts are invited for interaction with its officers on latest developments in the telecom sector. This is another step for capacity building by TRAI for its officers and staff.

(iii) OTHER INSTITUTIONAL CAPACITY BUILDING PROJECTS/ACTIVITIES

11. Various consultancies / studies on "Transfer Pricing in Telecom Sector", "Spectrum Trading in India", "Objective Assessment of Quality of Service and Consumer Satisfaction Survey" etc. were undertaken during the year under the 'Institutional Capacity Building Projects'.

(iv) SEMINAR / WORKSHOPS

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

policy formulation. TRAI's participation in twenty deliberations at international level during the year 2009-10 has not only contributed well to the international efforts being focused on issues, which are currently major regulatory concerns in India but have also helped in keeping the TRAI officials aware of International practices.

(v) WELFARE ACTIVITIES

13. As a measure of welfare for the employees of TRAI, a physician has been engaged on retainer-ship basis. He visits the premises of TRAI twice a week to cater to the medical needs of the employees. Free Medical Camps have also been arranged from time to time.

c) FUNDING

14. TRAI is an autonomous body and it is wholly funded by grant received from the Consolidated Fund of India. The total expenditure incurred on the functioning of TRAI in the year 2009-10 was Rs. 32.49 crores and out of this, Rs.2.10 crores was incurred during 2009-10 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.
15. TRAI is of the view that in order to perform effectively as an independent regulator, it should be funded from a minor portion of the licence fees recovered as a cost of administration from those whom it

regulates, and it should be empowered with the flexibility in determining the terms and conditions of its employees to enable it to recruit talents / professionals from non-government sources also at senior and other levels. Some other national regulatory bodies like IRDA and SEBI are funded out of the fees recovered from the sector they regulate and hence these authorities have the flexibility to use these funds as per the specific requirements of their functioning.

d) RIGHT TO INFORMATION ACT

16. The Right to Information Act, 2005, which came into force from 12th October 2005 is also applicable to TRAI. Accordingly, in consonance with the provisions of the Act, the Authority has designated a Central Public Information Officer in TRAI assisted by a Central Assistant Public Information Officer. An officer of the level of Principal Advisor has been designated as the Appellate Authority. Name and designation of these officers and the information required to be published under Section 4 (1) of the RTI Act have been placed on the website of TRAI.
17. During the year 2009-10, 332 applications were received under the RTI Act. All these applications were promptly dealt with and replies have been sent within the stipulated period of 30 days.

e) ISO 9001: 2000 CERTIFICATION TO TRAI

18. TRAI had been awarded ISO 9001:2000 certification in December 2004 by Bureau of Indian Standards (BIS). The same was renewed in the year 2007 with the validity period upto November 2010. TRAI has also taken steps to switch over the new series of ISO Standards IS/ISO 9001:2008 certification as advised by BIS and the same is expected to be given after necessary audit by BIS by November 2010. To evaluate the implementation and effectiveness of Quality Management System (QMS) in TRAI, BIS has also conducted six surveillance audits and a renewal audit since December, 2004. The quality-auditors have found the QMS functioning satisfactorily and had recommended the continuance of the license issued by the BIS.

19. Conducting internal quality audit on a quarterly basis has also ensured the continual improvement in the system. TRAI has 63 internal quality auditors for the purpose. The Quality Management System is also reviewed by the Secretary on a monthly basis and by the Top Management.

f) IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

20. An Official Language Section under the supervision of Secretary, TRAI is functioning in Telecom Regulatory





Authority of India to implement the provisions of Official Language Act, 1963, Official Languages Rules, 1976 and other administrative instructions issued on the subject from time to time by the Department of Official Language (Ministry of Home Affairs). TRAI makes every effort to ensure the compliance of the Official Language policy of the Union Government in TRAI. Besides, it also caters to the translation needs of various Divisions as and when regulations, press communiqués, tender notices, gazette notifications and other documents are issued in bilingual form.

21. The implementation of Official Language policy of the Union Government by all the Divisions and Sections of TRAI is monitored by the Official Language Implementation Committee (OLIC) constituted under the Chairmanship of Advisor (A & P). Meetings of the OLIC are held regularly in every quarter. In these meetings, special emphasis is given on increasing the progressive use of Hindi in official work. Besides, a review of the current status of implementation of Official Language policy in TRAI is also done and future action-plan in this regard is drawn. Valuable suggestions of the members of the Committee are invited to gear up the work relating to Official Language. During the period of the report, four meetings of OLIC were held on 3rd June 2009;

14th September 2009; 3rd December 2009 and 4th January 2010.

22. In compliance with the directives received from Department of Official Language (Ministry of Home Affairs) and Department of Telecommunications, “Hindi Pakhwara” was organized in TRAI from 14th to 30th September, 2009 during which various Hindi competitions viz. Hindi essay writing, poetry recitation, speech, noting/drafting, slogan writing, debate etc. were organized. A number of officers upto the rank of Joint Advisor and staff took part in the competition with great zeal and enthusiasm. On the occasion of Hindi Day, a message from Chairman, TRAI for ensuring the compliance of Official Language rules/regulations was circulated among the officers/ staff on 14th September, 2009. Chairman, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 19th November 2009. The “Hindi Pakhwara” proved successful in promoting and propagating the maximum use of Hindi in official work.
23. In order to increase the progressive use of Hindi in day-to-day official work, an annual incentive scheme viz. Varshik Protsahan Yojna has been introduced in TRAI for officers/ employees for the last four years. Under this scheme, 10 cash prizes are given every year to the officers/ employees for doing their maximum

official work in Hindi during the period of the scheme. This scheme has proved to be very popular among the staff and it has encouraged the staff to do their maximum of official work in Hindi throughout the year.

24. With a view to facilitate officers / staff to do noting and drafting in Hindi, regular Hindi workshops are organized in TRAI. During these workshops dictionaries, administrative glossaries, help / reference books etc. are distributed to the participants which render them useful help while doing their

official work in Hindi. During the period under report, two Hindi workshops were organized in TRAI on 14th September 2009; and 4th January 2010.

25. The bilingual magazine 'TRAI DARPAN' is a representative in-house magazine of TRAI and it is published half yearly. Two issues of 'TRAI DARPAN' were published during the period of the Report. These issues were widely appreciated both within the Authority and by the members of Hindi Salahakar Samiti of the Department of Telecommunications.





Farewell to Shri A.K. Sawhney, Member, TRAI



Farewell to Shri R.N. Prabhakar, Member, TRAI

B) AUDITED ACCOUNTS OF TRAI FOR THE YEAR 2009-10

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India for the year ended 31 March 2010

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as at 31 March 2010 and the Income and Expenditure Account/Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000). These financial statements are the responsibility of the Telecom Regulatory Authority of India's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum performance aspects, etc, if any, are reported through Inspection Reports/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial



statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.



4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
- ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Section 23 (1) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000).
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India.
- iv. We further report that:

A. Grants in aid

Out of the grants in aid (Non-Plan) of Rs 31.31 crore {including unspent balance of Rs 0.31 crore (Non Plan) out of the earlier year's grants in aid}

received during the year, TRAI could utilise a sum of Rs 29.60 crore (Non Plan), leaving a balance of Rs 1.71 crore (Non Plan) as unutilised grant as on 31 March 2010.

Further, out of the grants in aid (Plan) of Rs 2.76 crore {including unspent balance of Rs 0.46 crore (Plan) out of the earlier year's grant (Plan) lying with TRAI} received during the year, TRAI could utilise a sum of Rs 2.27 crore (Plan), leaving a balance of Rs 0.49 crore (Plan) as unutilised grant as on 31 March 2010.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this Report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in **Annexure-I** to this Audit Report give a true and fair view in conformity with the accounting principles accepted in India:
 - a. In so far as it relates to the Balance Sheet (both Plan and Non-Plan) of the state of affairs of the Telecom Regulatory Authority of India as at 31 March 2010; and

b. In so far as it relates to the Income and Expenditure Account of the Deficit (both Plan and Non-

Plan) for the year ended on that date.

For and on behalf of the C&AG of India

**Sd/-
(R.P. Singh)
Director General of Audit (P&T)**

Place: Delhi

Date: 04 October 2010



ANNEXURE-I TO DRAFT SEPARATE AUDIT REPORT

(Referred to in paragraph 4 (vi) of Separate Audit Report of even date on the accounts of Telecom Regulatory Authority of India for the year ended 31 March 2010)

As per the information and explanations given to us, the books and records examined by us in normal course of audit and to the best of our knowledge and belief, we further report that:

(1) Adequacy of Internal Audit System

TRAI has appointed a full-time Technical Officer (Internal Audit) with independent charge till August 2009. Thereafter, SO (Accounts) with additional charge of Internal Audit has inspected the accounts and paid vouchers of TRAI-General Accounts for the financial year 2009-10 and submitted his reports to the Deputy Advisor (Accounts) for necessary corrective measures. Action is being taken by the Administration Division on the Internal Audit Reports.

In our opinion, the internal Audit System of the organisation is adequate and commensurate with its size and the nature of its functions.

(2) Adequacy of Internal Control System

TRAI has framed the policies and procedures for creation of posts, appointment of staff/officers, fixation of pay, extension of terms of consultant, settlement of personal claims, TA claims, training and study tours of officers and staff and regulations on various matters in accordance with the provisions of the TRAI Act and the same are followed in day to day functioning. Receipt and disbursement of cash and maintenance of cash book has been

properly done in compliance with relevant rules and regulations. Physical verification of cash has been regularly done and the maximum limit of the cash balance, as prescribed by the Authority, was maintained. Two types of funds - one Plan Fund and the other Non-Plan Fund are maintained by TRAI and the expenditure pertaining to each fund is met from the respective funds and separate books of accounts are maintained for each fund. TRAI General Fund is maintained by the Department of Telecommunication (DoT). Grants from the Government of India to TRAI under Plan and Non Plan heads are credited to this fund. Expenditure of TRAI is met out of the release of grants by DoT under plan and non-plan heads and utilisation certificates in respect of grants received are furnished by TRAI to DoT.

In our opinion, the internal control system of the organisation is adequate and commensurate with its size and the nature of its functions.

(3) System of physical verification of fixed assets

The Registers of Fixed Assets are maintained manually as well as in computerized form. The Physical verification of assets/stores for 2009-10 has been completed.

In our opinion, the System of physical verification of fixed assets of the organisation is adequate and commensurate with its size and the nature of its functions.



(4) System of physical verification of inventory

Proper records of inventory have been maintained. The physical verification of inventory for the year 2009-10 has been done.

In our opinion, the system for physical verification of inventory is adequate and

commensurate with its size and the nature of its functions.

(5) Regularity in payment of statutory dues

There was no disputed amount payable in respect of any other statutory dues including Contributory Provident Fund.





FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)

TELECOM REGULATORY AUTHORITY OF INDIA

BALANCE SHEET AS AT 31-03-2010

(Amount- Rs.)

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	NON-PLAN		PLAN	
		Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
CORPUS/CAPITAL FUND	1	28412319	93195742	91657454	12312335
RESERVES AND SURPLUS	2				
EARMARKED/ENDOWMENT FUNDS	3				
SECURED LOANS AND BORROWINGS	4				
UNSECURED LOANS AND BORROWINGS	5				
DEFERRED CREDIT LIABILITIES	6				
CURRENT LIABILITIES AND PROVISIONS	7	96150546	89692933	15994880	11488155
TOTAL		124562865	182888675	107652334	23800490
ASSETS					
FIXED ASSETS	8	24230840	24005356	253560	
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9				
INVESTMENTS-OTHERS	10				
CURRENT ASSETS,LOANS,ADVANCES ETC	11	100332025	158883319	107398774	23800490
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
TOTAL		124562865	182888675	107652334	23800490
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25				

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

FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2010

INCOME	Schedule	NON-PLAN		PLAN	
		Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
Income from Sales/Services	12				
Grants/Subsidies	13	240000000	248000000	100000000	300000000
Fee/Subscriptions	14				
Income from Investments(Income on Invest from earmarked /endow. Funds transferred to Funds	15				
Income for Royalty ,Publication etc	16				
Interest Earned	17	2287	26012		
Other Income	18	19887	49768		
Increase(decrease) in stock of Finished goods and works-in-progress	19				
TOTAL(A)		240022174	248075780	100000000	300000000
EXPENDITURE					
Establishment Expenses	20	133832475	134027254		
Other Administrative Expenses etc	21	164465856	130406558	20939601	36001964
Expenditure on Grants,Subsidies etc	22				
Interest	23				





Depreciation(Net Total at the year end-corresponding to Schedule 8)	5701113	6152402	110847
TOTAL (B)	303999444	270586214	21050448
Balance being excess of Income over Expenditure (A-B)			36001964
Transfer to Special Reserve (Specify each)			
Transfer to / from General Reserve			
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND	-63977270	-22510434	78949552
SIGNIFICANT ACCOUNTING POLICIES	24		-6001964
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

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

FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-03-2010
SCHEDULE I - CORPUS/CAPITAL FUND:

	NON-PLAN		PLAN	
	Current	Previous	Current	Previous
	Year 2009-10	Year 2008-09	Year 2009-10	Year 2008-09
Balance as at the beginning of the year	93195742	129377832	12312335	18314299
Add:/Less Contributions towards Corpus/Capital Fund	-806153	-13671656	395567	
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	-63977270	-22510434	78949552	-6001964
BALANCE SHEET AS AT THE YEAR-END	28412319	93195742	91657454	12312335

SCHEDULE 2 - RESERVES AND SURPLUS

	NON-PLAN		PLAN	
	Current	Previous	Current	Previous
	Year	Year	Year	Year
1. Capital Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
2. Revaluation Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
3. Special Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
4. General Reserve:	-	-	-	-
As per last Account	-	-	-	-
Addition during the year	-	-	-	-
Less: Deductions during the year	-	-	-	-
TOTAL	-	-	-	-

Sd/-
SRO (Accounts)





SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	FUND-WISE BREAKUP					TOTALS		
	Fund	Fund	Fund	Fund	Fund	NON-PLAN		PLAN
	WW	XX	YY	ZZ		Current Year	Previous Year	Current Year
						2009-10	2008-09	2009-10
								2008-09
a) Opening balance of the funds								
b) Additions of the funds:								
i. Donations/grants								
ii. Income from investments made on account of funds								
iii. Other additions(Misc income , receipt of advances)								
TOTAL (a+b)								
c) Utilisation/expenditure towards objectives of funds								
i. Capital Expenditure								
- Fixed Assets						NIL	NIL	NIL
- Others								
Total								
ii. Revenue Expenditure								
- Salaries,Wages and allowances etc								
- Rent								
- Other Administrative expenses								
Total								
TOTAL (c)								
NET BALANCE AS AT THE YEAR-END (a+b+c)								

Notes

- 1) Disclosures shall be made under relevant head based on conditions attaching to the grants
- 2) Plan funds received from the Central/State Governments are to be shown as separate funds and not to be mixed up with any other Funds

Sd/-

SRO (Accounts)

SCHEDULE 4 -SECURED LOANS AND BORROWINGS

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
1. Central Government	-	-	-	-
2. State Government (Specify)	-	-	-	-
3. Financial Institutions	-	-	-	-
4. Banks	-	-	-	-
a) Term Loans	-	-	-	-
- Interest accrued and due	-	-	-	-
b) Other-Loans(Specify	-	-	-	-
- Interest accrued and due	-	-	-	-
5. Other Institutions and Agencies	-	-	-	-
6. Debentures and Bonds	-	-	-	-
7. Others(Specify)	-	-	-	-
TOTAL	-	-	-	-

Note Amount due within one year

SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
1. Central Government	-	-	-	-
2. State Government (Specify)	-	-	-	-
3. Financial Institutions	-	-	-	-
4. Banks	-	-	-	-
a) Term Loans	-	-	-	-
- Interest accrued and due	-	-	-	-
b) Other-Loans(Specify	-	-	-	-
- Interest accrued and due	-	-	-	-
5. Other Institutions and Agencies	-	-	-	-
6. Debentures and Bonds	-	-	-	-
7. Others(Specify)	-	-	-	-
TOTAL	-	-	-	-

Note Amount due within one year

SCHEDULE 6- DEFERRED CREDIT LIABILITIES

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
a) Acceptances secured by hypothecation of capital equipment and other assets	-	-	-	-
b) Others	-	-	-	-
TOTAL	-	-	-	-

Note: Amounts due within one year

Sd/-
SRO (Accounts)



SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
A. CURRENT LIABILITIES				
1) Acceptances				
2) Sundry Creditors				
a) For Goods				
b) Others				
3) Advances Received				
4) Interest accrued but not due on:				
a) Secured loans/borrowings				
b) Unsecured Loans/borrowings				
5) Statutory Liabilities				
a) Overdue				
b) Others				
6) Other current Liabilities	71193128	65086826	15994880	11488155
TOTAL (A)	71193128	65086826	15994880	11488155
B. PROVISIONS				
1. For Taxation	—	—		
2. Gratuity	13229591	12583302		
3. Superannuation/Pension	—	—		
4. Accumulated Leave Encashment	11727827	12022805		
5. Trade Warranties/Claims	—	—		
6. Other(Specify)	—	—		
TOTAL (B)	24957418	24606107		
TOTAL (A+B)	96150546	89692933	15994880	11488155

Sd/-
SRO (Accounts)

SCHEDULE 8 - FIXED ASSETS (NON PLAN)

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK		
	Cost/ Valuation as at begining of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the begining of the year	On Additions during the year	Total up to the year- end	As at the current year- end	As at the previous year- end
A. FIXED ASSETS:									
1. LAND	-	-	-	-	-	-	-	-	-
a) Freehold	-	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-	-
2. BUILDINGS									
a) On Freehold Land	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-	-
c) Ownership Flats/ Premises	-	-	-	-	-	-	-	-	-
d) Superstructures on land not belonging to the entity	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-
4. VEHICLES	4729766	1348139	-	6077905	3193531	263809	3457340	2620565	1536235

(Contd...)





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

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the beginning of the year	On Additions during the year	On Deductions during the year	Total up to the year- end
5. FURNITURE, FIXTURES	15422808	1049780	390830	16081758	6751572	1356215	331359	7776428
6. OFFICE EQUIPMENT	9871979	694217	10000	10556196	6110247	967537	3610	7074174
7. COMPUTER/ PERIPHERALS	26779006	662398	—	27441404	19084213	2670144	—	21754357
8. ELECTRIC INSTALLATIONS	2863566	2137924	—	5001490	827839	329174	—	1157013
9. LIBRARY BOOKS	3244194	100000	—	3344194	2938561	114234	—	3052795
10. TUBEWELLS & W.SUPPLY	—	—	—	—	—	—	—	—
11. OTHER FIXED ASSETS	—	—	—	—	—	—	—	—
TOTAL OF CURRENT YEAR	62911319	5992458	400830	68502947	38905963	5701113	334969	44272107
PREVIOUS YEAR	62351918	4994332	4434931	62911319	37021623	6152402	4268062	38905963
B.CAPITAL WORK-IN-PROGRESS								
TOTAL								

Sd/-
SRO (Accounts)

SCHEDULE 8 - FIXED ASSETS (PLAN)

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the beginning of the year	On Additions during the year	On Deductions during the year	Total up to the year- end
A. FIXED ASSETS:								
1. LAND	-	-	-	-	-	-	-	-
a) Freehold	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-
2. BUILDINGS								
a) On Freehold Land	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-
c) Ownership Flats/ Premises	-	-	-	-	-	-	-	-
d) Superstructures on land not belong to the entity	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-
4. VEHICLES	-	-	-	-	-	-	-	-

(Contd...)





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

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the beginning of the year	On Additions during the year	On Deductions during the year	Total up to the year- end
5. FURNITURE, FIXTURES								
6. OFFICE EQUIPMENT								
7. COMPUTER/ PERIPHERALS								
8. ELECTRIC INSTALLATIONS								
9. LIBRARY BOOKS		364407		364407		110847		110847
10. TUBEWELLS & W.SUPPLY								253560
11. OTHER FIXED ASSETS	-			-				-
TOTAL OF CURRENT YEAR		364407		364407		110847		110847
PREVIOUS YEAR								
B.CAPITAL WORK-IN-PROGRESS								
TOTAL								

Sd/-
SRO (Accounts)

SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
1. In Government Securities	-	-	-	-
2. Other approved Securities	-	-	-	-
3. Shares	-	-	-	-
4. Debentures and Bonds	-	-	-	-
5. Subsidiaries and Joint Ventures	-	-	-	-
6. Others (to be specified)	-	-	-	-
TOTAL	-	-	-	-



SCHEDULE 10 - INVESTMENTS OTHERS

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	Year	Year	Year	Year
1. In Government Securities	-	-	-	-
2. Other approved Securities	-	-	-	-
3. Shares	-	-	-	-
4. Debentures and Bonds	-	-	-	-
5. Subsidiaries and Joint Ventures	-	-	-	-
6. Others (Bank FDRs)	-	-	-	-
TOTAL	-	-	-	-

Sd/-
SRO (Accounts)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-Rs.)

DESCRIPTION	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
A. CURRENT ASSETS:				
1. Inventories				
a) Stores and Spares				
b) Loose tools				
c) Stock-in-trade				
Finished Goods				
Work in progress				
Raw Material				
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months				
b) Others				
3. Cash balances in hand (including cheques/drafts and imprest)	92415	46694	—	—
4. Bank Balances:				
a) With Scheduled Banks				
-On Current Accounts	17086623	3039914	4898572	4686564
-On Deposit Accounts (includes margin money)				
-On Savings Account				
a) With non-Scheduled Banks				
-On Current Accounts				
-On Deposit Accounts				
-On Savings Account				
5. Post Office-Savings Accounts				
TOTAL (A)	17179038	3086608	4898572	4686564
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans				
a) Staff	3748399	4234900	24427	—
b) Other Entities engaged in activities/objectives similar to that of Entity				—
c) Others (TA, LTC and Festival Advances to Officers & Staff)	389440	338950	—	—

(Contd...)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC (Contd...)

(Amount-Rs.)

DESCRIPTION	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
2. Advance and other amounts recoverable in cash or in kind or for value to be received:-				
a) On Capital Account	76600000	146600000	96000000	19000000
b) Prepayments	217436	2330482	1141675	—
c) Others	1710044	1218929	5334100	113926
3. Income Accrued				
a) On Investments from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances				
d) Others (includes income due unrealised Rs.)				
5. Claims Receivable	487668	1073450	—	—
TOTAL (B)	83152987	155796711	102500202	19113926

SCHEDULE 12 - INCOME FROM SALES/SERVICES

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	Year	Year	Year	Year
1. Income from Sales	-	-	-	-
a) Sale of Finished Goods	-	-	-	-
b) Sale of Raw material	-	-	-	-
c) Sale of Scraps	-	-	-	-
2. Income from Services	-	-	-	-
a) Labour and Processing Charges	-	-	-	-
b) Professional/Consultancy Services	-	-	-	-
c) Agency Commission and Brokerage	-	-	-	-
d) Maintenance Services (Equipment/Property)	-	-	-	-
e) Others(Specify)	-	-	-	-
TOTAL	-	-	-	-

Sd/-
SRO (Accounts)



SCHEDULE 13 -GRANTS / SUBSIDIES

(Amount-Rs.)

(Irrevocable Grants & Subsidies Received)	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	2009-10	2008-09	2009-10	2008-09
1) Central Government	240000000	248000000	100000000	30000000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
TOTAL	240000000	248000000	100000000	30000000

SCHEDULE 14 -FEES/SUBSCRIPTIONS

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	Year	Year	Year	Year
1. Entrance Fees	-	-	-	-
2. Annual Fees/Subscriptions	-	-	-	-
3. Seminar/Program Fees	-	-	-	-
4. Consultancy Fees	-	-	-	-
5. Others(specify)	-	-	-	-
TOTAL				

Note: Accounting Policies towards each item are to be disclosed

SCHEDULE 15 -INCOME FROM INVESTMENTS

(Income on Invest.from Earmarked/ Endowment Funds Transferred to Funds)	Investment from Earmarked Fund NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
	Year	Year	Year	Year
1) Interest				
a) On Govt Securities	-	-	-	-
b) Other Bonds/Debentures	-	-	-	-
2) Dividends	-	-	-	-
a) On Shares	-	-	-	-
b) On Mutual Fund Securities	-	-	-	-
3) Rents	-	-	-	-
4) Others (Specify)	-	-	-	-
TOTAL				
TRANSFERRED TO EARMARKED/ENDOWMENT FUNDS				

Sd/-
SRO (Accounts)

SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATIONS ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
1. Income from Royalty	-	-	-	-
2. Income from Publications	-	-	-	-
3. Others(specify)	-	-	-	-
TOTAL	-	-	-	-

SCHEDULE 17 - INTEREST EARNED

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
1) On Term Deposits				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-	-	-	-
c) With Institutions	-	-	-	-
d) Others	-	-	-	-
2) On Savings Account				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-	-	-	-
c) With Institutions	-	-	-	-
d) Others	-	-	-	-
3) On Loans	-	-	-	-
a) Employees/Staff	2287	26012	-	-
b) Others	-	-	-	-
4) Interest on Debtors and Other Receivables	-	-	-	-
TOTAL	2287	26012	-	-

Note-Tax deducted at source to be indicated

SCHEDULE 18 - OTHER INCOME

	NON-PLAN		PLAN	
	Current Year	Previous Year	Current Year	Previous Year
1. Profit on Sale/disposal of Assets	35	2861	-	-
a) Owned assets	-	-	-	-
b) Assets acquired out of grants, or received free of cost	-	-	-	-
2. Export Incentives realized	-	-	-	-
3. Fees for Miscellaneous Services	-	-	-	-
4. Miscellaneous Income	19852	46907	-	-
TOTAL	19887	49768	-	-

Sd/-
SRO (Accounts)



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

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
a) Closing stock				
- Finished Goods	-	-		-
- Work-in-progress	-		-	-
b) Less Opening Stock				
- Finished Goods	-	-	-	-
- Work-in-progress	-	-	-	-
NET INCREASE/(DECREASE) [a-b]		-	-	-

SCHEDULE 20 - ESTABLISHMENT EXPENSES

	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
a) Salaries and Wages	114645616	85610060	-	-
b) Allowances and Bonus	295349	334263	-	-
c) Contribution to Provident Fund	3407587	4512371	-	-
d) Contribution to Other Fund (specify)	-	-	-	-
e) Staff Welfare Expenses	336899	379471	-	-
f) Expenses on Employees Retirement and Terminal Benefits	7971540	28903263	-	-
g) Others (LTC, Medical to Officers & Staff and OTA to Staff)	7175484	14287826	-	-
TOTAL	133832475	134027254	-	-

Sd/-
SRO (Accounts)

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
a) Purchases	-	-		
b) Labour and processing expenses	-	-		
c) Cartage and Carriage Inwards	-	-		
d) Electricity and power	1261418	1419396		
e) Water charges	-	-		
f) Insurance	120980	135057		
g) Repairs and maintenance	3006735	3739017		
h) Excise Duty	-	-		
i) Rent,Rates and Taxes	86208792	70681116		
j) Vehicles Running and Maintenance	2332116	2393568		
k) Postage,Telephone and Communication Charges	7198930	5337088		
l) Printing and Stationery	4400532	5096068		
m) Travelling and Conveyance Expenses	15491323	11602267		
n) Expenses on Seminar/Workshops	2361366	2763974		
o) Subscription Expenses	731047	295020		
p) Expenses on Fees	-	180679		
q) Auditors Remuneration	81243	128980		
r) Hospitality Expenses	1791007	1448038		
s) Professional Charges	26289262	16383406		
t) Provision for Bad and Doubtful Debts/Advances	-	-		
u) Irrecoverable Balances Written-off	38221	51290		
v) Packing Charges	-	-		
w) Freight and Forwarding Expenses	-	-		
x) Distribution Expenses	-	-		
y) Advertisement and Publicity	5286127	1646899		
z) Others (Payment to Security, Housekeeping etc.)	7838757	5017494	20939601	36001964
SATRC meeting expenses and fees	28000	2087201	-	-
TOTAL	164465856	130406558	20939601	36001964

Sd/-
SRO (Accounts)



SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current	Previous	Current	Previous
	Year 2009-10	Year 2008-09	Year 2009-10	Year 2008-09
a) Grants given to Institutions/ Organisations	-	-	-	-
b) Subsidies given to Institutions/ Organisations	-	-	-	-
TOTAL				

Note: Name of Entities,their Activities along with the amount of Grants/Subsidies are to be disclosed

SCHEDULE 23 - INTEREST

	NON-PLAN		PLAN	
	Current	Previous	Current	Previous
	Year 2009-10	Year 2008-09	Year 2009-10	Year 2008-09
a) On Fixed Loans	-	-	-	-
b) On Other Loans (including Bank Charges)	-	-	-	-
c) Others (specify)	-	-	-	-
TOTAL	-	-	-	-

Sd/-
SRO (Accounts)

TELECOM REGULATORY AUTHORITY OF INDIA
RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2010

RECEIPTS	NON-PLAN		PLAN		PAYMENT	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09		Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
I. Opening Balance									
a) Cash in hand	46694	59394	-	-		135662766	113457288	-	-
i) In current accounts	3039914	7259342	4686564	8132528	a) Establishment Expenses (corresponding to Schedule 20)				
ii) In deposit accounts	-	-	-	-	b) Administrative expenses (corresponding to Schedule 21)	154882015	127856169	17178985	24945964
iii) Savings accounts	-	-	-	-					
II. Grants Received					II. Payments made against funds for various projects				
					(Name the fund or project should be shown along with the particulars of payments made for each project)	-	-	-	-
a) From Government of India	310000000	238000000	230000000	215000000					
b) From State Government	-	-	-	-	III. Investments and deposits made				
c) From other sources(details)	-	-	-	-	a) Out of Earmarked/Endowment funds	-	-	-	-
(Grants for capital & revenue exp to shown sperately)	-	-	-	-	b) Out of Own Funds (investments-Others)	-	-	-	-
III. Income on Investments from					IV. Expenditure on Fixed Assets & Capital Work-in-progress				
a) Earmarked/Endow Funds	-	-	-	-	a) Purchase of Fixed Assets	5803855	4612535	364407	-

(Contd...)





RECEIPTS	NON-PLAN		PLAN		PAYMENT	NON-PLAN		PLAN	
	Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09		Current Year 2009-10	Previous Year 2008-09	Current Year 2009-10	Previous Year 2008-09
b) Own Funds (Oth Investment)	-	-	-	-	b) Expenditure on Capital Work-in-progress	-	-	-	-
IV. Interest Received					V. Refund of surplus money/Loans				
a) On Bank depositis					a) To the Government of India	48000	-	-	-
b) Loans, Advances et	2287				b) To the State Government	-	-	-	-
c) Miscellaneous					c) To other providers of funds (Consumer Protection Fund)	-	-	-	-
V Other Income (Specify)					VI. Finance Charges (Interest)	-	-	-	-
To Miscellaneous Income	19852	72919			VII. Other Payments (Specify)				
VI Amount Borrowed					Loans and advances and security deposits	-	231386	5244600	-
VII. Any other receipts (give details)					VIII. Closing Balances				
To Fees	-	-			a) Cash in hand	92415	46694	-	-
To Capital Fund					b) Bank Balances				
To Security Deposits	-	30000			i) In current accounts	17086623	3039914	4898572	4686564
To Sale of Assets	27675	118440			ii) In deposit accounts				
To loans & advances & security deposits	439252	3703891			iii) Savings accounts				
To encashment of FDr alongwith Interest	-	-			TOTAL	313575674	249243986	27686564	29632528

Pr. Advisor (FA/ IFA)

Sd/-
Secretary

Sd/-
Member

Sd/-
Chairperson

SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Conventions:

- (a) The financial statements have been prepared in the "Uniform Form of Accounts" as approved by the Controller General of Accounts vide their letter No. F.No.19(1)/Misc./2005/TA/450-490 dated 23.07.2007 for both Non-Plan and Plan activities appropriately and distinctly.
- (b) Accounts have been prepared on accrual basis for the current year i.e., 2009-10 - There is no change in Method of Accounting from the preceding year.
- (c) Provisions for all the undisputed and known liabilities have been made in the Books of Account. However, a provision for payment to Director of Estates on account of Special License Fees in the case of officials on deputation in TRAI who are occupying government accomodation has not been made and the same will be accounted for on cash basis after the receipt of Demand from the O/o Director of Estates.
- (d) Figures have been rounded off to the nearest rupee
- (e) Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved

2 Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition.

3 Depreciation:

- (a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the categories mentioned below on which higher rates of depreciation have been applied, as applied in the Accounts for preceding years:

Category	Minimum prescribed depreciation rate as per Companies Act, 1956	Depreciation rate applied
Office Equipments	4.75%	10.00%
Furnitures and Fixtures	6.33%	10.00%
Electrical Appliances	4.75%	10.00%
Airconditioners	4.75%	10.00%
Books and Publications	4.75%	20.00%



Office Equipments includes Mobile Handsets provided to the officers for official purposes. It has been decided by the Competent Authority vide Order No. 2-1/97-LAN dated 04.05.2007 to provide/write off these handsets in three years on the same pattern as DoT. Accordingly depreciation on Mobile Handsets from the year 2007-08 onwards have been charged off @ 33.33%. Further, It has also decided by Authority, vide order no 23-24/2008/GA (LT) dated 19/03/2009 that life span for the Laptop issued to TRAI officers will henceforth be of four years. Accordingly, depreciation on Laptop has been provided @ 25%]



- (b) In respect of additions to Fixed Assets during the year, depreciation is considered on Pro-rata basis.

- (c) Assets costing Rs. 5,000/- or less, each are fully provided.

4 Foreign Currency Transactions:

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

5 Retirement Benefits :

- (a) Provision for Leave Salary and Pension Contribution up to 31.03.2010 in the case of employees on deputations have been provided in the Books of Accounts at the rates prescribed by Government of India under Fundamental Rules from time to time.
- (b) In the case of regular employees, provision for Leave Encashment and Gratuity for the year 2009-10 have been made on the basis of report furnished by the actuary.

6 Govt. Grant :

- (a) No grant in respect of specific fixed assets has been received during the current year.
- (b) Govt. grants are accounted for on the basis of sanctioned amount.

SCHEDULE 25 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

Contingent Liabilities:

- 1 Claims against the Entity not acknowledged as debts Current Year (– nil) (Previous year Nil)

2 Current Assets, Loans and Advances:

In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet.

3 Taxation:

As per clause 32 of the TRAI Act, 1997, TRAI is exempt from tax on Wealth and Income.

4 Fixed assests include :

Out of four vehicles purchased from DoT for Rs. 14, 71,692/- during 1997-98, two cars were transferred to TDSAT in October, 2000. The cost of these two cars was Rs. 7,35,846/- and accumulated depreciation on date of transfer was Rs. 2,48,211. The amount of WDV of such cars on the date of transfer was Rs. 4,87,635/- which has been debited to claims recoverable from TDSAT/DOT. The matter has been taken up with DoT and necessary adjustments will be passed in the next financial year.

5 Grants :

During the accounting year i.e. 2009-10 the grants sanctioned under Non – Plan head was Rs. 24.00 crore against which a sum of Rs.31.00 crores was received. A sum of Rs. 7.66 crore receivable from DoT has been shown in Schedule-11 under the head “Advance and other amounts recoverable in cash or in kind or for value to be received.

Similarly, the grant under PLAN head of account was sanctioned as Rs. 10.00 crore against which a sum of Rs. 2.30 crore was received. A sum of Rs. 9.60 crore receivable from DoT has been shown in Schedule-11.

6 Transactions relating to the “Unsolicited Commercial Communications (UCC)”.

During the previous financial year a sum of Rs. 48,000/- was received from six service providers towards financial disincentive in contravention of the provisions of regulation of the Telecom Unsolicited Commercial Communications Regulations, 2007. The same has been refunded to DoT in the current financial year.

7 Previous year figures:

Corresponding figures for the previous year have been regrouped/arranged wherever necessary. The expenditure/income relating to the previous year i.e prior period expenditure/income have been routed through capital fund .

8 Transactions in Foreign Currencies :

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

9 Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2010 and the Income and Expenditure Account for the year ended on that date.

Sd/-
Pr. Advisor (FA/ IFA)

Sd/-
Secretary

Sd/-
Member

Sd/-
Chairperson





C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNTS OF TRAI FOR THE YEAR 2009-10

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India-Contributory Provident Fund Account for the year ended 31 March 2010

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as at 31 March 2010 and the Income and Expenditure Account/Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Rule 5 (5) of the Telecom Regulatory Authority of India (Contributory Provident Fund) Rules, 2003, issued under Government of India, Extraordinary Gazette Notification No. GSR 333(E) dated 10 April 2003. These financial statements are the responsibility of the Telecom Regulatory Authority of India-Contributory Provident Fund Account's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum performance aspects, etc, if any are reported through Inspection Reports/CAG's Audit Reports separately.





3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
 - ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Rule 5 of the Telecom Regulatory Authority of India (Contributory Provident Fund) Rules, 2003.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India - Contributory Provident Fund Account.
 - iv. We further report that the Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this Report are in agreement with the books of accounts.
 - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report, give a true and fair view in conformity with the accounting principles accepted in India:
 - a. In so far as it relates to the Balance Sheet of the state of affairs of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as at 31 March 2010; and
 - b. In so far as it relates to the Income and Expenditure Account of the 'Deficit' for the year ended on that date.

For and on behalf of the C&AG of India

(R.P. Singh)
Director General of Audit (P&T)

Place : Delhi

Date : 04 October 2010

ANNEXURE-I

(1) Adequacy of Internal Audit System

TRAI has appointed a full-time Technical Officer (Internal Audit) with independent charge till August 2009, who was also responsible for conducting internal audit of TRAI-CPF Account. Thereafter, SO (Accounts) with additional charge of Internal Audit has inspected the accounts and paid vouchers of TRAI-CPF Accounts for the financial year 2009-10.

In our opinion, the internal Audit System of the organisation is adequate and commensurate with its size and the nature of its functions.

(2) Adequacy of Internal Control System

No cash transaction is done in TRAI-CPF Account as all receipts and payments are made through cheques only. Receipt of CPF deductions and payments made to the members of TRAI-CPF on account of CPF withdrawals or temporary advances are done in accordance with the relevant rules and regulations and are regularly recorded in the bank book. The funds of TRAI-CPF are invested in prescribed Government Securities/

Fixed Deposits/Mutual Funds. The interests accrued/ received on these securities are properly credited to interest income. Decisions for investment of funds are taken in the periodical meetings of Board of Trustees. Interest on the CPF deposits of the members is credited to their individual accounts at the rate specified by the Central Government from time to time for the payment of interest on subscriptions to the General Provident Fund. Deficit, if any, in the interest payable to the members is met from TRAI General Fund. The members of TRAI-CPF Account are allowed withdrawal or for temporary advance out of their balance as per the guidelines of CPF Rules. In the case of advances given to the members, the Drawing and Disbursement Officer of TRAI is informed regarding the monthly deductions to be made from salary of the concerned members towards recovery of advances.

In our opinion, the internal Control System of the organisation is adequate and commensurate with its size and the nature of its functions.





FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
THE TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
BALANCE SHEET AS AT 31-MAR-2010

(Amount- Rs.)

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
TRAI - CPF MEMBERS' ACCOUNT	1	45396949.00	30077334.00
RESERVES AND SURPLUS	2	-	-
EARMARKED/ ENDOWMENT FUNDS	3	-	-
SECURED LOANS AND BORROWINGS	4	-	-
UNSECURED LOANS AND BORROWINGS	5	-	-
DEFERRED CREDIT LIABILITIES	6	-	-
CURRENT LIABILITIES AND PROVISIONS	7	-	-
TOTAL		45396949.00	30077334.00
ASSETS			
FIXED ASSETS	8	-	-
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9	-	-
INVESTMENTS - OTHERS	10	40656924.00	27312216.00
CURRENT ASSETS, LOANS, ADVANCES ETC	11	4740025.00	2765118.00
MISCELLANEOUS EXPENDITURE - on account of Diminution on Value of Investments (to the extent not written off or adjusted)			-
TOTAL		45396949.00	30077334.00
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		
Sd/- Sh. J. S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee	Sd/- Sh. S. B. Singh Dy. Advisor (Legal) Trustee	Sd/- Smt. Poonam Khurana P. A. (B&CS) Trustee	Sd/- Sh. M. S. Seetharaman Advisor (A&P) Ex - Officio President

THE TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/ YEAR ENDED 31-MAR-2010

INCOME	Schedule	Current Year	Previous Year
Income from Sales/ Services	12	-	-
Grants/ Subsidies	13	-	-
Fee/ Subscriptions	14	-	-
Income from Investments (Income on Invest from earmarked / endow. Funds transferred to Funds)	15	-	-
Income for Royalty ,Publication etc	16	-	-
Interest Earned	17	2290442.62	1441699.83
Other Income	18	-	-
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	-
TOTAL (A)		2290442.62	1441699.83
EXPENDITURE			
Establishment Expenses	20	-	-
Other Administrative Expenses etc	21	499.25	339.00
Expenditure on Grants, Subsidies etc	22	-	-
Interest	23	2841422.00	1828344.00
Diminution Value of Investments in Mutual Funds		162883.00	-
Depreciation (Net Total at the year end-corresponding to Schedule 8)		-	-
TOTAL (B)		3004804.25	1828683

(Contd...)





Balance being excess of Income over Expenditure (A-B)

-714361.63

-386983.17

Investments

-

Transfer to / from General Reserve

-

Balance being Surplus/ (Deficit) carried to

Recoverable from TRAI General Fund

11

-714361.63

-386983.17

SIGNIFICANT ACCOUNTING POLICIES

24

CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

25

Sd/-

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

Sd/-

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

Sd/-

Sh. S. B. Singh
Dy. Advisor (Legal)
Trustee

Sd/-

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

Sd/-

Sh. M. S. Seetharaman
Advisor (A&P)
Ex - Officio President

FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)
THE TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-MAR-2010
SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT

(Amount-Rs.)

	Current Year	Previous Year
Balance as at the beginning of the year	30077334.00	21932585.00
Add: Contributions towards Members' Account	15319615.00	8144749.00
Add/(Deduct): Balance of net income/(expenditure) transferred from the	-	-
Income and Expenditure Account	-	-

Sd/-
SRO (Accounts)





SCHEDULE 2 - RESERVE AND SURPLUS

	Current Year	Previous Year
1. Capital Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
2. Revaluation Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
3. Special Reserve:		
As per last Account		N.A.
Addition during the year		
Less: Deductions during the year		
4. General Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
TOTAL		

Sd/-
SRO (Accounts)

SCHEDULE 3 - EARMARKED / ENDOWMENT FUNDS

	FUND-WISE BREAKUP				(Amount-Rs.)	
	Fund WW	Fund XX	Fund YY	Fund ZZ	Current Year	Previous Year
a) Opening balance of the funds						
b) Additions of the funds:						
i. Donations/grants						
ii. Income from investments made on account of funds						
iii. Other additions(sepcify nature)						
TOTAL (a+b)						
c) Utilisation/expenditure towards objectives of funds						
i. Capital Expenditure						
- Fixed Assets						
- Others						
TOTAL						N.A.
ii. Revenue Expenditure						
- Salaries,Wages and allowances etc						
- Rent						
- Other Administrative expenses						
TOTAL						
TOTAL (c)						
NET BALANCE AS AT THE YEAR-END (a+b+c)						

Notes

- 1) Disclosures shall be made under relevant head based on conditions attaching to the grants
- 2) Plan funds received from the Central/State Governments are to be shown as separate funds and not to be mixed up with any other Funds

Sd/-
SRO (Accounts)



SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-Rs.)

	Current Year	Previous Year
1. Central Government		N.A.
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		
- Interest accrued and due		
b) Other-Loans (Specify)		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others (Specify)		
TOTAL		

Note: Amount due within one year

SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

	Current Year	Previous Year
1. Central Government		N.A.
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		
- Interest accrued and due		
b) Other-Loans (Specify)		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others (Specify)		
TOTAL		

Note: Amount due within one year

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

	Current Year	Previous Year
a) Acceptances secured by hypothecation of capital equipment and other assets		N.A.
b) Others		
TOTAL		

Note: Amount due within one year

Sd/-
SRO (Accounts)

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-Rs.)

	Current Year	Previous Year
A. CURRENT LIABILITIES		
1) Acceptances		
2) Sundry Creditors		
a) For Goods		
b) Others		
3) Advances Received		
4) Interest accrued but not due on:		
a) Secured loans/borrowings		
b) Unsecured Loans/borrowings		N.A.
5) Statutory Liabilities		
a) Overdue		
b) Others		
6) Other current Liabilities		
TOTAL (A)		
B. PROVISIONS		
1. For Taxation		
2. Gratuity		
3. Superannuation/Pension		
4. Accumulated Leave Encashment		
5. Trade Warranties/Claims		
6. Other(Specify)		
TOTAL (B)		
TOTAL (A+B)		

Sd/-
SRO (Accounts)





SCHEDULE 8 - FIXED ASSETS

(Amount-Rs.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the beginning of the year	On Additions during the year	On Deductions during the year	Total up to the year- end
A. FIXED ASSETS:								
1. LAND								
a) Freehold								
b) Leasehold								
2. BUILDINGS								
a) On Freehold Land								
b) On Leasehold Land								
c) Ownership Flats/ Premises								
d) Superstructures on land not belonging to the entity								
3. PLANT MACHINERY & EQUIPMENT								
4. VEHICLES								
								N.A.

(Contd...)

SCHEDULE 8 - FIXED ASSETS (Contd.)

DESCRIPTION	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year ended	As at the beginning of the year	On Additions during the year	On Deductions during the year	Total up to the year- end
5. FURNITURE, FIXTURES								
6. OFFICE EQUIPMENT								
7. COMPUTER/ PERIPHERALS								
8. ELECTRIC INSTALLATIONS								
9. LIBRARY BOOKS								
10. TUBEWELLS & W.SUPPLY								
11. OTHER FIXED ASSETS								
TOTAL OF CURRENT YEAR								
PREVIOUS YEAR								
B.CAPITAL WORK-IN-PROGRESS								
TOTAL								

(Note to be given as to cost of assets on hire purchase basis included above)

Sd/-
SRO (Accounts)



SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUND

(Amount-Rs.)

	Current Year	Previous Year
1. In Government Securities	/	N.A.
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
TOTAL		

SCHEDULE 10 - INVESTMENTS OTHERS

	Current Year	Previous Year
1. In Government Securities		
2. Other Approved Securities	14467117.00	5350000.00
3. Shares	-	-
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures	-	-
6. Others (fixed deposits in banks/PSU.)	26189807.00	21962216.00
TOTAL	40656924.00	27312216.00

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

	Current Year	Previous Year
A. CURRENT ASSETS:		
1. Inventories		
a) Stores and Spares	-	-
b) Lose tools	-	-
c) Stock-in-trade		
Finished Goods	-	-
Work in progress	-	-
Raw Material	-	-
2. Sundry Debtors:		
a) Debts Outstanding for a period exceeding six months	-	-
b) Others	-	-
3. Cash balances in hand (including cheques/drafts and imprest)		

(Contd...)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC (Contd..)

(Amount-Rs.)

	Current Year	Previous Year
4. Bank Balances:		
a) With Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts(includes margin money)	-	-
- On Savings Account	1174760.44	453752.96
a) With non-Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts	-	-
- On Savings Account	-	-
5. Post Office-Savings Accounts	-	-
TOTAL (A)	1174760.44	453752.96
B. LOANS, ADVANCES AND OTHER ASSETS		
1. Loans		
a) Staff		-
b) Other Entities engaged in activities/ objectives similar to that of Entity		-
c) Other (Specify)		-
2. Advance and other amounts recoverable in cash or in kind or for value to be received:		
a) On Capital Account		-
b) Prepayments		-
c) Others		-
3. Income Accrued		
a) On Investments from Earmarked/ Endowment Funds		-
b) On Investments - Others	2850904.17	1924383.28
c) On Loans and Advances		
d) Others (includes income due unrealised Rs.)		
4. Claims Receivable - (714361.63-1.24)	714360.39	386981.76
TOTAL (B)	3565264.56	2311365.04
TOTAL (A+B)	4740025.00	2765118.00

Sd/-
SRO (Accounts)



SCHEDULE 12 - INCOME FROM SALES / SERVICES

(Amount-Rs.)

	Current Year	Previous Year
1. Income from Sales	/	
a) Sale of Finished Goods		
b) Sale of Raw material		
c) Sale of Scraps		
2. Income from Services		
a) Labour and Processing Charges		N.A.
b) Professional/Consultancy Services		
c) Agency Commission and Brokerage		
d) Maintenance Services (Equipment/Property)		
e) Others(Specify)		
TOTAL		

SCHEDULE 13 - GRANTS / SUBSIDIES

	Current Year	Previous Year
(Irrevocable Grants & Subsidies Received)	/	
1) Central Government		
2) State Govenemnt(s)		
3) Government Agencies		N.A.
4) Institutions/Welfare Bodies		
5) International Organisations		
6) Other (Specify)		
TOTAL		

SCHEDULE 14 - FEES / SUBSCRIPTIONS

	Current Year	Previous Year
1. Entrance Fees	/	
2. Annual Fees/Subscriptions		
3. Seminar/Program Fees		N.A.
4. Consultancy Fees		
5. Others(specify)		
TOTAL		

Note: Accounting Policies towards each item are to be disclosed

Sd/-
SRO (Accounts)

SCHEDULE 15 - INCOME FROM INVESTMENTS

Investment from Earmarked Fund

	Current Year	Previous Year
(Income on Invest. from Earmarked/ Endowment Funds Transferred to Funds)	/	
1) Interest		
a) On Govt Securities		N.A.
b) Other Bonds/Debentures		
2) Dividends		
a) On Shares		
b) On Mutual Fund Securities		
3) Rents		
4) Others (Specify)		
TOTAL		
TRANSFERRED TO EARMARKED/ ENDOWMENT FUNDS		

SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATION ETC

	Current Year	Previous Year
1. Income from Royalty	/	
2. Income from Publications		
3. Others (Specify)		
TOTAL		

SCHEDULE 17 - INTEREST EARNED

	Current Year	Previous Year
1) On Term Deposits		
a) With Scheduled Banks	301272.78	299925.65
b) With Non-Scheduled Banks		-
c) With Institutions	1878714.84	1105106.18
d) Others		
2) On Savings Account		
a) With Scheduled Banks	110455.00	36668
b) With Non-Scheduled Banks	-	-
c) With Institutions	-	-
d) Others	-	-
3) On Loans		
a) Employees/Staff	-	-
b) Others	-	-
4) Interest on Debtors and Other Receivables	-	-
TOTAL	2290442.62	1441699.83

Sd/-
SRO (Accounts)



SCHEDULE 18 - OTHER INCOME

(Amount-Rs.)

	Current Year	Previous Year
1. Profit on Sale/ Disposal of Assets		N.A.
a) Owned assets		
b) Assets acquired out of grants, or received free of cost		
2. Export Incentives realized		
3. Fees for Miscellaneous Services		
4. Miscellaneous Income		
TOTAL		



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

	Current Year	Previous Year
a) Closing stock		N.A.
- Finished Goods		
- Work-in-progress		
b) Less Opening Stock		
- Finished Goods		
- Work-in-progress		
NET INCREASE/(DECREASE) [a-b]		



SCHEDULE 20- ESTABLISHMENT EXPENSES

	Current Year	Previous Year
a) Salaries and Wages		
b) Allowances and Bonus		
c) Contribution to Provident Fund		
d) Contribution to Other Fund(specify)		
e) Staff Welfare Expenses		
f) Expenses on Employees Retirement and Terminal Benefits		
g) Others (specify)		
TOTAL		

Sd/-
SRO (Accounts)

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-Rs.)

	Current Year	Previous Year
a) Purchases	-	-
b) Labour and processing expenses	-	-
c) Cartage and Carriage Inwards	-	-
d) Electricity and power	-	-
e) Water charges	-	-
f) Insurance	-	-
g) Repairs and maintenance	-	-
h) Excise Duty	-	-
i) Rent,Rates and Taxes	-	-
j) Vehicles Running and Maintenance	-	-
k) Postange,Telephone and Communication Charges	-	-
l) Printing and Stationery	-	-
m) Travelling and Conveyance Expenses	-	-
n) Expenses on Seminar/Workshops	-	-
o) Subscription Expenses	-	-
p) Expenses on Fees	-	-
q) Auditors Remuneration	-	-
r) Hospitality Expenses	-	-
s) Professional Charges	-	-
t) Provision for Bad and Doubtful Debts/Advances	-	-
u) Irrecoverable Balances Written-off	-	-
v) Packing Charges	-	-
w) Freight and Forwarding Expenses	-	-
x) Distribution Expenses	-	-
y) Advertisement and Publicity	-	-
z) Others (specify) - Bank Charges	499.25	339.00
TOTAL	499.25	339.00



SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC

	Current Year	Previous Year
a) Grants given to Institutions/Organisations	/	
b) Subsidies given to Institutions/Organisations		
TOTAL		

Note: Name of Entities,their Activities along with the amount of Grants/Subsidies are to be disclosed

SCHEDULE 23 - INTEREST

	Current Year	Previous Year
a) On Fixed Loans	-	-
b) On Other Loans(including Bank Charges)	-	-
a) Others (specify) - Interest Payable to Members	2841422.00	1828344.00
TOTAL	2841422.00	1828344.00

Sd/-
SRO (Accounts)



THE TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2010

RECEIPTS	Current Year	Previous Year	PAYMENT	Current Year	Previous Year
I. Opening Balance			1. Expenses		
a) Cash in hand	-	-	a) Establishment Expenses (corresponding to Schedule 20)	-	-
b) Bank Balances			b) Administrative Expenses (corresponding to Schedule 21)	499.25	339.00
i) In current accounts		-			
ii) In deposit accounts		-			
ii) Savings accounts	453752.96	629829.96			
II. Grants Received			II. Payments made against funds for various projects		
a) From Government of India			(Name the fund or project should be shown along with		
b) From State Government			the particulars of payments made for each project)		
c) From Other Sources (Details)					
(Grants for capital & revenue exp to shown sperately)					
III. Income on Investments from			III. Investments and Deposits made		
a) Earmarked/ Endow Funds			a) Out of Earmarked/ Endowment funds		
b) Own Funds (Oth Investment)			b) Out of Own Funds (Investments - Others)	19689807.00	12759777.00
IV. Interest Received			IV. Expenditure on Fixed Assets & Capital Work-in-progress		
a) On Bank Deposits - (Sch. A)	580433.00	469257.00	a) Purchase of Fixed Assets		

(Contd.)

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2010 (Contd.)

RECEIPTS	Current Year	Previous Year	PAYMENT	Current Year	Previous Year
b) Loans, Advances etc.			b) Expenditure on Capital Work-in-progress		
c) Miscellaneous - (Sch. B)	783488.73	455915.00			
V. Other Income (Specify)			V. Refund of surplus money/ Loans		
To Miscellaneous Income			a) The Government of India		
			b) The State Government		
			c) Other providers of funds		
VI Amount Borrowed			VI. Finance Charges (Interest)		
VII. Any other Receipts (Give Details)			VII. Other Payments (Specify)		
Fees			Final Payments	1732366.00	678383.00
Capital Fund			Advances and Withdrawals	2529420.00	3126200.00
Sales of Publication					
Sale of Assets			VIII. Closing Balances		
Contribution from Members	10135390.00	5704198.00	a) Cash in hand		
Contribution from TRAI	3415482.00	3852211.00	b) Bank Balances		
Transfer of Balances	2722501.00	407,897.00	i) In current accounts		
Repayment of Advances	466606.00	156682.00	ii) In deposit accounts		
Maturity of FDs/ Encashment of Mutual Funds	6182216.00	4697851.00	iii) Savings accounts		
Interest Shortfall Recovered from TRAI Gen. Fund	386983.00	644,609.00			
Payable to TRAI	-	2.00		1174760.44	453752.96
TOTAL	25126852.69	17018451.96	TOTAL	25126852.69	17018451.96

Sd/- Sh. J. S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee	Sd/- Sh. S. D. Sharma Dy. Advisor (HR &OS) Ex - Officio Trustee	Sd/- Sh. S. B. Singh Dy. Advisor (Legal) Trustee	Sd/- Smt. Poonam Khurana P. A. (B&CS) Trustee	Sd/- Sh. M. S. Seetharaman Advisor (A&P) Ex - Officio President
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SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

1 Accounting Conventions:

- (a) The financial statements have been prepared in the "Uniform Form of Accounts" as approved by the Controller General of Accounts vide their letter No. F.No.19(1)/Misc./2005/TA/450-490 dated 23.07.2007.
- (b) Accounts have been prepared on accrual basis for the current year i.e., 2009-10 - There is no change in Method of Accounting from the preceding year.



SCHEDULE 25 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

Contingent Liabilities:

- 1 Claims against the Entity not acknowledged as debts NIL

Notes on Accounts

- 1 Investments have been made on the pattern prescribed in the Notification of Ministry of Finance (Department of Economic Affairs) dated 14th August 2008, effective from 1st April 2009.
- 2 As per approval of Competent Authority, the shortfall of Interest, if any, between Interest Earned on Investments made and Interest Payable to Subscribers, will be borne out of the TRAI General Fund. Accordingly, in this year, a sum of Rs. 714361.63/- recoverable from TRAI General Fund has been accounted for.
- 3 In compliance with the requirements of Accounting Standard (AS) - 13 issued by the Institute of Chartered Accountants of India (ICAI) and as suggested by the Audit Party in SAR of financial year 2008-09, a sum of Rs. 162883/- as Diminution Value in some Mutual Fund Investments as on 31-03-2010 has been duly accounted for in the Books of Accounts.

Sd/- Sh. J. S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee	Sd/- Sh. S. D. Sharma Dy. Advisor (HR &OS) Ex - Officio Trustee	Sd/- Sh. S. B. Singh Dy. Advisor (Legal) Trustee	Sd/- Smt. Poonam Khurana P. A. (B&CS) Trustee	Sd/- Sh. M. S. Seetharaman Advisor (A&P) Ex - Officio President
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List of abbreviations used in this compilation

2G	Second Generation
3G	Third Generation
ADB	Asian Development Bank
ADC	Access Deficit Charge
AGR	Adjusted Gross Revenue
Anatel, Brazil	Agência Nacional de Telecomunicações (Brazilian telecommunications regulator)
APT	Asia Pacific Telecommunity
ARPU	Average Revenue Per User
AS	Autonomous System
ATN	Action Taken Notes
AUSPI	Association of Unified Service Providers of India
BARC	Broadcast Audience Research Council
BGP	Border Gateway Protocol
BSNL	Bharat Sanchar Nigam Limited
BSO	Basic Service Operator
BWA	Broadband Wireless Access
CAG	Consumer Advocacy Group
CAPEX	Capital Expenditure
CAS	Conditional Access System
CATV	Cable Television
CDMA	Code Division Multiple Access
C-DOT	Centre for Development of Telematics
CII	Confederation of Indian Industries
CLIP	Calling Line Identification Presentation
CLS	Cable Landing Station
CMTS	Cellular Mobile Telephone Service
COAI	Cellular Operators Association of India
CPGRAMS	Centralized Public Grievances Redressal and Monitoring System
CPP	Calling Party Pay
CUG	Closed User Group
CUTCEF	Committee on Utilization of Telecommunication Consumers Education and Protection Fund
DEL	Direct Exchange Line
DIT	Department of Information Technology
DLC	Domestic Leased Circuits
DoT	Department of Telecommunication
DTH	Direct to Home
EETT Greece	Hellenic Telecommunications and Post Commission
EVDO	Evolution Data Optimized
FDI	Foreign Direct Investment
FLRIC	Forward looking Long Run Incremental Cost





FTA	Free to Air
GMPCS	Global Mobile Personal Communication System
GPRS	General Packet Radio Service
GSM	Global System for Mobile Communication
HITS	Head End in the Sky
ICT	Informations and Communications Technology
IETF	Internet Engineering Task Force
ILD	International Long Distance
ILDO	International Long Distance Operator
IMEI	International Mobile Equipment Identity
IN	Intelligent Network
IP	Infrastructure Provider
IPLC	International Private Leased Circuit
IPTV	Internet Protocol Television
IPv6	Internet Protocol version 6
ISP	Internet Service Provider
ISPAI	Internet Service Providers Association of India
ITeS	Information Technology Enable Services
ITU	International Telecommunication Union
IUC	Interconnection Usage Charge
LRN	Location Routing Number
M/o I&B	Ministry of Information & Broadcasting
MDU	Multiple Dwelling Unit
MIC Japan	Ministry of Internal Affairs & Communication, Japan
MLPA	Multi Lateral Peering Agreement
MNP	Mobile Number Portability
MOU	Minutes of Usages
MSC	Mobile Switching Centre
MSO	Multi System Operators
MTNL	Mahanagar Telephone Nigam Limited
MVNO	Mobile Virtual Network Operator
NDNC	National Do Not Call Registry
NGN	Next Generation Network
NGN-Eco	Next Generation Network Expert Committee
NGO	Non-Governmental Organization
NIC	National Informatics Centre
NIDQS	National Integrated Directory Enquiry Service
NIXI	National Internet Exchange of India
NLD	National Long Distance
NLDO	National Long Distance Operator
NNP	National Numbering Plan
NRRDA	National Rural Roads Development Agency
NTP	National/ New Telecom Policy
NTRA, Egypt	National Telecom Regulatory Authority , Egypt

OBD	Out Bound Dialer
OECD	Organization for Economic Cooperation and Development
OFC	Optical Fibre Cable
OHD	Open House Discussion
OPEX	Operational Expenditure
OTEF	One Time Entry Fee
PCO	Public Call Office
PMRTS	Public Mobile Radio Trunked Services
POI	Point of Interconnection
POP	Points of Presence
PSU	Public Sector Undertaking
QoS	Quality of Service
RIO	Reference Interconnect Offer
SACFA	Standing Advisory Committee on Frequency Allocation
SATRC	South Asian Telecommunication Regulator's Council
SDCA	Short Distance Charging Area
SIM	Subscriber Identity Module
SMS	Short Messaging Service
SP	Service Provider
SRS	System Requirements Specifications
TAM	Television Audience Measurement
TCEPF	Telecommunication Consumers Education & Protection Fund
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TEC	Telecom Engineering Centre
TRAI	Telecom Regulatory Authority of India
TRP	Television Rating Points
TTO	Telecom Tariff Order
UASL	Universal Access Service Licence
UCC	Unsolicited Commercial Communication
USL	Universal Service Levy
USOF	Universal Service Obligation Fund
USSD	Unstructured Supplementary Service Data
VAS	Value Added Service
VCC	Virtual Calling Card
VOD	Video on Demand
VoIP	Voice on Internet Protocol
VPT	Village Public Telephone
VSAT	Very Small Aperture Terminal
Wi-Fi	Wireless Fidelity
WiMax	World-wide Interoperability for Microwave Access
WLL	Wireless in Local Loop
WPC	Wireless Planning & Coordination
WTO	World Trade Organization







Telecom Regulatory Authority of India

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